Get visibility and control of your investments, projects, and teams

Manage the processes, people and projects you need to maximize business value
In the digital world, your organization expects IT to deliver new products and services to empower competitive strategies.

As demand for innovative IT products and services grows, your IT people are probably managing a growing portfolio of projects using agile and waterfall methods. At the same time, they are under pressure to cut costs, reduce technology risk, and deliver quantifiable value.

If IT investments and work are not closely aligned with your organization’s business goals, you risk spending time and money on low-priority requests while high-priority initiatives are neglected. This kind of mismatch can lead to cost overruns and project delays. It can also cause the organization to mistrust IT.

Having a strategy for aligning work with business goals can help you deliver product and services in a way that supports strategic priorities. It will make it easier to anticipate critical business requirements, allocate resources, and evaluate the value of your portfolio. It will also allow you to prioritize new requests and deliver projects more efficiently.

This ebook outlines best practices for successfully aligning investments and work with organizational needs and managing your portfolio of IT projects to maximize value.
A quick assessment: How closely are your IT investments and work aligned with your organization's objectives?

There are two parts to connecting IT products and services to organization's goals. The first is clearly demonstrating the strategic alignment of IT with your business goals. And the second is having the ability to rapidly deliver those results across your organization in response to changing requirements.

Aligning IT Investments and work

- Do you need to demonstrate IT’s value to your organization more regularly?
- Are you concerned that IT investments and work are not fully aligned with organizational strategies, plans, initiatives, and goals?
- Do you have difficulty measuring the effectiveness of different projects so that you can determine which to continue, which need help, and which need to be retired?
- Do you believe there is an opportunity for IT to become a key competitive weapon for your company?

Every “yes” answer is an opportunity to more closely link IT services with critical business strategies.
Delivering results

The following questions can help you determine how well your IT projects are delivering business value through effectively managing demand, resources, and project execution.

• Do you need a demand assessment process in place so that you know if you are working on the right projects and ensuring they are aligned to the goals and strategy of the organization?

• Are you paying premiums for short-term resources to cover key projects because your resource planning is inadequate?

• Have you ever had a problem with missed project deadlines due to a lack of real-time visibility into available resources?

• Do you have a complex and large project backlog because your teams are not flexible enough to leverage all the right project methods?

Every “yes” answer is an opportunity to respond more effectively to changing demand and project execution challenges.
Objective guidance

Adopting the proper objectives to align IT investments and work to organizational priorities can help IT deliver greater value and support better outcomes.

Project portfolio management

• Define and execute a prioritized portfolio of projects linked to business demand and strategic priorities

• Establish metrics and track performance of strategic projects on a continuous basis

• Get a comprehensive view of all project work by integrating management and reporting of agile-based and waterfall-type work

Demand response

• Ensure that services are designed to meet the desired outcomes and patterns of activity

• Leverage capacity management to ensure adequate resources are available to meet service demand while balancing costs for value received

• Anticipate and proactively respond to situations where demand for a service exceeds the capacity to deliver it
Resource allocation
• Provide visibility into resource utilization and availability
• Simplify resource allocation for resource managers
• Allow project or change managers to create resource plans as well as request and assign resources

Project execution
• Take a phased approach to managing project execution
• Map projects to organizational maturity/readiness
• Define manageable units of effort, incorporating waterfall or agile techniques as appropriate
• Accelerate time to value and minimize risk
Best practices

ServiceNow helps more than 1,200 customers across 11 verticals gain visibility into business critical services. The best practices in this section are based on our real-world experience helping our customers align IT investments and work to business priorities.

Product and service portfolio management

• Establish portfolio policies that govern the management of the full lifecycle of each product and service, from inception to retirement
• Ensure that the scope of each product and service is clearly defined and documented in the product and service catalog—and, where possible, provide full disclosure by also describing what is out of scope for the service
• Ensure that each product and service offering has an associated pricing model, unit price, and cost

Project portfolio management

• Establish project portfolio policies that prioritize project goals and success metrics at the outset as well as throughout the full project lifecycle
• Take a holistic approach to defining, prioritizing, and evaluating strategic initiatives that integrates key metrics such as cost, ROI, profitability, customer satisfaction, business availability, risk, and compliance

Demand response

• Establish pre-defined evaluation criteria for assessing all requests
• Automatically route qualified and approved demand requests as defects, enhancements, or projects

Resource management

• Ensure resource planning accounts for all relevant factors affecting resource availability such as vacations, holidays, shift premiums, maintenance, support, etc.
Project management

• Baseline current performance so that you can track progress over time
• Establish an implementation roadmap
• When implementing an agile methodology:
  - Target projects no longer than 12 weeks
  - Provide frequent incremental reports to continually demonstrate progress and value
  - Do not delay rollout to achieve perfection
  - Implement a single system of record that includes agile activity tracking
• Resist product customizations
• Do not underestimate the need for organizational change management to:
  - Communicate vision
  - Assess organizational readiness
  - Secure executive sponsorship
  - Ensure accountability
Western & Southern aligns IT investment with business strategy

Financial services leader was looking for a unified IT business management platform

Western & Southern Financial Group comprises six life insurance subsidiaries as well as member companies that offer realty, investment advice, brokerage, and other financial services. The partnership of the company's IT group with its enterprise business units plays a crucial role in the company's success, so the company is continually maturing its IT business management processes—aligning IT resources and investments with business strategy. To support that maturing portfolio process, the company needed a unified IT business management platform.

