

Brief Report

Information for CEOs and CIOs
How New-Era IT Innovation
Creates Winners

Sometimes the truth of a situation hides in plain site while our search for it remains frustrated. Many CEOs and CIOs know that great innovations should be possible for their company's business, and yet they also know that their IT based innovation is really stalled. Let's face this issue squarely, and then open up to see a new reality that can solve it. What do we mean by saying that IT has stalled:

- IT is often an obstacle to new progress
- Innovation is slow, weak, and too costly (poor ROI)
- Vendors are forcing their sales (SW value is disappointing)
- Cost of ownership is rising again (excess technical complexity)

The four historic innovation stages of IT, dating from the 1960's through the late 1990's, have stalled due to technology limitations, market saturation, and an accumulated legacy of unresolved problems:

Why IT Progress Stalled

- Market saturation of isolated task-oriented applications
- Failure to provide solutions adaptable to business changes
- Failure to interoperate between software applications
- Failure to address the majority of businesses' creative tasks
- A practice of passing complexity on to the user to resolve
- Failure to address stability, reliability, and security of software

The combined burden of all the shortcomings has resulted in today's stalled condition in many IT shops. The burdens act to absorb available resources, leaving too little to drive business innovation forward. Such roadblocks must be removed, and we will see more about how to do it in this summary.

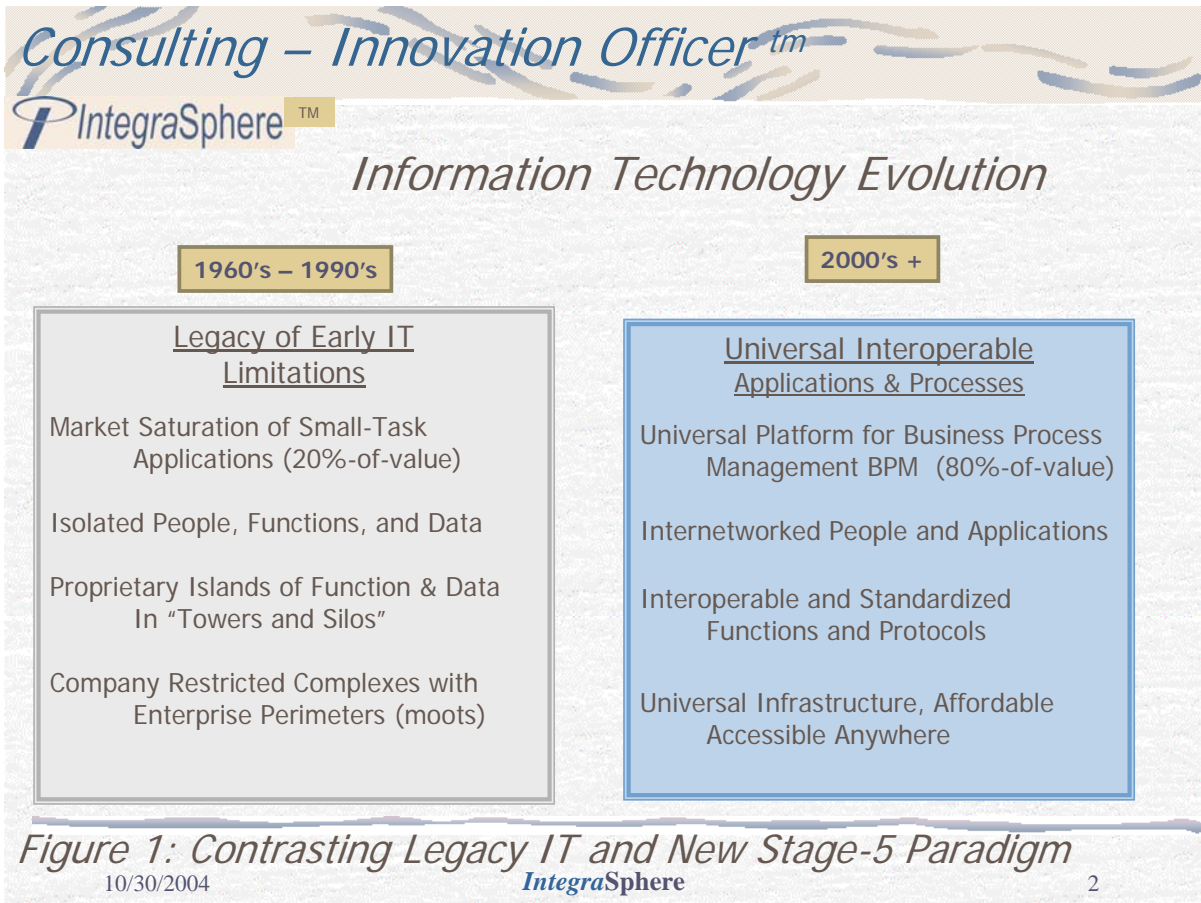
Meanwhile, senior executives do know what they want from IT, even if they feel a little hesitant to ask for it, given today's situation.

