Transform IT Through Strategic Organizational Design

Improve performance through a fit-for-purpose organizational design.

The role of IT in the organization has changed. Keeping the lights on is no longer seen as a valuable accomplishment and, increasingly, low-level technology skills are commoditized, outsourced, and/or hosted in the cloud.

This enables IT resources to focus on more strategic, project-focused work – however, the skill sets required for this shift are highly divergent from the traditional IT skill set.

Modernizing your IT organizational structure is pivotal to enhancing the role of IT in the organization. CIOs who fail to evolve their departments past technology to a people-and-process focus will become irrelevant.

Key Benefits of Organizational Design
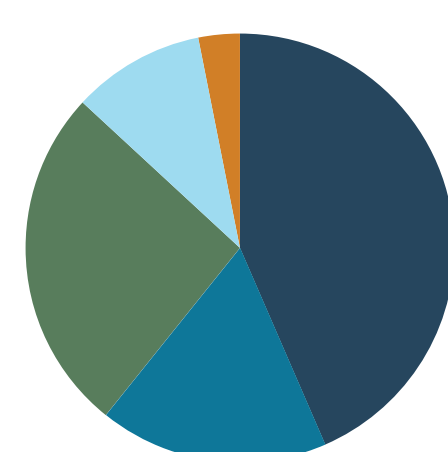
- Improved IT service delivery
- Increased efficiency / productivity
- Increased business IT alignment
- Optimized role and performance metrics aligned to business benefits
- Staff aligned to roles based skills

Structure follows strategy. Build your organizational design to enable the key capabilities that are important to your organization.
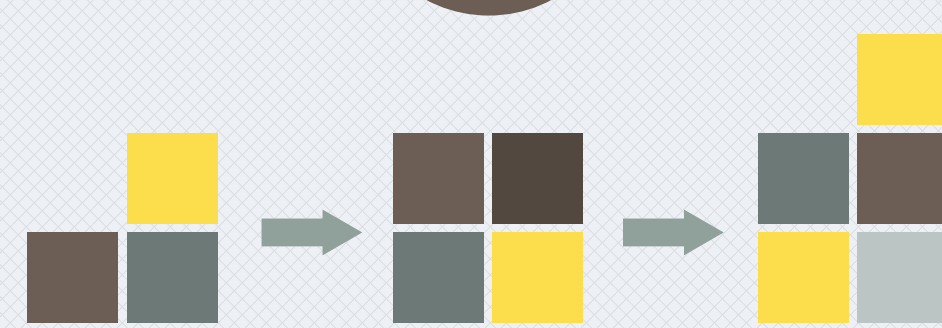
1 Treat organizational design like a project. Make sure you get a strong project team of IT leaders to build the program.

2 Leverage COBIT 5 as the building blocks to build your ideal target state organizational design.

3 Iterate for organizational design success. Trust your instincts, but don't expect to get it right the first time. Encourage iteration as the path to success.

Project Steps

1. Structure the Project

- **Make IT organizational design transformation a project.** Too often, organizations attempt to fit this into their schedules, which results in poor resource planning, long delays in implementation, and overall poor results.
- **Effective IT organizational design requires input from the business and IT.** Don't make changes in isolation, and understand the business strategy and pain points before you design.
- **Prepare for objections.** Making changes to the organizational structure means that individuals' jobs and potentially their livelihood will be affected – have a solid communication message and prepare for objections.

2. Prioritize IT Capabilities

- **Organizational design is not one-size-fits-all.** Optimize your IT organizational structure to meet your organization's priorities and capabilities.
- **Use COBIT 5 as a starting point to build your IT organization.** This will ensure that you are covering all of the major IT functions, and it will help to set up clear accountabilities and responsibilities.

3. Build the IT Organizational Sketch

- **Don't let your vision of the future be clouded by the current state of affairs.** Start your IT organizational design project by building your ideal target state.
- Use the capability level of priority, effectiveness specialization, and your design archetype to determine your optimal IT organizational structure.
- Iteration is key for success at this stage – ensure that the structure meets your design criteria. **No design is perfect – but you should aim for about 80% at this stage.**

4. Build the Target Structure

- Build the role profiles based on the work units – define these roles based on the COBIT capabilities, not based on your people.
- Determine the span of control and reporting relationships within the organizational structure **depending on the difficulty and amount of work to be done.**
- Understand the key competencies required for each of the roles and then determine which candidates you have to fill these roles.

5. Implement Changes

- **Right-size your communication management plan based on the organizational impact.** How you communicate the change will vary based on your organizational history, the urgency, and the level of change.
- **Have a plan and clear accountabilities for measuring the impact of the change.** Don't let measurement be a secondary task – have a plan up front.