The Moneyball CIO

Learn the Science of IT Decision Making

Presenter's Name

Role

Agenda

Re-Think Your Technology Strategy

- Navigate IT stakeholder management using data.

- Uncover the 3 real drivers of business satisfaction with IT.

- Adopt a data-driven approach to building your IT strategy.

BILLY BEANE

Beane has applied statistical analysis (known as sabermetrics) to players, focusing on **On-Base Percentage**, which led teams to reconsider how they evaluate players.

Business Satisfaction is **IT's Key Metric**

90-100% — Innovator: Transforms
Reliable Technology Innovation

80-90% — Business Partner: Expands
Executive Execution on Business Projects

70-80% — Trusted Operator: Optimizes
Executive Fulfillment of Work Orders

60-70% — Firefighter: Supports
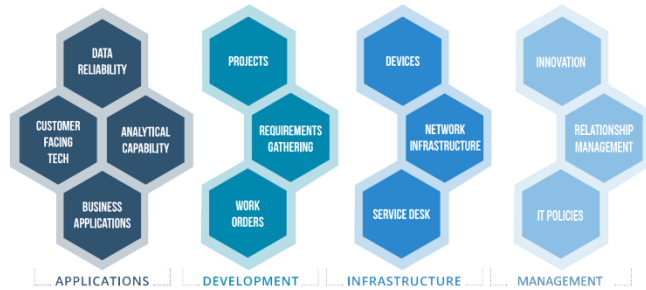Reliable Infrastructure of IT Service Desk

< 60% — Unstable: Struggles
Inability to Provide Reliable Business Services

Our data is sourced from three Analytical Programs

CIO Business Vision

Stakeholder Satisfaction
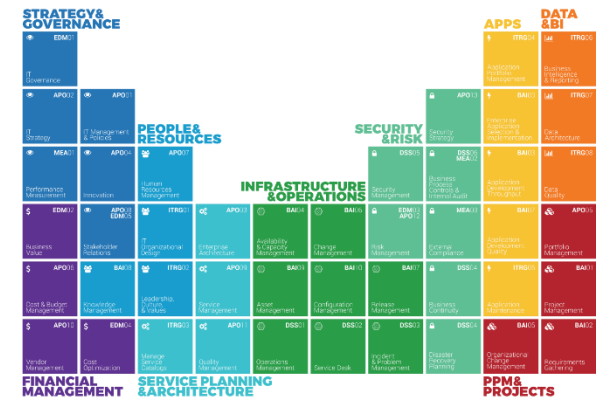
85,000+ Business Leaders

CEO-CIO Alignment

IT / Business Alignment

400+ Pairs of CIOs & CEOs
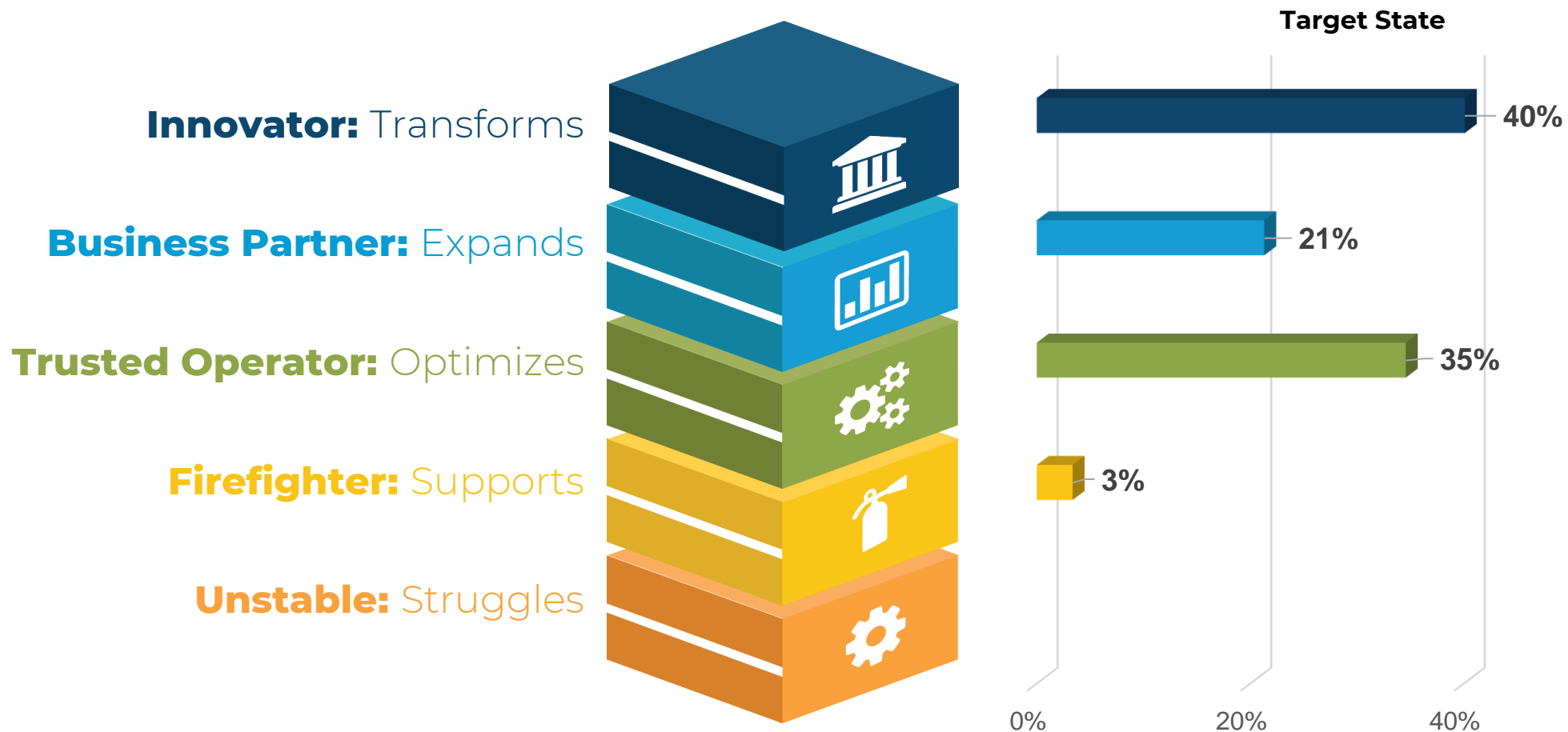
Management & Governance
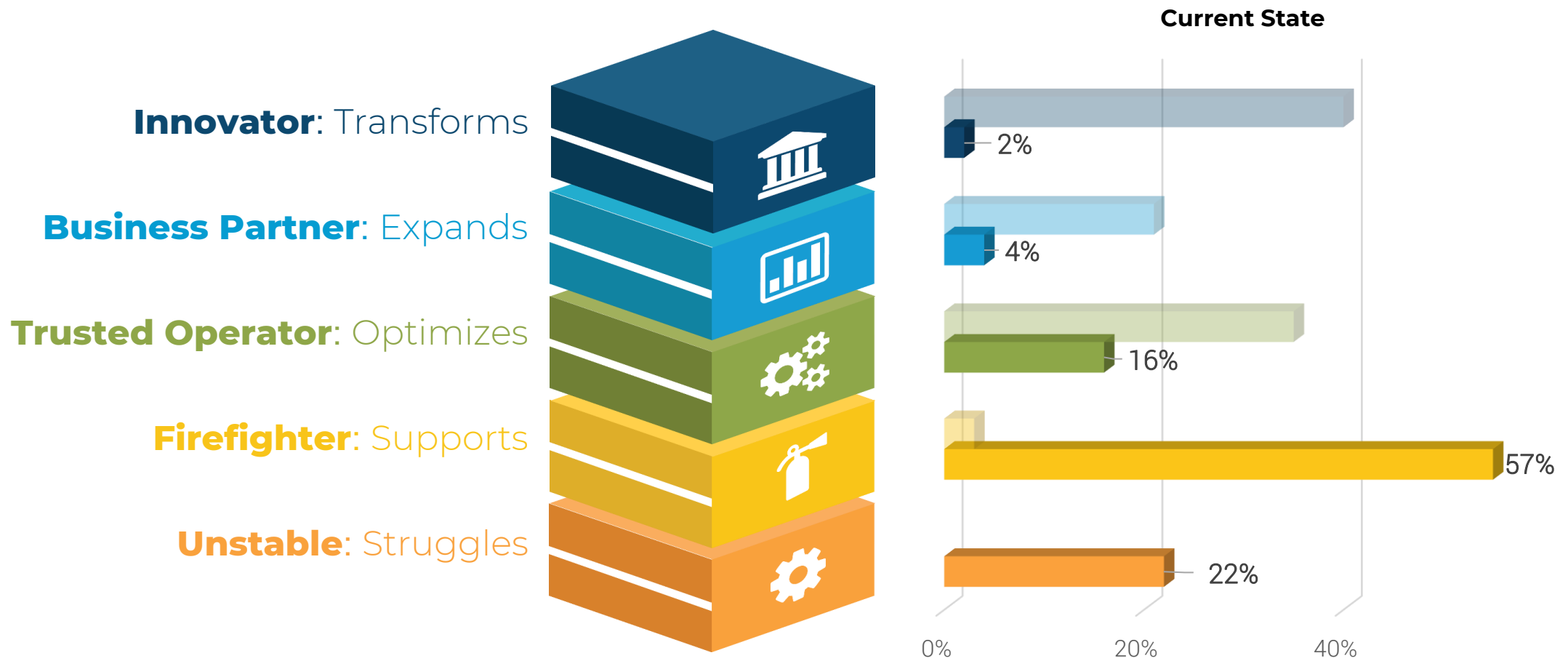

