

How IT Business Management is helping organizations ensure resilient business critical operations



IT Business Management: Helping organizations address COVID-19 impact

No one saw this coming. In a matter of days, organizations have had to pivot from a focus on strategic growth and optimized investments to simply surviving. Every industry has been forced to shift its time horizon to today and maybe tomorrow. But that won't last. And the organizations that can rapidly resume their focus on delivering success in the new world that emerges from this crisis will be the winners.

During this critical situation, leaders have recognized the vulnerability of their businesses. Organizations once proud of their progress towards enterprise agility are suddenly finding they're not nearly as prepared as they thought. Now, decisions around who (or if) to furlough, where to divert projects at-risk, and how much to scale up to meet new demands are being made blind. Businesses are struggling to turn decisions into actionable plans and limit the disruption already in the system. And they're unsure how to measure the impact of the changes or track progress with any degree of confidence.

COVID-19's organizational impact will come in three distinct phases:

- Response and survival
- Stabilization
- Recovery

Let's look at each phase and consider how project portfolio management (PPM) and agile solutions support it.

Response and survival

This is where organizations are currently. Depending on the industry, they may be facing the need to furlough large portions of their workforce simply to remain viable, as revenue streams have dried up. All are under cost pressures from customers unable to purchase their services or products, or from vendors struggling to meet commitments.

Demands from the business frontline operations are changing hourly. The operating environment is changing just as fast and, of course, there's a lack of consistency, process, and data capture everywhere. If that weren't enough, organizations are operating with an almost totally remote workforce that's stretching their ability to deliver projects.

Not knowing how far into the future recovery might be, leaders and teams are forced to make near term investment decisions that impact projects already in-flight. They need to decide where to shift investments for near-term impact, and which projects to continue, deprioritize or stop.

They need to know how teams are currently allocated, and what projects are at risk. They must understand how working from home impacts ongoing projects. And there is a critical need to manage constant demands for immediate projects as well as ideas from teams that will impact future initiatives.

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There is a critical need to manage constant demands for immediate projects and ideas from teams that will in turn impact future initiatives.

Customers must now align current investments with near term survival and enable more informed strategic decisions that will impact long-term recovery. That means project portfolio management has to be at the core of how business gets done.

In response, customers are leveraging PPM solutions like IT Business Management (ITBM) to manage their near-term investment decision making, centralize the new influx of demand, and create projects for their COVID-19 response.

Examples include:

- ServiceNow received immediate requests for training on how to capture demands from various teams and constituents from state agencies like California.
- A healthcare client in New York is using ITBM to manage projects to help establish COVID-19 testing tents.
- A large international beverage client is using ITBM to reprioritize projects based on changes to the business environment.
- One of North America's healthcare providers uses ITBM to deploy emergency response apps with the use of demand/projects to assist 13,000 IT contractors/employees in supporting volunteer efforts for COVID-19 response.
- A top global services firm is using their demand management system to reprioritize projects based on criticality assessments, with the ultimate goal of staff preservation. With ITBM resource management data they know where to deprioritize or delay projects, such as those staffed or augmented by outside suppliers or those that require onsite work; and where they need to redeploy internal staff to replace contractors.
- A major auto manufacturer was required to shut areas down, and they use ITBM to understand which resources should stay at capacity and which should be furloughed, including both IT and non-IT resources like HR.

The frontlines have seen the most dramatic shift. Teams are now working completely remote and rapidly adjusting to an entirely digital environment. We've responded by enabling customers to configure integrations with tools like Slack to our project management capabilities.

After this crisis, there won't be a return to the way we used to work. The benefits of virtual collaboration are being accepted across every industry and that collaboration is delivering faster, less disruptive changes to projects as a response to constantly shifting environments.

Agile delivery will be impacted with fully co-located teams becoming the exception. Kanban, standups, and the rest of the collaboration tools that drive team effectiveness will move 100 percent into the digital world. ServiceNow's ITBM solution already enables this through numerous integrations. While other software vendors struggle, ITBM's clients will be delivering the dramatic recovery stakeholders will demand.

