



Success With Standards

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Layout/Production: Gartner Brand Communications

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Foreword

What the business needs from IS is ever-greater reliability of services and support for transformational change. CIOs are increasingly focusing on IS process improvement to fulfill these needs. Standards offer a great deal of help but must be selected and used judiciously.

Awareness of standards such as CobiT and ITIL is increasing, but their adoption is still limited.

A recent study published by ITGI, the organization that owns the CobiT standard, shows that in 2005, ISO 9000 was the most popular standard, with 21 percent of IS organizations using or considering it. The figure for CobiT is 9 percent, and for CMMi it's 4 percent. Around one-third of study respondents are implementing their own frameworks (see bottom figure on page 13).

One reason for the low adoption rates is that many enterprises are too busy firefighting the results of immature IT processes to spend time improving them. Yet it is clear from Gartner research that many IS organizations have created significant contribution to their enterprise through judicious adoption of standards. *Success With Standards* describes the practices that result in value generation from IT standards.

This research set out to answer the question, *What is the best approach to selecting and implementing standards and frameworks to drive business contribution from IS?*

This report was written by the Gartner EXP research team, led by Dave Aron and assisted by Andrew Rowsell-Jones (both vice presidents and research directors). Many individuals from around the world contributed to this work, including:

- Our case-study interviewees: Tim Masheck, AdminaStar Federal (U.S.); Davor Razlog, BC Hydro (Canada); Alberto Wajzenberg and Luis P. De Castello Braco, Furnas (Brazil); Marshall Stephen and Sean O'Donoghue-Hayes, IOOF (Australia); Daleen Fitzgerald, Metavante (U.S.); Mary Finlay, Partners Healthcare (U.S.); C.K. Chen, Pfizer CIT Asia/Pacific (Singapore); Bob Bence, St. Louis County (U.S.); Troy Olson-Blair, Symetra (U.S.); Varun Jha, Tata Steel (India); and Ben Rewis, Visa (U.S.).
- Other Gartner colleagues and members of the Gartner EXP research team: Hilda Agopian, Shafqat Azim, John Bace, Diane Berry, Steve Bittinger, Marcus Blosch, French Caldwell, Richard Hunter, Trish Jaffarian, Mark McDonald, Patrick Meehan, Simon Mingay, Tina Nunno, Romilly Powell, Chuck Tucker, Andrew Walker and adjunct researcher, Barbara McNurlin.

Executive summary

IS process improvement through the use of standards helps answer increasing business demands for low-cost, reliable information services and frees up IS management to think about contributing to transformational business initiatives. But which standards to use and how to implement them is anything but standard. The CIO must adopt an integrated approach to create business value.

Understand your need for process improvement

Just as packaged software increased IS's efficiency, effectiveness, integrity and agility in the past, standardizing IS processes can provide similar benefits today.

The benefits of using IT standards can be significant. For example, Gartner research shows that the average development organization increases productivity by 30 percent in two years through the consistent use of IT standards.

Although the cost of implementing standards is hard to estimate, direct tangible costs—such as external consultants, software and training—typically amount to about 3 percent of the overall IT budget.

There is no one standard that covers every area of IT improvement, so it's a challenge to find the right combination. Our case-study interviewees mostly use one standard for quality improvement, one or two for IT governance, management and service management, and another one or two for specific functional areas such as project management.

Without a strong focus on continuous improvement, standards may cause more organizational problems than they solve.

The alternative? Take an integrated approach by executing a standards-based improvement cycle: Identify business drivers, assess your readiness, create a phased and tailored plan, implement it and measure progress. This approach should be underpinned by the building of an accelerated improvement environment.

Execute a standards-based improvement cycle

IT standards require two levels of decisions:

- Strategic—What are the business drivers, and what types of standards are needed to address them?
- Tactical—What specific standards will best address such issues as gaps in IT services, maturity of IT processes and the ability of the IS organization to absorb change, and what are the likely costs, benefits and prerequisites of the specific standards under consideration?

Successful standards implementations typically start with some rational decision making about which parts will add value and which are unnecessary. There are several issues to be aware of when making these tailoring decisions. And the same is true when making phasing decisions.