What CEOs Want from IT Today

*IT contributing to new business-value creation
IT contributing to competitive advantages again
IT helping with managerial & creative processes
Systematic processes deployed across units, end-to-end*

As we continue reading, we will learn about New-Era IT options that exist, and that are up to 5X more powerful as drivers of these desired results than the IT we are using now.

Yes, a new stage of IT-based innovation has started, and it is not like anything we have seen in the past. Today's New-Era IT is fundamentally different from the past, in virtually all key respects, resulting in a true paradigm change. Consider Figure-1, which highlights the differences as we discuss what this means for businesses.



The history of IT has been about automating relatively small tasks, performed by isolated people using disconnected proprietary applications. Information is trapped in silos where it isn't accessible or visible. Overall the focus has been inward to a company's inside operations, and walls are erected to keep the world outside. Such a focus severely limits the total value and impact of IT to the enterprise, addressing only about 20% of the business-value-creation activity.

New-era IT focuses on automating and managing end-to-end business processes, involving groups of networked people engaged in the whole 100% of business-value-creation activity (that's 5X more). The people and applications are connected for "contextual-collaboration", that is process-aware collaboration, where actions, work, and data flow along systematic

process pathways implemented in a Business Process Management (BPM) system. (It's not just about task applications any more, but rather the processes and the creative people.) Operations are now built on many interoperable, standardized parts and services that enable extra-enterprise participation for all constituents (customers, employees, managers, partners, suppliers) according to managed rules of access and action. Controls and transparency come along as natural features, rather than as add-on Band-Aids. Thus, we can think of New-Era IT as being outward focused to the markets and resources, and as having potential for 5X greater total impact for a business value ecosystem. That's very powerful, indeed.

This is why we assert that stage-5 has created a paradigm shift of truly unique significance. Let's summarize the six key characteristics in the following table:

<u>What old IT meant (Stage 1-4)</u>		<u>What new IT means today (Stage 5)</u>
Isolated Individuals	→	Collaborative Teams
Inward Focused Software	→	Outward Focused Process Automation
Enterprise (Limited) Scope	→	Extra-Enterprise Reach
Enterprise only affordability	→	SMB and up affordability
Preoccupation - IT complexity	→	Focus on Company Value Adds
Accumulated legacy backlogs	→	Managed Services Outsourcing
	→	Bonus feature . . .

We have to note one bonus feature, about how this technology works, because the consequences are so important. Here it is; using business process management, flexible protocols, and new implementation standards mean that we can innovate and deploy whole processes much more rapidly.

We can keep pace with ideas or business changes, and we can approximate a continuously innovative style to drive competitive advantages relentlessly (and more affordably). We will see leaders doing this more and more. Here is the punch line; **this is the most powerful and effective paradigm for business innovation ever created – “innovation at the speed of markets.”**

This powerful new era of opportunity demands that we participate again in using IT to drive business innovation forward. But, what does it mean to do that again? Generally, the answer has five parts:

1. Get vision and clarity of purpose going into this new era
2. Adopt an IT leadership focus and style suited to new realities -- it isn't just operations and the technology anymore
3. Enable “innovation at the speed of markets”
4. Deploy the IT resources suited to different new-era strategies
5. Prepare to change, and manage change for everyone as New-Era innovations unfold in the ways we do business

As we learn more about this, we will arm ourselves with the right new questions to ask, and we will expect to get better answers to some of today's top IT issues:

- Why aren't we getting the positive business impact we expected from our IT investments?
- When and what should we outsource, and what is the real payback going to be when all the realities are factored in?
- What should an inside IT staff focus on today and how can we get much better results on those investments?

