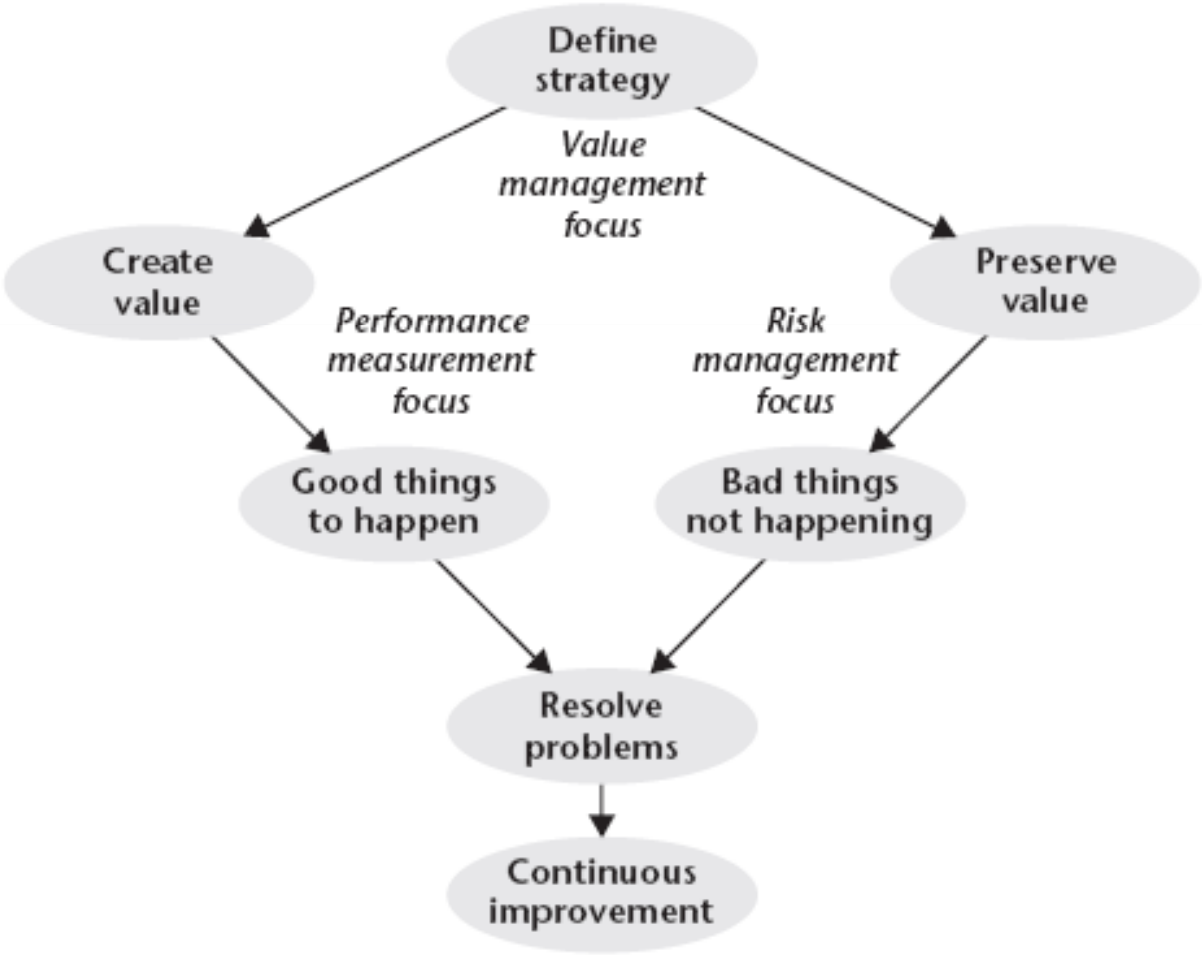
UNIVERSITAS KOMPUTER INDONESIA

[ITG] Chap 3

Chapter 11: Value Creation and Management Performance

Dr. Ir. Yeffry Handoko Putra, M.T

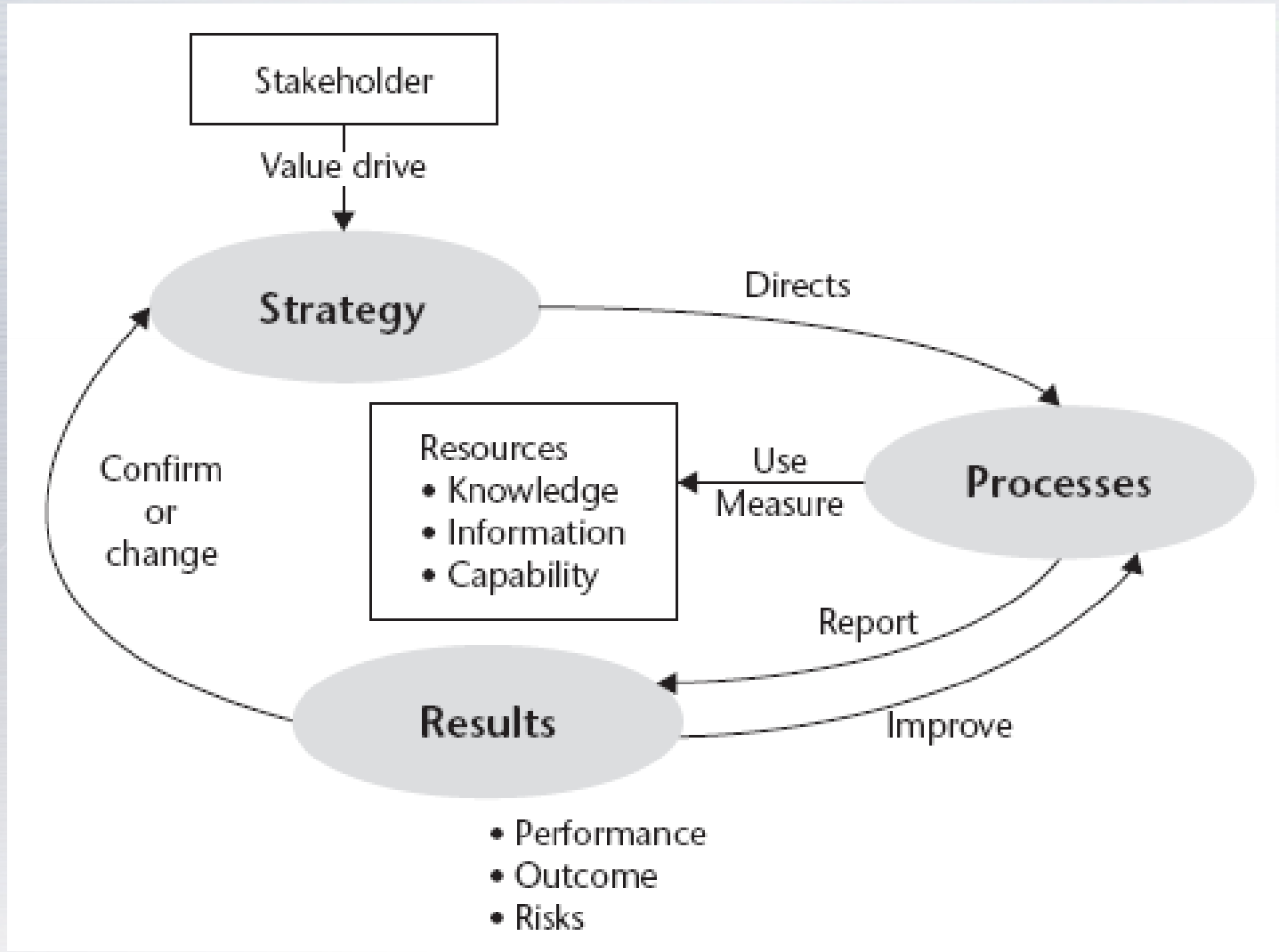
Management IT Responsibilities



Value

- *Values (what we believe in) are nonnegotiable tenets against which an* enterprise measures the worthiness of its choice
- They are core to vision, they provide a benchmark for guiding and assessing both team and individual behaviors as well as the ethical standards of the enterprise as a whole.

