

## EXPLORING THE MANAGEMENT OF IT IN THE NORTH EAST OF ENGLAND

*is there an IT 'attention deficit'?*



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# 1) Executive Summary

## IT critical to business success: it needs a greater focus from the Board

Information Technology (IT) is critical to day-to-day operations and is also a key contributor to current and future sources of competitive advantage (a total of 94% of 117 respondents). IT also makes an important contribution to cost reduction and improving efficiency (70% were satisfied or very satisfied). 59% of respondents also indicated that 50%+ of IT projects are successful in realizing benefits, which compares favourably with typical results that around 70% of IT projects *fail* to deliver benefits.

**There are a number of opportunities for action.** Given the strategic importance of IT, it is surprising that the senior IT manager is a full member of the top management team in only 45% of cases. Also, only 29% agreed or strongly agreed that senior business and IT managers speak the same language. Action is required to help align business and IT visions. This will require establishing a common language so there is more effective engagement in realizing the strategic potential of IT.

The ability of the organization to exploit current systems and information is the area where there is the greatest need for a stronger focus on benefits realization. Only 44% were satisfied with this area, considerably lower than the responses for reliability and benefits realization in general. This reflects the economic environment, but benefits exploitation is also an area that has been neglected in many organizations.

We set out three areas where action is required in many organizations:

1. Develop the role of the CIO and IT leadership team to make a greater strategic contribution.
2. Develop an 'IT savvy' business leadership team.
3. Establish a programme of action to increase the benefits realized from *existing* systems and information

It would also be helpful to explore the current benefits realization capability of your organization and to consider specific priorities for action.

## Outline of this report

In the next section we provide an introduction to the research that underpins this report. We also provide a summary of previous research exploring the attention given by the board to IT related issues.

We then explore the strategic contribution of IT, bringing together the results of the research with the 'IT investment portfolio', which provides a framework for exploring and managing the role and contribution of IT in an organization.

We outline aspects of the current benefits realization capability of organizations, focusing specifically on a board level perspective and the role of senior management.

Finally, we provide guidance on how to make a difference, exploring next steps to realize the strategic potential of IT.

**Acknowledgement:** the work was made possible by Sue Ormerod of Nigel Wright, and the IT Directors Forum led by Sue. She has provided encouragement, insight, and support to enable us to connect with senior managers and explore the implications of the findings for organizations in the North East.

## 2) Introduction to the Research

### Drivers for the research: building a thriving economy in the North East

Information Technology (IT) is a critical factor in the development of the economy in the North East of England. IT provides the foundation for a growing range of digital businesses and is also a major contributor to the performance and productivity of private sector businesses in many sectors, as well as health, higher education, and a wide range of other public sector and not for profit organizations. IT has a critical role to play in all sizes of organization from the one-person start-up to the very largest.



Innovation in IT is continuing at a very rapid pace and will continue to provide new opportunities for organizations. The impact has gone far beyond the automation of transactions and there is an increasing contribution to the knowledge economy and productivity of the knowledge worker.

Previous research suggests that around 70% of IT projects fail. One of the causes is an “IT attention deficit” in the boardroom. In many cases top management lack knowledge and skills to enable their organizations to succeed with benefits realization from IT. Often the Board itself does not give sufficient focus to the strategic issue of exploiting IT to improve business performance. Do these findings apply in the North East of England?

The objective of this research was to explore the question: “have organizations in the North East got the leadership capabilities to realize the strategic potential of information systems?”

### Outline of the research

The aims of our research were to explore: (i) if there is an IT attention deficit in the North East of England, and (ii) what are the priorities for action to develop the benefits realization capability of organizations? We carried out a survey between Dec 2009 and Feb 2010 to explore the views of senior business managers.

Of the 117 responses 55% were from Board level management and a total of 75% were from senior business and IT management. The head office of 78% of the respondents is in the North East of England. The findings in this initial report are based on the total responses.

This report provides an initial analysis of the survey results and starts to explore the implications for management. We make a number of recommendations addressing development of the role of the Chief Information Officer and IT function; as well as wider actions to contribute to improved business performance by developing a stronger capability to realize the strategic potential of IT.

## 2.1) Foundations for the current research: a report on IT representation in US boardrooms



### IT and the board of directors: is there an IT attention deficit?

#### Findings from previous research

Given the ever-increasing importance of information technology (IT) to corporate success, board scrutiny of IT activities is a critical issue. The study conducted interviews with board chairs and board members of 17 medium to large corporations, most with global operations.

The question to them: “How much attention does your board give to a range of IT-related issues, specifically, the CIO’s IT vision for the company, the IT strategic plan, major IT application decisions, IT leadership, IT functional structure, IT function effectiveness, IT risk and exposure, and whether or not IT applications provide competitive advantage?” The researchers interviewed the Chief Information Officers (CIOs) at 17 firms about their view of what their boards ought to be considering.

The research found an “IT attention deficit” in these boards. The CIOs were nearly unanimous that boards should pay attention to: the IT vision, the IT strategic plan, IT competitive advantage, IT effectiveness, IT risk, and very large application development decisions and projects.