IT Team Capability & Mgmt.

7,100+ IT Staff Members

CIOs and the C-Suite are Increasingly Looking to IT to Transform Business Operations

Target State

Innovator: Transforms — 40%

Business Partner: Expands — 21%

Trusted Operator: Optimizes — 35%

Firefighter: Supports — 3%

Unstable: Struggles

0%   20%   40%

Yet Few IT Departments are Able to Execute

Innovator: Transforms

Business Partner: Expands

Trusted Operator: Optimizes

Firefighter: Supports

Unstable: Struggles

Current State

- Innovator: 2%
- Business Partner: 4%
- Trusted Operator: 16%
- Firefighter: 57%
- Unstable: 22%

0%   20%   40%

CEOs & CIOs: do they see eye-to-eye?

Alignment on the Target Role for IT

- Highly Misaligned — 24%
- Aligned — 36%
- Somewhat Misaligned — 40%

Alignment on the Current Performance of IT

- Aligned — 29%
- Misaligned — 71%

n = 400+ pairs of CEOs and CIOs
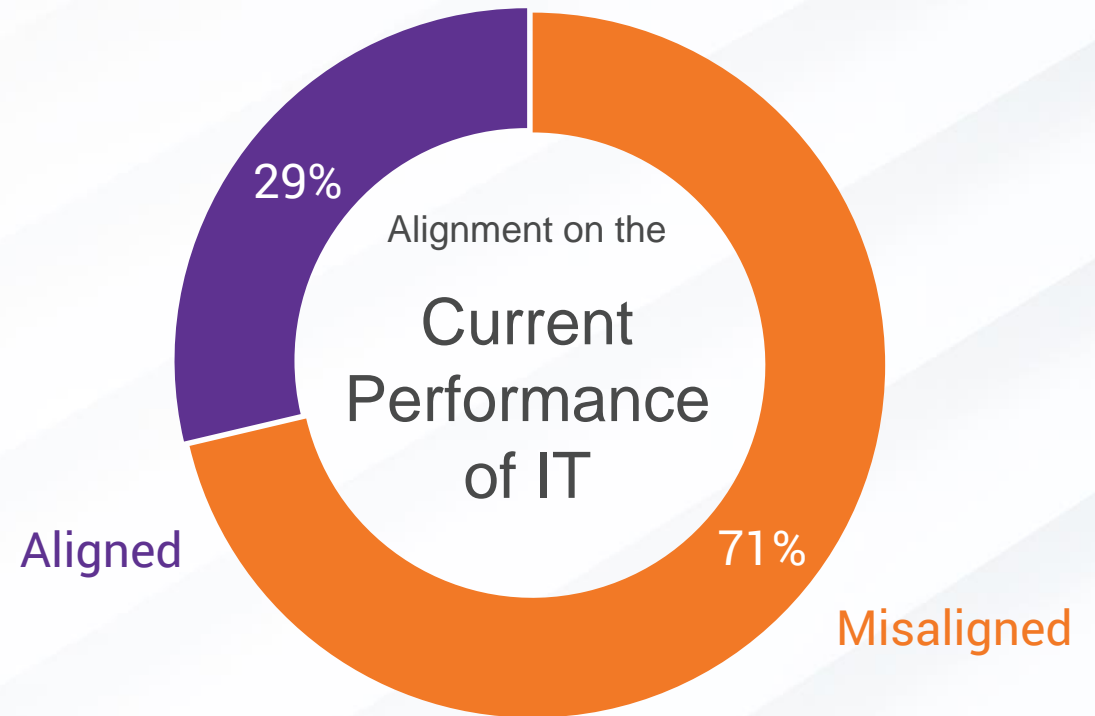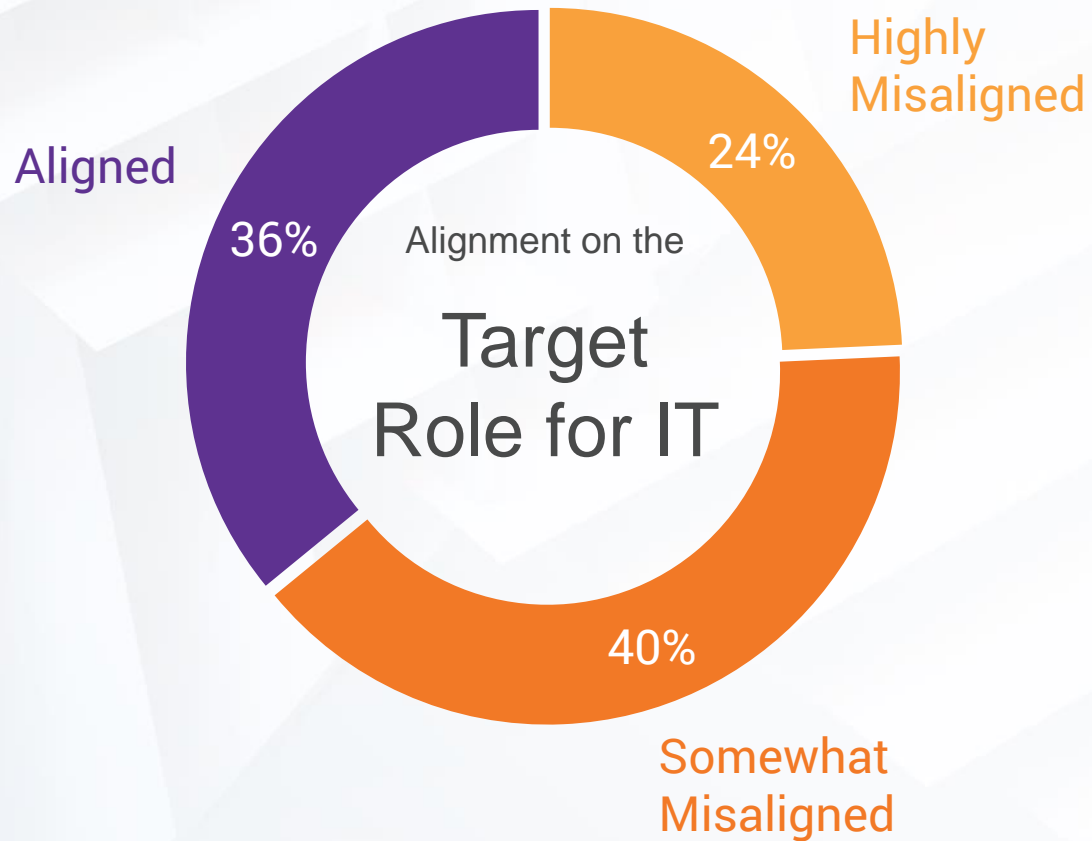
How satisfied do we make the Business?