"We wanted one place to capture, evaluate, prioritize, and execute IT demand, rather than working in silos across our business units," says Lisa White, IT project portfolio analyst at Western & Southern. "We needed integrated visibility across our IT teams to ensure we were delivering value on time and within the approved budgets."

Leading to better decisions

Western & Southern chose ServiceNow® IT Business Management (ITBM) for the task. According to Lisa, “ServiceNow handles the full program lifecycle from initial ideation to final delivery, which means we make better decisions and execute more effectively. Together with our IT service management group—which also uses ServiceNow—we’ve been able to eliminate multiple disconnected point solutions.”

Showing the business value of IT

Now, the company's portfolio governance committee and executives get the information they need to prioritize demands, maximizing the business value that IT delivers. In addition, investment decisions are transparent with everyone knowing what IT is working on. When a strategic technology investment decision is made, people understand the business drivers behind the decisions and the potential impacts.

Expanding the use of ITBM

"ServiceNow ITBM has been a powerful solution for us," says Lisa. "We plan to expand our usage of ITBM—for example, by using it to automatically score demands and to improve estimation by analyzing historical actuals and trends."

Read the full case study.
KPIs for measuring alignment of IT investments and work to organizational goals

To keep IT and the organization it supports fully aligned, it is important to measure a broad spectrum of KPIs designed to track how services support strategy, the value of high-level IT initiatives, and individual projects.

These KPIs will help you understand how well your IT investments and work are aligned with organizational objectives:

<table>
<thead>
<tr>
<th>Category</th>
<th>Metric</th>
<th>Insights</th>
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<tbody>
<tr>
<td>Project portfolio</td>
<td>Business metrics: ROI, revenue, customer satisfaction, customer acquisition, and profitability</td>
<td>Overall business value of IT projects</td>
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<tr>
<td>management</td>
<td>Projects associated with organizational objectives</td>
<td>Are all IT projects mapped to one or more organizational objectives?</td>
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<td></td>
<td>Average delivery time from request to new product or service</td>
<td>How quickly IT is fulfilling requests from the whole organization</td>
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<td>Demand response</td>
<td>Total number of outstanding requests by category</td>
<td>Which business units have requested the most help from IT</td>
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<td></td>
<td>Percentage of projects accepted/rejected by category</td>
<td>Is IT disproportionately accepting or rejecting requests by department or project type?</td>
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<tr>
<td></td>
<td>Average time to evaluate a demand, average age of demands</td>
<td>How quickly IT is evaluating requests</td>
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<tr>
<td>Resource management</td>
<td>Percentage resource utilization</td>
<td>Are resources underutilized or maxed out?</td>
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<tr>
<td></td>
<td>Percentage of resource costs over and under budget</td>
<td>How effectively IT is forecasting costs</td>
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<td></td>
<td>Planned work hours vs. actual plus remaining work hours</td>
<td>How effectively IT is forecasting labor needs</td>
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<td></td>
<td>Contractor hours per project</td>
<td>Is IT overusing costly external resources?</td>
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<tr>
<td>Project management</td>
<td>Percentage of projects within time, budget, and risk parameters</td>
<td>How effectively projects are being managed</td>
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<td></td>
<td>Percentage variance in cost and delivery date</td>
<td>How effectively project managers are forecasting budgets and timeliness</td>
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<td></td>
<td>Percentage of projects meeting ROI goals</td>
<td>Are most projects delivering measurable organizational value?</td>
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ITBM: The missing link

IT business management (ITBM) helps IT demonstrate value to the organization and rationalize investments to focus more on innovation. ITBM also helps transform the delivery of new products and services through lean execution methodologies.

Aligning IT investments and work to the organization’s goals can help IT support better outcomes and respond more rapidly to change. And it provides a solid foundation for adopting modern project management strategies and ensuring that every IT project supports an organizational objective.
Are you ready to discover more about ITBM?

ServiceNow was founded on a very simple idea: that work should be easier. That getting simple stuff done shouldn’t be so hard and complex stuff should be manageable. Today, the entire enterprise—IT, HR, customer service, security, and beyond—can tap into the power of the Now Platform® to create a better experience for employees, users, and customers, and transform the way work is done.