



# THE VALUE OF PERFORMING IT ECOSYSTEM ASSESSMENTS

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Methodologies for optimizing businesses have evolved. From the early days of Deming models to contemporary Six Sigma interventions and analysis, there are both simplistic and complex approaches available for businesses of all sizes to assess their operations, identify weaknesses and make improvements. To a large degree, many businesses either shy away from assessing themselves or simply ignore the benefits of these assessments. In fact, many businesses only consider such assessments when they are challenged by more robust competition, shrinking revenue, or policy/regulatory changes that significantly affect their profit margins. This is unfortunate, given the best time to execute a holistic review is when a company is profitable and has the necessary resources to plan and execute such an assessment —take a hard look at what is going wrong but also capture what is going right. These assessments typically focus on reducing waste, optimizing business processes, and improving the product and/or service offerings provided by the business, yet not enough focus on service and customer centricity. Most models focus on business processes and answer 'why,' but not 'how'. The agility required by most entities calls for a different type of assessment. IT Ecosystem Assessments is a new breed of analysis that is essential to complement service and customer centricity, without which it is hard for business to sustain and grow. So, what is an “IT Ecosystem Assessment”, what is its value, and how might one execute this approach?

Wikipedia describes the word Ecosystem as, “a biological community of interacting organisms and their physical environment.” This definition maps perfectly to how an IT Ecosystem Assessment operates. Where traditional assessment methodologies fail to thoroughly analyze the interactions between the various subsystems in the environment, Ecosystem Assessments excel. Consider the following sub-elements of an IT Ecosystem:

- Hardware
- Software
- Automation
- Cyber Security
- Policies /Procedures
- IT Investment Management
- Workforce
- Licensing /Contracting
- Business and Operational Intelligence /Reporting



When an organization begins to examine the cost, operations, and efficacy of each of these elements, something unusual begins to happen. Consider these real-world examples:

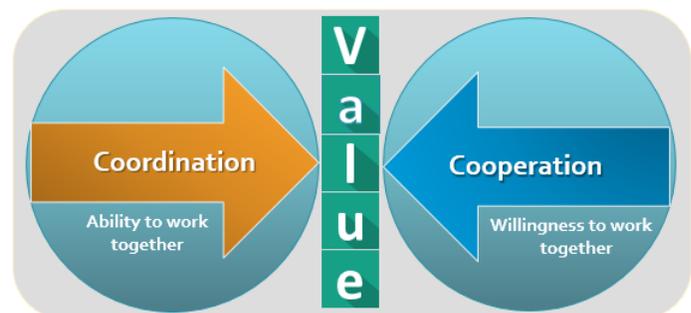
- Businesses find applications that are still being maintained that no one uses or are of minimal use, however paying a premium.
- Businesses uncover large quantities of outdated equipment remaining in inventory with related higher costs for maintenance.
- Staff is retained that do not support the bottom line.
- Vast numbers of reports are produced that no one reviews.
- Reporting capability that is going unused.
- Multiple contracts are let for the same type of service or product.
- Basic alerts that would serve as early warning signals are not available or are not accessed.
- Policies and Procedures have not been enforced nor updated in years, leading to less than optimal operations

The above is a short list of findings that will likely result from a well-executed IT Ecosystem Assessment.

Given the obvious value of such an assessment, why don't more public and private institutions take advantage of the opportunity? There are numerous answers to this question. As strange as it may sound, many companies are not aware that such assessment methodologies exist. While everyone in business is familiar with basic Business Process Reengineering (BPR) or Lean Six Sigma approaches, this fairly new approach to quickly uncovering redundancies, overlaps, and possible areas of waste is only slowly emerging as a viable tool. Another reason why companies are not considering this approach is the false assumption that the endeavor is cost prohibitive. In some cases, if very large companies seek to assess their entire ecosystem, as opposed to various divisions or locations, it can be very expensive. For smaller assessments in search of low hanging fruit and known problem space such as cyber security, however, the opportunities for improvements resulting from the findings typically more than pay for the exercise. A third and more dangerous reason companies do not regularly perform ecosystem assessments is that they currently maintain a large share of their respective marketplace and do not see the value in ferreting out more waste or taking advantage of new opportunities. A few words clearly highlight the danger of this: "Blackberry", "Kodak" and "Borders". Cautionary tales are numerous throughout modern business history.

So, how might one get started in performing an Ecosystem Assessment?

- Certainly, the first approach is to investigate and interview companies that have solid approaches and experience in executing such assessments. While all large firms such as Gartner, Forrester, Booz Allen Hamilton, Accenture, and Deloitte can do a tremendous job, small companies with robust proprietary approaches to executing the same task are finding excellent results, with greater customer service and at lower operational costs, so should not be overlooked. The value is that these companies are hungry, use the exact same talent as the big companies, and most importantly, have much more palatable labor rates. Often big company barriers are their own people deploying



inside-out perspectives while small companies engage in outside-in thinking, which is an enabler for bringing together coordination and cooperation. These boutique, specialized companies are the right ones to partner with for achieving real value and ROI.

- The second step is to ensure that such an assessment be commissioned by the highest ranking official in the organization, for organizational buy-in. Failure to do this will result in findings that are not used, opportunities that are not taken, and problems that are not resolved. Organization leaders need to start demanding that IT projects specify how they will improve productivity, and hold these projects accountable for delivering the promised value.
- The third step is to engage with experienced consultants to determine the boundaries of the assessment. Will the assessment consider the entire organization, a specific unit /location /domain, or some other subset of the entity?
- The fourth step is to actually perform the assessment. This is where the IT Ecosystem Assessment deviates from traditional models. This fourth and final step is iterative. Once the data collection and analysis have been performed, the client will be presented with findings and results. Every finding should have a corresponding recommended solution. More importantly, each solution should be depicted on a roadmap.



There is the saying “what you cannot measure you cannot control.” Without this final roadmap, the assessment is incomplete and the client is not getting their monies’ worth and intended value. As indicated, this fourth step should be ongoing due to the fact that the roadmap should be regularly reviewed and revised. In other words, any assessment results that sit on a shelf to gather dust is a waste of money, regardless of the initial project cost. Upon baseline, the Ecosystem assessment result becomes a foundation of business /service /value /operational intelligence metrics, which are continuously re-calibrated for improvements. At a high level, an Ecosystem assessment methodology should encounter the following phases:

- Planning
- Data Collection
- Analysis
- Articulation of Findings, Results reporting
- Presentation of Roadmap



Finally, there are various Success Factors that will render the investment in time, money and resources worthwhile. Consider the following:

- As indicated, ensure the Ecosystem assessment is commissioned at the highest possible level in the organization.
- Be realistic when picking the boundaries of the assessment.
- Whenever possible, assure employees that the assessment is not about staff reductions.
- Include staff throughout the assessment, including the Planning Phase.
- Both challenge and use the results.
- Follow the resulting Roadmap.
- Periodically refresh the analysis, findings, and roadmap.

In conclusion, when companies perform a well thought-out and holistic assessment of their IT Ecosystem, profitability and efficiency will result. Waste is discovered and opportunities for optimization become clear. Business leaders should endeavor to engage small businesses that are disruptors for traditional thinking and should be bold in both commissioning IT Ecosystem assessments and aggressively investing in the opportunities they discover.



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Contacts:

Prasanna Amitabh, x700  
Sam Reddy, x701

1-(855)-ZENIUSC  
www.zeniuscorp.com  
info@zeniuscorp.com  
305 Harrison St SE #200C1  
Leesburg, VA 20175