Average Score: 7.3

10% of firms score lower than 6.0 in Overall Satisfaction

72% of firms have an Overall Satisfaction score between 6.0 and 8.0

Just 18% of firms score above 8.0 in Overall Satisfaction
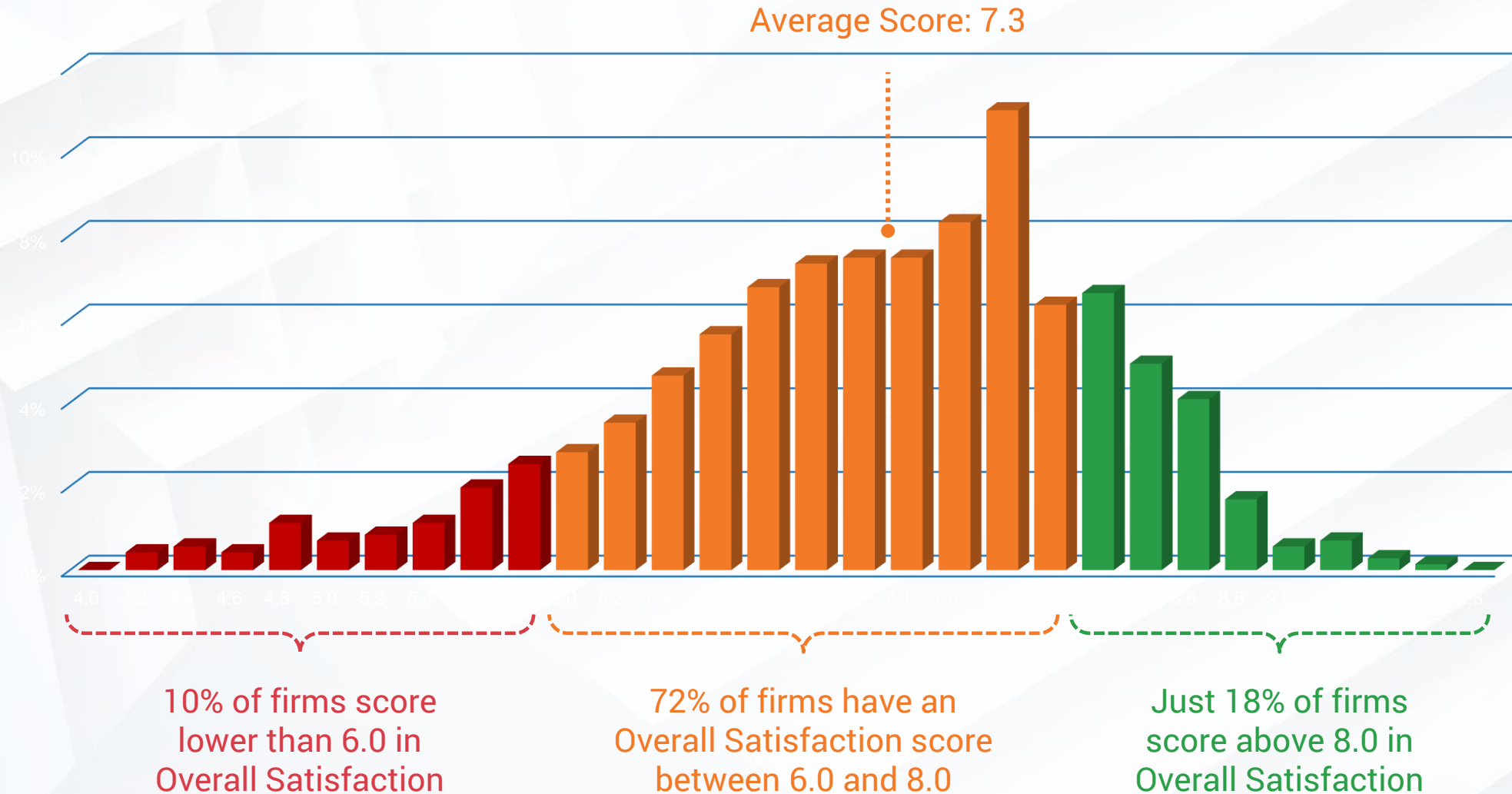
How about over time?
A closer look

Dependency on IT
- 82.0% (2013)
- 82.8% (2014)
- 83.2% (2015)
- 83.7% (2016)
- 83.6% (2017)
- 82.8% (2018)

Business Satisfaction
- 73.5% (2013)
- 73.0% (2014)
- 73.3% (2015)
- 72.4% (2016)
- 74.4% (2017)
- 73.4% (2018)

Legend: ●—● Business Satisfaction   ●—● Dependency on IT
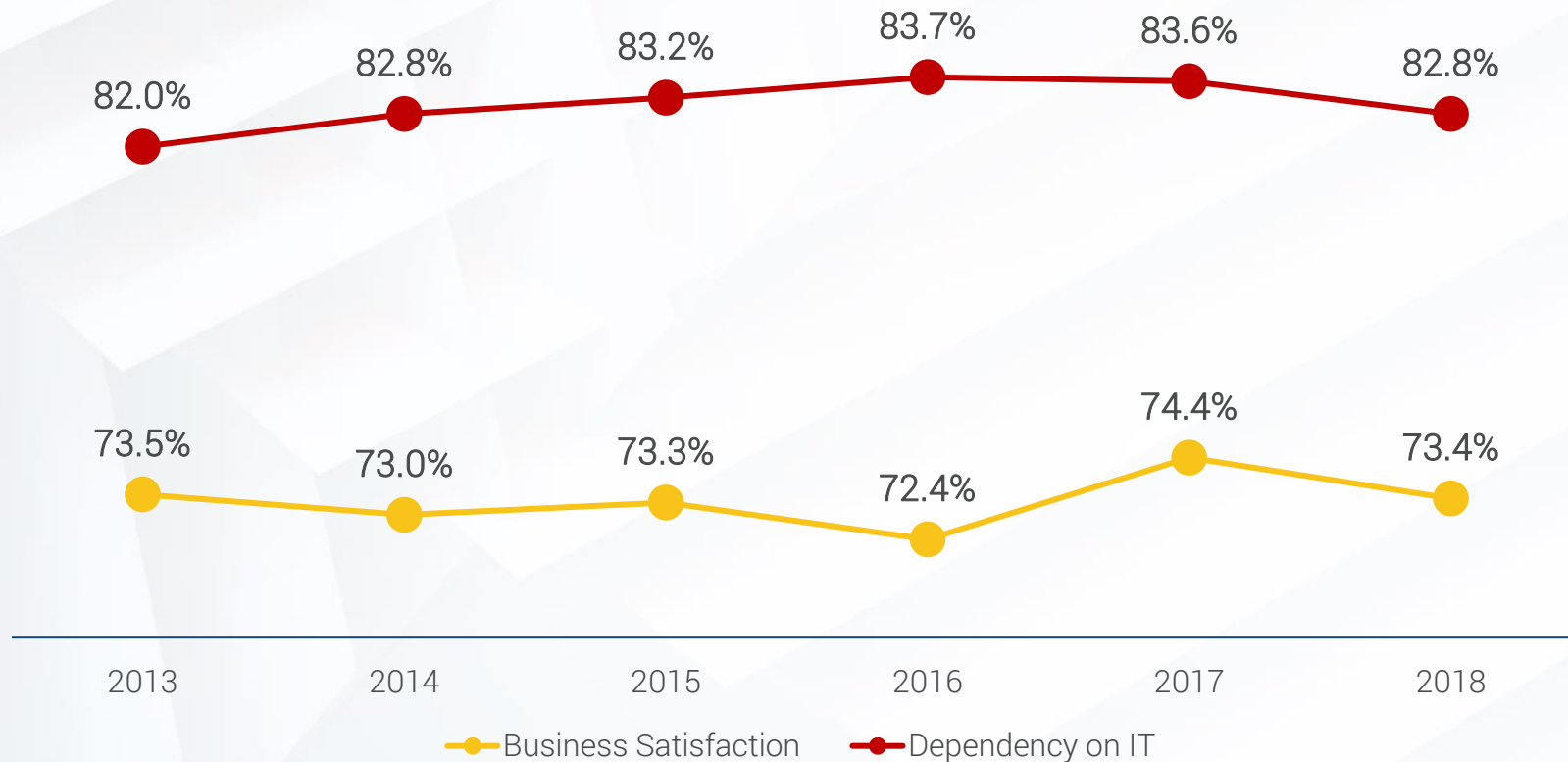
DATA DRIVEN INSIGHT
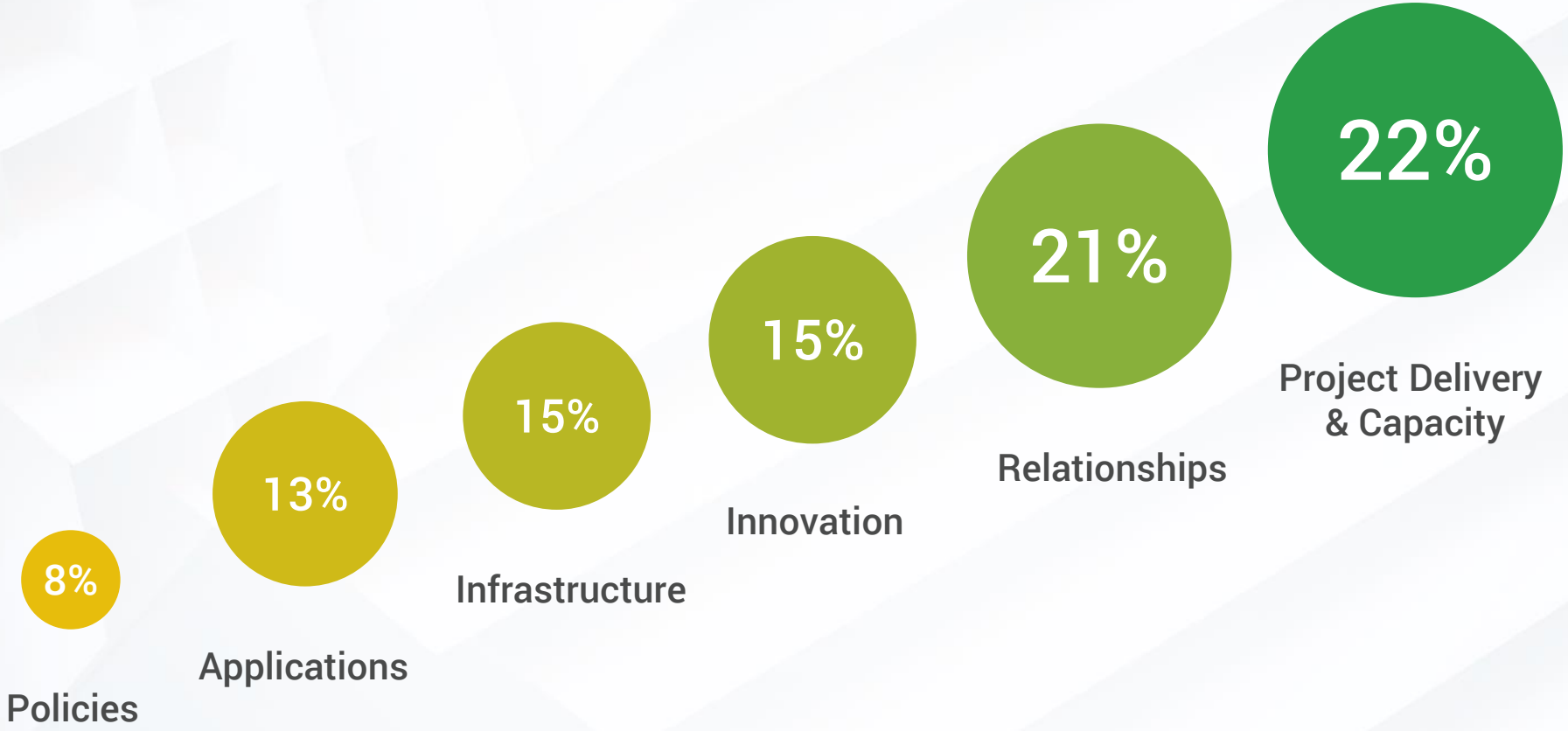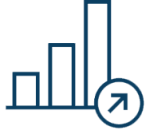
The only category that is steadily going up is Dependency.