Of course there are many more good questions to ask, and to answer as we try to get a handle on this situation, and learn how we can act on it, effectively.

What We Do

The following is a snapshot of how we conduct a typical engagement for our clients:

Learn: about your business, goals, and your initiatives

Inspect: your IT alignment and challenges

Create IT actions: plan, report, explain, and tutor

Provide IT leadership: strategy, operations, and governance

New-Era Business Innovation: strategy, change, IT alignment

Bonus Values:

Mature best practices and services

New-Era IT professional leadership coaching

A program for CXOs

New-Era IT Paradigm - tutorials

How We Help You

We offer three styles of contribution in our engagements, in combinations to suite our clients needs:

Role Based – managerial, coach/mentor, problem-solver

Program Based – projects/management, programs, sourcing

Innovation Based – alignment, transformation, strategy

What You Get

Here are some examples of what you can expect to gain from an engagement with your C-IO™ executive -partner:

- a) Deliverables specific to your own needs and engagement details, plus
- b) Understanding, clarity, and know-how about New-Era IT
- c) A game plan and strategy ready for IT in the new era
 - a. New options for solution development and deployment
 - b. New keys to maximizing IT productivity
 - c. In-sourcing and out-sourcing success roadmap
 - d. Your own architecture for “innovation at the speed of markets”
- d) A plan including New-Era IT leadership style and resources
 - a. New generation IT executive roles, skills, and actions
 - b. Revitalized IT staff focus, responsibilities, and skills
 - c. Survival Guide of IT Practices for leaders and staffers

At Consulting – Innovation Officer™ by *IntegraSphere*, we specialize in putting business innovators like you in touch with today’s New-Era IT, and then helping them define and accelerate their own roadmap to competitive advantages, to New-Generation IT leadership, and to solving legacy problems in new ways.

The dramatic differences in the nature of New-Era IT explain why it can create winners and losers so quickly. Let’s look at some innovative programs that leading businesses are pursuing with New-Era IT.

They seek to create competitive advantages by:

- **Leveraging the intellect and wisdom of extended and distributed teams of people through group collaboration venues to yield more creative and/or more predictable results. (Voice, document, mail, messaging, presence awareness, and process awareness included.)**
- **Creating “contextual-collaboration” by combining end-to-end process automation awareness with team collaboration venues to yield reduction in process cycle time, sometimes from days to minutes.**
- **Using the new business process management (BPM) tools to integrate application silos into newly created end-to-end processes to yield much more productive enterprise processes, and longer profitable life cycles for the silos that remain.**
- **Providing management controls, visibility, and compliance as an integrated part of process automation through BPM methods.**
- **Including extra-enterprise constituents (customers, partners, suppliers) in automated processes providing them with access to secure and controlled process frameworks.**
- **Virtualizing parts of the business to any provider and locality where the function can be most effectively executed.**

Bonus

- **Inventing a practical continuous innovation model for their business, using the six components just listed.**

This list of six ways that the New-Era IT can create winners very quickly demonstrates routes to competitive advantage and cost savings. These are all built on the same core parts of the New-Era IT. The biggest payback may come from continuous business innovation within the new flexible process structure, and that can mean sustained advantages for those who take the lead.

Businesses with agile, flexible and imaginative leadership can think of many ways to get the jump on competition, to take their own business value propositions to new levels, and to make competitors play catch-up. The New-Era IT is part of the way to do it.

For a more detailed treatment of material in this summary contact us directly, or via our web site to download other reports in this C-IO™ Series.

<http://www.integrasphere.com/c-io>

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