Answering the Question "How Good Is Our IT?"

IT QUALITY INDEX Framework

Our Motivation

Q4IT is an IT consulting and education company with strong links and daily contact with IT professionals from many different types of organisation, from huge corporations through to small companies with only a few people working in IT. As well as having close working relationships with those in IT we meet and talk with executives who are responsible for IT, who allocate resources and expect to receive something back in return – let's call it value. What we frequently find through our cooperation with these companies is a major misperception of how good a company's IT really is. While most IT managers and CIOs deliver high quality IT (in their eyes) most of their top executives are asking one simple, straightforward question: "How good is our IT? - Is it good, bad, below average or outstanding?"

How do you find out and who can provide the answer? When the CIO provides the CFO or CEO some form of SLA reporting? By measuring customer satisfaction or through TCO, ROI or value analysis? Or, as we have seen frequently used, through a process maturity analysis? Let's discuss this last one a little further. Maturity models tend to be based on process maturity assessments that measure selected processes on a scale of 0 to 5. Let's look at the typical results of such an assessment:

- Incident process   level   3.4
- Change management   level   2.6
- Service level management   level   2.45

Imagine you are a CIO standing in the front of your CEO in an executive meeting and you present such figures. What do these figures say? Is your IT good or bad? What do you need to change to make improvements? And ultimately does this mean that your IT is any good?

So, how do you find out how good your IT really is? Executives will typically search for external advice through an IT audit performed by a specialist company. As a result of the commissioned audit they might get an audit report that varies in length depending on the money spent. We have found that these reports are usually driven by a similar approach – a focus on processes, comparisons with ISO/IEC 20000, COBIT™, ITIL® etc - with an array of findings and recommendations provided as a result. Does that answer the executives question as to whether or not they have good IT? Usually not. The main issue we see is that the output provided has no scale of rating nor a clear method for an overall IT quality assessment. So what is the alternative?

The Solution – The IT QUALITY INDEX Model

By taking an in depth look at a cross section of real IT organisations we were able to identify areas which frequently remain out of the focus of typical audits but create an enormous impact on the different perceptions of overall quality held by executives and IT management. We refer to these areas as quality domains:

- Business / Customer
- People – Human assets
- Services
- Processes
- Tools
- Appearance

These six domains create a model which forms the basis for a more accurate quality assessment. While some existing approaches tend to rate processes above all else, in the IT QUALITY INDEX framework we focus on a **holistic approach** - e.g. Focus on the business and IT interface, on the people, services, processes and tools. The first of these domains Business/Customer analyses how good the business is as a customer to IT and how well the business communicates and cooperates with IT regarding future directions, needs and strategy. This is a fundamental perspective change which we have experienced in real quality assessment projects. The quality of the delivered services depends, to a large extent, on the quality of IT's customer. This is usually a thought provoking moment created as we pass the results of the IT QUALITY INDEX assessment to the management team. Most executives do not fully realise the way in which they communicate with IT, how they make decisions, how they stick to previous strategic decisions, how they support IT from a resources perspective to backing important IT projects etc. This is a critical component of IT quality which should be measured as well, not just the internal IT processes.
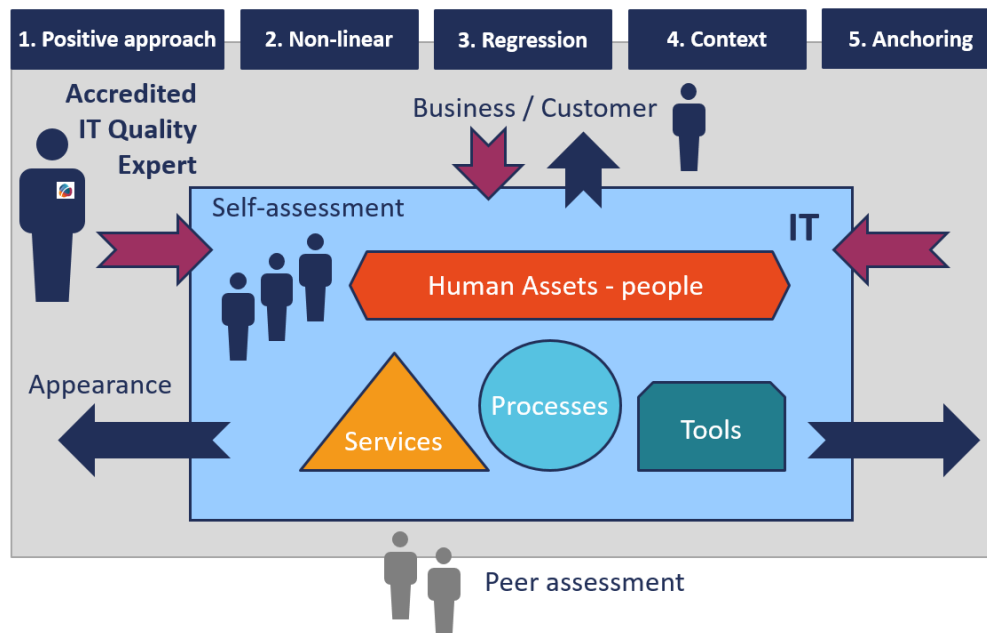
Picture 1: Quality domains, principles and assessors