IT is not improving *and* the business is becoming more dependent on IT.

n = 709 first year organizations from ITRG's CIO Business Vision diagnostic

What Drives
Business Satisfaction?

8% **Policies**

13% **Applications**

15% **Infrastructure**

15% **Innovation**

21% **Relationships**

22% **Project Delivery & Capacity**

Values represent the percent of the R^2 value that each category accounts for in a multiple linear regression model

Levels of IT Performance vary significantly

Satisfaction	Value
74%	**72%**

Net IT Support Score: Satisfaction	Percentage
	+28%

Net IT Support Score: Value	Percentage
	+19%

Relationships	Satisfaction
Understanding Needs	**73%**
Execution	**71%**
Communication	**71%**

Service	Importance	Satisfaction
Service Desk	**2**	**79%**
Devices	**5**	**76%**
Network Infrastructure	**1**	**75%**
Work Orders	**9**	**75%**
Business Applications	**4**	**72%**
Data Reliability	**3**	**72%**
IT Policies	**11**	**72%**
Requirements Gathering	**12**	**69%**
Projects	**10**	**69%**
Innovation Leadership	**8**	**66%**
Analytical Capability	**7**	**66%**
Customer Facing Tech	**6**	**65%**

Business Leaders

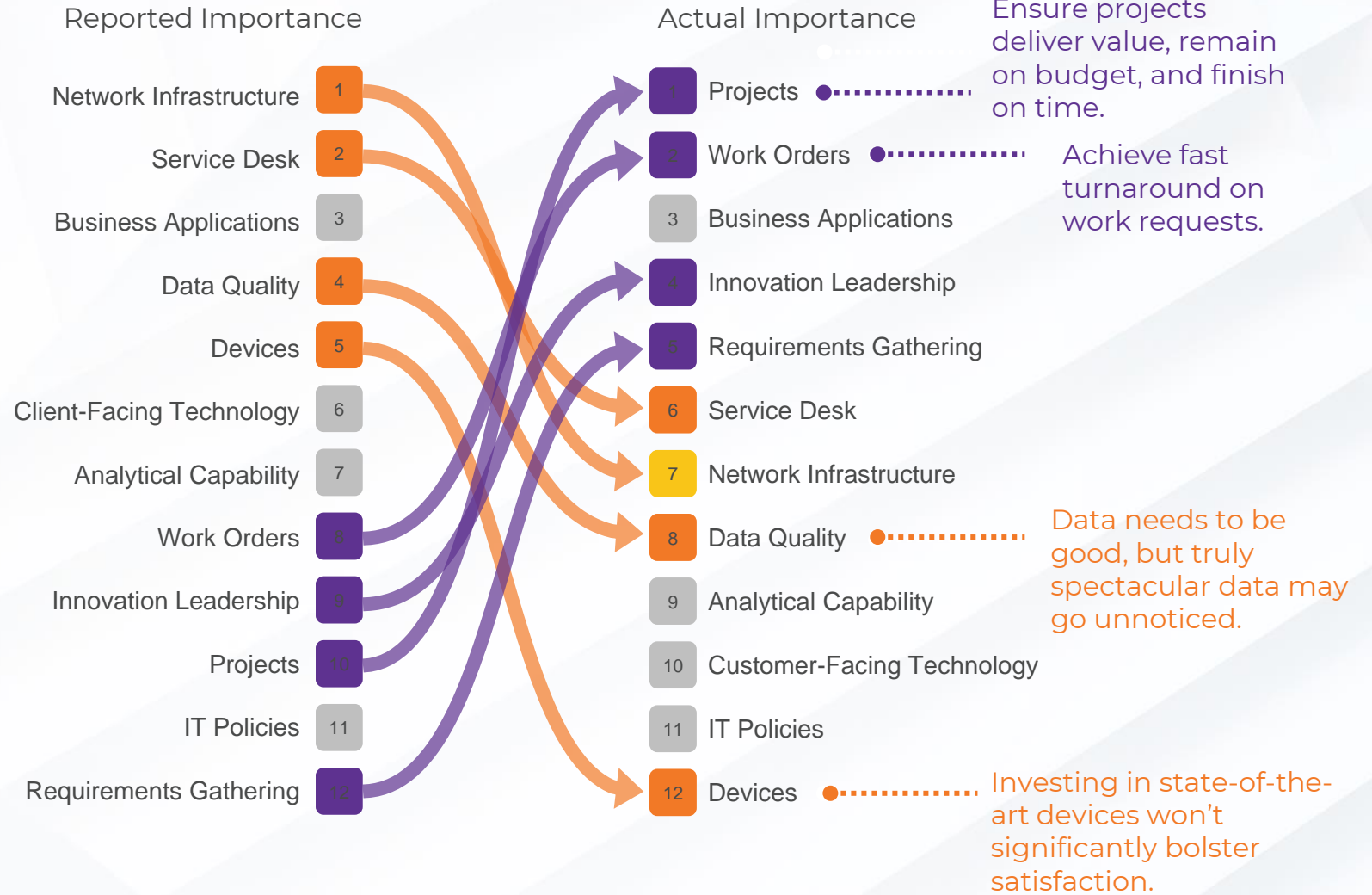## misjudge which services really matter to them

