IT Discovers
the Customer

Adding the "Service" Dimension to CMM

By
Dr. Karl Albrecht
Karl Albrecht International

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*No problem can be solved
from the same consciousness that created it.
We must learn to see the world anew.*

- Einstein

"They're a necessary evil, I suppose." So said a division executive of a large manufacturing firm, referring to the IT group attached to their organization.

"I disagree," retorted a second. "They're an *unnecessary* evil, and I'm going to find a way to get them out of my life." Another said "They're a drag on my cost structure – I think we can outsource the whole function, or most of it."

Not all internal clients of IT organizations are talking this way, but more of them are, and some IT managers are getting increasingly nervous.

The past decade or two have brought big changes in perceptions of IT departments by senior executives and line managers. As the professional and managerial classes in business organizations have become much more techno-savvy – and less intimidated by all things digital – they've become more discerning and more demanding.

Three major trends give evidence of this evolving ethos and attitude.

IT Demystified

One is the loss of the "high priest" image and status formerly accorded to the keepers of the computer. Technology has empowered the laity as never before. The omni-present personal computer has decentralized and localized data processing in a big way. During the mainframe-only era, the only reason managers packed up their data and sent it off to the computer department was the sheer expense of owning and operating the central processor. Most organizations could only afford one of them.

As the functions of the computer evolved from keeping the books on the business to actually running the business, and client-server deployments moved the enterprise-level application interface outward to the users, IT was progressively demystified. In many cases, user-level funding and budgeting caused users to start thinking more and more like customers. And, as the centralized IT infrastructure dissolved into the woodwork of the business, IT morphed from a black art to a mundane and familiar service. IT people were demoted from techno-priests to service providers.

No More Blank Checks

The second major trend that reshaped the IT role, closely related to the first trend, was a much closer scrutiny over IT budgets and investments. The day of the blank check for the IT department is mostly gone. "Governance" is the new mantra for resource allocation. User executives and other stakeholders increasingly steer the technological strategy.

In this new environment of accountability, IT leaders are increasingly getting the religion of "customer service." Some are even trading in the long cherished label of "users" for terms like "clients" and even "customers." They know that their futures will depend ever more on the perceptions of those who are entitled to judge the value they provide.

Strategic Focus

And the third key trend, which has actually worked to the benefit of IT organizations in a big way, has been the increasingly closer alignment of IT with the strategic direction of the overall organization. Because "service" has become increasingly important to most organizations in a competitive sense, establishing service as a core value and competency within IT is essential to this alignment.

The first two trends, while perhaps painful in their early phases, have actually made the third trend possible. IT people who are perceived as accessible, cooperative, and strategically minded can influence the direction of the organization more effectively than those who are perceived as inwardly focused, resistant, and parochial.

And the executives, managers, and organizational staff workers who are the beneficiaries of the IT service can be more cooperative customers as they learn more about technology and understand how to capitalize on it in their operations.

A Change in Mindsets

Having worked with and observed a number of IT organizations over the past two decades, I've observed this steady evolution of the internal business environment in which they operate. I've also noticed big differences in their capacity to adapt and evolve with it.

Many IT leaders, and many of their technical staff, have no clear concept of what "customer focus" actually looks like in day-to-day operations. Beyond being nice to the users, and possibly improving the operation of the help service, many are still scratching their heads and wondering what to do.

Some forward-thinking CIOs and managers have embraced and applied a strategic service focus, while others have taken a "business as usual" attitude. Those who have made the transition have typically seen their departments respected and appreciated more than ever before. The rewards for many have been a stronger voice in the organization's strategic conversation, greater understanding and acceptance of their resource needs, and an increasingly collegial relationship with their "user" departments.

Bur for many IT departments – more than half, I would estimate – the executive conversation cited previously is still fairly typical. For many IT leaders, and perhaps

more so for their technical staffs, the preoccupation with *process* at the expense of *outcomes* still creates perceptual barriers.

Too many are still imprisoned by the archaic mindset of the "old days" – when IT people knew what was best for the organization, and believed that disgruntled users were either incompetent or unreasonable.

The transition from process focused IT to *value focused IT* requires a radical change in mindset – tantamount to a full attitude transplant. Given the increasingly challenging organizational environments in which IT departments must operate, the only question seems to be when, not whether, they'll have to make the transition.

A New Model and a New Mindset

The key to customer focused IT will be the strategy of *managing customer/user perceptions of value received*. IT leaders and technical staff must learn to shift the focus of their attention from managing the IT resource to *managing the customers' experience* with the IT resource.