All 17 boards were unanimous only on paying attention to IT risk. One-half of the boards of the financial services firms had discussed the other topics. But none of the boards of the primary resource firms (energy, mining, forestry, agricultural products, and oil exploration and extraction) had discussed the other topics.

#### Six ways boards can reduce their IT attention deficit

The authors make six recommendations for reducing the IT attention deficit: (1) include IT on the board agenda; (2) invite the CIO to board meetings; (3) elicit brief CIO presentations; (4) recruit IT experience onto the board; (5) get the board talking about IT; and (6) realize that boards now operate in an IT era.

Sid Huff & Michael Maher, MIS Quarterly Executive Vol 5. No. 2 / June 2006

### 3) The strategic contribution of IT

#### Rapid IT innovation: enabling business change and transformation.

Technology has developed at an astounding speed. Around 15 years ago a Terabyte of disk storage would have filled a large data centre and cost £m's. Now you can have a 1Tb external drive plugged into your laptop for around £65, and the 2Tb memory stick is on its way. Similar developments have affected processor power and communication networks. As Bill Gates is reputed to have said - "If GM had kept up with technology like the computer industry has, we would all be driving \$25 cars that got 1000 mpg."

Technology by itself is not the source of benefits. Benefits come when the technology is used to enable *people* to do things differently. Technology developments have enabled rapid innovation across all sectors of the economy as technology enables new products, services and ways of working.

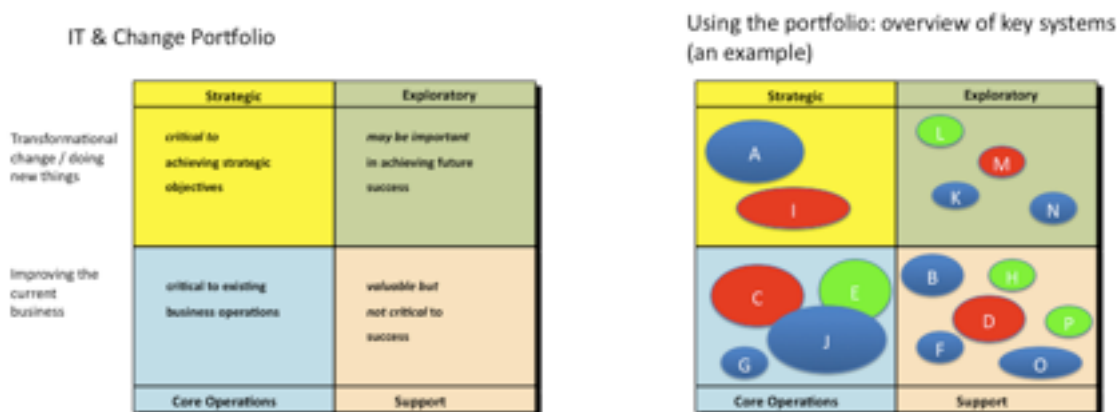
While we acknowledge that there can be a lot of hype about the extent and speed of change, continued, rapid innovation in technology is going to be a major driver of challenges and opportunities for organizations in the years ahead.

#### Pervasive impact of IT: opportunities for integration and efficiency

The improved price-performance of IT, the increasing power of software, often available on a pay per use basis over the Internet (Software as a Service / Cloud Computing), has made IT pervasive. There continue to be opportunities for cost savings from improved efficiency, and for improved effectiveness through integration within and between organizations. Newer trends, including collaborative technologies (e.g Web 2.0), are changing customer expectations and bringing new opportunities for innovation.

#### The IT investment portfolio: clarifying strategic alignment

An important starting point for realizing value from investments in IT is the Investment Portfolio. This describes the investments in applications and services (those already in place, those planned and future possible applications), not in terms of technology but in terms of their role and contribution to business performance. The portfolio enables senior business and IT managers to work together to get a clearer focus on doing the right things: setting priorities and ensuring strategic alignment of investments in IT-enabled change. The portfolio is based on a paper by McFarlan (Harvard Business Review, 1981) and work Ward & Peppard (see their book Strategic Planning for Information Systems, 2002).



There are four classes of contribution to business performance. **Core Operations** systems are those where the IT is so embedded and necessary that if the system failed the organization would suffer extensively, e.g. an airline booking system. In any given industry or sector, organizations will have more or less the same Core Operations portfolio.

**Support** systems are about efficiency improvement. Their failure does not have far-reaching consequences, e.g. training records unavailable for a week. Eventually of course, if the records remained unavailable for a significant period there would be some impact on performance.

**Strategic** and **Exploratory** are quite different – they both concern themselves with the future. Strategic systems are not just very big systems – they are those that genuinely contribute to the business’s plans and strategies. When these are implemented, people will work in very different ways – ways that will confer a competitive advantage for instance. The system does not deliver the strategic benefit – that comes from the change in the way business will be done, but the system is nevertheless crucial to the business change, e.g. integrated international supply chain systems needed for truly global operation.

**Exploratory** investments are the Research & Development of IS activity – prototypes, pilots, etc. of ideas that *may* confer large benefits. These projects are the basis for innovation. The uncertainty means that large sums of money should not be laid out until some preliminary business experimentation has taken place to explore if the benefits really exist and how they can be realized.

