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**Business Relationship Management Institute (BRMI)**

**White Paper**

**Summary Business Case**

**for adding**

**Business Relationship Management (BRM) Capabilities**

**to**

**Information Technology (IT) Organization**

**Version 4**

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### **1 Purpose**

The purpose of this paper is to:

- Show why IT management functions require leadership and direction to become a structured, resourced, and measured *business capability*.
- Show why this transformation is required so that IT is properly recognized as the powerful business resource and partner it can and should strive to be.
- Define the changes needed to succeed in the described transformation.
- Describe the proven and compelling business case for urgently implementing the proposed changes.

### **2 Problem/Opportunity**

Simply put, it is long overdue for IT management functions to move from their organizational image of an isolated low-value high-cost center. It is time to lead the changes critical to transforming IT into the strategic value creator and business partner that corporations require and, due to relentless competitive pressures, increasingly expect. The corporate information technology (IT) management model commonly used today is well-known to be costly and ineffective at utilizing IT resources to responsively improve business and strategic performance. As a result of these inefficiencies, IT management functions are often characterized by terms that are quite different than those used to describe a powerful, effective, and essential contributor to business success.

### **3 Cause**

While there are other causes of note, the primary cause for the existing problem/opportunity is the continued habit of corporations to use *legacy* IT management culture that:

- Are governed by cost avoidance versus corporate value-added contributions;
- Concentrate their focus on technical matters that promote their isolation from the business units they are tasked to serve;
- Are not measured for joint and successful involvement in business achievement; and,
- Neglect relationship building and effective communication with business partners and executive business leadership.

### **4 Options/Recommendation**

Perpetuating the existing legacy IT culture is no longer sustainable nor is it strategic to staying competitive in today's rapidly changing and innovative global marketplace. We recommend introducing changes proven to optimize IT's constructive involvement with its business partners, and in doing so, IT will be in a pivotal position to support business growth as well as support stakeholder objectives.

The good news is that we propose relatively moderate yet highly effective changes to the legacy IT culture to enable it with Business Relationship Management (BRM) capabilities. The basis for the BRM capability proposal is expanded below. The proposed changes include establishment of new IT corporate leadership direction, introduction of new

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measures, and addition of knowledgeable resources fluent both in the language of IT and the business.

In this paper, we refer to IT as “IT Business Enabler,” whatever the corporate title is deemed to be (i.e. MIS, IS&T, etc.). The distinctive label will help differentiate a legacy IT Function from one that has embraced the proposed new direction and incorporates proven BRM capabilities.

### **5 Cost-Benefit Overview**

#### **a. Costs**

*New Resources Needed* - The costs that will be needed to convert a legacy IT function to an IT Business Enabler are mainly around the BRM resources that must be added. In addition, the transformations needed to implement this new capability should be done in a way that creates positive focus, promotes shared ownership for its success, and maintains momentum for the partnership achievements ahead. The required resources can often be reassigned from other groups, especially when the identified candidates have the right skills and are already performing BRM-like functions.

*Will Vary Due to Business Size* - Conversion costs will vary based on the scale and nature of the organization, its existing IT function, and the business units served by IT. The good news is the costs will normally be less than 3% of the existing annual IT budget (specific costs are determined through a feasibility study, which assesses scale and nature variables). This suggested initial ratio is a baseline derived from a review of many actual BRM implementation case studies.

*One Time* - Conversion costs are one-time and will normally increase IT’s budget for additional resources for one year only, due to a positive ROI from that point forward.

*The costs of implementing a BRM capability will normally be less than 3% of the existing annual IT budget and will normally affect the IT budget for one year only, while the positive ROI will remain and only increase over time.*

#### **b. Benefits**

*Creates and Targets Demand* – A successfully implemented BRM function generates a joint IT and business partnership. The new partnership continually creates and shapes demand for value-added IT capabilities *by attracting and stimulating the business need for them*. The growing IT capabilities are better focused on specific business result and strategic performance improvement targets.