■ Overrated Services

■ Underrated Services

⚙ **DATA DRIVEN INSIGHT**

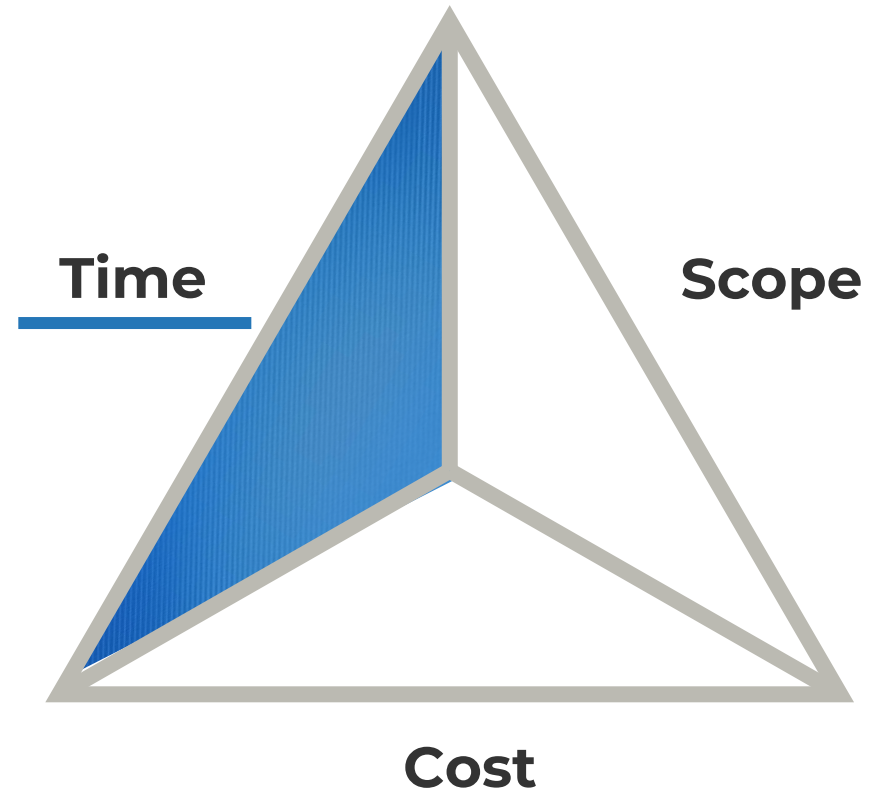Rethink your priorities; invest in services with the highest return on IT satisfaction.

Projects, work orders, and innovation leadership drive IT satisfaction.

Reported Importance

1. Network Infrastructure
2. Service Desk
3. Business Applications
4. Data Quality
5. Devices
6. Client-Facing Technology
7. Analytical Capability
8. Work Orders
9. Innovation Leadership
10. Projects
11. IT Policies
12. Requirements Gathering

Actual Importance

1. Projects — Ensure projects deliver value, remain on budget, and finish on time.
2. Work Orders — Achieve fast turnaround on work requests.
3. Business Applications
4. Innovation Leadership
5. Requirements Gathering
6. Service Desk
7. Network Infrastructure
8. Data Quality — Data needs to be good, but truly spectacular data may go unnoticed.
9. Analytical Capability
10. Customer-Facing Technology
11. IT Policies
12. Devices — Investing in state-of-the-art devices won't significantly bolster satisfaction.

Info-Tech Business Vision Survey
N = 39,000+ employees from 700+ organizations

What do the Best IT Teams do Differently?

Focus on
Project Delivery
and
Agility

Time

Scope

Cost

What do the Best IT Teams do Differently?

Focus on **Project Delivery**

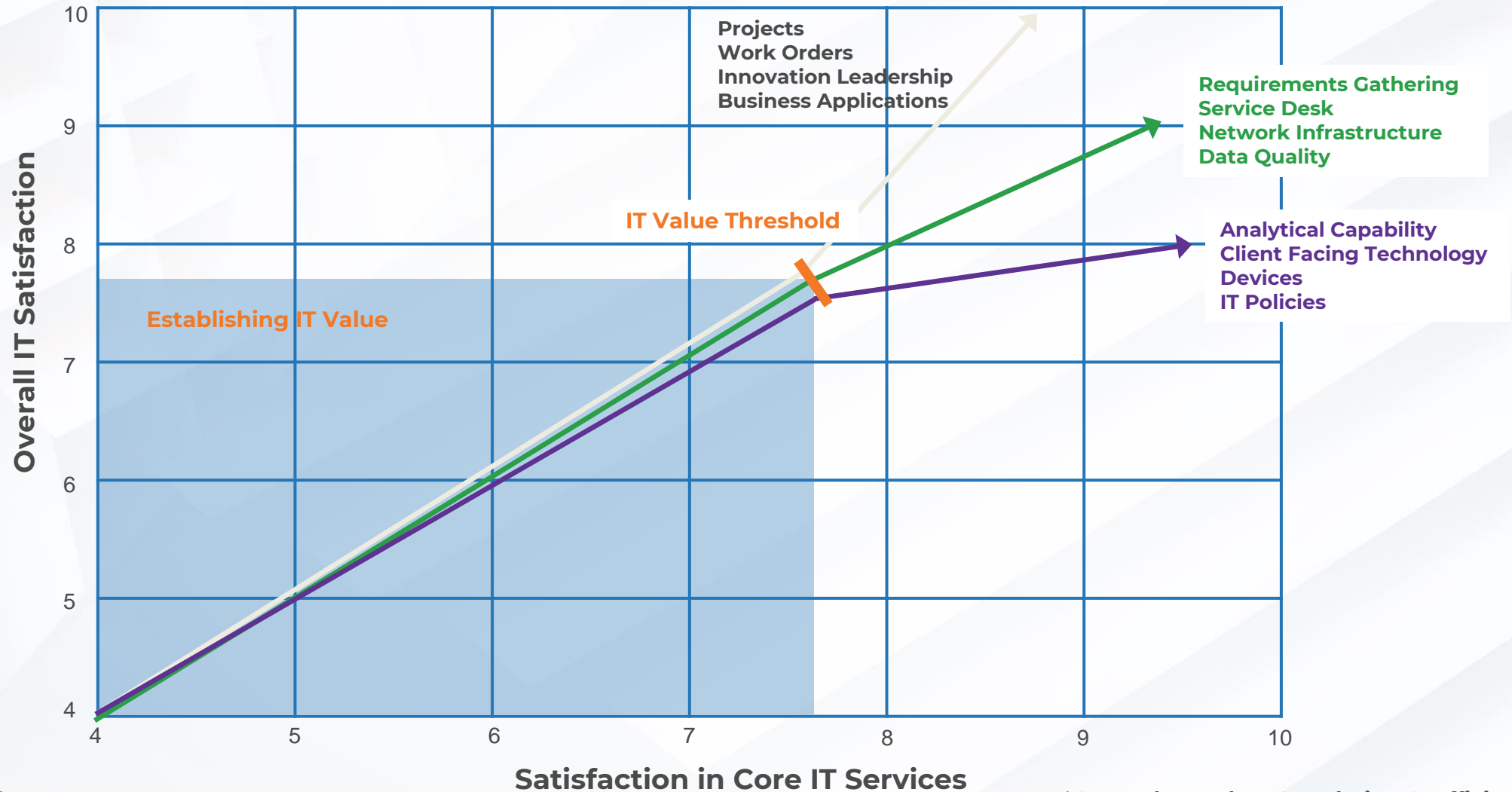Invest in **Business Relationships**

Actively **Measure Business Satisfaction**

Provide the Right Level of Core Service...
but Focus on the Services that Drive Business Satisfaction

Chart axes: Y-axis "Overall IT Satisfaction" (4 to 10), X-axis "Satisfaction in Core IT Services" (4 to 10)

Projects
Work Orders
Innovation Leadership
Business Applications

IT Value Threshold

Requirements Gathering
Service Desk
Network Infrastructure
Data Quality

Analytical Capability
Client Facing Technology
Devices
IT Policies

Establishing IT Value

*Created Based on Correlation Coefficients

The Formula for Business Satisfaction
Linking Core Services and Happy Stakeholders

Details

$$\hat{y} = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \varepsilon$$

$\hat{y}$ is the predicted overall satisfaction with IT,
β_0 is the intercept of the model,
β_1 is the slope for x_1 which is Satisfaction with Project Delivery,
β_2 is the slope for x_2 which is Satisfaction with Relationships,
β_3 is the slope for x_3 which is Satisfaction with Infrastructure,
β_4 is the slope for x_4 which is Satisfaction with Innovation,
β_5 is the slope for x_5 which is Satisfaction with Applications, and
ε is a random error term

Example: for every 10% increase in relationship satisfaction, *overall* IT satisfaction is expected to increase by 4.1%

0.46 · Project Delivery

+ 0.41 · Relationships

+ 0.18 · Infrastructure

+ 0.07 · Innovation

+ 0.06 · Applications + ε

= Overall Satisfaction with IT

How Well Does The Model Predict Satisfaction?