In a business value sense the portfolio charts the benefit life cycle of an IS investment: a promising idea is tested for proof of benefits as an Exploratory activity, if it is worthwhile it is implemented and confers Strategic advantage. Because it is good, it is copied by the industry and thus is classed as Core Operations. In time, as better IS offerings emerge; the application may migrate to Support.

The portfolio can be used to help review current IT systems and services; to manage current projects; and to explore priorities for future investments in IT. It provides a very powerful basis for bringing together senior business and IT stakeholders to make informed decisions based on a common, business oriented language.

### **Benefits-driven approach to IT investments**

Benefits from IT come from *people* doing things differently. IT investments succeed not simply through the implementation of technology, but through a focus on benefits for customers, other stakeholders and the organization. This perspective means that success in benefits realization requires a multi-disciplinary approach bringing together knowledge and skills from across the organization. Success requires an ‘organizational capability’ for benefits realization which is broader than the IT function itself

### **The survey: exploring the strategic contribution of IT**

In this research we have explored the benefits being realized from IT and aspects of the organizational capability for benefits realization. The results are based on the views of senior management in a cross section of organizations in the North East of England.

The starting point for the survey was to explore the perceived strategic contribution of IT.

### **Using the IT Investment portfolio**

Start by identifying current systems and projects.

Then, in a workshop session between a small group of business and IT managers, debate how these systems / projects contribute to organizational objectives.

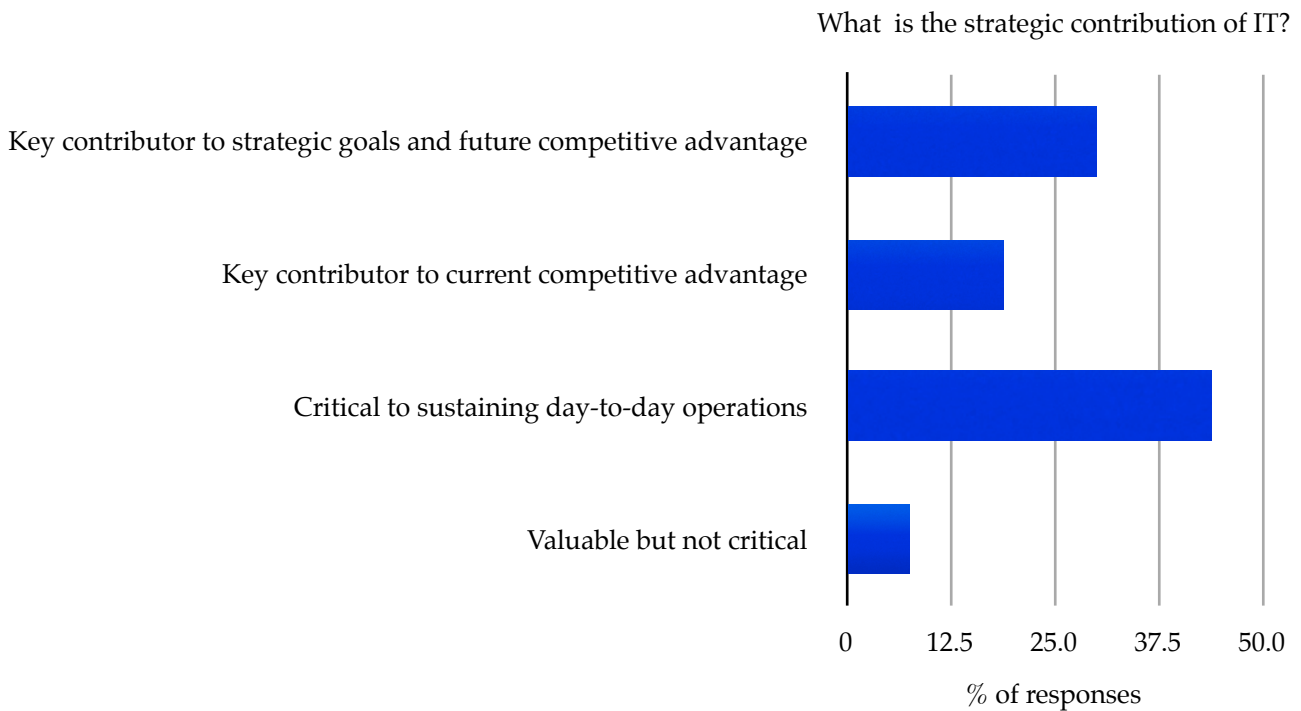
Draw out the portfolio to provide a visual summary.

There will be differences of views - the discussion itself should provide valuable insights.

Then stand back and consider the portfolio as a whole - is the balance of resources right? Does it reflect the strategic priorities of the organization?

Consider individual systems and projects. What action is required to increase the benefits realized?

### 3.1) IT is making an important strategic contribution



#### Opportunities for further increasing benefits realization

##### IT is critical to business success

93% of respondents indicated that IT makes an important contribution to achieving the strategic objectives of their organization. IT is a key contributor to achieving *future* strategic goals and competitive advantage according to 30% of respondents.