*Adds Value Effectively, Improves Productivity* – Innovative and effective IT asset

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management continuously improves business price-performance. Through business technology advancements, IT assets continually improve productivity year after year. Therefore, the increased IT asset contribution to the business becomes ever more cost-effective. The continuous improvements in IT asset productivity also perpetuate gains in business value harvesting and promote the strong business-IT collaborative partnership both sides seek.

*Reduces Unit Cost* - As a result of BRM capability implementation, the IT organization will experience a growing demand for IT business enablement capabilities. This, in turn, will support the corporate IT asset strategy of increased IT asset investment productivity over time, thereby reducing IT unit cost.

*Earlier Results* - Shaping IT business-offering demand yields business and cost benefits earlier and at lower cost. The use of a more effective IT application model will help avoid costs, improve business customer experience, and increase business value providing a solid foundation for higher revenue goals.

*Rapid ROI* - In tangible terms, the one-time increase in cost to convert a legacy IT Function into an IT Business Enabler is normally recouped within two years or less (depending on the rate of BRM capability maturity and growth of demand for effective IT business partnership).

*Industry Proven* - Extensive experience through IT Business enabler conversions and cost-benefit analyses shows BRM program implementations and the resulting increased business value made over extended periods (3+ years, etc.,) has proven to be compelling simply based on tangible IT asset management productivity improvement benefits alone.

*Increased Business Success Focus and Momentum* – There are many significant intangible benefits for making the conversion to an IT Business Enabler including:

- Joint success is achieved quicker, easier and more accurately, when an IT business enablement expert assists business units and, in case of external customers, as an involved partner.
- Integrated IT-business achievement teams have an increased sense of accomplishment, recognition, and passion for overall success.
- IT professionals increasingly see the business value of their contributions and become ever more creative at introducing beneficial changes through innovative use of business technology.
- Senior management's perceptions of IT assets evolve to consider them strategic.
- Business silos are reduced through BRM and business partner interactions and companywide communications improve adding to overall success.
- Increased collaboration within the IT organization, as the BRM team often serves as the "glue" or "information hub" within the IT.
- Increase in proactive involvement of the business partner with IT to develop timely solutions to better differentiate the business in a rapidly changing and competitive marketplace.

### **6 Success**

The critical success factors for IT Business Enablement with a BRM capability are best determined through a joint and collaborative process with its business unit partners. This usually starts with the notion that the more successful the IT Business Provider is, the more:

- Knowledgeable, involved, trusted, and proactive it is.
- Its business partners improve their business and strategic performance.
- Demand it attracts for the strategic and effective use of IT business assets.
- Business knowledge it has about business unit success/challenges it has.
- It is considered as a powerful resource to the business units it serves.
- It introduces beneficial change throughout the business units it serves and the entire enterprise.

### **7 Risk**

Some organizations have become more aware of the enhanced business value that an actively involved and integrated IT function creates for the organization and its shareholders. Once these organizations are directed to go beyond just seeking efficiencies and avoiding costs, they are able to see ways to improve end customer value and increase revenue. Using the enhanced business value realization capabilities, as a starting point, visionary organizational leaders guide their IT management function to transform into a crucial business partner. In turn, the new IT Business Enablers help introduce and actively lead beneficial changes in their businesses. Their progress aided by IT's cross-functional view, knowledge of external customers and knowledge of emerging technologies, tools and techniques.

