

Business Driven Information Technology for the Business

How to Lower Hidden Costs and Guarantee Service Delivery



Empowering Business for Today and Tomorrow

Necessary Evil

- ROI not realised
- Escalating expenditure
- Failed implementation
- Project over runs
- Poor service
- Inferior communication
- Compliance headaches
- Means: rising hidden costs, failure to guarantee service delivery and loss of market share



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Realise the True Cost

- Re-keying between systems

Costing	
Wage	\$40,000 per annum
Cost	\$50 per day
Total	<u>\$52,000</u>

Scenario	
5 People	\$260,000
10 People	\$520,000
20 People	\$1,040,000

- Plus:
 - Error propagation
 - Cost of refunds
 - Brand damage etc.

- Hidden
- Not understood
- Just accepted
- Not revenue



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Aligning IT to Business

Making IT Customer Service Driven to Guarantee Delivery



Role of IT in Shareholder Value



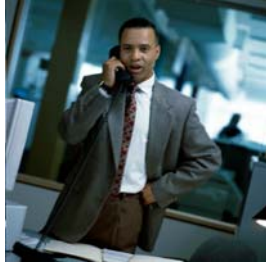
Boardroom Balance

- Non-Executive Director
- IT in annual reports
- IT reporting in balanced scorecards
- Business strategy
- Appropriate spend



Customer Driven IT

- Business gets the IT deserved
- Cost Recovery
- Service model
- Priority setting
- Incentives & penalties
- Shadow IT



Transforming IT

- Mandate from management
- Stabilisation project
- Reporting & time management
- Documentation
- Standard environments
- SDLC
- Cultural change & skilling
- Customer service framework
- IT to sell itself



IT Must Sell Itself to the Business

- Sell what IT does & can do for the business
- Marketing brochure on every ones desk
- IT open days
- IT breakfasts
- IT road shows and presentations
- Better email communication
- Newsletters and updates



Business Driven Solutions

Simple Drivers to Deliver Proven Solutions



Designing the Knowledge Worker Assembly Line

- IT is the assembly line for knowledge workers
- Design what we make then design the assembly line
- Cost, timeframe, quality, how many people
- Assure quality of hand-off
- Standard monitoring, assurance & reporting

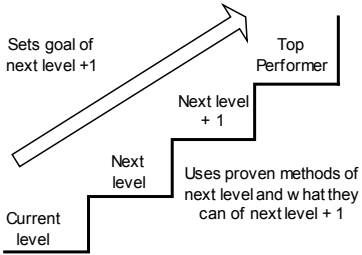


Market Forces Drive Design

- One size does **NOT** fit all
- Mature market is a highly standardised offering
- Evolving market rapid design changes
- Know your product offering
- Differs between & within an organisation



Market Forces in Solution Design



- Model for IT optimisation
- Migration path
- Proven, simple, effective
- Business optimisation model



Rigorous Design & Engineering



Out-Sourcing & Off-Shoring

How to Make Them Work



Hollywood Film Model

- Unstoppable forces - Globalisation & IT
- Routine processing done by IT
- From processing to value added problem solving
- Project focused
- Business focus on core competency
- Build teams to get out-comes
- Keep control
- Ability to problem solve



Organising Out-Sourcing

- Strategy - breaking the assembly line
- Owning Ownership
 - NO responsibility, NO control
- Preventing Problem Passing
 - Passing a Problem is NOT going to fix it
- Business Process Bonds
 - Core / Non-core competency
 - Understanding what is being outsourced



Organising Out-Sourcing

- Accountant Accountability
 - True cost and make the accountants accountable
 - Reward outsourcer on results returned
- Dependency
- Breaking the Relationship



Off-Shoring Outcomes

- Interrupting the knowledge worker assembly line
- Risk Management
- Loyalty
- Ownership
- Collaboration



Moving Forward

Create the Knowledge Worker Assembly Line and Standardise



Together We Make the Required Change

- Make a decision & take responsibility
- As the customer interacts, take one area of business map & model processes end-end
- Define the standard recipes
- Implement the assembly line
- Standardise
- Next area



Henry Ford had the Vision to Create the Assembly Line for Cars

**Will you be the Henry Ford
for Knowledge Workers?**



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Questions



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