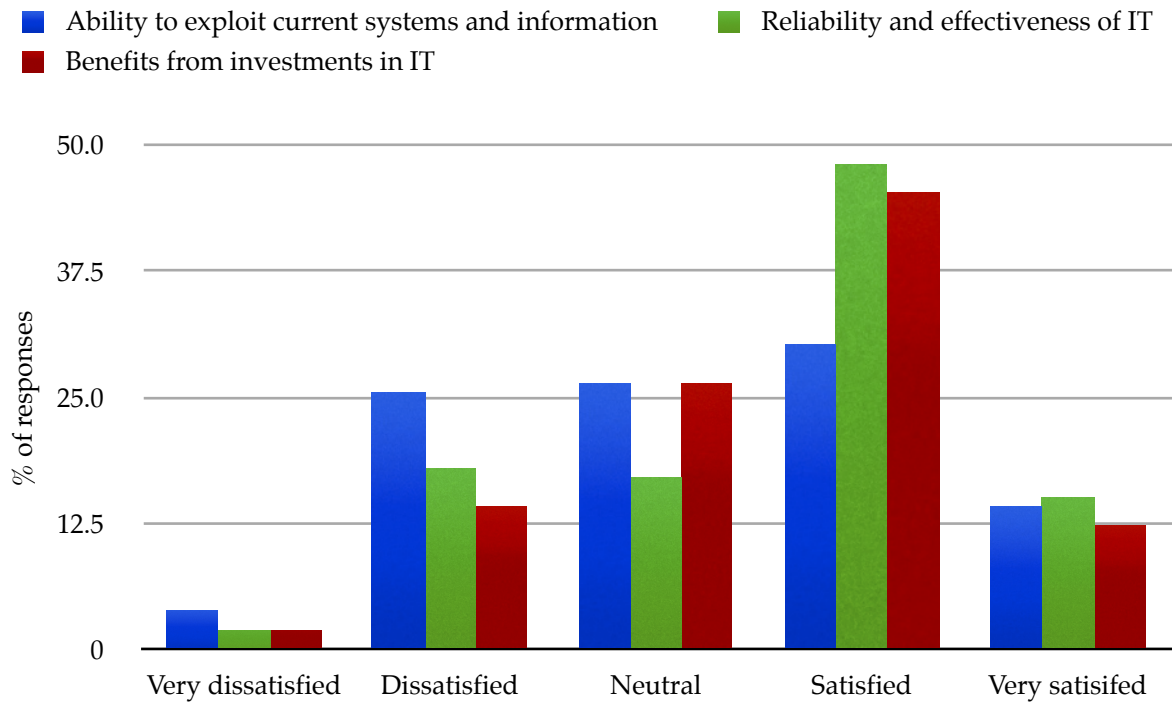
A more detailed analysis shows a significant split between Manufacturing and Service sectors. IT is perceived to contribute to current and future sources of competitive advantage in 63% of Services organizations, but only in 31% of Manufacturing. There is likely to be some basis for this difference of views but we suspect that the strategic role of IT in manufacturing is increasing, for example through the importance of service as a contributor to customer value. It may be that the perceptions of the role of IT have not kept up with these changes.

##### IT investments are delivering value for many organizations

59% of respondents also indicated that 50%+ plus of IT projects are successful in realizing benefits. We did not attempt to validate this in the survey, but it is positive in the context of the failure rate of 70% which is often reported.

While these results are positive, it is also clear there is room for improvement. Around 20% of organizations either had no targets or did not know if projects were successful, so there is clearly an opportunity here for better planning and better post-implementation review. For other organizations the IT investment portfolio provides one way to approach improving benefits realization: by making better decisions on the priorities for investment.

### 3.2) Benefits are being realized from investments in IT



#### Greater focus on exploiting existing information & systems is required

##### Significant contribution to cost reduction and improving efficiency

70% of respondents agreed and strongly agreed that IT makes a significant contribution to cost reduction and improving efficiency.

##### IT systems are reliable and delivering benefits

There was also a good level of satisfaction with the reliability and effectiveness of current systems with 63% being satisfied or very satisfied. Also 57% are satisfied with the benefits currently being realized from IT.

The figures do suggest that there is room for improvement in order to achieve higher satisfaction levels.

##### Priority for action: exploiting existing systems and information

The ability of the organization to exploit current systems and information is the area where there is the greatest need for a stronger focus on benefits realization. Only 44% were satisfied with this area, considerably lower than the responses for reliability and benefits realization in general.

**Exploitation**, making the most of existing systems and information, should be a higher priority for many organizations. Major projects divert resources from training and minor improvements that would make a real difference to the benefits realized. In addition, there are often real opportunities to sustain and enhance the benefits realized through increasing the management attention focused on this area.

See further discussion in section 5 of the report.



## 4) Insight into the current benefits realization capability

### Framework for the benefits realization capability

The benefits realization capability, comprises four distinct, yet highly inter-related competences:

- 1) **Benefits Planning:** benefits do not simply emerge, as if by magic, from the introduction of a new technology, their realization needs to be carefully planned and managed. Benefits Planning includes a strategic perspective, enabling innovation and deciding which projects to undertake, as well as benefits focused planning of individual projects.
- 2) **Benefits Delivery:** benefits primarily arise from the organizational change that accompanies an IT implementation, rather than directly from the technology itself. The benefits and related changes need to be the focus of activity.
- 3) **Benefits Review:** organizations must monitor and evaluate results on an on-going basis. This will improve the results of individual projects, and ensure that the organization's ability to deliver business value improves over time.
- 4) **Benefits Exploitation:** the quest to leverage benefits from business software should not cease as soon as it has been implemented. Continued focus is required over the life of the investment.

