



Chapter VII

An IT Measurement Program

In many ways, as has become clear from the previous sections, IT measurement is a state of mind, and accomplishes little unless it drives improvement programs. An IT measurement program, structured in terms that all stakeholders are comfortable with, helps bridge the communication gap between the worlds of the business and IT, and helps manage the complexity of IT in an organization. It is therefore aimed at all stakeholders; it replaces opinion with fact; and it directs towards substantial, measurable improvements.

Based on the lessons from measurement in other disciplines, and from companies' experiences with IT measurement programs in the past, it is well known that measurement accomplishes nothing unless it indeed drives improvement programs. Also, those activities should be measured where the need for improvement is greatest, and the needs of different audiences or stakeholders must be taken into account (in Chapter 2, the main stakeholders were identified, being the shareholders, customers, and employees of the organizational entity being measured). In practice, senior and IT management tend to violate this common sense. As Rubin asserts, lack of focus on the important issues, as perceived by the stakeholders, is one of the reasons for his observed IT metrics program failure rate of 80 percent, together with too strong a focus on individual measures unrelated to specific organizational goals.

Examples of managerial "violations" include:

- Lack of measurement in general, rationalized by the perhaps mistaken assertion that everybody is happy and everything in control. The measurement philosophy is more or less "Hear no evil, see no evil, speak no evil."
- Measuring too little, gaining insufficient insight to take necessary actions.
- Measuring the wrong things, or measuring what is already done very well, so deluding management.

- Measuring too much, so being overwhelmed by an exhaustive amount of data that is put to no use.
- Producing lengthy performance reports which, because of technical content and vocabulary, go unread by the intended audience.

Many IT supply managers have developed some form of a performance management system and a series of internal performance indicators for their organizations. Good performance judged by these measures, however, does not necessarily mean that the IT supplier's customers are satisfied with the services and systems they are getting, nor that the systems are contributing to the performance of the business. To enable focus on the issues relevant to each level of management of the BTRIPLEE framework, a series of steps to follow is recommended. They are described in this chapter.

First, a number of important attributes of IT measurement programs will be reviewed in the first section. Then, it is argued that stakeholders should be able to define a well-balanced set of performance measures and associated targets, matching the goals of the organization and the application and supply of IT, on the basis of the BTRIPLEE framework. The second section deals with the process to select the appropriate set of IT measures from the ones proposed in Chapters 4, 5, and 6, and assign target values to them.

Further, an organization must have the ability and must be prepared to provide, collect, analyze, and report performance data. The introduction of a measurement program takes time and effort, both of which must be committed. The implementation of an IT measurement program, taking these factors into account, is described in the third section.

Organizations must be able to interpret the measures wisely, to attain the benefits that derive from having a measurement program, and to adapt the measures, the style, and the frequency of reporting the results to suit the different stakeholders. Organizations must also be able to direct positively the effects of a measurement program on people's behavior. Indeed, the aim of a measurement program is improvement (what gets measured, gets done), so it is important to control the reactions of people and translate them into positive energy. These management aspects are covered in the fourth section.

Finally, a real-life case of defining and implementing an IT measurement program is described in the last section.

THE ATTRIBUTES OF AN IT MEASUREMENT PROGRAM

To determine the attributes of an adequate IT measurement program, lessons can be learned from traditional management accounting systems. For example, in order to consistently and systematically assemble accounting data, organizations use accounting systems comprising agreed upon accounting rules and definitions, information systems, and reporting standards, at different levels in the organization.

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