IT Governance fit



NECESSITY OF A CORE REPOSITORY OF KNOWLEDGE PORTAL

Management should keep focused on

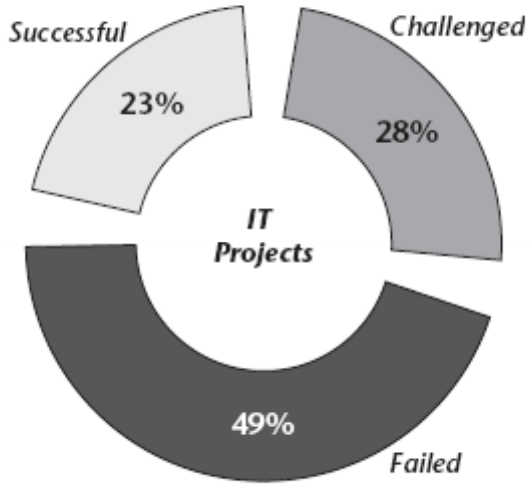
- Cost
- Quality
- customer satisfaction
- Competition monitoring, and
- inventory levels

NECESSITY OF A CORE REPOSITORY OF KNOWLEDGE PORTAL

Sufficient resources should be allocated for knowledge repository in project plan, which involves

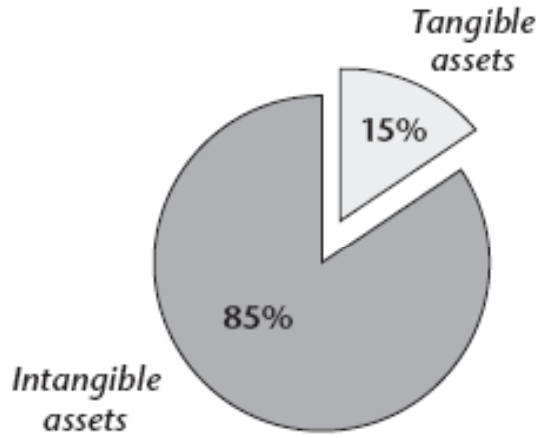
- Competing demands for: scope, time, cost, risk, and quality
- Stakeholders (partners) with different needs and expectations
- Identified requirements

Exhibit I.3 IT Projects



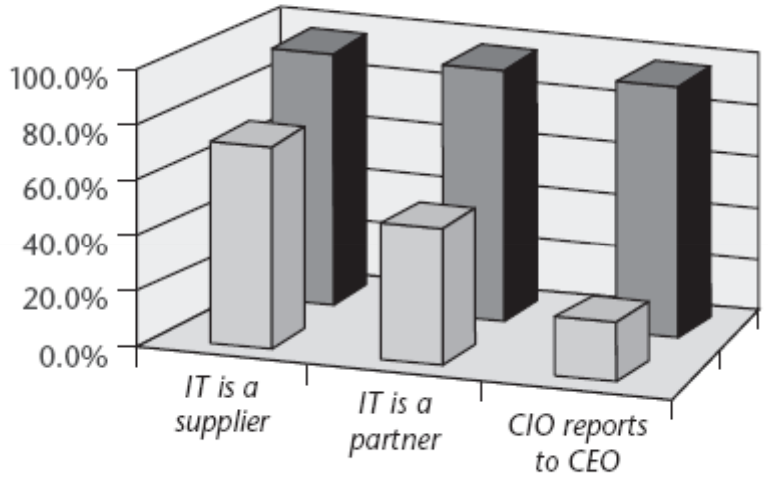
Source: Acadys and Standish Group 2001 Surveys.

Exhibit I.4 Enterprise Market Value



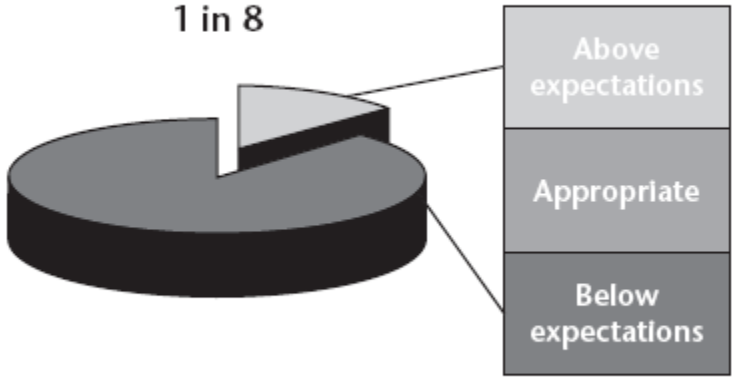
Source: Acadys and Standish Group 2001 Surveys.