93.1% of the of the predicted values were within **±5%** of the actual satisfaction with IT.
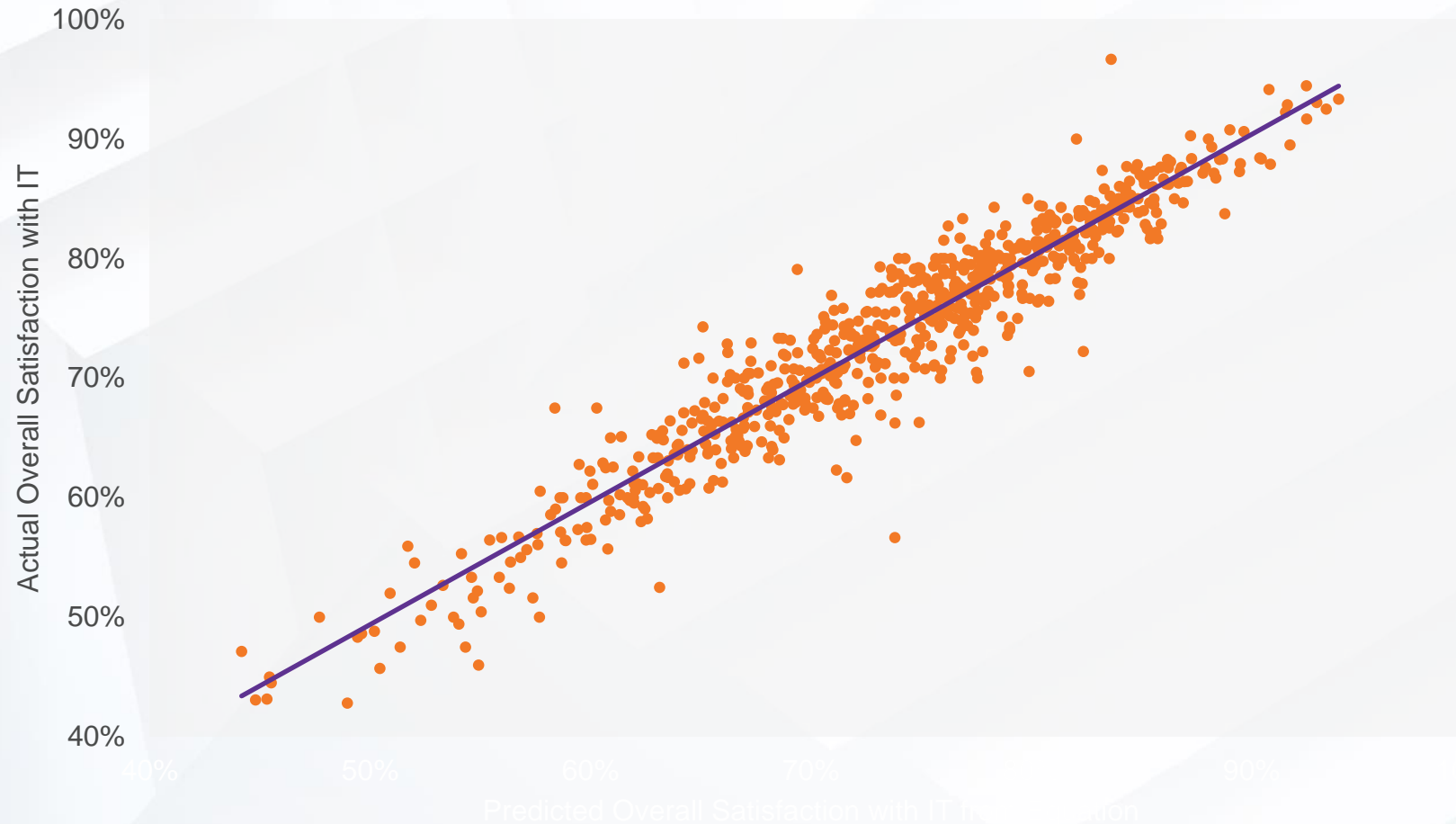
Accuracy

<1%	31.1%
1% to 1.9%	26.5%
2% to 2.9%	17.5%
3% to 3.9%	10.6%
4 to 4.9%	7.5%
5% to 9.9%	6.3%
10%+	0.6%

Three Very Different Philosophies
Which will help you the best?

Balanced Bill
Chief Information Officer
Blue Bus Co.

Trendy Tony
Chief Information Officer
Yellow Yukelele LLC

Cautious Carla
Chief Information Officer
Green Gardens Inc.

"Every IT process is an equally important part of a successful IT operation."

"An IT leader in 2020 needs to do three things to succeed: invest in cloud, increase capacity, and innovate."

"I don't know what my priorities will be. Depends what matters, and where we can make an impact."

Which Approach is Best?
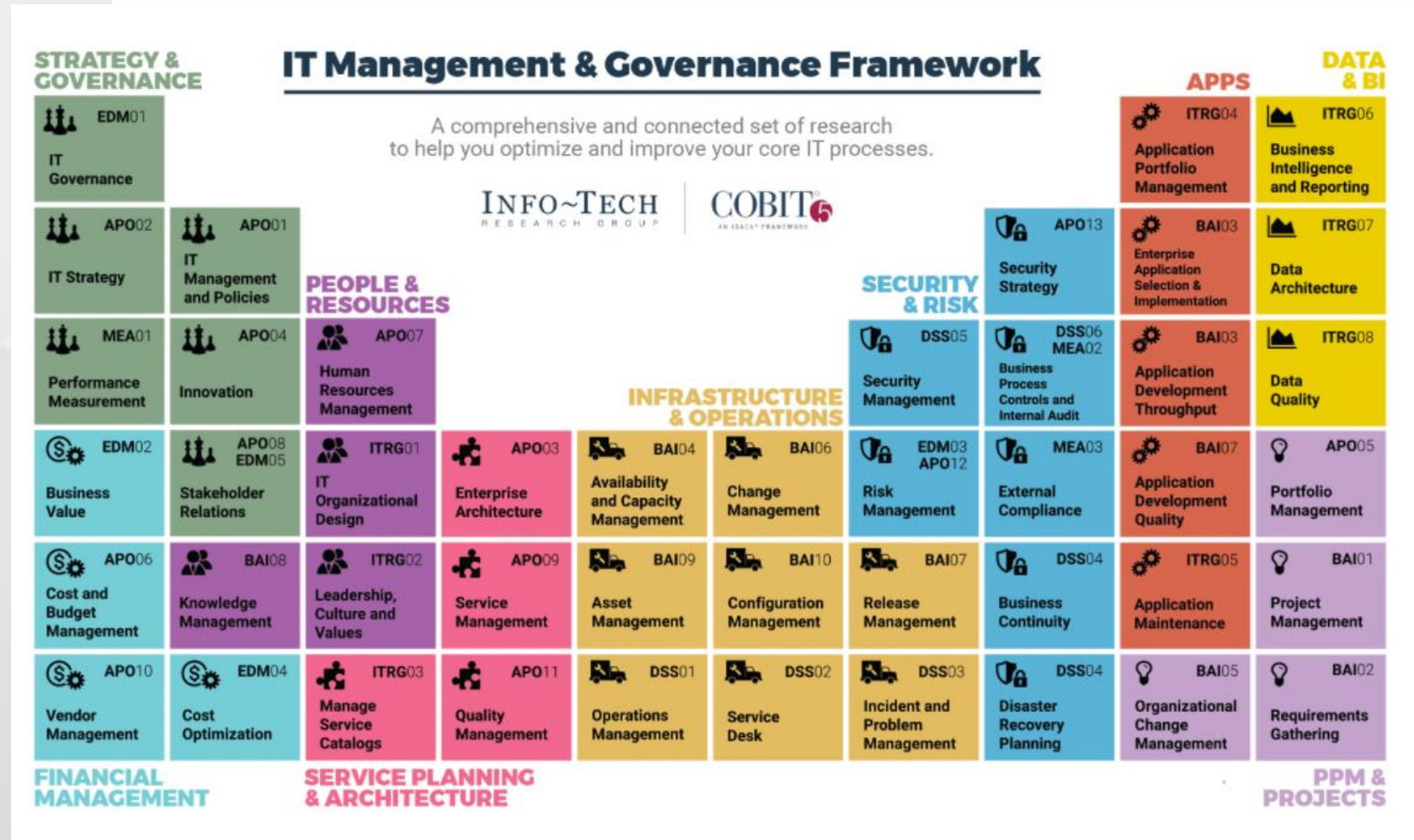## What you try to improve matters. A lot.