Competences have both explicit and tacit elements and can be hard for managers to deal with. One way of adding granularity to a benefits realization competence is through adoption of a *toolkit of practices*, each of which can be tailored to the needs and circumstances of a specific organization.

### Developing the benefits realization capability

Developing the 'benefits realization capability' is a strategic change programme involving phased adoption of benefits-driven practices.

Each organization will need to determine a relevant starting point and adapt benefits-driven practices to their specific needs and current capabilities, for example:

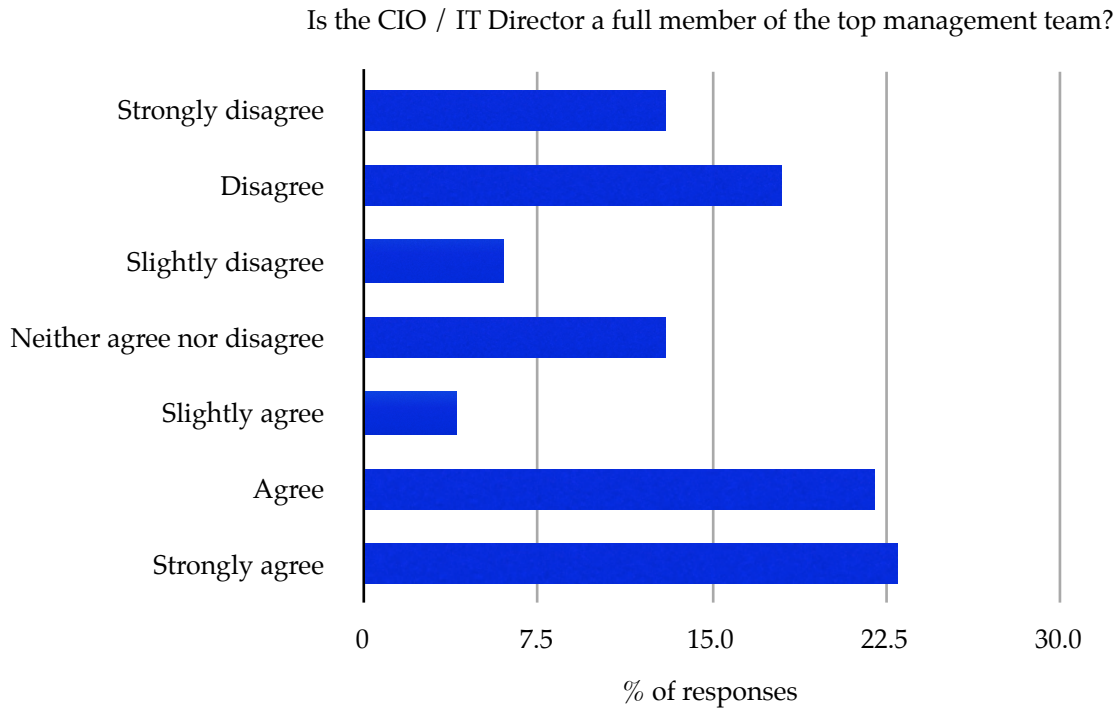
- A benefits-driven approach can be adopted on a pilot IT project.
- Benefits reviews of completed projects would also provide valuable learning.
- At a portfolio level, the IT investment portfolio might help to provide a clearer view of priorities and help to reshape the IT strategy.



### Exploring the current capability

The survey explored aspects of the current benefits realization capability of participants. It focused specifically on the role and perspective of senior management.

## 4.1) IT representation in the senior management team



### Growing representation of IT in the boardroom - but still a lack of top management attention

#### Increasing presence of a CIO

In 45% of responses there is a CIO / IT Director who is a full member of the senior management team. This has grown rapidly in recent years. This contrasts with the 94% of cases where IT is critical to the business and 53% where IT is a crucial contributor to current or future competitive advantage.

The CIO is a full member of the management team in 63% of Services organizations and only 24% of Manufacturing organizations. This appears to be a good match to the perceived strategic contribution of IT in the different sectors.

#### Is IT a key issue for senior management?

IT risk is considered by senior management (69%), but it is a concern that in only 27% of cases did senior management take action to obtain information on IT trends and new business opportunities enabled by IT. This again contrasts with the strategic role of IT.

There was also evidence of a difference in the views of business and IT management with only 27% of senior IT managers agreeing that IT is a major topic at senior

management team meetings (vs 49% of top business managers).