Exhibit I.1 Role of IT in the Enterprise



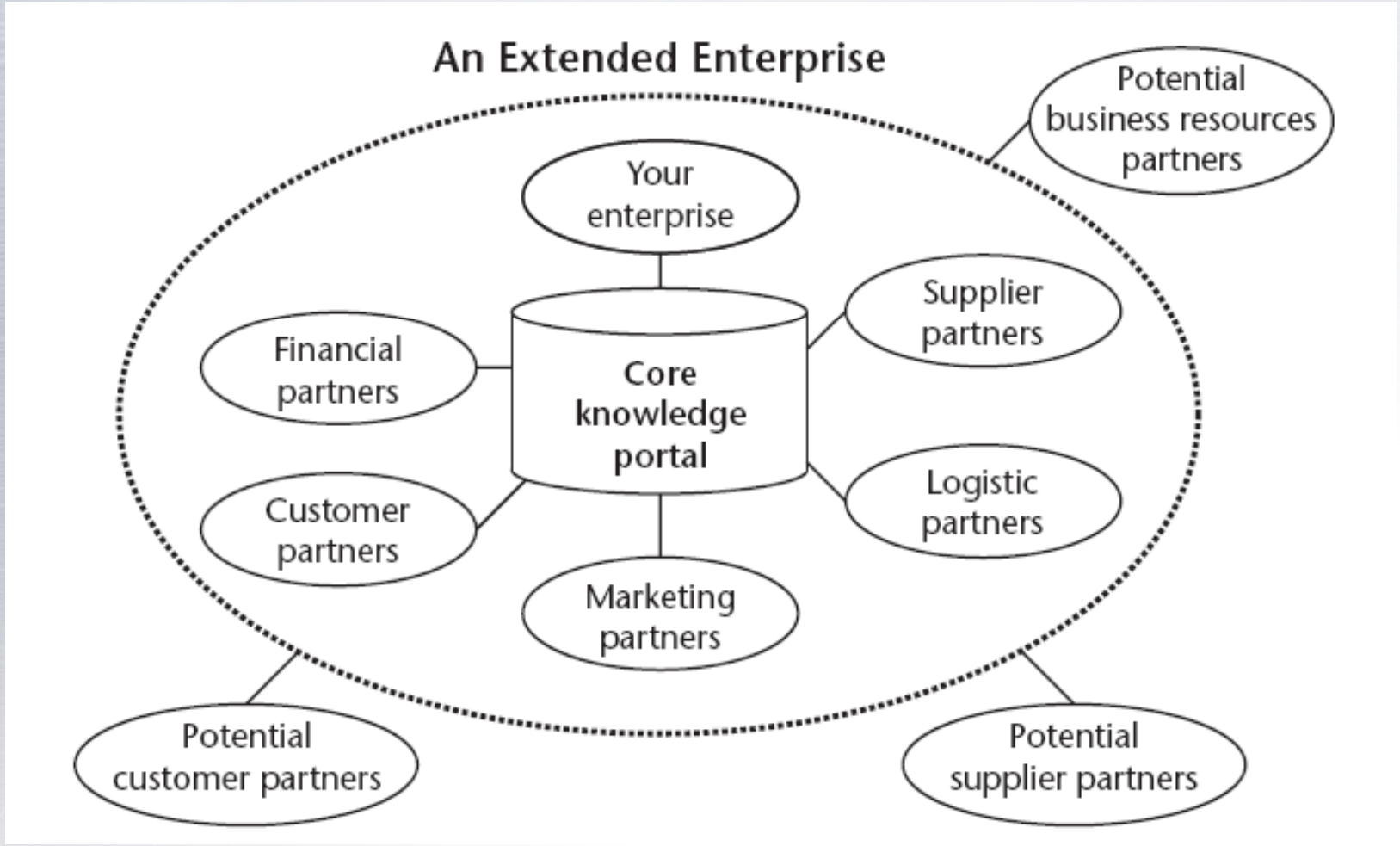
Source: Acadys and Standish Group 2001 Surveys.