		Applications	Project Mgmt.	Infrastructure	Innovation	Relationships	Standards	Satisfaction
Baseline Scores		65%	62%	58%	56%	60%	52%	63%
"Every IT process is equally important."		68% ▲3	65% ▲3	61% ▲3	60% ▲4	63% ▲3	56% ▲4	66% ▲3
"Invest in infrastructure, increase capacity, and innovate."		67% ▲2	63% ▲1	66% ▲8	63% ▲7	61% ▲1	54% ▲1	66% ▲3
"I need to find out what matters, and where we can make an impact."		65% ▲1	72% ▲10	58% –	57% ▲1	68% ▲8	52% –	71% ▲8

Move from Data to Action

1 Collect Business Feedback
Measure business-leader satisfaction with IT and assess business needs.

2 Build the IT Strategy
Prioritize key issues and create an improvement roadmap.

3 Manage Stakeholders
Improve business leader relationships and ensure their needs are met.

4 Manage IT Performance
Align IT leadership performance metrics with measurable business results.

5 Improve IT Services
Execute planned IT improvement efforts with your team.

6 Communicate Success
Provide ongoing updates to the business on value created by IT initiatives.
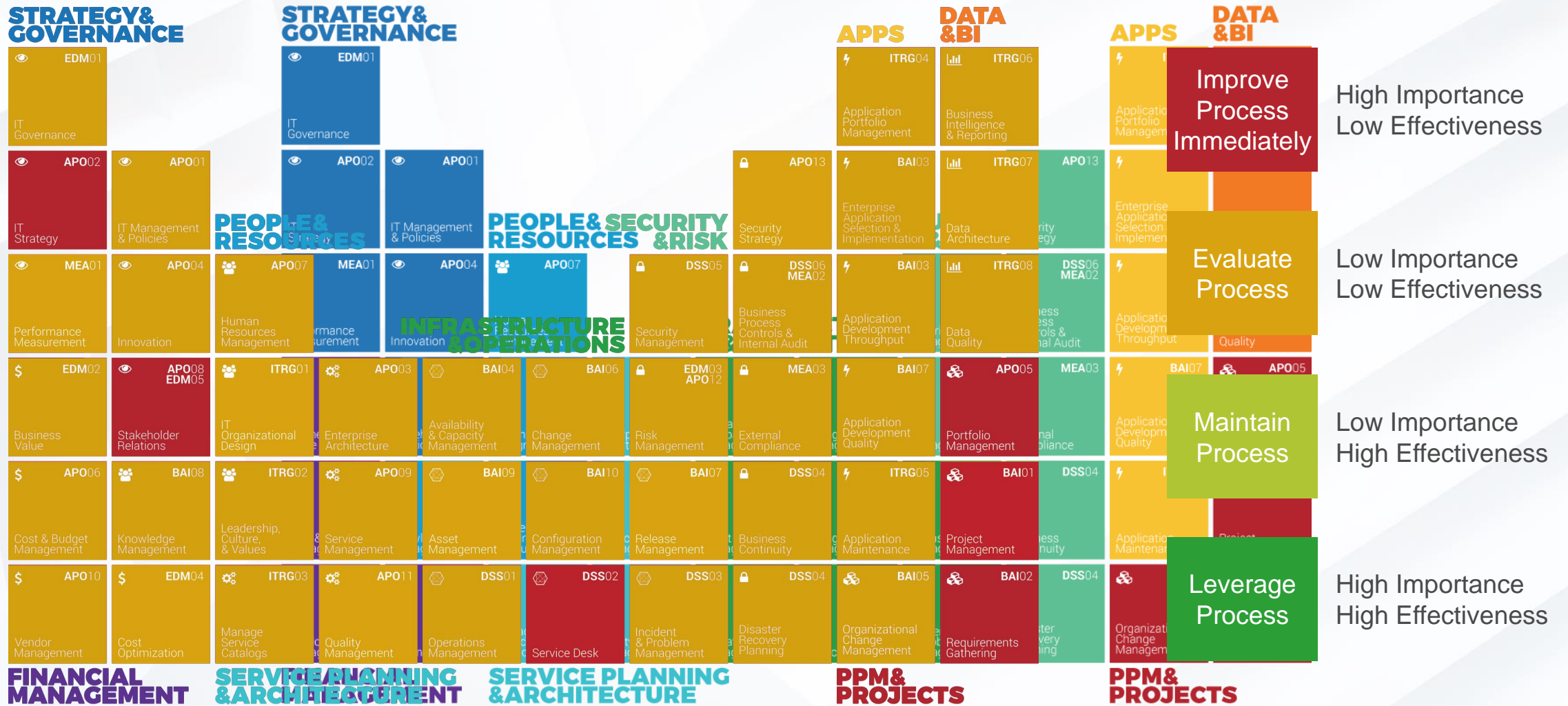

1 Collect Business Feedback

2 Build the IT Strategy | 3 Manage Stakeholders | 4 Manage IT Performance

5 Improve IT Services

6 Communicate Success

If **Business Satisfaction** is IT's Key Metric... Improvement will be driven by **IT Capabilities**

IT Management & Governance Framework

A comprehensive and connected set of research to help you optimize and improve your core IT processes.

INFO~TECH RESEARCH GROUP | COBIT 5

Your team will struggle with Importance & Effectiveness

Legend	Importance / Effectiveness
Improve Process Immediately	High Importance Low Effectiveness
Evaluate Process	Low Importance Low Effectiveness
Maintain Process	Low Importance High Effectiveness
Leverage Process	High Importance High Effectiveness

A STEP BY STEP
PROGRAM TO
SYSTEMATICALLY
IMPROVE IT PERFORMANCE

Info-Tech provides best-practice research making your job easier.

▸ Tools & Templates

▸ Step-by-Step Methodologies

▸ Benchmarking & Diagnostic Programs

▸ Training & Executive Coaching

▸ Insights & Advice from 30,000+ Peers

01 MANAGE AND IMPROVE
Core IT Processes

02 FASTER AND MORE EFFECTIVELY COMPLETE YOUR
Technology Projects

03 TRAIN AND DEVELOP YOUR
IT Leadership Team

04 BUILD A DATA-DRIVEN
IT Strategy

05 A STEP-BY-STEP PROGRAM TO
Systematically Improve IT

Security
Key Initiative Plan

Diagnose Security Issues

01

Despite all the security-related headlines in the news over the past few years, 94% of companies have experienced data breaches due to being stuck in reactive mode for operations.

Build an Information Security Strategy

02

90% of companies are still in reactive mode when handling security issues. Elevate your security operations out of reactive "block and tackle" models and become a proactive juggernaut.

Optimize Security Mitigation Effectiveness

03

The IT landscape evolves every 3 years, and security controls become obsolete over time. Being able to measure mitigation effectiveness leads to security excellence.

Consolidate Security Risk Management Solutions

04

CISOs and CIOs must understand how to assess risk. It's easy to describe the value of risk management, but the question becomes how to manage the risk.

