

Bizval4IT Consultancy

Achieving value in IT investments



Linking IT investments to business value through Bizval4IT

One of the biggest problems faced by managers today is how to invest and use technology efficiently. With the volatile economic climate, cost optimisation and IT value management will continue to be a key focus of CIOs and business managers alike, who often link investments to business outcomes. The challenge here lies in striking the right balance, as the danger of spending too little on IT is nearly as great as the danger of spending too much.

IT investment decisions should be made on the basis of expected value versus the level of risk through an optimal mix of strategic and operational projects. IT value, however, is often difficult to measure. Organisations should look beyond costs even though they are projected over the entire life-cycle of the project. Value and benefits are illusive, often crossing multiple organisational boundaries and yielding “softer” qualitative outcomes. Knowing how to quantify the value of IT and demonstrate the impact to business is the key to managing IT expenditure in today’s volatile business environment.

Why NCS

At NCS, we leverage on our patented Bizval™ methodology to deliver the most objective and accurate assessment of an organisation’s IT expenditure and investments. Being one of the largest ICT service providers in the region, we have a deep understanding of how IT is a key enabler for businesses to achieve its objectives. We are also able to benchmark an organisation’s IT expenditure against industry norms.

Challenges

- How do we demonstrate the business value of IT?
- How do we ensure that IT investments are aligned to our business needs?
- How do we prioritise our IT investments?
- How do we ensure that we are investing IT resources in the right places?
- How can we determine if we are getting bottomline impacts from our IT investments?
- How can we ensure that we are balancing our strategic and tactical IT investments?

Solution

- Consultancy services in defining and quantifying business value of IT, IT portfolio planning, investment prioritisation, business case development and post-implementation review of strategic investments

Benefits

- Integrated business and IT approach to determine overall IT spending
- Clear line of sight of IT investments to delivery of business value
- Optimal level of IT spending to support the business
- Portfolio approach that addresses both shortterm and long-term needs
- Sound IT investments are made



NCS Bizval4IT APPROACH - A PORTFOLIO APPROACH TO IT INVESTMENTS

At NCS, we adopt a holistic and structured approach that enables organisations to systematically manage their IT investments to deliver business value. Our methodology seeks to answer the following questions:

Q1: What is the business value of IT?

- Define the business drivers and benefits that IT delivers to business

Q2: How much should we be spending on IT?

- Establish the linkages between business and IT strategies, identify strategic gaps, develop and prioritise actions
- Benchmark spending patterns with industry norms
- Create categories of IT spending and prescribe a certain percentage of the budget to be allocated for each category. This ensures that spending has been distributed appropriately across actions that are “must do” for the short term and “need to do” for the long term. The categories are:
 - Strategic: expands strategic capabilities
 - Enhancement: improves productivity of existing processes
 - Compliance: achieves compliance with key requirements

Q3: How can we prioritise IT project spending?

- Develop a list of costs and benefits (including direct, indirect and qualitative) and determine appropriate metrics (IRR, NPV, EVA etc.)
- Develop business cases for each IT project and quantify the business value
- Develop a Scoring Model to prioritise projects, taking into account strategic alignment and risks & returns

Q4: How can I manage the ongoing IT project & portfolio?

- Define an overall project management methodology, including a stage-gate review process which monitors the project and allows for continuation of funding decisions to be made dynamically against the evaluation criteria
- Develop post-implementation review processes to measure project actuals against the original proposal and business case to determine the level of success in meeting the objectives
- Develop tools and techniques to achieve target portfolio



NCS Bizval4IT Approach



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