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Innovation Through IT Architecture

An interesting statistic was recently provided in the Gartner Group's 2008 Worldwide Survey of CIOs – 85 percent of CIOs are now looking toward "IT to make the difference in their enterprise strategy." This serves the theme of this blog: innovation and an architectural approach for CIOs to make a difference!

Working with CIOs globally we find that in their zeal to deliver new innovative capabilities to the business, they believe the answer is to invest in large teams of developers, placing them in the business units they serve with a directive to be responsive. Although this helps to align development efforts for specific departmental needs, this approach fragments IT's ability to innovate in a consistent, predictable, and sustaining manner.

The result of not coordinating multiple development teams against architectural drivers, standards, patterns, maturity models, and such can lead to similar applications being built in completely different manners, with different vendors selected, different technologies used AND creating new complexities, waste, inefficiency, poor performance, difficulty to reuse and recreate quickly.

So how can companies drive innovation while remaining responsive to the business? Some visionary organizations are implementing a top-down architectural driven approach similar to what we were successful with. These organizations are recognizing that their IT strategies must be architected in a manner that creates a portfolio of assets that can be cross-leveraged to afford agility and drive rapid innovation.

To do this, we coach organizations on the need to understand and address the following:

Service Portfolio – create a Business & IT portfolio. Institutionalize and drive a top down effort to collect, maintain, track, and live the drivers and metrics of business in terms of current state and target state in terms of products, services, channels, industry competitive benchmarks and identified gaps in terms of cycle times, functionality, regulatory changes, and so forth. Additionally, firms must map and coalesce their current state and target state of applications, information repositories and infrastructure components. Ensure IT allocation and unit costs are captured and well understood in a standardized classification or taxonomy. Capture this in a repository, maintain this, and utilize business intelligence tools to identify opportunities to create new capabilities

Architecture vs. development – an absolute organizational role definition must for any successful CIO to drive innovation. Application development is successful when teams are focused on the user interaction, workflow, information flow, and business logic automation. Application development teams are NOT successful when serving as architectural pretenders (typically you will hear "we know what we are doing, we don't need architects telling us how to design the system.) This is where innovation is stifled, complexity is created and broad-based misalignment on the delivery of IT for the strategic direction of the business. Lessons from the oldest industry of the world -- "construction" -- have always separated architecture from building. IT needs to ensure this lesson is applied intelligently to its industry.

Product management – the key for a CIO to drive innovation is to productize IT and its associated services. By leveraging a functional role of product management from successful industries such as IT vendors, consumer products, content providers, and the like, organizations can drive disciplined and incremental innovation. This value intermediary role creates the opportunity to create situational fluency and provide creative insight due to the global view of the entire IT program, components, and successes. This function or team needs to be part of architecture and office of technology role. Additionally, for it to be successful, requires a "seat at the table" – whether in the form of a Chief Architect or some other direct report to the CIO. This ensures that as planning and dealing with challenges arise, this individual and supporting function has the insight that can "turn the light bulbs on" while decisions are being or need to be made.

Organizations that implement and address the points above and begin to drive innovation in various forms include:
- new digital supply chain capabilities to differentiate the business
- new information delivery models for improved decision making
- increased investment focus on new services versus maintenance or redundancy work
- radical efficiency impacts and cost takeouts
- reduced time to build and deploy what the business needs/when they need it
- significant performance and service level improvements
- simpler ways to implement regulatory measures
- increased customer satisfaction through "good ideas"
- analyst insight into business demand trends that can identify new business opportunities

We do not intend to imply that we feel technology and architecture are the only ways to innovate. There are many proven methods from napkin diagrams to idea communities and so on. Rather, this approach means to serve IT leaders who are faced with changing economic times, globalization, and radical commodization of its business products or services. If they are trying to do more with less, do more faster, and do things smarter – they may want to consider such an approach that has helped us in the past and cutting edge organizations today.

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