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Stabilization

The current crisis is not going to end as fast as it started. First, organizations will need to stabilize how they operate. That will mean making decisions around which strategic initiatives to continue pursuing, which to adjust, and which to eliminate, based on a multitude of factors. Every business will need to ensure limited resources are spent in the most valuable way—preserving current operations, preparing for the future, and remaining as efficient and effective as possible.

This will place new focus on PPM in particular. Leaders will look for solutions that can leverage data that accurately reflects what's happening in their businesses to guide their decisions. They will need platforms capable of multiple modeling options, and supporting rapid adjustments as new information is received and the operating environment evolves.

With integrations to IT Service Management and IT Operations Management that constantly feed ITBM with operating environment information, we provide the data customers need to make the right portfolio decisions. In an upcoming store release, we will offer clients a new Scenario Planning app that helps create portfolio scenarios across different projects and demands, and uses scenarios to look at cost, benefit and resource utilization.

Organizations will be looking for ways to deliver investments with fewer resources working in a more distributed model—and that means agile is not only going to be important, it's going to be necessary.

Organizations will need to operate with fewer resources (dollars and people) in the early phases of the recovery. And they'll need flexible, adaptive funding strategies to ensure those resources are generating the best possible return. That will require frequent adjustments as the stabilization phase continues and forecasts are replaced with actual data. The flexibility of ITBM's investment funding functionality will be critical.

Leaders are going to rely on agile planning solutions like ours, and ways to integrate team tools like Jira® or Microsoft Azure DevOps that can help speed delivery. Our ITBM integrations support these team tools across the technology infrastructure—without steep learning curves and other barriers to entry.

Organizations that can deliver stabilization quickly will minimize the damage they experience, maximize the opportunities they can exploit, and best position themselves for the next phase.

Agile organizations like the previously mentioned international beverage client are top performers in terms of their digital transformation. Their IT organization operates 80% agile and 20% traditional waterfall. Because of that, their teams can respond and adjust work quickly. Our ITBM unified backlog gives them visibility on which to base strategic and operational process decisions.

The global services firm uses ITBM to review all projects. They can see which non-critical projects to postpone or shut down to reduce short-term, fixed-cost expenditures. And they can help longer-term stabilization efforts by considering the costs plans to rebalance FY20 and FY21 projects.

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Every business will need to be sure that it is spending its limited resources in the best possible way.

Leaders must get through this crisis with the tools they have. But the pain they're experiencing now will drive significant investment into creating a more stable environment, capable of supporting their business in the future. Increased alignment between investments and outcomes will be key to supporting well-informed, strategic decision making. As such, PPM value realization aspects will be at the core of how business gets done.

The international beverage client's critical focus is company-wide work reprioritization. The breadth of this work includes capital projects for both IT and non-IT business units. Because they use ITBM to track benefits and are focused on value realization, their reprioritization process will consider business value that includes both measurable and soft benefits.

Recovery

Organizations will be looking to recover as quickly as possible, but that won't mean a return to how things were before COVID-19. It will be a move to optimize performance in a very different world. Remote working will be more common, digital transformation will be an even higher priority to minimize the impact of future disruption, and enterprise agility will be an expectation, not an aspiration. Customers will now understand that traditional project methods that work well in stable environments don't always enable them to adapt in times of uncertainty.

Innovation will be the driving force of future business, delivering solutions that are revolutionary, not evolutionary. Clients and frontline employees will have a much bigger role in driving that innovation. Organizations will realize how much expertise on their operating environments exist in frontline workers. That expertise will be leveraged in the future and businesses are going to need effective tools to capture, develop, prioritize, fund and deliver those innovations from concept to value attainment. ITBM's innovation management is designed to take these ideas from concept to delivery.

Leaders will have to demonstrate an agile enterprise if they are to keep their jobs. Investors and boards are not going to accept anything short of demonstrable preparedness for the next crisis. That preparedness cannot be achieved without the ability to connect investments to outcomes and then pivot the work underway with maximum effectiveness when adjustments are required. And that can't be achieved without PPM and agile delivery platforms designed together, a key benefit that ServiceNow brings to organizations around the globe.

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