Professor John Hwang, of California State University at Long Beach, understands both the theoretical and practical aspects of managing the IT function, having also served as CIO of the Federal Emergency Management Agency and also for the City of Los Angeles.

According to Professor Hwang,

> "The most important paradigm change in the IT world is not remote computing, database architectures, ERP systems, the Internet, or client-server deployments – as important as those developments have been.

> "What really transforms IT thinking and IT operations is the focus on the *value IT creates*. Customer focused IT requires the people at all levels of the operation, and especially at the leadership levels, to distinguish between means and ends.

> When I was appointed General Manager for IT Services at the City of Los Angeles, my first task was to introduce 'IT account executives,' to ensure that the IT organization was not simply *pushing* smart technologies, by that my customers – city departments such as the police and fire departments, etc. – were *pulling* the right IT services."

The first principle, or precept, of this new thinking process is the simple truth that:

> **Customers find it difficult
> to appreciate value
> that they cannot see.**

Most ordinary mortals have never seen a server, a router, or a telecom switch. They've probably heard of programmers, but most have never actually met one. They've probably heard of databases, but most have never held one in their hands. Most are only vaguely aware of what an "application" is or does. And most probably haven't the faintest idea what IT people actually do all day.

The second principle of customer focused IT is the simple truth that:

"New hat"
eventually becomes
"old hat."

The great new ERP system, the employee benefits system, the executive dashboard, and the video conferencing system, all too soon become familiar and habitual. Once people forget what life was like before they had them, they become just "part of life."

The core concept – and challenge – of this managed perception of customer value is expressed graphically in Figure 1, the IT Value Matrix.

	"Capability Maturity Model"	"Service Maturity Model"
Unique	Fine Tuning the System	Proactive Problem Solving
Developmental	Building the Applications	New & Better Tools
Routine	Operating the Infrastructure	The Standard User Interface
	Invisible Value	Visible Value

Figure 1. The IT Value Matrix.

Serving Unseen

The bottom-left pane of the window diagram is the *invisible/routine* form of value. This is the deep infrastructure of the IT resource: the network, the routers and switches, processors, the storage, the operating systems, the databases and the applications. Like the water pipes, electrical cables, and gas lines behind the walls of a house, they serve unseen. While they require constant and diligent attention from IT staff, they have little or no direct effect on the clients' perceptions of value received.

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The same can be said for the other two panes on the invisible side of the matrix. *Invisible/developmental* initiatives, however much they might be improving the infrastructure and making life easier for the IT people, earn no applause if their effects can't be perceived on the "other side of the wall."

Ditto for the third pane of the matrix, the *invisible/unique* contributions to value. These are the one-time improvements, solutions to problems, fine tuning, maintenance upgrades, and behind the scenes "rescues" that keep the IT resource performing effectively. Think of it as "sharpening the tools." Great value, but no visibility. No visibility means no kudos.

Delivering Visible Value

The situation is only a little better on the "visible" side of the matrix diagram, at least on the bottom of the ladder. The fourth pane is the category of *visible/routine* value delivery. All of those beautifully designed, feature-rich and user-friendly display screens tend to become very familiar and are taken for granted not long after they're created. Many IT people seem to believe that their users should be eternally grateful for the sophisticated tools they've been given. However, the general user response, figuratively at least, seems to be "Don't expect a standing ovation just because the inventory report comes up on the screen when it's supposed to. We patted you on the head for that a long time ago. You'll hear from us if it *doesn't* work." Call it ingratitude; they call it business as usual.

Things get a bit better as we climb up the ladder of options on the visible side of the matrix. The *visible/developmental* type of value is usually associated with some new system implementation, an upgrade or improvement, or a new type of functionality. If the side-effects of the developing new capability are relatively painless, then the users, clients, and customers are seeing their lives getting better. IT people need to capitalize on this perception of value as much as possible because it doesn't last.

Once the new features, functions, or systems go in, they immediately start becoming familiar and taken for granted. They eventually sink down to the first level and become part of the visible/routine category of value. The implied message from the user-customer community seems to be "What have you done for us lately?"

The "Moments of Truth"

That leaves us with one more possibility for managing customer perceptions of the IT contribution. The sixth pane is the combination of *visible/unique* experiences of value. Visible/unique value contributions tend to be episodic, unpredictable, occasional, circumstantial, opportunistic, and non-recurring. These are the "moments of truth" – those one-time experiences that shape customer perceptions of the IT product and the IT organization.

