

Implementing IT Alignment

Contents

Implementing IT Alignment.....	1
Part I: The IT Alignment Process – Stages in Maturity.....	1
Major Areas of Function	2
Building Support for Technology.....	5
Benefits of IT Alignment for YMCAs	5
Part II: Budgeting for Technology.....	7
Aligning Technology in Your YMCA.....	7
The IT Alignment Process: Budget Stages in Maturity.....	7
Related Resources	9

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Y-USA would also like to thank John Merritt, IT director of the YMCA of San Diego County, for the original creation of the IT Alignment Stages of Maturity diagram. His contribution to this resource was crucial to its development.

Implementing IT Alignment

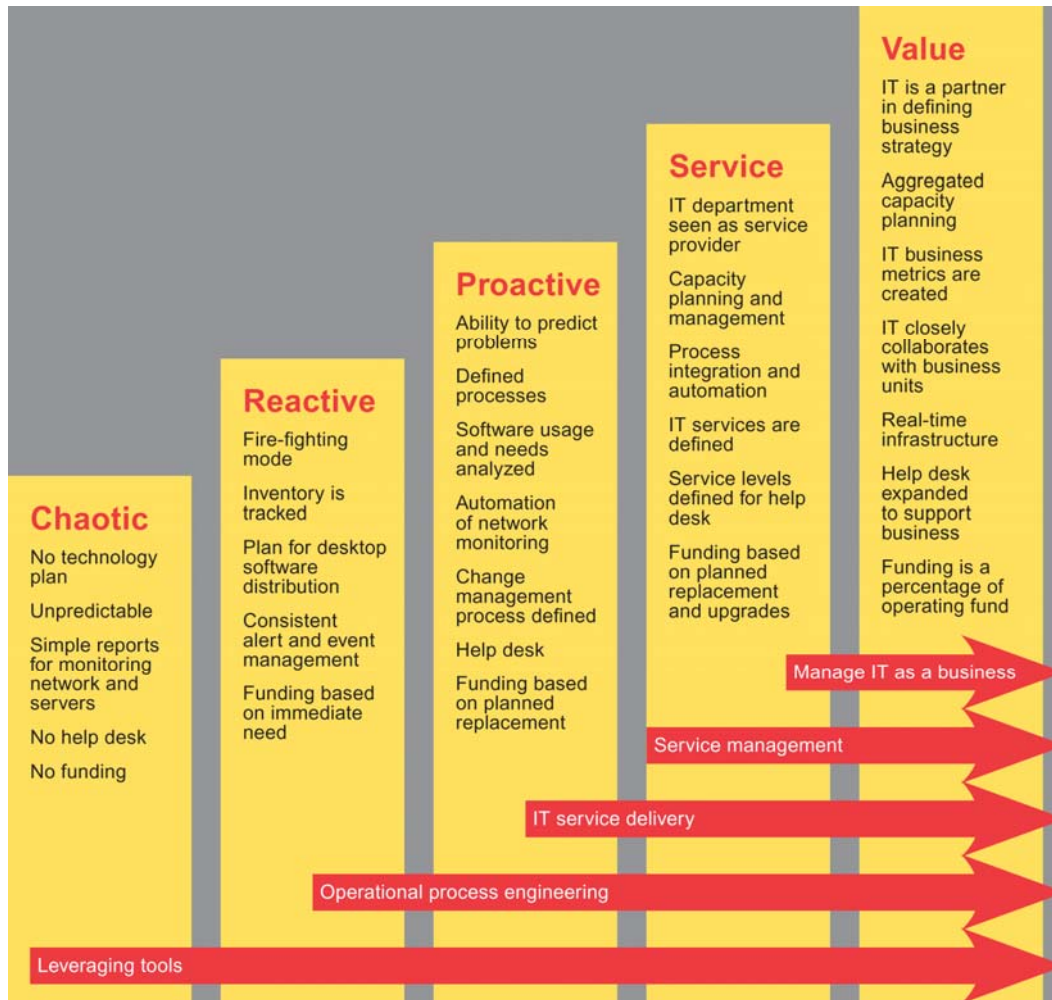
This paper is meant to be a framework from which to build strategic technology planning. It is directed toward the CEO, CVO, leadership, board, IT staff, and those responsible for strategic planning. As you look at the diagrams, try to honestly assess where your YMCA may fall. Knowing what stage you are in will help you identify where to start and what to work on.