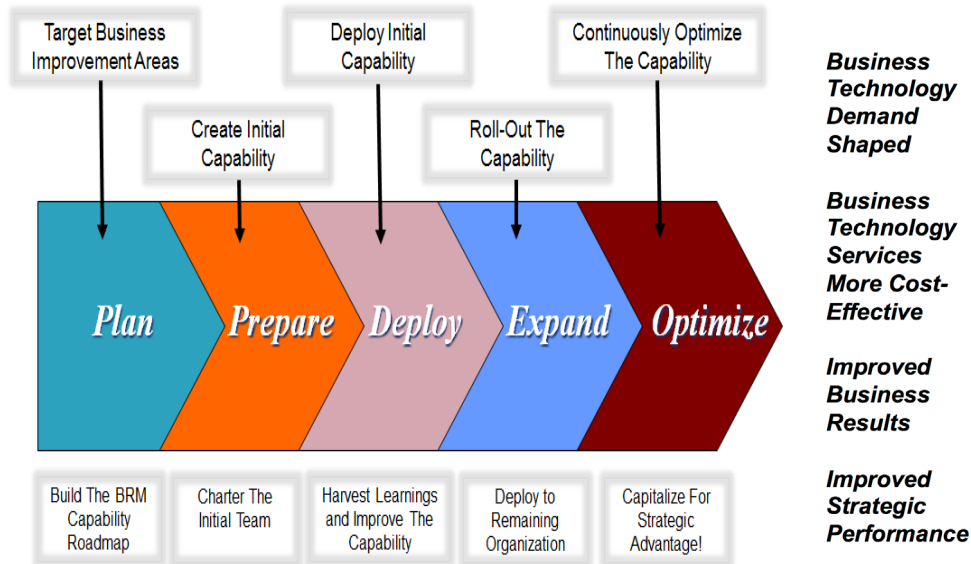
The new IT Business Enabler capability has not only transformed itself into an involved business partner and leadership peer, but it has also become the strategic engine of the business due to its role in making business intelligence actionable. In addition to becoming a trusted partner, progressive corporations are also making IT investments ever more effective in achieving their strategic imperatives, i.e. gaining competitive advantage and industry leadership.

The risks and ensuing consequences to organizations that do not convert their IT function into a fully enabled IT Business Enabler have become obvious; those who engage and perform with peer business partners, including having a seat at the "leadership table," have proven advantages and benefits we discussed earlier.

### **8 Implementation Approach**

Keeping in mind that most organizations already use their own implementation methodologies many typically follow a lifecycle that includes phases or gates for *Plan, Build, Run, and Optimize* for purposes of implementing projects, the following phases are recommended: *Plan, Prepare, Deploy, Expand, and Optimize*. We recommend this approach for an existing IT management function seeking to become an IT Business Enabler.

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### **a. Plan what an IT BRM capability is and what it will accomplish**

The initiative sponsor, usually the existing IT executive, shoulders the responsibility to achieve complete understanding, by all stakeholders, and obtain the necessary buy-in to proceed. All stakeholders, at all levels, including knowledge of external customers, and of the existing environment, are compared to the environment where a BRM capability is part of the IT management function.

Then the work begins to aid decision-making. The current environment is thoroughly examined, any additional needed education and research is done, outcomes are contrasted, features/benefits are described, process differences are examined, role differences are explained, BRM's mission statement is collaboratively developed, BRM's success criteria is jointly drafted. Additional skills are defined, concerns are addressed, costs and resources are quantified (with a feasibility study as needed), measures of success are established, target areas to be addressed in the planning phase are defined and prioritized, implementation schedules are reviewed, etc. All of which is intended to reach a consensus on whether or not to proceed with the transition to convert an IT management function to an IT Business Enabler.

### **b. Preparation and initial deployment to incubate the capability**

What must be achieved in this exploratory phase can be expressed as "incubating" the transition to IT Business Enabler with a segment of the organization. Within the constraints established in the previous phase, this phase can gain increasing involvement, understanding, predictable results, buy-in, and qualitatively answer the general questions: "How can this work for us" and "Does this work for us?"

It is usual for this phase to validate the business case underpinning the transition to IT Business Enabler and has enough plan-do-review-improve cycles to harvest learnings and prepare for the next phase.

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### *c. Expand and institutionalize the capability*

A successful Expansion phase includes the complete rollout of the BRM capability with enough time to incorporate both the lessons learned in the initial deployment phase and those aspects needing resource adjustment. Allowing, of course, for differences in business partner involvement and activity that must be addressed overall by the IT Business Enabler.

Those previously drafted measures, which will indicate BRM/IT Business Provider success in the next phase, are jointly reassessed and finalized.

The business case is validated and a determination is made that its value proposition is clear.

Final risks are assessed and addressed, final communications are decided upon, final training is accomplished and final conversion activities are arranged.