Exhibit I.2 IT Value Returns

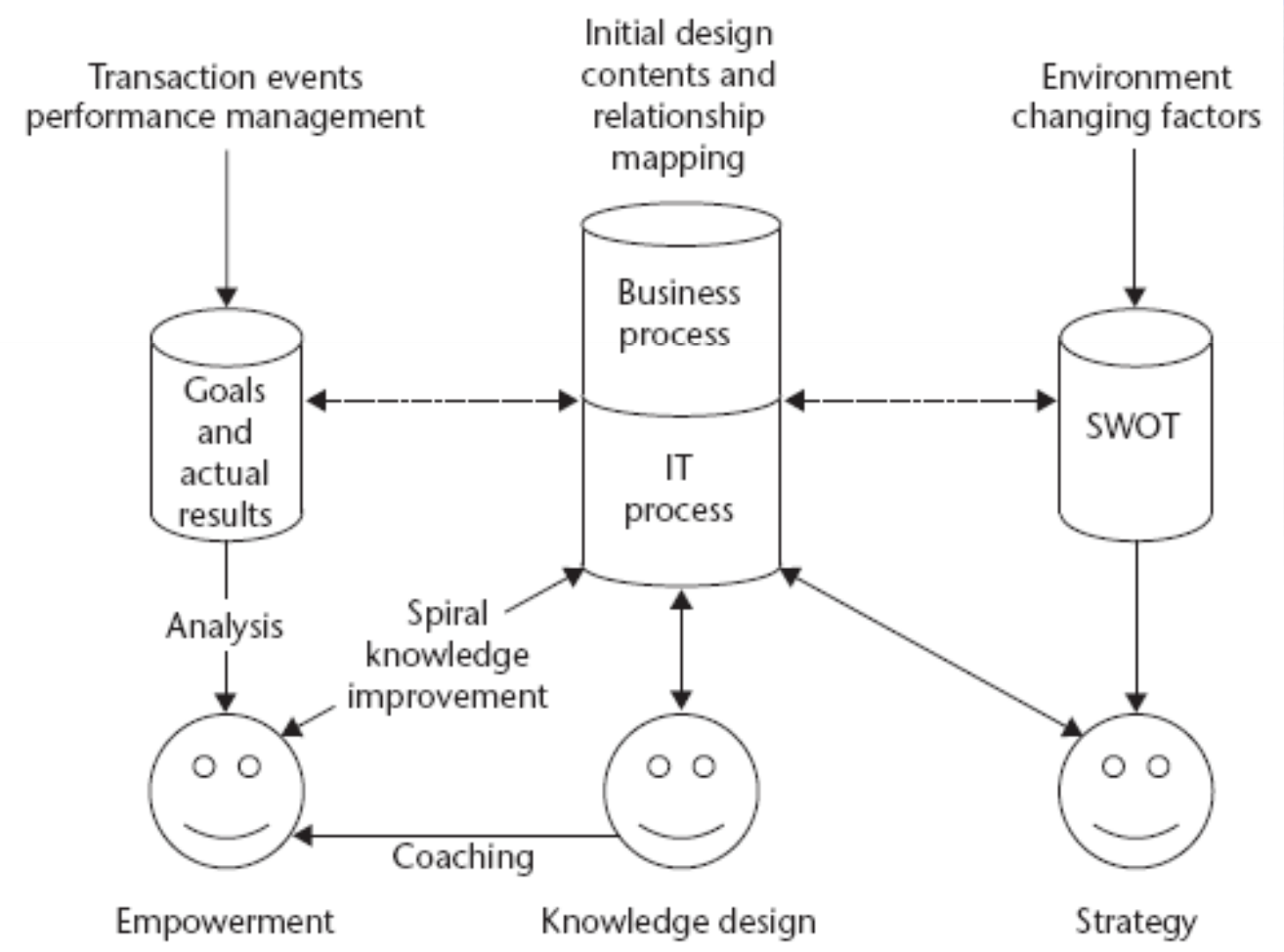


Source: Acadys and Standish Group 2001 Surveys.