IT QUALITY INDEX – Quality Dimensions

As mentioned, with the IT Quality Index we look at IT from a holistic, 360° perspective, where a total of 48 quality dimensions are evaluated for every type of IT organisation and every quality dimension is measured in a **0-100% scale**. For every quality dimension we have defined 4-6 quality attributes, which specify every quality domain in further detail.

For example:

Quality domain: B - Business/Customers:

Quality dimension: B2 - IT Strategy is developed and actively used to support the business objectives

Quality attribute: B2.1 The IT Strategy document is approved and accepted by management as a key strategic document

Picture 2: Quality dimensions

IT QUALITY INDEX – Scale

While existing models dominantly use a maturity level scale in the range of 0-5, we chose to use another scale, which is well understood in executive minds. This small change has major implications in the acceptance and understanding of quality assessment results. Managers dominantly use two scales in their day to day work – money ($, €, ...) and percentages (growth, market share). So it was a logical step to use percentages to present the results for the quality assessment and ensure clarity of understanding with all parties. When discussing scale there is one important principle that we need to remember - **scale is not linear** (much like most of the world around us). This understanding of nonlinearity is important as a small improvement in the beginning is significantly easier and much more achievable than an improvement being made at a higher quality level. Therefore quality and costs/resource dependency should be fully understood in line with the nonlinearity principle.

Once all of the quality dimensions are measured through the assessment managed by an Accredited IT Quality Expert, the overall IT QUALITY INDEX can be calculated and subsequently used for benchmarking analysis.
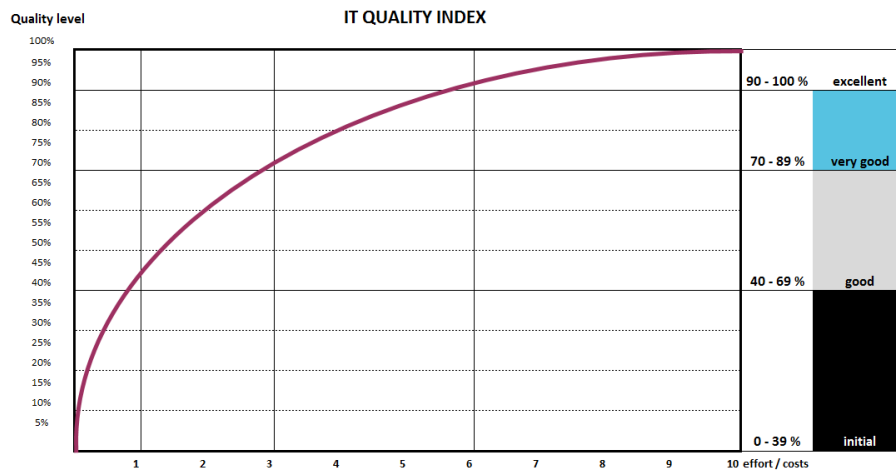
Picture 3: Quality scale

IT QUALITY INDEX – Assessment Method

When we look at the assessment method there are some important aspects to note - Every assessment must be organised in a structured way and managed by an Accredited IT Quality Expert, a checklist must be followed to ensure the same approach is applied across all assessments – ensuring the quality within and across every quality assessment. The assessment process is focused to measure two values for every quality dimension – The **actual level** achieved and the **target level**. These two values provide the basis for the deeper analysis that includes improvement prioritisation.