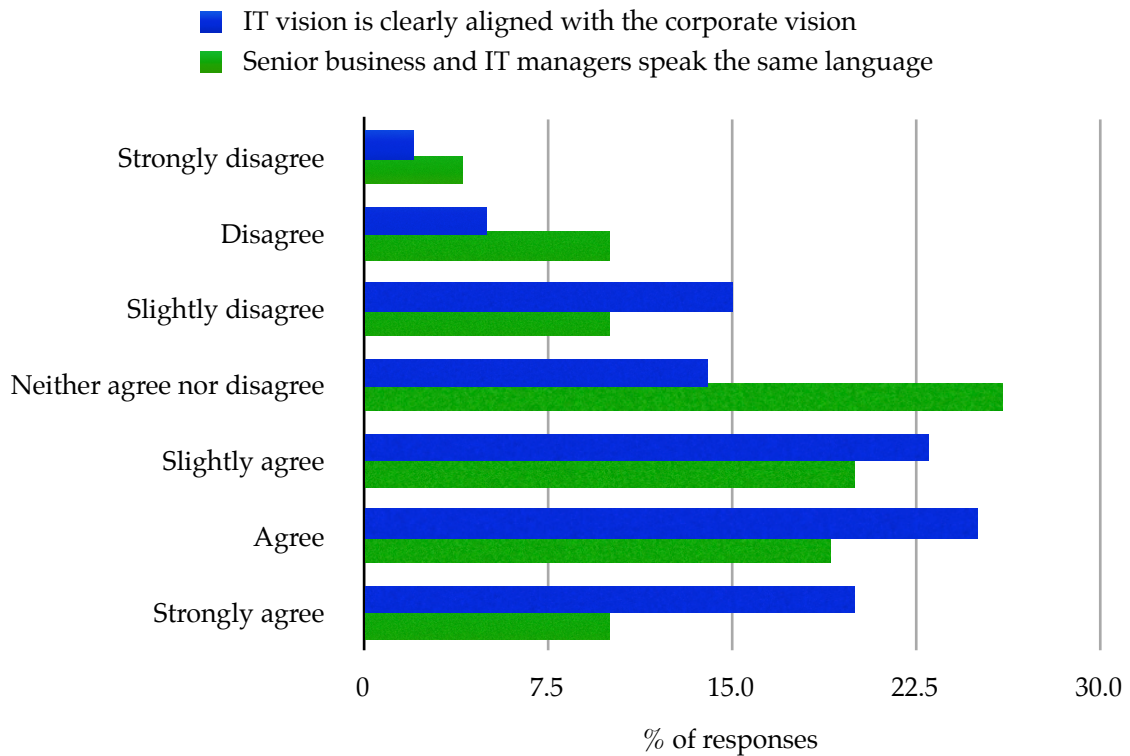
Other responses also suggest an opportunity for greater engagement. For example, senior management involvement of IT from the very beginning of a strategic initiative is low (27%). Also senior management are effectively engaged in the IT strategy of the organization only according to 45% of respondents.

There is certainly a desire for greater engagement from IT. It is less clear that this is seen as a priority by the Board who appear to feel they are doing enough to engage with IT.

#### Need for greater focus

Overall there appears to be a mismatch between the strategic importance of IT and the attention given to it by top management.

## 4.2) Towards a common vision and a common language



### Further work required to break down the barriers

#### Language: a major barrier

Only 29% agreed or strongly agreed that senior business and IT managers speak the same language. So, even if there is some IT presence in the boardroom there is a broad problem of communication.

#### Alignment of IT vision

Only 40% agreed or strongly agreed that the IT vision is clearly aligned with the corporate vision. This is not unexpected given the language barrier, but is certainly a concern in the context of the strategic contribution of IT.

#### Breaking down the barriers

Establishing the benefits realization capability requires change at several levels to establish a common language, a shared vision, and a shared way of working.

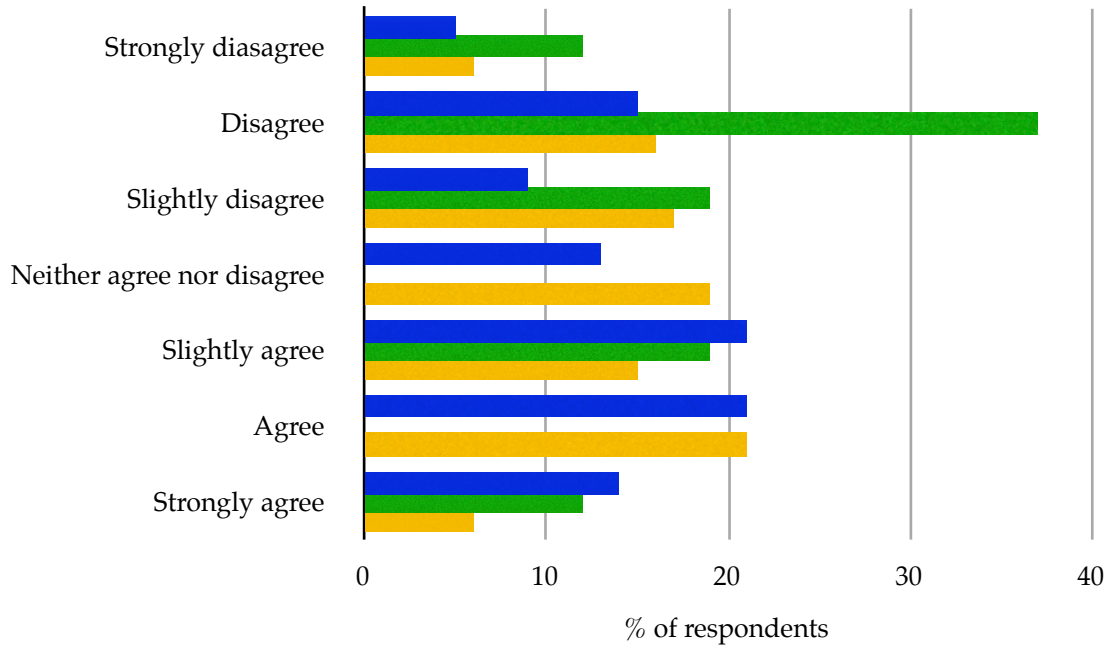
Gradual adoption of benefits-driven practices is an important step: the 'IT Investment Portfolio' provides a business strategy driven framework for setting priorities and establishing a shared vision. The 'Benefits Realization Plan' builds on a traditional business case and helps focus planning on benefits and the business changes required to deliver them. These practices establish a shared way of working and start to build a common, business oriented language.