Develop a Security Incident Management Program

05

Security incidents are inevitable, but how they're dealt with can make or break an organization. Poor incident response negatively impacts the business in multiple ways.

Build a Security Awareness and Training Program

06

The #1 method of penetration by hackers is social engineering against humans. The best technology cannot prevent untrained humans from providing hackers with critical access information.

Develop and Deploy Security Policies

07

Many companies still use regulatory governance as their policy control rather than using their business' DNA to create policy. Make policy work for you to enhance your company's security.

Select and Implement a GRC Solution

08

Get the big picture of roles and responsibilities, operations and compliance obligations – and be able to manage them within one solution.

Build a Risk-Based Security Budget

09

For years, security operations have been improperly seen as a cost center. Help your C-suite and board of directors see the value of security operations.

Service Delivery Model

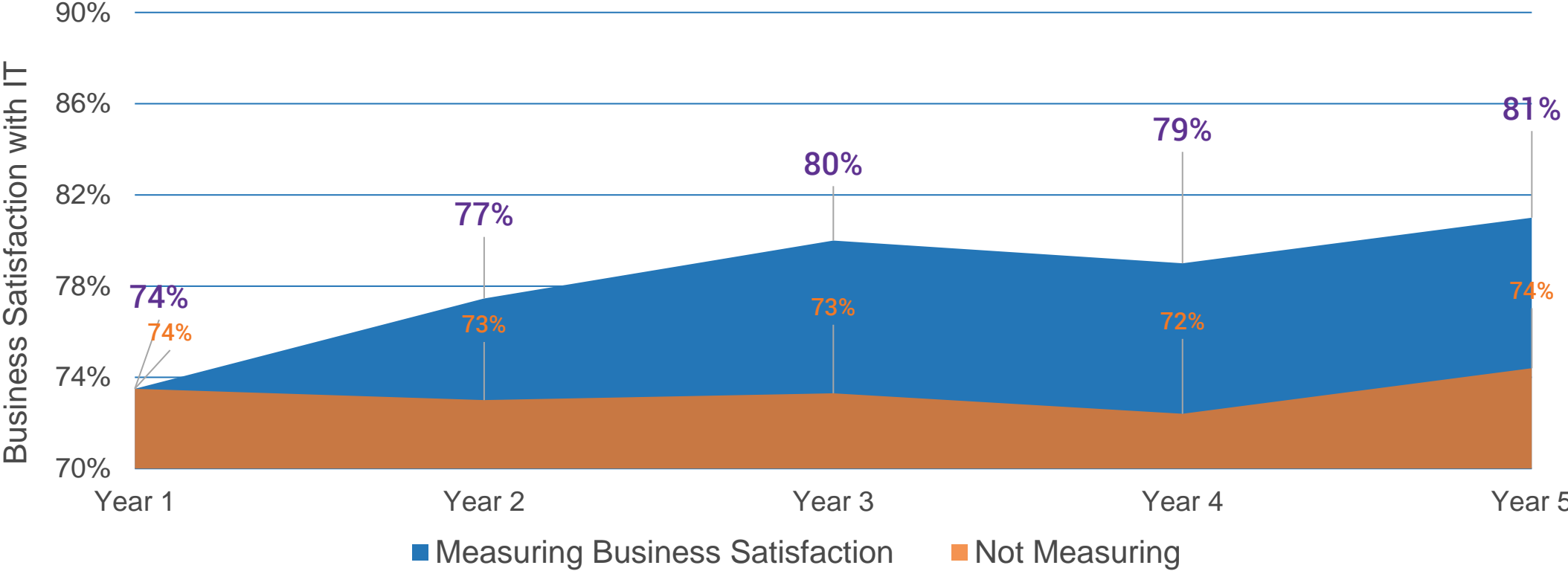| OUR SERVICE OFFERINGS	DEFINITION	USE CASE
01 Step-by-Step Blueprints	Online access to over 450 do-it-yourself tools, best-practice methodologies, and templates.	"Our team has the capability to run this project but some **tools & resources** would save us time and effort."
02 Guided Implementations	Unlimited advisory assistance with phone access to 100+ analysts and subject matter experts.	"Our team is managing the project but could use some **check-ins or advice** to help keep us on track."
03 Dedicated Counselor	Pairs IT leaders with a dedicated Counselor to advise on complex decisions and assist with senior stakeholder management.	"I need a **trusted advisor** to counsel me on **leadership challenges** and accelerate my professional development."
04 Onsite Workshops	A five-day onsite engagement where expert facilitators help you complete a key initiative, work through critical project deliverables, and train your team.	"We need to **kickstart this project** and **make immediate progress**."
05 Consulting	Fully customized advisory services based on your unique needs.	"Our team does not have the time or the knowledge to take this project on. We **need assistance through the entirety of this project**."

Organizations that Measure Satisfaction Dramatically Outperform their Peers

Business Satisfaction with IT

- 90%
- 86%
- 82%
- 78%
- 74%
- 70%

74% **77%** **80%** **79%** **81%**

74% 73% 73% 72% 74%

Year 1 | Year 2 | Year 3 | Year 4 | Year 5

■ Measuring Business Satisfaction   ■ Not Measuring

N=709 organizations

*Data point includes members at year 2-5 to ensure n-count sufficiency

Thank you!
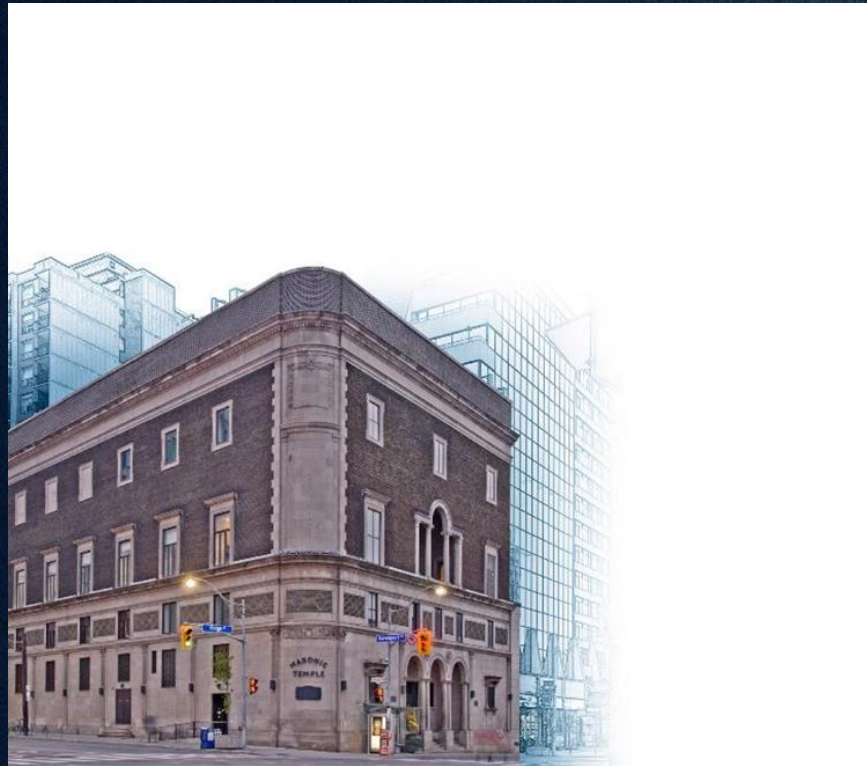
About Us

Info-Tech Research Group is the world's fastest growing information technology research and advisory company, proudly serving over 30,000 IT professionals.

We are, by far, the most innovative firm in the industry and we pride ourselves on providing better research than anyone.

Since 1997, we have been helping CIOs and their teams evolve from fire fighters to innovation champions.

We produce unbiased and highly relevant research & tools to help IT leaders make strategic, timely, and well- informed decisions that drive business value.

We partner closely with IT teams to provide everything they need – from actionable tools to in-person analyst guidance – to deliver measurable results for their organizations.

Info-Tech Advantage

Our data-driven programs enable IT leaders to objectively measure success, develop an impactful IT strategy, and systematically improve performance year over year.

Each year we invest millions of dollars in our library of best-practice tools, templates, training materials, and step-by-step methodologies that are proven to accelerate projects and transform IT departments.

For over 20 years, our team of 100+ world-class analysts has been coaching members though their most challenging projects and largest technology selection decisions.

Why start your next project from scratch when you can leverage known best practices and make your job easier.