There's a powerful confronting irony here: the one category of value that offers the best potential for driving customer perceptions is the one most IT groups tend to *manage least effectively*. It's the only one that can't be standardized, systematized, or routinized. It can't be automated because it's a *psychological product*. It requires a creative, individualized, tailored response to an accidental opportunity.

The famous medical scientist Louis Pasteur, who pioneered the germ theory of infection, reportedly said "Chance favors the prepared mind." The special moment at which the prepared mind meets the presenting opportunity is the *visible/unique* form of value creation, and it's often the one that creates a lasting impression.

Case in point: Elizabeth Bennett, CIO of Los Angeles County's Metro Transit Authority, relates a story that illustrates the value of spotting those special opportunities.

> "I assumed the role of CIO after working in the organization for several years, so I came in with a clear sense of the focus I believed we needed. One of my first acts was to communicate the service concept to everyone in the department.
>
> "I told them that our department's initials, 'ITS' – which stood for Information Technology Services – hereafter would also stand for 'Incredibly Terrific Service.' It took a lot of teaching and preaching, and especially modeling the service commitment by me and the directors. Gradually the service focus became ingrained into the culture.
>
> "One key part of the strategy, which I consider very important, is the personal contribution of the CIO to create and respond to the 'moments of truth' – those special opportunities to show our users and customers how we can add value for them."

A New Way of Life

More and more IT leaders are rethinking the roles of their organizations, and refocusing them toward a customer-centric philosophy and ideology. But, many ask, how can this be done? How does a CIO, a senior IT manager, or an IT leadership team get the organization pointed in a new direction? How do they re-educate technical specialists who have been tool-and-task focused for so long, and invite them to focus on outcomes and opportunities?

Case in point: Dr. Edward Kinley, CIO of Indiana State University, decided to reposition the IT organization as an outstanding service department. He shares his developmental strategy.

> "The Office of Information Technology had acquired a reputation of being inwardly focused, having a 'bunker mentality' and lacking a service orientation. The advancing technology, plus the increasing sophistication of our students, faculty, and administrative staff, had raised the expectations over time. When I assumed the role of CIO, I realized we needed to improve our game. I took the entire department through a developmental process known as 'J2E,' or the 'Journey to Excellence.'
>
> "We brought in Karl Albrecht's firm to provide us with some key models and concepts, and to help us with the planning and implementation. As part of the J2E process, we challenged all work-unit leaders to define a value proposition, a customer value model, a mission statement, and a set of critical success factors for the transformation. Coming out of a series of problem-solving workshops, they began implementing significant improvements in all areas, aimed at raising user perceptions of value.

"One prime candidate for the improvement process was the help service – referred to by many users as the "helpless desk." We upgraded the skills of the intake workers, set higher response standards, and set up a tracking and analysis system so we could understand and anticipate our customers' needs better.

"I'm pleased to say that the IT function graduated to the level of one of the most appreciated service departments on the campus, and based on our most recent surveys and user interviews, we've maintained that level of performance."

A New Way of Thinking

The thinking process that's necessary to move an IT organization up the ladder of service and value is somewhat similar to the ideology of the "CMM" approach – the Capability Maturity Model. While not all IT executives have fully adopted the CMM model, and many don't plan to, most would probably acknowledge the need to organize and manage the key functions and processes in a disciplined way.

It makes sense, then, to think in terms of a "service maturity model," or "SMM," as a companion concept to the CMM framework. We could consider the invisible side of the IT value matrix as representing the CMM process, and the visible side as representing the SMM process.

CMM is means-focused and SMM is ends-focused. The fusion of these two developmental pathways becomes a "Capability/Service Maturity Model," or "CSMM." Most variants of CMM include progressively improving levels of maturity, typically five stages. SMM – or CSMM – should have an equivalent scoring process of some kind. As an IT organization graduates from one level of performance to the next, it should be able to show evidence of increased maturity in the management of work processes, and also in the creation of recognized value for its customers.

And with all due respect to the IT technical experts in various functional units and various levels of the organization, we probably need an increased focus on the skills of *social intelligence*. Many highly trained technical people went into scientific and technical trades precisely because they preferred working with machines rather than people, and yet they eventually have to face the fact that their success depends on dealing with human beings and all their idiosyncrasies.

Whatever the approach, it's clear that it won't happen by accident. Left to chance, people in the typical IT organization tend to gravitate toward an introverted, process-oriented, task-focused habit pattern that creates a comfortable technical culture. We're asking them to stretch and grow, to venture beyond their familiar comfort zone, and take on a bigger challenge – using their special magic to make others more successful.

For more information, visit the KAI Website at:

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