Many of these practices encourage IT and business colleagues to work closely together, often in workshop settings. This requires different skills, but plays a major role in breaking down barriers and building relationships.

Adoption of specific practices contributes to a deeper change: a change of *mindset*. This involves real buy-in to the principle that benefits come from *people* doing things differently, and that as a result benefits realization is an issue for the organization as a whole.

### 4.3) Building the leadership capability

- The senior management team has expertise in IT strategy and project delivery
- The senior management team has expertise in IT strategy and project delivery (IT responses only)
- Leadership development activities address business engagement in IT strategy and project sponsorship



### Need to focus on developing the IT leadership capability of the business

#### Succeeding with benefits realization

The logic of a benefits-driven approach to IT is that benefits arise when *people* do things differently. This means that all areas of an organization have to collaborate to succeed with benefits realization, and that there needs to be a focus from both business and IT management on the benefits and not simply on the technology itself.

#### Lack of senior management experience and expertise in benefits delivery from IT

Based on all the responses we get the assessment (44%) that senior management has expertise in IT strategy and project delivery. The view from the senior IT managers is less positive, in fact only 12% agree that senior management have expertise in these areas.

There is a certainly a job for professional, experienced IT managers and teams to do. Business managers do not need to develop the same specialist experience as their IT colleagues, but they do need the knowledge, skills and confidence to play their own significant roles effectively: they need to be ‘IT savvy’.

#### Limited focus on leadership development

Only 26% agreed that leadership development activities currently address business manager engagement in IT strategy and project sponsorship. This seems to be a crucial gap.

A new approach to leadership development is required that equips business leaders to be effectively engaged in IT-enabled change. This could provide a major contribution to building a benefits realization capability and enabling business and IT leaders to work together more effectively.

## 5) Making a difference: realizing the strategic potential of IT

In this section we explore three high priority areas further: the role and contribution of the CIO; leadership development to enhance the benefits realization capability of the organization, and exploitation of existing systems and information.

### The context for successful benefits realization

Organizations are trying to realize benefits from IT in a challenging environment. Some have argued that we are now operating in ‘a new normal’ involving high levels of uncertainty, and rapid and unpredictable change. We are also seeing ‘digital natives’ moving into the workforce and becoming more influential as customers. They certainly bring a new set of expectations: but will they be able to translate their ability to use technologies into benefits realization in the workplace? There are many other factors to consider, not least the continuing rapid changes in technology and the delivery of technology based services, for example as ‘open source’, ‘cloud’, ‘software as a service’ continue to have an impact.

A key implication for benefits realization is the need to look outside the organization, to develop knowledge of trends and opportunities, and to invest time into building new capabilities.

### Benefits realization: focus on the organization not just the IT function

If the strategic goal is realizing benefits from IT, it is vital to recognize that benefits are realized as a result of decisions and actions across the organization. Benefits realization from IT is NOT just about the IT function and the CIO, it depends on the capabilities of the organization and the leadership team as a whole.

The implication is that any action to improve benefits realization that focuses *only* on IT is not tackling the real issues. Actions may well include reconsideration of the role of the CIO and IT function, but must also tackle wider issues.

### Priority 1: Role of the CIO

We are using the term Chief Information Officer as opposed to IT Director to make an important point:

“an IT Directors job is about keeping the lights on, and has little to do with strategy or growth. By contrast the CIO’s role is about the strategic application of IT and information for value generation” (quote taken from a recent paper by Joe Peppard)

Of course the job titles and roles do not necessarily go together and it is behaviour and perception within the organization that count. Joe Peppard (Professor of IS at Cranfield) sets out different roles for the CIO as an organization evolves:

Joe suggests that over time the CIO role will move back to IT Director as others across the organization build the necessary skills. We think that is a fairly unlikely scenario in most organizations and suggest that the ‘Facilitator CIO’ is a key goal. Here the CIO looks outside the IT function, championing the use of systems and information, and the development of capabilities across the organization. In our view the need for this role is unlikely to go away.

IT Director	IT supply. Technical focus.
Evangelist CIO	Changing mindsets about information. Identifying sources of competitive advantage.
Innovator CIO	Delivering opportunities for securing advantage. Raising profile of IT as a business partner.
Facilitator CIO	Empowering and enabling the business with information capabilities.
IT Director (II)	IT supply orientation. Develops agile infrastructure.