Within every assessment five principles are essential:

- Positive approach
  - The identification of improvements rather than gaps, measurement rather than audit
- Non linear
  - Understanding that effort and resources are not linear to the achieved quality level
- Regression
  - Measurement of settled levels rather than fluctuations
- Context
  - Looking for the targeted quality levels in the context of the business type rather than targeting a 100% quality level
- Anchoring
  - Anchoring the actual and target levels in both the IT and business minds ensuring jointly agreed quality levels

As an illustration of the context principle – the actual and target levels are measured respecting the overall context of the entire organisation and the IT within it. For example, a bank will requires a much higher level rating for all quality dimensions compared to a small, static IT department were lower levels are quite suitable.

IT QUALITY INDEX – Data Processing

Every quality assessment is complemented with a consistent set of outputs. The key to this is the calculated value on the IT QUALITY INDEX and its comparison to similar organisations. This, we find, is a fundamental output required by executives. So, to their question: "How good is our IT?" we provide a simple answer: "Your IT is on a very good level of 74%. With a target level of 76% set for your company the priority areas for improvements are 1. … 2. … 3. … . When measured against similar organisations your company's IT is in the top 30%".

Alongside the summary information there are also detailed outputs which include Quality and Costs analysis' that can be agreed on as a part of the assessment planning.

Value to the Business

Our consistent delivery of high quality assessments has resulted in a return of very positive feedback from the various organisations we have worked with. Listed below are some of the value derived by them from our assessments:

- An understanding of the actual IT quality relevant to the business needs
- Accurate benchmarking of IT quality against similar organisations
- An understanding of the level of best practices adoption within the organisation
- A clear checklist for IT and business: "Do we manage IT in the proper way?"
- A way of teaching the business about the best practices for IT management

Summary

As many consulting companies have requested from us the possibility of licensing and accrediting their consultants to extend their consulting service portfolio and deliver IT QUALITY INDEX projects, we will be establishing an association to encourage the adoption of the IT QUALITY INDEX globally. As the driving idea behind the IT QUALITY INDEX is to maintain high quality above speed our preference is to partner with experienced and respected members in the ITSM domain who have a combined IT management and professional consultancy history.

If you or your company is considering becoming licensed to use the IT QUALITY INDEX and join our exclusive list of Accredited IT Quality Experts we invite you to take a look at our featured web site or join us on LinkedIn or Twitter. From these contact points we will be able to provide you with further information about our scheduled trainings and the accreditation process.

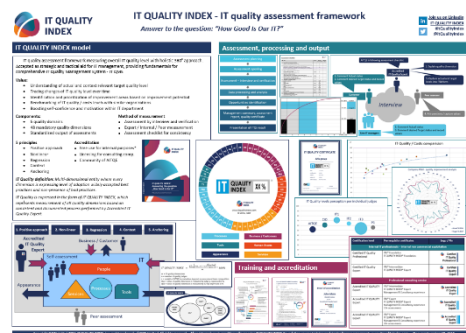**Contact and inquires related to IT QUALITY INDEX:**
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Overview of key components for A3 print:

About the Author:

Zdenek Kvapil is the founder and CEO of Q4IT and the architect of the IT QUALITY INDEX framework. He has spent 25 years in the IT industry, from programing through to the management of his own IT consultancy business. His other roles in the industry have included consultant, trainer, speaker and founder of the IT SERVICE DELIVERY FORUM INTERNATIONL conference – experience sharing conference: www.itsdfi.com.

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