ICT and the Business: Defining the Customer Value Based ICT Infrastructure Together

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Senior Managers

Days

3
WHY attend this programme?

Today, ICT-master plans are often based on a purely financial discussion. The decision-makers try to balance the trade-offs between a cost center, a profit center or some kind of an overhead-based approach for the appreciation of the ICT function in the organization. You may have discovered that none of these approaches works very well. And they can also lead to grim relations between ICT and Business, as reflected in the explosion of "Business - ICT" alignment literature.

In this workshop, we start from a radically different angle. We take the Customer Value of ICT as the basis for ICT-master plans, portfolios and programs. "Customer" is understood in a broad, generic way. Customers may be profit-related consumers. But they can also be citizens and enterprises in a governmental context or patients in a healthcare context. "Customer Value" is a significant blend of financial measures (cost, benefit, investment, risk) and non-financial factors (cost efficiency, product/service differentiation, perceived customer value and others). In order to balance the ICT portfolio, those involved need to relate the organization's strategy in relationship to the customer. In particular, the customer strategy is the primary factor in balancing between "agility/flexibility" and "standardization/centralization" (i.e. Infrastructure). A "right" degree of infrastructure is needed to generate and provide a foundation for reliable flexibility. That may sound contradictory, but it is, in fact, crucial for balanced ICT portfolios.

ICT innovations, in particular the development of community-based networks with social interaction technologies, emphasize the importance of this holistic view on the Customer-based Value of ICT. As part of this workshop you will learn to develop a balanced ICT portfolio based on this value proposition. Business cases will be used as an essential vehicle to anchor ICT projects in the lines of business of the organization. In this workshop the importance of "agile" project approaches will be explored, based on the concept that "small is beautiful and precious". New developments in ICT confront business managers with bottom-up, emergent - value propositions, on top of the traditional top-down approaches that were applied the past 50 years in ICT.

As a consequence, a customer value-based approach automatically leads to a significantly higher Business-ICT alignment and a deeper appreciation of the ICT performance for the firm. All of the techniques that are presented and discussed are based on actual business applications.

Who is this programme for?

Senior managers and Business Line/Functional Managers (sales, marketing, finance, trading, logistics, operations and other) together with their ICT-colleagues in the organization, such as the Chief Information Officer and her/his customer liaisons in the Business. This workshop is strongly recommended for ICT-portfoliomanagers and ICT project/program managers.

Senior Managers

Leaders with at least 15 years of experience, with P&L responsibility or leading group support functions. Generally, they lead groups of more than 100 people at business unit, division, country, regional and international levels.

HOW will you benefit?

After participating in this workshop, you will be better able to:

- Transform your ICT master plan from a cost-based into a customer value-based plan
- Assess the value impact of new developments in ICT from a customer value point of view
- Understand and audit the financial structure of the ICT portfolio in terms of costs, benefits, long-term investments (infrastructure) and risks
- Explain the value of ICT-based services
- Assess your ICT portfolio as a balanced portfolio, in particular balancing the Infrastructure part of the portfolio
- Understand the impact of over-investing or under-investing in ICT infrastructure
- Understand how to develop business cases and service level agreements for ICT projects
- Manage the balance between different strategic business parameters and stakeholders

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- Define agreed priorities within an ICT portfolio
- Have a stronger position in relation to ICT-suppliers and ICT service providers
- Have a deep understanding of three major ICT organizational models, based on the value proposition
- Ensure the continuous alignment of business and ICT requirements
- Understand the ICT-related strategic ambition level of your organization
- Have a quick assessment of your organization’s ICT portfolio

**WHAT will you learn and practice?**

**Overview of the Relevant ICT Trends and Directions**
- Society Mega-trends for 2011 - 2020
- The evolutionary nature of ICT: Grosch’s law and beyond
- ICT 2.0 and ICT 3.0 trends: What is the meaning of "social" and "semantic"?
- The globalization of ICT-function: Outsourcing, near-sourcing, insourcing, multi-sourcing
- The impact of regulations on ICT
- New types of infrastructures: Grid versus clouds?
- Does ICT matter?

**The Traditional ICT-Business Models**
- Cost-centered ICT and activity-based costing
- The role of research and development for the ICT-function
- The failure of the profit-based approach as a generic ICT organizational model
- Three archetypes of emerging ICT organizations
- The dilemma of the Chief Information Officer: What about Business-ICT alignment?

**Understanding “the Customer”**
- Definition of critical customer-centric value issues
- Mapping customer values on the organization: a value-affinity matrix
- Mapping customer values on the corporate value chain
- Understanding the customer value network
- “Customers” in non-profit business sectors and government
- Don’t ignore suppliers – for them you are also a customer...

**A Deeper Analysis of "Customer Value"**
- Financial versus non-financial components of customer value
- Cost efficiency versus product/service differentiation versus customer intimacy in customer value: Beyond Tracey and Wiersma
- The role of long-term capital investments in customer value
- Understanding risks in customer relationships: How to ask the right questions to your customers regarding your ICT-based services and processes!
- Real options as a technique to understand customer-related risks
- The role of (response-) time versus (logistic) volumes in customer value
- Understanding the role of "Reach" versus "Range" in customer value: A metric for the customer-related strategic ambition Level

**The Balanced Scorecard for Customer Value**
- The “balanced” ICT portfolio?
- Components of an ICT portfolio: Infrastructural versus business line specific transactional, informational and strategic portfolio components
- Metrics and benchmarks for ICT portfolios
- Complexity-related elements of ICT portfolios

**A Customer Value-driven Strategy for the ICT Portfolio**
- Strategic customer value and imperfections in customer value networks
- The role of maintaining versus solving information/communication imperfections
- Master data management and the role of “meaning” in contemporary ICT portfolios
Benchmarking the customer-related strategic ambition level against your ICT portfolio
Benchmark results for various business verticals:
Understanding the role of information logistics

How to Transform into a Customer Value-based ICT Organization?

- The economic dynamics of ICT-infrastructure decisions: Nash games
- Centralization versus standardization and economies of scale in ICT
- The three generic ICT-organizational models revisited in view of customer value
- How to organize your ICT-infrastructure: Clouds versus grids?
- Understanding the impact of outsourcing on the customer centric organization
- What are the new skills and competencies that must be further developed in the ICT-function: Information management is not just technology management?
- Cartographics for ICT portfolios: Mapping the portfolio in agile projects
- The strategic role of ICT-based innovations

How to Make it Happen Inside the Business?

- Creating meaningful business cases for ICT projects: dos and don’ts
- Mapping business stakeholder priorities against the ICT portfolio
- Measuring and benchmarking your customer value based approach: Making alignment and partnership more concrete
- How to do an effective marketing and branding of the ICT-organization?
- Story-telling and effective managerial ICT presentations

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