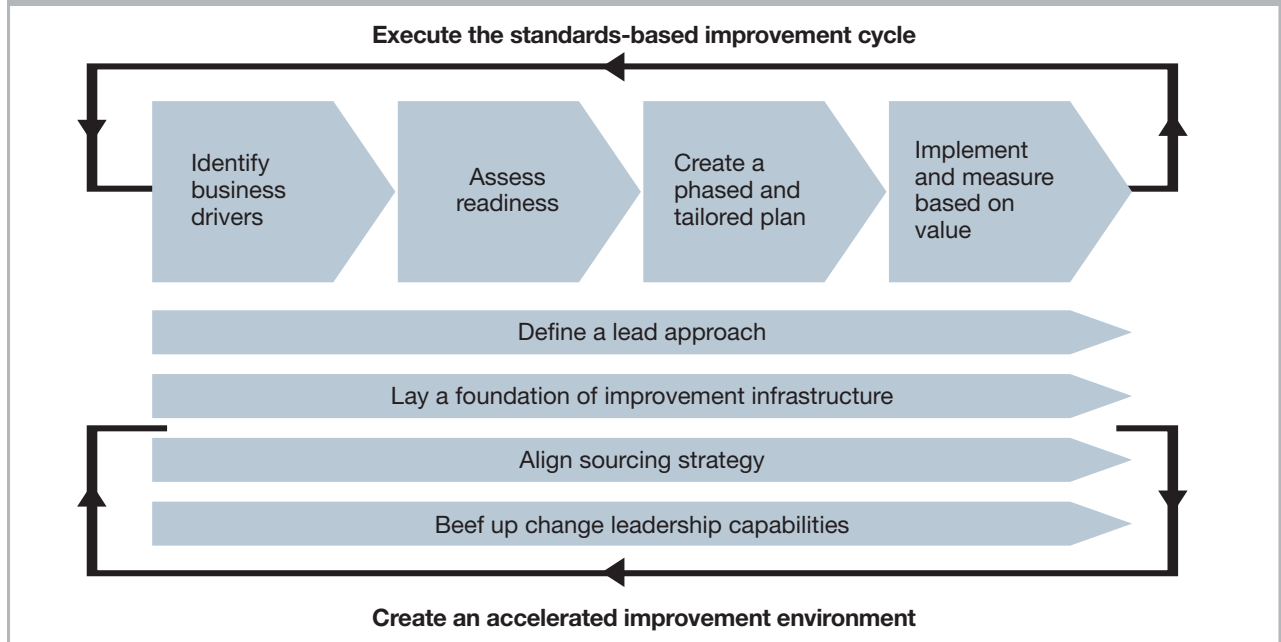
Measures should be used to control whether IT process improvements continue to deliver improvement once they are implemented. Select and link these measures to create a “trail of evidence” that connects on-the-ground changes in IT services to business value.

Build an accelerated improvement capability

Best practices dictate that you need to define a lead approach to process improvements. A lead approach comprises two elements: a theme for standards activity, such as “support for scalable growth” or “driving process efficiency”; and a lead standard that is used to define and measure progress as defined by the theme.

You must lay a foundation of improvement infrastructure, align your sourcing strategy, beef up change leadership capabilities and continuously assess your process improvement practices.

An integrated approach to standards



Report toolkit—A reference to selected tools in this report

Case studies

InfoCo—Achieving agility and growth with standards

BC Hydro—Focusing sharply on business needs

AdminaStar Federal—Using a phased approach

Visa—Creating clear measures of value

ServiceCo—Implementing scaled-down standards

Tata Steel—Using improvement infrastructure to facilitate standards

Checklist

Assess your process improvement environment

Graphics

IT standards decision drivers—both strategic and tactical—plus a case-study example of each

Three components of the standards “trail of evidence” (descriptions and examples)

Flow charts

Implementing standards and creating an accelerated improvement environment

The decision process to apply to potential partners

Matrix

Enterprisewide and IT-specific IT-related standards and how they are used

Table

Improvement infrastructure components and their value, based on mature users of multiple standards

Template

A standards business case

Appendix

Standards encountered during interviews

Gartner Headquarters

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

Europe Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters

Gartner Japan, Ltd.
Aobadai Hills 6F
4-7-7 Aobadai, Meguro-Ku
Tokyo, 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters

Gartner do Brasil
Av. Das Nações Unidas, 12.551 – 9º andar
World Trade Center – Brooklin Novo
04578-903 – São Paulo – SP
BRAZIL
+55 11 3443 1509

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