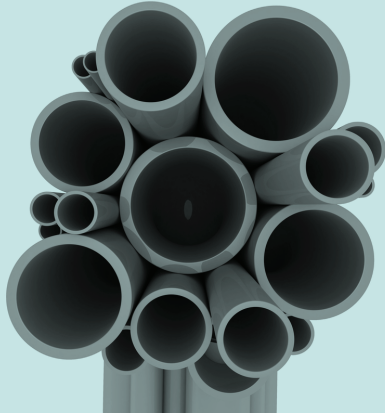


IT PIPELINE

MANAGEMENT



A SCIENTIFIC APPROACH TO IT PLANNING

by Michael Lan

PICK YOUR CLICHÉ: Drinking from a fire hose. Herding cats. Trying to catch falling knives. Managing IT project requests can feel like attempting the impossible.

Traditional methods put IT into a reactive, even defensive, mode. Here is a scientific approach to break that cycle and turn it around.

WHAT DOES YOUR IT PIPELINE LOOK LIKE RIGHT NOW? CAN YOU ENVISION IT?

In most cases, project requests come in from many directions – executives from business units, IT leadership, hallway conversations. The IT staff are hard at work on a lot of things, all at once. The pervading sense may be one of frustration, due to sliding deadlines, competing priorities, and uncertainty as to who's doing what, when. There hardly seems time to address key questions such as: Is this initiative a good investment? When would this initiative best be delivered? Do we have the resource capacity and skills to deliver it at all? What is the impact on our business as a whole?

A fact-based approach using objective assessment tools can ease this process for not only the IT staff, but their customers – the various business units they serve within the organization. At Jabian, we think of this approach as Demand Management, having three main principles:

- 1) Centralize the work entry pipeline
- 2) Align IT with business objectives
- 3) Understand supply and demand

Before we take a look at how to address planning and governance in these three ways, consider the organizational collaboration that's necessary to do so. It hinges on a group of people who bridge the gap between IT and the greater business: IT/Business Liaisons.

IT/Business Liaisons: Just as an external agency would assign account relationship managers to handle each customer – getting to know its business and its needs – an IT group might employ IT/Business Liaisons whose responsibility is to get to know different segments of the organization and their IT needs. This group supports IT by managing the work pipeline. They analyze data in order to estimate, forecast, and map out a plan to deliver the best return on investment for each proposed new project.

With the dedicated staff in place, here's how to bring order out of chaos.

CENTRALIZE THE WORK ENTRY PIPELINE

Rather than accepting new projects based on the order in which they come in (or how loudly someone asks for them) liaisons armed with the right tools can apply a rigorous process to accepting new work. By

establishing a common, agreed-upon approach for the engagement of IT – a centralized front door, you might say – this group ensures that no request comes in under the radar or under-defined.

In this way, each work request comes with the right level of detail for the IT organization to estimate and plan the level of required effort. Each new demand is received through a standardized process and subject to the same level of scrutiny.

ALIGN IT WITH BUSINESS OBJECTIVES

A good IT group has the technical expertise to deliver the products a business needs; a great IT group has the business understanding to tie those products to corporate objectives. Though it takes time up front, IT needs to understand the organization's overall corporate objectives and develop an objectives-based scoring framework to assess each new product / project request. (To ensure collective buy-in, it is essential to work with all business units to develop the scoring framework.) Utilizing this framework, IT and business can easily evaluate and compare one project to another, making budget and prioritization decisions no longer an issue of opinion or emotion. It's merely an objective computation.

UNDERSTAND SUPPLY AND DEMAND

Once an assessment tool based on corporate objectives has been established for evaluating projects, the next step is to estimate the size and cost of the project, as well as what capacity is needed to complete it. Again, this requires taking time at the beginning to form a deep understanding of the project and what resources are needed as well as what resources are available. From a planning perspective, it is helpful to think of IT roles in a few different "buckets" – groupings of types of roles – so that a quick determination can be made of how many individuals of different skill sets are available at a given time. Once this understanding is in place, it's much simpler to plan projects based not only on business importance, but also on when and how quickly they can be completed. If people need to be added or

project schedule needs to be adjusted, those calls can be made based on facts, not on gut-feeling.

MEASURE THE IMPACT

With these three Demand Management principles in place, project pipeline decisions become more objective, as assessments make clearly visible the answers to key questions. Establishing a standardized, integrated release schedule across business units becomes no longer impossible, but the norm. Projects are naturally mapped to a schedule that can adapt as needed without placing undue stress on IT resources.

These Demand Management methods, tools, and templates can be configured to any size IT group and have positive impacts on organizations of all kinds. For example:

- IT comes to be viewed as an extension of the business with a focus on ROI and a leadership role at the strategy table.
- Organizations become better able to allocate capital and expense budgets with facts and data.
- Common complaints (overworked staff, inability to adapt to changing priorities, frustration) resulting from a non-structured approach to decisions and disjointed planning functions are relieved.

And perhaps most important to the bottom line: Planning and managing IT demands based on these Demand Management principles leads to a 25-30% increase in efficiency. It's a strategy that works.

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