

# Multidimensional Mishmash: How Fractionated IT Management Structures Impede Management

## Description

A model of an average enterprise contains numerous dimensions, way more than the three that we are intrinsically familiar and comfortable with or the seven that is the upper limit of what we are supposedly able to deal with conceptually. Structures set up to govern and manage in this space can be highly dynamic and may only occasionally align with the model in such a way that an organization's decision-making capabilities are perfectly enabled to make well-reasoned, fact-based judgements. Often, especially in the realm of Information and Communications Technology (ICT,) silos of specialized knowledge and information proliferate, exacerbating the problem.

It has been said that describing a problem without offering a solution is nothing more than whining. It has also been said that it is impossible to find solutions without adequately defining problems. In this post, I will examine the problem through the lens of the ICT organization, though the problem exists in parallel throughout most organizations. Rather than being perceived as merely whining, I hope that this post is the beginning of a thorough enough exploration of the problem to begin to develop some approaches to addressing it.

## The Enterprise Architecture: Describing the Business

The structure of an enterprise may be expressed as a hierarchy. At the top is strategy. Beneath that are the products it makes and the services it sells. Then, the capabilities and services needed to create, deliver and support them. And, finally, the design for how to deploy people and assets to enable delivery of the capabilities.

This architecture constitutes a hierarchy of WHY (the strategic assumptions on which the WHAT and HOW of the business are based,) WHAT (what it sells) and HOW (how it is produced.) It can be summarized as:

- WHY
  - Strategy, Business Model, Operating Model
    - What markets should we be in?
    - How will we present and differentiate ourselves in these markets?
    - SWOT—What are the Strengths and Weaknesses we have vs. competitors in these markets? What is our Opportunity set? What Threats do we face in pursuing our strategy?
- WHAT
  - Products/Service Offerings, Business Units
    - What products and services should we offer?

- What characteristics must they have to be appropriate for the targeted markets/segments?
- How should the organization be configured to operate and manage their delivery? (Should we split the enterprise into separate business units with P&L responsibility for one or more products? If so, how?)
- HOW
  - Required Enablers: Capabilities and Services
    - What do we have to be able to do to deliver each of our products/service offerings?
    - What specific competences are required?
    - Which capabilities are unique and specific at the business unit or product/service level and which can be shared?
- Operational Architecture:
  - How will we structure the organization to enable our business and operating models?
    - People: organization design, assignments, roles and responsibilities
    - Processes: how what gets done gets done
    - Technology: applications, purchased services and infrastructure

The Enterprise Architecture is not a strict hierarchy. Products and services can bleed across elements of the strategy and share capabilities; people and assets can be shared among various parts of the business. While it is important to be able to trace the value chain over the lifecycle of a product or service offering, it is equally important to identify and document all of the places in which capabilities are shared across products or services and among elements of the organization. Understanding this as-is architecture is critical to enabling successful transformation to evolve the business.

## Driving Concerns

Successfully executing the strategy requires that the organization manifest several characteristics and meet various performance targets. Among them:

- Enterprise and Business Line Characteristics
  - Agility – the ability to evolve to exploit new opportunities and react to new threats
  - Scalability – the ability to grow and shrink to adapt to changing market conditions
  - Survivability – the ability to respond to adverse events and continue to operate at an acceptable level
- Risk Management
  - Risk Identification and assessment – the ability to identify and quantify potential risks on a strategic and operational level
  - Mitigation planning – the ability to devise approaches to mitigate risks or respond to adverse events
- Security
  - Define how data on the organization, employees, customers, shareholders and partners will be protected and what policies and processes will be implemented to enable the protection plan.
- Market expectations

- Scenario development – the ability to enumerate and articulate scenarios that comprise the planning domain for the lines of business in which the company engages.
- Costs and controls
  - Cost projection and management – the ability to identify, plan for and control expenditures associated with company operations.

## The ICT Hyperspace

Given what we believe the enterprise looks like today and what it may look like tomorrow, there are a plethora of decisions that must be made about how information technology will be deployed, managed and supported throughout the organization.

- Application systems
  - Functionality supported
  - Allocation to users – what can be shared and how?
  - On-premise, Co-located, SaaS
- Implementation technologies
  - What standards will we observe?
  - How will we accommodate services based on non-standard tools?
  - What to invest in research, experimentation and evolution?
- Infrastructure, network topology, implementation and operation
  - What needs to be ours and what can we outsource?
- In-house vs. purchased services
  - Application development and maintenance
  - Operations
  - Support – who will support operations and users?

## The Effects of Changes Over Time

- Planned and expected
- Possible scenarios
- Exogenous, unplanned for scenarios with substantial impact

## CSFs and KPIs: How Will We Prioritize?

- Functionality
- Agility
- Performance
- Capacity/Scalability
- Recoverability
- Others?

## ICT Structure, Roles and Responsibilities: Too Many Cooks?

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