Part I provides an overview of the process of aligning technology and your YMCA's strategic plan. Part II explains how to create and implement a technology budget.

Part I: The IT Alignment Process – Stages in Maturity

Aligning your technology to your YMCA's strategic plan and mission can have a dramatic impact on all parts of your organization. Successfully aligning your YMCA's business practices and technology with its mission and strategic plan is not the result of a single event or decision. It is an ongoing process that will take years to mature. But you need to start somewhere, and the sooner the better.

The following diagram describes how YMCAs change as they step toward the goal of aligning their technology systems with their strategic plans and operations. Progress takes place along a continuum—your association must pass through the early stages before it reaches the later ones. Trying to jump to the final step and hoping for the best can waste valuable resources of time and money.



IT Alignment Process: Stages in Maturity

(Click on the diagram above to link to more information.)

Major Areas of Function

Leveraging tools uses specific technology devices to help build technology systems that will support and expand business processes. As a YMCA implements and learns to leverage new tools to meet specific business needs, a new level of maturity is achieved. Examples of leveraging tools at each stage include:

- Chaotic. Use backup software and automated methods to monitor the network and servers.
- Reactive. Provide a simple trouble-ticket system, basic IT inventory, desktop software distribution, and real-time network monitoring.

- Proactive. Implement service or help desk for problem management; beginning of change-management system; software usage analysis; and server capacity, application availability, and response time measurement systems.
- Service. Employ a change-management database, capacity-planning tools, and what-if analysis based on measurement systems implemented in the proactive stage.
- Value. Realize IT portfolio management; business service management using revenue impact analysis; and business metrics supplied via IT systems, IT governance, and legal discovery.

Operational process engineering is the analysis, design, implementation, and maintenance of technology systems to support the operational needs of the business.

Examples of operational process engineering at each stage include:

- Chaotic. Does not exist at this level.
- Reactive. Implement a simple backup and recovery system plus basic inventory tracking of technology assets.
- Proactive. Employ configuration management for PCs and servers and full IT asset management for hardware and software.
- Service. Define service levels for technology support, capacity of what-if management, and business process alignment.
- Value. Enact business process automation (improving operations through systems) and aggregated IT capacity planning (based on all branch locations).

IT service delivery involves supplying staff, members, and volunteers with services needed or demanded and ensuring a consistent, unified customer experience. Examples of IT service delivery at each stage include:

- Chaotic. Does not exist at this level.
- Reactive. Does not exist at this level.
- Proactive. Make IT staff available to assist business, begin to define support levels, and establish a central IT command center for IT service delivery.

- Service. IT staff begin to focus on the importance of relationships with staff and customers. IT service delivery managers may become part of the leadership team.
- Value. IT director participates actively in the executive decision-making process. IT is viewed as a partner for defining strategy.

Service management requires managing business IT systems so they are centered on the customers' perceptions and needs as they relate to the business. Examples of service management at each stage include:

- Chaotic. Does not exist at this level.
- Reactive. Does not exist at this level.
- Proactive. Does not exist at this level.
- Service. Members of the IT team monitor and manage all IT service delivery, use capacity planning to determine future needs, and focus service management on strategic goals.
- Value. IT staff function as liaisons to branches and business units in support of strategic business goals.

Managing IT as a business is the stage at which business metrics and IT metrics are linked to uncover new opportunities, and IT becomes a strategic partner in the discovery and implementation of new, IT-enabled business processes. Examples of managing IT as a business at each stage include:

- Chaotic. Does not exist at this level.
- Reactive. Does not exist at this level.
- Proactive. Does not exist at this level.
- Service. An IT fund may emerge. Some projects are tied to business needs. Methods are established by which to review projects at an early stage.
- Value. An established IT fund provides long-term funding for IT and IT business processes, all IT projects are subjected to a cost-benefit analysis, and quality-of-service analytics ensure availability of business systems.

This paradigm shows that as your YMCA moves through the stages, technology systems become increasingly embedded in your association's strategy and their value becomes

increasingly apparent. As you follow this growth pattern, your organization will go through numerous changes in all areas, including how it spends on technology.

Building Support for Technology

Support for technology can and should come from all levels and departments within your YMCA, but leadership and board support are critically important. Developing a solid, dependable technical infrastructure for your YMCA will leverage the benefits of technology. After constructing a technological foundation, you can start to tie technology spending to your YMCA's specific objectives.

