

IT Performance Management as a part of the Corporate Performance Management system

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Each company (organization) in order to fulfill its vision, strategy and relevant targets (e.g. for relevant business effectiveness) has to transform its aims from the abstract (idea) level into physical reality. Transformation process is important for several reasons. It is necessary to specify all the activities necessary for the vision fulfillment, to their qualified organization, planning and management. It serves also as a communication tool for the aim transfer between company management and employees responsible for the aim realization. This transformation of "ideas" works simultaneously among following levels of the company management:

- Contextual level – describes the vision of the company and its strategy in the wide societal context, about its business targets, efficiency parameters and company values.
- Conceptual level – defines the concept for the vision fulfilling (process models, functional models ...).
- Logical level – defines logical parts (areas) required by selected concept, their layout and their mutual relationships. This level distinguishes between two architectures – human resources architecture and information and communication technology architecture (ICT).
- Physical level – describes the real "building blocks" of systems as e.g. resources, skills, applications, databases ... integrated into above defined logical schema.

With increasing complexity of the company vision also increases the importance of its right transformation into reality. Underestimation of any of the above listed levels results in the "spaces" among the transition states, demonstrated by application of inappropriate company management concepts, misbalance between motivation systems with the company aims or with the business processes and also in implementation of the irrelevant information systems (e.g. implementation of the functionally designed IS into the process managed organization). In the end we can find poor effectiveness, increased skepticism to applied management concepts, information technologies, information systems or improper investments.

In order to solve the above issues in the current economic environment, the new management approaches were elaborated. The most promising is the Corporate performance management (CPM). Gartner defines its content as the processes used to manage corporate performance (such as strategy formulation, budgeting and forecasting); the methodologies that drive some of the processes (such as the balanced scorecard or value-based management); and the metrics used to measure performance against strategic and operational performance goals. However, CPM also comprises a series of analytical applications that provide the functionality to support these processes, methodologies and metrics, targeted at strategic users and corporate level decision making.

Key point of the business vision transformation we can find in the transition between contextual and conceptual level of company management (balancing the company targets with the business process targets and definition of relevant measures and indicators). This could be addressed by above described CPM initiative.

Other key point is positioned between the conceptual and logical level of company management (task assignment and especially the creation of appropriate ICT architecture and appropriate ICT management system). In order to fulfill this transformation need the IT Performance management system (ITPMS) has to be properly established and positioned in the ICT department.

ITPMS starts with assessment of internal or external customer expectations and IT organization objectives. The resulting performance management system provides IT leadership with the means to create business metrics, understand the drivers of IT performance and deliver the tools for improving performance on a targeted, continuous basis. This performance management approach creates a framework for simultaneously measuring what customers care about and focusing measurement

programs on the factors that affect IT performance.

ITPMS and CPM can be implemented as standalone initiatives, but there is a big potential of combining one with each other – especially developing the ITPMS as integrated part of CPM initiative which allows extending its reach into the area of ICT management. It also allows the ITPMS to be more focused on fulfillment the company objectives rather than the particular user requirements.

ITPMS and CPM are discussed in the article. It also discuss possible approaches to their integration (including the dynamic models of the relationship between the above listed management levels). Article concludes with the CSF of such integration between CPM and ITPMS.