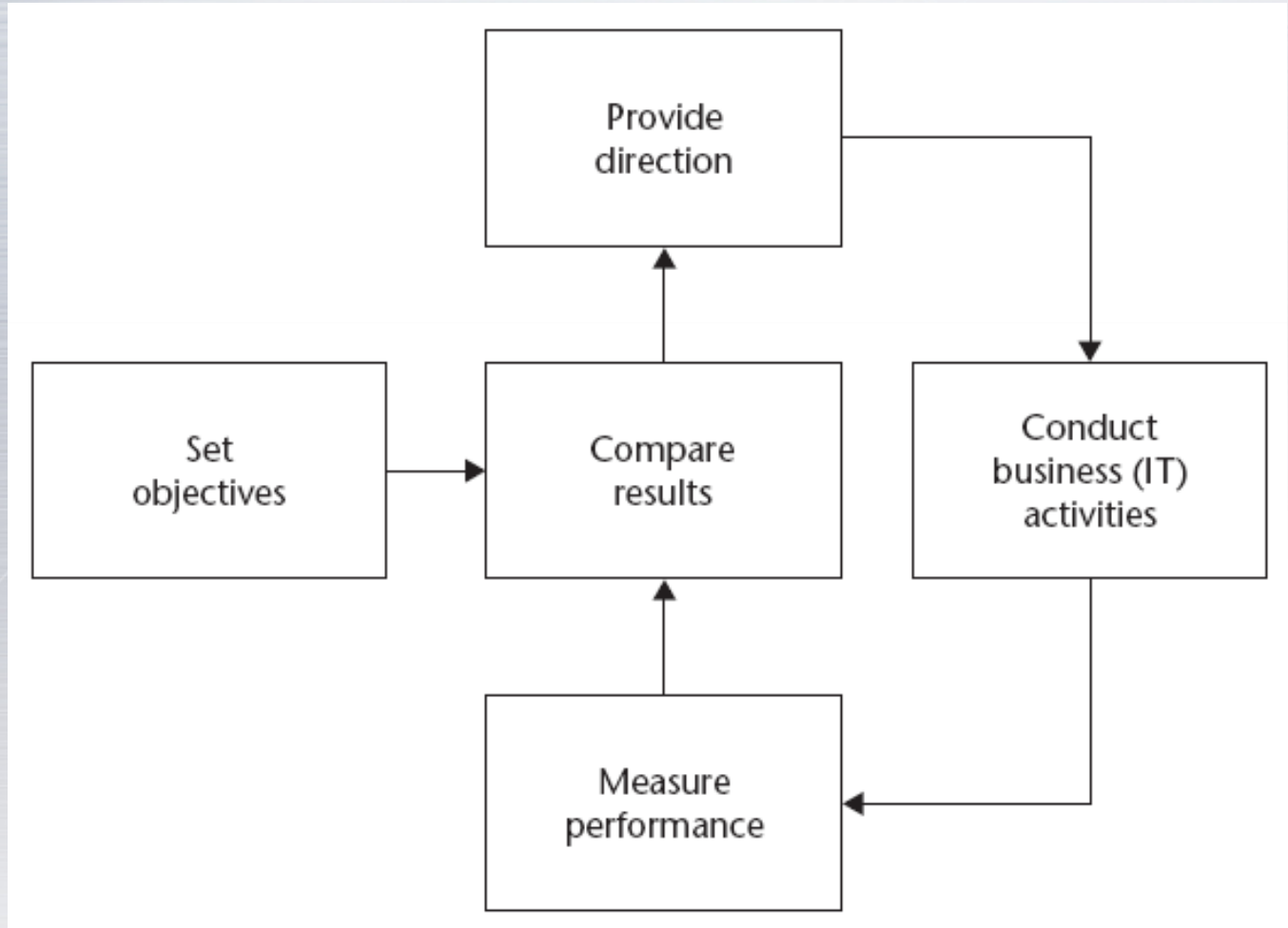
Knowledge Portal for Partnering



Knowledge Portal Relationship



Performance Measurement Process



DELEGATE AND EMPOWER THROUGH PERFORMANCE MANAGEMENT

Beginning Management Process

goals and objectives are def ined
responsibilities are assigned
buy-in is obtained,
and criteria of performance are developed with the aid of the people responsible for implementation and performance

