

MONTHLY NEWSLETTER

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WHAT IS YOUR IT TOWING CAPACITY?

In 2006 Minnesota reported 826,000 boat registrations. As an owner of two Lund boats, I always learn the towing capacity of any vehicle I purchase or lease. The towing capacity of a truck or SUV is paramount to one's ability to travel freely from your home destination to a lake of your choosing. If you do not have adequate towing capacity, your vehicle will struggle to adequately control your boat, RV or recreational vehicle.

Now you are probably wondering why one would compare the towing capacity of a vehicle to an Information Technology organization. The simple answer is relevance, too many times a business organization assumes that the IT department has the capacity to change, do more for less or increase their output with no additional resources. Just like the vehicle with a recommended tow rating, each IT department has an

ten, articles published and experts have shared their ideas on this subject. There are professional organizations who exist solely to tell you what they new trend is for success. Technology over the last ten years has transitioned from a need to an absolute differentiator in the marketplace. It is now at your work, in your home and in your vehicle. Rather than seek out how to organize, or add another "C-Something or Chief of Something", I propose that a business learn about the IT departments processes, organization structure and educate themselves on the capacity of the team.

allow business, process and technology to be integrated or, mutually inclusive of each other. When one aspect requires change, we expect and measure how the other two variables will need change.

Knowing your IT capacity will directly influence your success in implementing new programs, projects or initiatives that are vital to any business growth. If you need help or assistance in learning how to measure your IT capacity, contact the MINCON Group for a free consultation.

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"TOO MANY TIMES A BUSINESS ORGANIZATION ASSUMES THAT THE IT DEPARTMENT HAS THE CAPACITY TO CHANGE"

unknown or undocumented capacity to perform. Too many times while working in the corporate world, I heard complaints about the IT department and their ability to perform. So, the question is who is right and, or who is wrong? The answer is simply, you need to know how to measure the capacity of your IT organization.

Many books have been writ-

Curiously enough, in several of my corporate positions I learned to understand the business process and people in the groups we supported. Ironically, this approach was rarely reciprocated. Information Technology was always this unknown that we needed, wanted and knew very little about. In the current marketplace, it is vital for the business leaders and managers take the time to educate their staff on what capacity is available for any change of direction utilizing new technology. This will

"YOU NEED TO KNOW HOW TO MEASURE THE CAPACITY OF YOUR IT ORGANIZATION".

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PART ONE THE GOOD



"IT Shared Services goes beyond centralization to recast IT from a cost center to a powerful support system for business imperatives and general productivity."

HP IT Shared Services
Presentation, August 2006

IT SHARED SERVICES: THE GOOD, THE BAD, THE UGLY

The concept of IT Shared Services has been around for over ten years. Companies that only choose to centralize their Information Technology function cannot be called a Shared Services organization unless they have also have moved to a model where IT is functioning like a supplier to their business lines. As an IT Shared Services organization, you will need to act as an internal service provider, one that competes with the cost, value, and quality of service that an external provider could provide.

There are challenges and pitfalls of moving to and keeping an IT Shared Service model. In this first of a three part article I will provide some discussion as to why an IT Shared Service model is a good thing (the good). Next month I will discuss a few challenges faced in getting there (the bad) and in October, I will list a couple of basic reasons of how the IT Shared Service model could and can fail (the ugly) along with discussing a couple of items that need to be included or addressed in an IT Shared Services model.

IT SHARED SERVICES, THE GOOD: BUSINESS & IT ALIGNMENT

One definition you see of an IT Shared Service model is "an operating model that increases business and IT alignment while achieving operating efficiency, world-class cost structures, and improved IT quality of service and responsiveness."

Evidence over the years has indicated that implementing an IT Shared Services model

across an organization can significantly improve cost effectiveness by consolidation (economies of scale) along with minimizing risk by reducing complexity through standardization. The scope of an IT Shared Services model should include transactional, routine, rule-based, and processing-related activities including application development, application maintenance, and support, data/voice network operations, user desktop management and the infrastructure support functions.

This model better meets the businesses needs by providing common levels of service, consistent service delivery and should leave greater opportunities for the business to focus on their core objectives. Providing service and improved quality is a key metric of success in an IT Shared Services model yet the spotlight also needs to remain on improving process quality which in turn leads to improved overall business performance.

To make an IT Shared Services model succeed, you need to take a disciplined approach. Create an initial cost and services baseline, measure service delivery through internal and external benchmarking, market these savings and efficiencies to achieve and retain executive support, and create a transparent funding model. Most successful businesses hold their IT Shared Services organization to a market standard of excellence.

To sum up "the Good" part of this article, if your organization would like to increase efficiency, gain economies of scale, handle large volumes of work with fewer resources, improve processes and reduce staffing requirements and expenses then the IT Shared Services is the right model for you.

Next month, some challenges faced with moving to an IT Shared Services model (the bad).

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ABOUT US

The **MINCON Group** is an affiliation of Independent Consultants from various business and corporate disciplines whose common goal is to achieve business results through **Innovation, Experience and Leadership**. The group is comprised of senior level managers and professionals offering a variety of services in the areas of Leadership, Strategy, Assessments, Seminars, Turnarounds, Cross Cultural and Multi-Country Engagements.

Each of the Independent Consultants affiliated with the **MINCON Group** are incorporated and insured. This guarantees that each business client is working with a business owner whose success is based upon their ability to deliver results and complete customer satisfaction. Their success is their reputation in the marketplace.

The **MINCON Group** established an affiliation with select Consulting and Management Consulting companies. These relationships are leveraged to enhance our services offering. The affiliations provide competent temporary staffing for projects, programs and a packaged solution for any customer's unique requirements.

The **MINCON Group** publishes this "Monthly Newsletter" containing a variety of articles which describes actual business issues. These articles are written by the affiliates for our clients, the affiliates and the industry. Affiliates in the group also participate in public speaking engagements. A list of speakers and suggested topics is listed in our Services section on our web site.



UPCOMING IN OUR SEPTEMBER ISSUE

- IT SHARED SERVICES: THE BAD
- INDIVIDUAL MENTORING/COACHING.... ANY VALUE?

If you would like us to speak on any topic listed in our Services section on our website to your group or staff, please contact us.



We are also available for a free individual or team consultation on any service we offer.



SERVICES

LEADERSHIP

Interim CIO, VP/Director Information Technology
Senior Management Coaching/Mentoring

BUSINESS TECHNOLOGY STRATEGY

Defining the IT and Business Client Strategy
Defining the Requirements to Operate IT as an Effective Business
Defining the Shared Services Model for Infrastructure,
Application Environment and Project Management Office

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Shared Services
Program or Project Management Office
Organization Capacity

SEMINARS

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(Free)