

LEVEL 2

Beginning Process

LEVEL 3

Established Process

LEVEL 4

Improved Process

LEVEL 5

Optimal Process

Limited understanding by IT management	Good understanding by IT management	Understanding encouraged among IT staff	Understanding required of all IT staff
Limited understanding by managers	Good understanding by managers	Understanding encouraged among staff	Understanding required of staff
Newsletters, reports, group e-mail	Training, departmental meetings	Formal methods sponsored by senior management	Learning monitored for effectiveness
One-way, somewhat informal	Two-way, formal	Two-way, somewhat informal	Two-way, informal and flexible
Some structured sharing emerging	Structured around key processes	Formal sharing at all levels	Formal sharing with partners ⁸
Primary IT-business link	Facilitate knowledge transfer	Facilitate relationship-building	Build relationship with partners
Technical, cost; metrics rarely reviewed	Review, act on technical, ROI metrics	Also measure effectiveness	Also measure business ops, HR, partners
Cost/unit ⁵ ; rarely reviewed	Review, act on ROI, cost	Also measure customer value	Balanced scorecard, includes partners
Business, IT metrics not linked	Business, IT metrics becoming linked	Formally linked; reviewed and acted upon	Balanced scorecard, includes partners
With units for technology performance	With units; becoming enterprisewide	Enterprisewide	Includes partners
Sometimes benchmark informally	May benchmark formally, seldom act	Routinely benchmark, usually act	Routinely benchmark, act and measure results
Only when there's a problem	Becoming a routine occurrence	Routinely assess and act on findings	Routinely assess, act and measure results
Few; effectiveness not measured	Few, starting to measure effectiveness	Many, frequently measure effectiveness	Practices and measures well-established
At unit functional level; slight IT input	Some IT input and cross-functional planning	At unit and enterprise, with IT	With IT and partners
At unit level; slight business input	Some bus. input and cross-functional planning	At unit and enterprise, with business	With partners
Central/Decentral; some co-location ⁶	Central/Decentral or Federal ⁷	Federal	Federal
CIO reports to CFO	CIO reports to COO	CIO reports to COO or CEO	CIO reports to CEO
Cost center by unit	Some projects treated as investments	IT treated as investment	Profit center
Productivity, efficiency	Also a process enabler	Process driver, strategy enabler	Competitive advantage, profit
Meet informally as needed	Formal committees meet regularly	Proven to be effective	Also includes external partners
Determined by IT function	Determined by business function	Mutually determined	Partners' priorities are considered
Becoming an asset	Enables future business activity	Drives future business activity	Partner with business in creating value
Enables business processes	Drives business processes	Enables or drives business strategy	IT, business adapt quickly to change
IT takes most risks with little reward	IT, business start sharing risks, rewards	Risks, rewards always shared	Managers incentivized to take risks
Managed on ad hoc basis	Processes exist but not always followed	Processes exist and complied with	Processes are continuously improved
Transactional relationship	IT becoming a valued service provider	Long-term partnership	Partner, trusted vendor of IT services
Often have a senior IT sponsor/champion	IT and business sponsor/champion at unit level	Business sponsor/champion at corporate level	CEO is the business sponsor/champion
Transaction oriented	Business process enabler	Business process driver	Business strategy enabler/driver
Defined, enforced at functional level	Emerging coordination across functions	Defined, enforced across functions	Also coordinated with partners
Within unit	Integrated across functions	Begins to be integrated with partners	Integrated with partners
Becoming driven by business strategy	Driven by business strategy	Beginning to help business respond to change	Enables fast response to changing market
Somewhat encouraged at unit level	Strongly encouraged at unit level	Also at corporate level	Also with partners
Same, with emerging functional influence	Top business and unit management; IT advises	Top business and IT management across firm	Top management across firm & partners
Change readiness programs emerging	Programs in place at functional level	Programs in place at corporate level	Also proactive and anticipate change
Occasionally occur within unit	Regularly occur for unit management	Regularly occur at all unit levels	Also at corporate level
Decided by units	Formal programs run by all units	Also across enterprise	Also with partners
Strictly a business-only relationship	Trust and confidence is starting	Trust and confidence achieved	Attained with customers and partners
IT hiring focused on tech skills	Technology and business focus; retention program	Formal program for hiring and retaining	Effective program for hiring and retaining

⁵ Here and elsewhere in the chart, unit refers both to functional organizations (such as the sales, marketing or human resources function), or business units (product or service areas, or profit centers)

⁶ Co-location means locating IT personnel with business personnel

⁷ Federal means a corporate IT unit (or another central unit) has a primary responsibility for architecture, common systems and standards decisions, while each functional unit has primary authority for application resource decisions

⁸ E.g., cross-functional teams, training, risk/reward sharing