So the implication is that there is a need to consider the CIO role required by your organization and how this matches the current role.

It is also important to note that the IT leadership team and IT function as a whole are significantly affected as the roles change. This is not just about the CIO.

### Priority 2: Leadership development

Our survey suggests that business and IT leaders speak a different language. Given the strategic importance of IT, and the gap between business and IT visions, this needs to be tackled. One approach is to consider the IT leadership capabilities of the management team as a whole.

As one CIO (with previous CEO experience) comments:

“if the other members of the senior management team have no understanding of IT or its power as a strategic lever, then the CIO has little hope of setting and managing expectations, or delivering against them. So IT literacy across the senior management team, and indeed the company at large, can be a barrier or an enabler - though right now its a barrier (in most companies). (quote taken from a recent paper by Joe Peppard)

What we need is leaders who are ‘IT savvy’, who provide business leadership for realizing the strategic potential of IT. This is not about using a PC or knowledge about the technology itself.

Leadership develop can start with the CIO and senior IT team, or with the top management team and leaders from across the organization. The key is to build a common language and a common way of working focused on benefits realization. One very effective way of doing this is to build the learning around a practical ‘toolkit’ for benefits realization, for example the IT investment portfolio. Development sessions can introduce the tools and provide space for business & IT colleagues to work together to apply them to specific projects & activities within the organization. This ‘real-time learning’ builds knowledge and capabilities as well as having an immediate impact.

### IT Savvy leaders

- Develop a holistic and integrated approach to change
- Understand and exploit the strategic potential of information systems
- Plan and lead significant change programmes
- Build the organizations capability to deliver change in an effective and lasting way
- Create opportunities for innovation and learning

### Priority 3: Exploitation of current systems and information

Exploitation of current systems and information is a priority for many organizations, as revealed by the survey. There is a natural tendency to pay little attention to existing IT systems and services as long as there are no major problems. The result, with changing business requirements and the impact of staff turnover, is frustration at the perceived lack of information and lack of flexibility of the systems. Management attention is generally focused on the new investments, rather than exploiting existing resources. Given that 75%+ of IT budgets and most end-user hours relate to existing systems it is important not to neglect this area.

One IT Director told us how he had been met with the complaint that ‘SAP does not provide the information I need’ from a senior business manager. Fortunately, the IT Director

had a good knowledge of SAP and did not believe this – by finding the right person in his team, he had the information available for the business manager the next day. This is just one example of many.

The cumulative impact of the lack of knowledge and resulting lack of exploitation of existing systems is significant. The area is complex and often there is a lot to do, but there are many opportunities. We propose tackling improved exploitation in a series of small steps, which cumulatively will have a major impact.

**Improving existing capabilities.** Ensuring there is training available for major systems is vital. This may require some creative thinking and will often be owned by business areas. Many organizations can also look at the IT help desk again. What if their role was re-defined as helping the end-users get the most out of existing systems, rather than just solving problems?

**Establish a benefits-driven approach to key IT services.** Benefits realization has really only begun when an IT project ends. Try establishing clear business ownership for key systems and services, and have regular reviews between business and IT with a focus on increasing the benefits being realized.

**Information management.** Much time will be spent collating, analyzing, and communicating data to support day-to-day operations and management decision making. Often there are many opportunities to make better use of existing IT tools (Excel etc) to manage information more effectively and get it to the people who need it. This is another opportunity for education and developing the expertise of individuals across an organization.

**Knowledge worker productivity.** Much value is added by knowledge workers, as individuals and multi-disciplinary teams who apply their knowledge, experience and professional expertise to a wide range of activities. They often have great discretion as to *how* they go about their work and make use of a wide range of standard technologies to get the job done (email, an Internet browser and Microsoft Office are often the key tools). In virtually every case they will not be making full use of the technology available to

them, perhaps because they 'don't know what they don't know', so they are not taking advantage of the capabilities of Word, PowerPoint etc to increase their productivity.

This may not seem a priority - which is why the area is so often neglected. But remember many of these knowledge workers are often using these standard tools for a large % of their working week. There are often significant opportunities for improved productivity. Just take the example of IT teams where there can be a factor of 10 (x10) difference between the productivity of the best and the worst. A little focus from individuals, team leaders and the IT function can soon start to make a real difference.

### Building the benefits realization capability: next steps for your organization

This research provides strong support for the strategic role of IT and positive evidence of benefits being realized from investments in IT. There is also evidence of improving IT representation in the boardroom. However, there is still a major language barrier to be overcome and a worrying gap between the business and IT visions.

### What are the priorities for action?



We have identified three priorities for action to help build the benefits realization capability of organizations: developing the role of the CIO and IT leadership team; developing 'IT savvy' leaders across the organization; and a greater focus on exploitation of existing systems and information. The key is to make a start. In most cases it will be possible to take straight-forward initial steps that provide a good payback and build momentum and commitment to further action.

One additional place to start is to assess the current benefits realization capability, identify potential benefits, and agree initial priorities for action. The benefits realization capability assessment highlights key factors.

Bigger wins will require leadership and determination over an extended. In our view there are significant opportunities for the CIO, the IT function and the organization as a whole.

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To provide feedback or discuss any of these issues further, email:

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