Remember to "map the money to the mission." Show how efficient technology supports each staff member, program, and member service, then demonstrate how all of these can be improved by adopting more advanced technology. When stakeholders can see the difference technology can make in your YMCA's success, they will be more receptive when you make a case for the technology budget.

Benefits of IT Alignment for YMCAs

The benefits to YMCAs from implementing these processes, tools, and practices are numerous and often not considered. Many YMCAs think of technology only as a cost and don't consider the consequences of missed opportunities. Here are some examples of benefits to YMCAs that implement IT alignment.

Solid infrastructure can

- prevent fraud that can cause fiscal problems as well as tarnish your public reputation;
- provide accurate information and reporting and, when coupled with strong audit controls and procedures, help prevent IRS reporting errors or audits;
- protect against loss, theft, or corruption of members' personal and financial information;
 - Data theft can lead to financial and credibility problems for a YMCA because data theft or loss has to be reported and may end up in the media.
 - Individual members can be affected by identity theft or fraud through stolen financial information.
- improve efficiency because using older equipment takes more time.

Aligning operations with technology can

- improve staff effectiveness and decision making through better data and streamlined procedures;
- eliminate unnecessary or redundant procedures;
- minimize staff time spent maintaining systems, inputting data, and creating ad-hoc reports;
- synergize systems and tools to get a clearer picture of the complete organization;
- identify possibilities for enhancing member service and program delivery;
- highlight opportunities to serve the community.

Through the added value of technology,

- strategic alignment of technology opens new methods to communicate internally and externally;
- all areas of the YMCA begin to leverage technology to deliver high-quality services;
- staff feel well equipped and understand the resources available to complete their work;
- the association presents an image of professionalism and creates a customer-friendly environment.

Technology and business systems are not a magic solution to meeting the mission, but they can help YMCAs serve their communities in ways that were not previously possible.

Part II: Budgeting for Technology

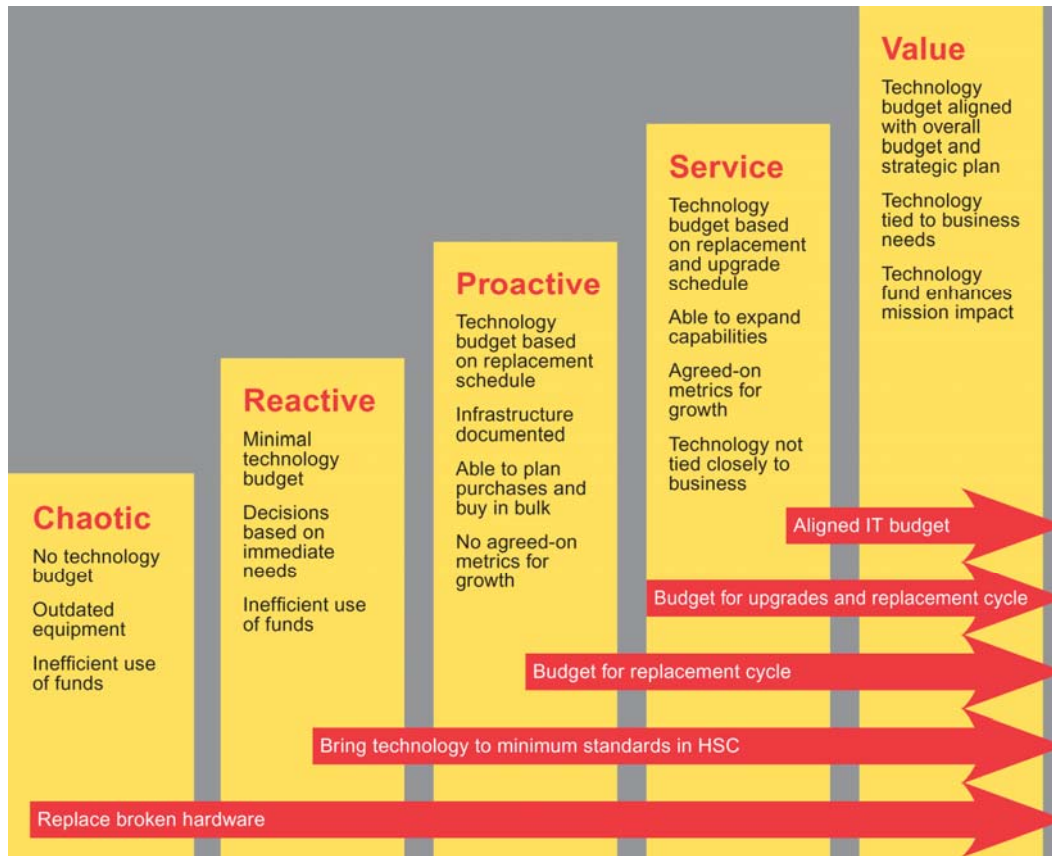
To understand how to build a strong technology budget, it helps to understand technology's relationship to your YMCA's strategic plan and mission: technology can be the accelerator that allows your YMCA to meet its mission and objectives faster and more effectively. This section explains how to create and implement such a budget. It is directed toward the staff member who keeps your association's IT resources running, the technology decision maker, and the business manager (these might all be the same person).