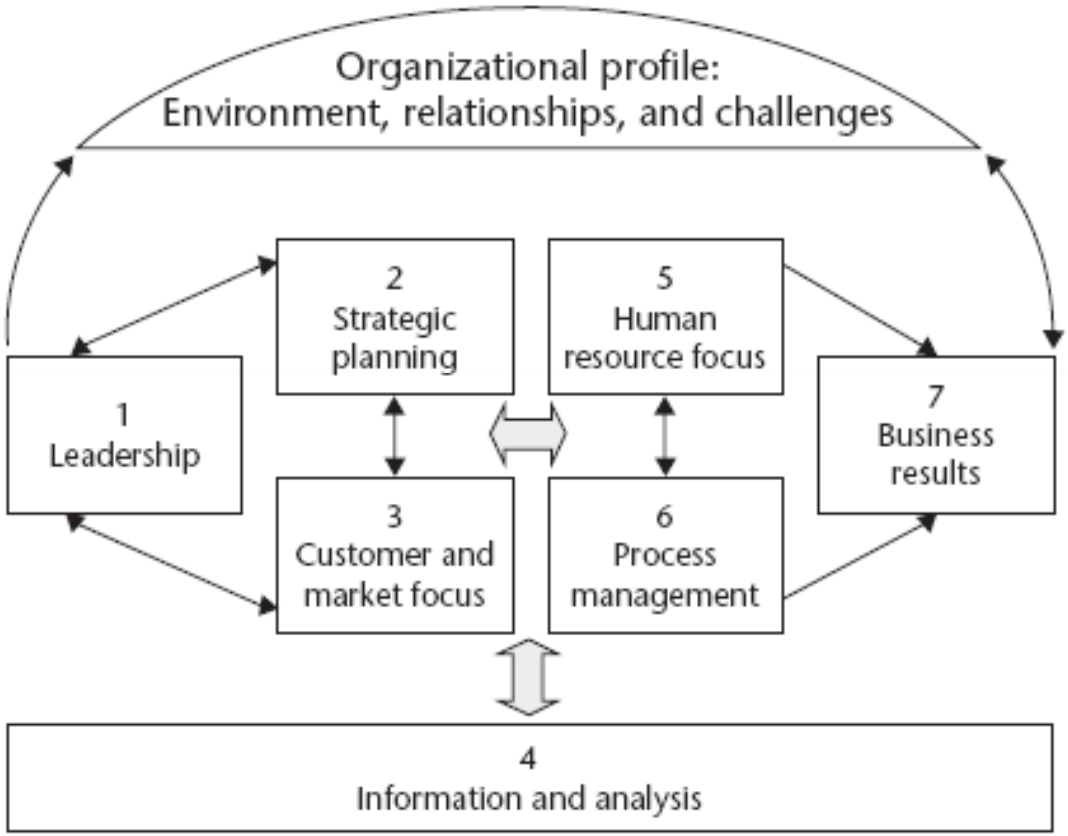
DELEGATE AND EMPOWER THROUGH PERFORMANCE MANAGEMENT

End

performance is rated against criteria, and then the cycle begins again.

Management uses tools such as key performance indicators, critical success factors, and key goal indicators to monitor the process.

Performance Excellence Framework



Source: Baldrige Criteria for Performance Excellence Framework: A Systems Perspective *(www.quality.nist.gov/PDF_files/2002_Business_Criteria.pdf)*.

