Getting Tactical
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Technology

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Senior IT managers can use models as governing templates to enforce standards for quality and cost management.

Getting Tactical

Insurance companies are faced with myriad business-technology mandates to keep costs low, customer service up and regulatory requirements straight. It is no wonder, then, that insurers are joining the ranks of companies creating information-technology governance structures to institutionalize IT procedures and standards for quality and cost management.

Strategic IT governance brings senior business and technology leaders together to answer the question, "Are we doing the right things?" Tactical IT governance helps them answer "Are we doing the right things right?" Tactical control cannot be underestimated—once strategic direction has been established and communicated, management needs to ensure that it is implemented in a way that produces the intended results. It would be useful here, then, to examine how an emerging IT management approach, Business Technology Management, makes use of enterprise models as a tactical control mechanism for promoting quality assurance, enforcing corporate IT standards and highlighting redundancies.

Typically, companies formalize and enforce best practice quality methods by creating standards; however, the difficulty often lies in embedding these standards in processes. This is especially true for IT projects.

Much like manufacturing's product development process, IT projects are complex, with myriad inputs and outputs involved from the "conceive" and "design" stages on through "build," "test" and "deploy" stages. Consequently, there are a number of opportunities for costly errors or inconsistencies to arise during the project life cycle.

In response, project managers rely on quality management techniques and standards to get the job done on time, on budget and according to business requirements. These may be overarching project-management standards such as those endorsed by the Project Management Institute, or Six Sigma standards at the business-process level, or software engineering standards such as the Capability Maturity Model. But how closely such standards are followed depends on the ability of the organization to effectively inject these standards in the daily workings of these projects. The far-flung realm of IT, in combination with the scale and speed of change that IT is required to enact, make this a formidable task even for the most efficient companies.

BTM plays an integral role in facilitating the institutionalization of standards. First, standards—whether they are data exchange standards (such as ACORD XML), vendor-specific standards (such as SAS, Nortel) or another variety—are captured and codified in the business, process and technology models produced during project analysis and design. Incorporating standards in enterprise models encapsulates the detailed information necessary to satisfy high levels of quality compliance in the design specs. For example, if you are rolling out a large-scale enterprise software package to multiple business units, you'd likely want to make sure that the rollout is standard in every instance to reduce risk, contain costs, maintain scope and timetables and consistently map functional requirements to technology capabilities. Models serve as design specs for the IT initiative, enabling project teams to maintain consistent and repeatable levels of quality throughout each rollout. Simply put, models make standards public knowledge, not tribal knowledge.

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Through the use of models, project participants have immediate visibility and access to IT purchasing standards during vendor evaluation and selection. Making guidelines and procedures highly visible during this process safeguards against maverick spending. In addition, program managers who appropriate resources, develop cost estimations and allocate budgets can use models to identify clearly elements that currently are shared or have the potential to be shared between projects, highlighting and excising waste.

Finally, by following BTM's principle of reusability, project managers can make certain that even far-flung project teams remain on the same page. They do this by creating and providing access to a repository of models that should be used as governing templates for upcoming projects. In this way, standards are propagated globally across functional and physical geographies, promoting widespread adoption and use. This, of course, can be of particular benefit when certain tasks are delegated to external service providers who may be located off-site from the project or whose level of active involvement is irregular. Whether the project participant is internal or external, the use of templates helps project managers increase standards compliance, and by proxy, the derivative return that organizations receive on investments in such methods. BR

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