IT-CMF

IT CAPABILITY
MATURITY FRAMEWORK™

IT Organizational Performance
Improvement for Business Value:

Introducing the IT Capability Maturity Framework (IT-CMF)

IT Capability Maturity Framework (IT-CMF)

The IT Capability Maturity Framework™ (IT-CMF™) provides the basis for a holistic evaluation of IT organizational performance, together with management best practices for organizational improvement.

IT-CMF is a CIO and Senior IT management system that facilitates continuous performance improvement across the entire IT organization. It allows organizations to consistently deliver better business value and innovation. IT-CMF is designed to reduce complexity by systematically addressing IT organizational capability gaps, thereby leading to optimized value and innovation.

IT-CMF provides a toolset that contains maturity profiles, assessment methods and organizational improvement roadmaps; which collectively target improved delivery of value and innovation. The framework:

/// Objectively identifies gaps in IT capabilities that are limiting IT performance and delivery of business value and innovation

/// Contains standardized organizational assessment tools that allow organizations to benchmark themselves against similar organizations

/// Defines a systematic structure to:

- implement best practice improvements in IT performance

- measure benefits over time

IT-CMF – A framework to improve IT

Enterprises often expect IT to be a flexible, 'on-demand' enterprise resource. To deliver on this expectation many CIOs and IT decision-makers have to regularly address a range of IT management challenges. Some typical challenges include:

/// **Organization-Wide Evaluation**
Agree a balanced view on key areas to improve IT performance.

/// **Alignment**
Build alignment for IT to meet the current and future needs of the organization.

/// **Funding Management**
Determine if IT spending is reasonable and transparent.

/// **Value Impact**
Prioritize IT investments and realize business value impact.

/// **Solution Agility**
Reduce technology complexity and boost agility.

/// **Service Management**
Sustain or improve IT service levels and customer satisfaction.

/// **Sourcing Arrangements**
Evaluate and leverage the potential of IT service providers.

/// **Governance and Risk Control**
Balance decision-making effectiveness and enterprise risk management.

/// **Resource Planning**
Match IT fulfilment ability with IT consumption trends.

/// **Enable Innovation**
Catalyse innovation by leveraging IT.

/// **Organizational Design**
Define organizational responsibilities and reduce duplication of work.

/// **Management of Change**
Deliver and embed transformation with minimal disruption.

Until recently, no single IT management system comprehensively addressed the entirety of challenges faced by CIOs and senior IT Managers. IT-CMF contains the universal components (or critical capabilities) that can be dynamically configured to address these challenges. The framework supports the development of enduring IT organizational capabilities, as opposed to static, one-off solutions.

By using IT-CMF, CIOs and Senior IT Managers can:

/// Identify and prioritize gaps that are constraining IT performance.

/// Develop clear roadmaps for improvement, execution and tracking benefits.

/// Incorporate continuous improvement into the IT organization.

/// Identify and address skill gaps through training and accountability.

/// Embed a business management system for IT performance management.

Managing IT like a Business

- **ITG** IT Leadership and Governance
- **BPM** Business Process Management
- **BP** Business Planning
- **SP** Strategic Planning
- **DSM** Demand and Supply Management
- **CFP** Capacity Forecasting and Planning
- **RM** Risk Management
- **AA** Accounting and Allocation
- **ODP** Organization Design and Planning
- **SRC** Sourcing
- **IM** Innovation Management
- **SAI** Service Analytics and Intelligence
- **SICT** Sustainable Information and Communication Technology

Managing the IT Budget

- **FF** Funding and Financing
- **BGM** Budget Management
- **PPP** Portfolio Planning and Prioritization
- **BOP** Budget Oversight and Performance Analysis

Managing the IT Capability

- **EAM** Enterprise Architecture Management
- **TIM** Technical Infrastructure Management
- **PAM** People Asset Management
- **KAM** Knowledge Asset Management
- **RAM** Relationship Asset Management
- **RDE** Research, Development and Engineering
- **SD** Solutions Delivery
- **SRP** Service Provisioning
- **UTM** User Training Management
- **UED** User Experience Design
- **PPM** Programme and Project Management
- **SUM** Supplier Management
- **CAM** Capability Assessment and Management

Managing IT for Business Value

- **TCO** Total Cost of Ownership
- **BAR** Benefits Assessment and Realization
- **PM** Portfolio Management

Figure 1

IT-CMF's Critical Capabilities

Understanding IT-CMF

IT-CMF's critical capabilities (CCs) represent key IT management domains. These must be mastered, in order to deliver specific outcomes in support of value creation. Critical capabilities are grouped under four macro-capabilities (see Fig 1). Each critical capability comprises the following management tools:

/// **Maturity Profiles**
A five-level maturity ladder, which documents increasing levels of capability performance improvement.

/// **Assessment Instruments**
To determine an IT organization's capability maturity, in addition to its strengths and weaknesses.

/// **Practices, Outcomes and Metrics (POMs)**
Best practice recommendations of how IT organizations can improve their IT performance.

What advantages can IT-CMF offer over other IT frameworks and methods?

While useful IT frameworks and methods are available, most typically deal with aspects of IT management challenges. Furthermore, these approaches may aim to optimize specific IT processes – but do not reflect the wider impact on the overall performance of the IT organization, which operates as a connected system. They simply describe *how* IT activities and processes should be performed for specific aspects of IT and assume a static environment.

By contrast, IT-CMF embodies dynamic capabilities that exemplify the next generation of management systems. IT-CMF defines IT capability simply as *what* IT can do (or needs to do) for the business. It is the ability of the IT organization to systematically and repeatedly mobilize processes, people, technology and knowledge towards achieving specific outcomes.

IT-CMF exploits the reality that processes and capabilities are inextricably linked. For example, the agility of IT processes is often a product of overarching IT organizational management and organizational learning capabilities.

IT-CMF complements and aligns disparate practitioner and process-based approaches traditionally used in IT.

IT-CMF is a unifying IT management framework that offers a holistic management view to improve the IT organization. Using IT-CMF to mature IT organizational capabilities, CIOs and senior IT managers can take quantum leaps in managing IT for value and innovation.

IT-CMF Origins

The origins of IT-CMF can be traced back to when Intel IT undertook a transformation to quantify and demonstrate the true value impact of IT. Professor Martin Curley, Vice President and Director of Intel Labs Europe, captured many of those approaches in his book *Managing IT for Business Value* (2004), along with case studies from industry peers, which resulted in the IT Capability Maturity Framework (IT-CMF). Since then, the Innovation Value Institute (IVI) has been steadily developing this original work with further research on additional best practices, organizational assessment approaches and improvement roadmaps.

About the Innovation Value Institute (IVI)

IVI is a not-for-profit organization that hosts an international consortium of organizations across public and private sectors. IVI promotes an open eco-system of research, education and assessment services based on IT-CMF and related research areas. IVI operates an open-innovation collaboration model – where IT professionals across multiple industries, together with academia, jointly define research and validate IT improvement best practices.

How to get involved

If you would like to join many of the world's leading organizations who are working with IVI to improve their IT performance, simply call us on +353 1 708 6931, visit our website at www.ivi.ie or email ivi@nuim.ie

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