FRAMEWORK FOR MEASUREMENT

Type of Measurement

1. Measures in terms of what customers and stakeholders want
2. Measures of the process of delivering reliable, cost effective, high quality information technology products and services

FRAMEWORK FOR MEASUREMENT

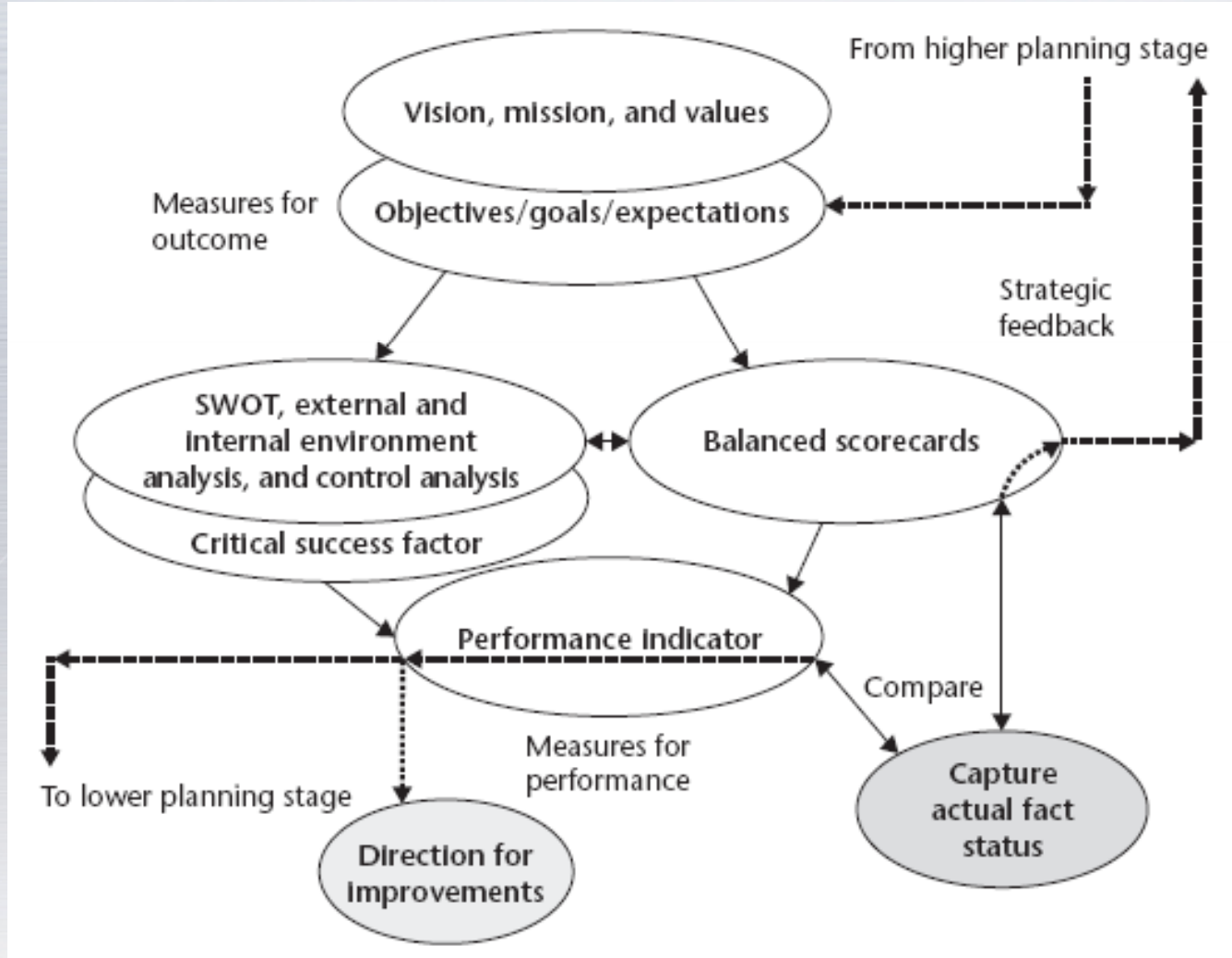
Framework

- Frameworks for measurement are tools for organizing and displaying performance measures
- Tool:
  - Business balanced scorecard is an important
  - Control Objectives for Information and related Technology (COBIT)

Business Balanced Scorecard: Measures that Drive Performance

developed by Robert Kaplan and David Norton,

- Four Strategy Road map

1. **How do we look to shareholders? (financial perspective)**
2. **How do customers see us? (customer perspective)**
3. **What internal processes must we excel at? (internal business perspective)**
4. **How can we continue to improve and create value? (innovation and learning perspective)**

MONITORING: MEASURING AND COMPARING OUTCOMES FOR IMPROVEMENTS