



Promoting IT Efficiency

**QAIassist**

*IT Methodology – Business Premise*

## IT Methodology - Is there Value?

A car cannot exist unless the assembly line workers first fasten the body to the chassis, install the motor and transmission, assemble the brakes and steering, and bolt on the wheels. The premise - a product (automobile) cannot appear out of thin air, it can only exist when a sequence of steps (methodology) has been applied to create it. A simple question arises "Must a methodology exist and be applied to create **any** product or deliver **any** service"?

As fundamental as this statement is, historical evidence suggests there are many professionals in the workplace that have not come to the understanding that the statement is a reality. Since mainframes were invented, the majority of technical resources have projected an image/aura that continues to be harbored and promoted to this day. That image - something mystical occurs inside the computer, the average person would never be able to grasp it, a high level of technical expertise is required to understand it, and that technical expertise is a precious commodity that every organization must have to interpret and leverage it.

The belief in this mysticism varies between organizations. At one end of the spectrum, some organizations have been led to believe that the computer is magic - that it can create or deliver anything- and those administering it are true genius. At the other end of the spectrum, some organizations have experienced so many false hopes and promises made by IT staff that they view the computer as a curse and have out-sourced all IT functions. Somewhere between these two extremes lies reality - organizations recognize they require the utility of the computer, have accepted it cannot be all things to all people, and are beginning to recognize the technical staff are not magicians.

As the smoke dissipates and the mirrors begin to reflect reality, Business Stakeholders are evaluating the ROI of their IT budget and assessing the alternatives as to how they can optimize operational performance by leveraging greater IT efficiencies. One option is to increase internal IT efficiency via process, metrics and methodology, the other option is to utilize the IT outsourcing model. Though the operational impact of these alternatives is significant, the intent is the same - to obtain more effective business solutions at a much lower price - IT "value" is the bottom line.

Business Stakeholders performing preliminary analysis of the outsourcing model are afforded a wholenew way to look at IT. Outsourcing Vendors are able to provide estimates and costs for project development and maintenance, they are also able to establish metric and measurement performance benchmarks that are incorporated into formal contracts. Many Business Stakeholders are surprised that the Outsourcing Vendor can commit to these promises and do not understand why their own IT staff have not been able to define and achieve the same.

The reason - it gets back to the initial question "must a methodology exist and be applied to create **any** product or deliver **any** service"? The following two organizations have different responses to this question.

### Case 1

Organization A has its own IT Department that utilizes a formal, documented, thoroughly communicated, measurable and rigidly applied methodology. Roles are defined, client interaction is defined, performance is measured against how the methodology is used and reported to the Business Stakeholders, and both business and technical staff are trained on this IT process/methodology.

This IT Department understands that a methodology must exist and be applied to create any product or deliver any service. They are able to utilize a repeatable predictable process that delivers quality products and services on time and within budget - they openly pursue and quantify the metric used to define the "value" they are delivering. This IT Department is regularly applauded by its Business Stakeholders in its ability to consistently deliver.

### Case II

Organization B has its own IT Department that does not utilize a formal, documented, thoroughly communicated, measurable and rigidly applied methodology. Instead, they rely and take pride in their technical nimbleness to provide a solution at the eleventh hour. They suggest formality, documentation and a measurable process/methodology are administrative overhead that delays their ability to deliver.

This IT Department does not understand that a methodology must exist and be applied to create any product or deliver any service. Though using a process, they are either unaware of it or have made a conscious decision to circumvent formality. In not applying a process/methodology, they continue to deliver products and services without consistency - costs, schedule and quality cannot be predicted. On a continuous quest to deliver all things to all people at all times, this IT Department is in a constant struggle to substantiate their value and unable to quantify it (due to lack of applying a methodology) with measurement performance data.

There is only one significant difference between these two organizations (Case I and Case II). Organization A's IT Department is conscious they are applying a process/methodology - Organization B's IT Department is not aware (or do not wish to accept) they are applying a methodology (even though they are delivering products and services each an every day).

As market conditions force organizations into achieving greater degrees of operational efficiency, additional expectations are being placed on IT to deliver products/services in a timely, cost-effective and consistent manner. Organizations that are prospering have already recognized there is a correlation between increases in operational efficiency and the effectiveness of IT and the process/methodology they are applying.

For those IT Departments (Organization A) applying a formal process/methodology they are able to verify the IT "value" they deliver and how they can compete with the delivery and support of any outsourcing Vendor. For those other IT Departments (Organization B) they remain in a constant state of substantiating how they can deliver the same IT value as the outsourcing Vendor without having the process/methodology nor metrics to support their claim.

As outsourcing Vendors continue to deliver and penetrate the IT market across a range of IT products, services and delivery they are quietly and frequently proving they can deliver on their claims. What was once perceived (Outsourcing Model) to be fraught with danger and risk is now turning into an acceptable and routine approach Business Stakeholders are leveraging to obtain greater IT value.

Although every Outsourcing Vendor is unique in delivering its own products and services, a common thread runs between them. They all recognize their existence and growth is based on their belief that - "a methodology must exist and be applied to create **any** product or deliver **any** service". They are fully aware that a methodology must exist for measurements to be obtained - if something cannot be measured it cannot be used to quantify "value", if it cannot quantify "value" it will not survive.

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