Aligning Technology in Your YMCA

Your budget cannot be transformed into a strategic element until you understand your association's goals, evaluate your current technology needs, and build support for technology throughout your association. Very early in this process, you will need to determine what you hope to accomplish and what technology you'll need to accomplish it. Review your YMCA's mission and strategic plan. Then, based on that plan, determine what technology, tools, and resources you'll need. See the "Related Resources" section for two resources to help you do this.

The IT Alignment Process: Budget Stages in Maturity

As discussed in Part I, transforming your YMCA's current technology spending into a strategic use of funds takes time and effort. Like other aspects of technology alignment, budgeting progresses from an unplanned activity to one that is fully aligned with everything your YMCA does. For example, associations in the Chaotic stage (see diagram below) have no designated budget or strategy for technology, while in the Value stage, they have an established technology fund that not only supports their daily operations but also their strategic and business plans.



IT Alignment Process: Budget Stages in Maturity

This diagram describes what a YMCA looks like as it progresses through the stages of transforming its technology spending. The arrows show the work that needs to be completed at each stage to move your technology budget forward.

Chaotic stage

Identify your YMCA's biggest technology problems. Determine what is broken and fix it. This will help you score a couple of quick wins. Decision makers will see the benefits of the quick fix.

Reactive stage

Bring your technology up to a minimum level. Do a full technology inventory, making sure to include all hardware, software, peripherals, and related technology. Once you have that inventory, you can review it and compare it with the minimum standards set in *Healthy and Secure Computing* (available at www.ymcaexchange.org). Create a method and a budget to purchase or replace the technology and infrastructure needed to achieve those minimum standards.

Proactive stage

Create a formal replacement schedule for all technology systems and equipment. Some YMCAs plan to replace all desktop computers every three to four years. A few YMCAs use a five-year rotation, but that often leads to relying on obsolete equipment and can increase support costs. You also need to plan for replacing network equipment, servers, software, and other technology. This will move you to the next stage, providing a service that delivers benefits and efficiency throughout the organization.

Service stage

Create a technology fund. A replacement plan addresses only what already exists and when to replace it; it does not allow for strategic planning and growth. So the next step is to create a comprehensive technology fund. This should be at least 2 percent of your operating budget. This will cover your replacement schedule, upgrades, and new purchases. It also could include software support, training, and related expenditures. This will begin to move your association's use of technology from providing a service to the next stage, delivering real value.

Value stage

Transform spending into a strategic resource. In the final step, which is difficult to achieve, technology is no longer treated as a separate item. You may keep a separate fund for replacements, upgrades, and other infrastructure-related items, but the rest of your technology funding is integrated throughout your YMCA's budget and strategic plan. The technology needed for specific departments, branches, initiatives, and strategies is incorporated into the overall planning. This funding may go well above the recommended 2 percent of operating budget, but it is spread across the organization. This allows you to use technology strategically to further your mission.

Related Resources

YMCA of the USA has created these resources to assist YMCAs with IT alignment. They are available at www.ymcaexchange.org.

- For a comprehensive overview of the technology issues that concern YMCAs, read *Strengthening the Y Mission Through Technology*. The first section specifically addresses what technology each YMCA should have.
- *Healthy and Secure Computing* is a two-part workbook that identifies best practices and recommended technologies to help YMCAs build and maintain stable and secure IT systems.