It is important that there are enough plan-do-review-improve cycles to achieve stability and full acceptance of IT as a Business Enabler. These cycles have to show sufficient cause to increase understanding and involvement by all stakeholders and obtain buy-in and support for advancing to the next phase.

### *d. Continuously optimize the capability for strategic value*

By entering this phase, the BRM capability within the IT Business Enabler is deemed operationally mature and steps are taken with respect to metrics and cultivating a habit of continuous improvement to continuously optimize it as a potent capability driving strategic value for the enterprise.

## **9 Conclusion**

This paper provides an overview of the investment, or business case basis, for adding BRM capabilities to traditional IT management functions. In doing so to profoundly, and quickly, improve their positive value contribution to the businesses they serve as an IT Business Enabler, which we believe and conclude is compelling.

NB: For the many detailed industry references that support our conclusion, evidence of the increasing uptake of this proven transformation trend or detailed BRM frameworks, success criteria, mission/vision definitions, processes and implementation particulars, and BRM details, please visit BRMI's website: [brminstitute.org](http://brminstitute.org).

### **About The Authors**

**Aaron Barnes, BRMP** *Co-Founder & CEO – Business Relationship Management Institute, Inc.* In 2013, Aaron co-founded [Business Relationship Management Institute](#), a nonprofit company serving the global BRM community by providing world-class professional development programs and advancing the art and discipline of BRM to help maximize the BRM capability in organizations. Aaron is intimately involved in every aspect of the Institute, as Board Treasurer and Chief Executive Officer. He is deeply engaged in the development of the Institute's curriculum and mentoring business leaders around the globe as they implement the BRM capability. Aaron is an expert BRM leader and practitioner with first-hand experience in successfully performing the BRM role, leading BRM teams, and instilling BRM best practices in organizations for 25+ years.

**Al Kuebler** *CIO – Strategic Business Advisor – Author*

Al was senior vice president and chief information officer (CIO) for the McGraw-Hill Companies, Alcatel-Lucent, AT&T Universal Card Services and Los Angeles County. He's also authored 47 articles for CIO magazine, Computerworld, Forbes and other IT management publications and the Amazon bestselling book: [Technical Impact: Making your Information Technology Effective, and Keeping It That Way](#). Al has received seven industry awards for IT innovation in customer service and as a member of the executive team at AT&T, he received the Malcolm Baldrige National Quality Award presented by the US Department of Commerce, National Institute of Standards and Technology (NIST) and the president of the United States.

**Alex Skinner** *IT Business Relationship Manager – Strategist – Global Program Leadership*

Alex has more than two decades of experience in the information technology industry, including 15+ years with the world's number two software company. She has extensive organizational expertise having worked in sales, alliances, development, support, training, and hosted cloud services. Alex specializes in strategic business planning and execution of complex and business critical initiatives. As an IT Business Relationship Manager (BRM), Alex has established herself as a strategic partner working with multiple billion dollar P/L business partners to achieve their business and technology objectives. Her efforts directly contribute to increased revenue, adoption of new services, and operational efficiencies. She is passionate about advancing the BRM profession and coaching BRMs.

**Joe Topinka** *CIO – Author – Mentor – Driving Better Business Technology Results*

Joe is a recognized game-changing career CIO, author, and executive coach. His groundbreaking book, [IT Business Partnerships: A Field Guide](#), helps individuals and companies bridge the chasm between business stakeholders and IT Organizations to achieve exponential results. In 2013 Joe was voted CIO of the year by the Minneapolis/St. Paul Business Journal. Joe is the founder and chief coach of CIO Mentor, a consultancy where he is known for his pragmatic approach and delivering measurable results. He is also the CIO for SnapAV and Vice Chair of the BRM Institute's Executive Council.

**Steve Plante** *Business Transformation Consultant and BRMI Leader*

Steve has over 37 years of experience in leading IT enabled business change programs from strategy through deployment and value realization. He is recognized as an expert business transformation manager and strategic advisor particularly strong in bringing vision and structure to complex business change initiatives and has repeatedly led them successfully through implementation. He speaks both business and IT languages particularly well, with an accent on the business side promoting clarity and understanding leading to effective execution of programs to achieve strategic outcomes.