Managing IT Function

Sebagian besar materi diambil dari Gottschalk (2003), dalam *Strategies for IT Governance*

Agenda

- Posisi IT
- Struktur organisasi TI
- Roles of IT Function
- The Chief Information Officer

Posisi Unit TI dalam perusahaan

- Bervariasi, dari yang tepat di bawah direktur, sampai ada yang 4 jenjang ke bawah! (kasus di Indonesia)
- Ada yang bertanggung jawab langsung ke CEO (posisi 'leher')
- Ada yang bertanggung jawab kepda CFO, COO atau anggota dewan direksi lainnya.
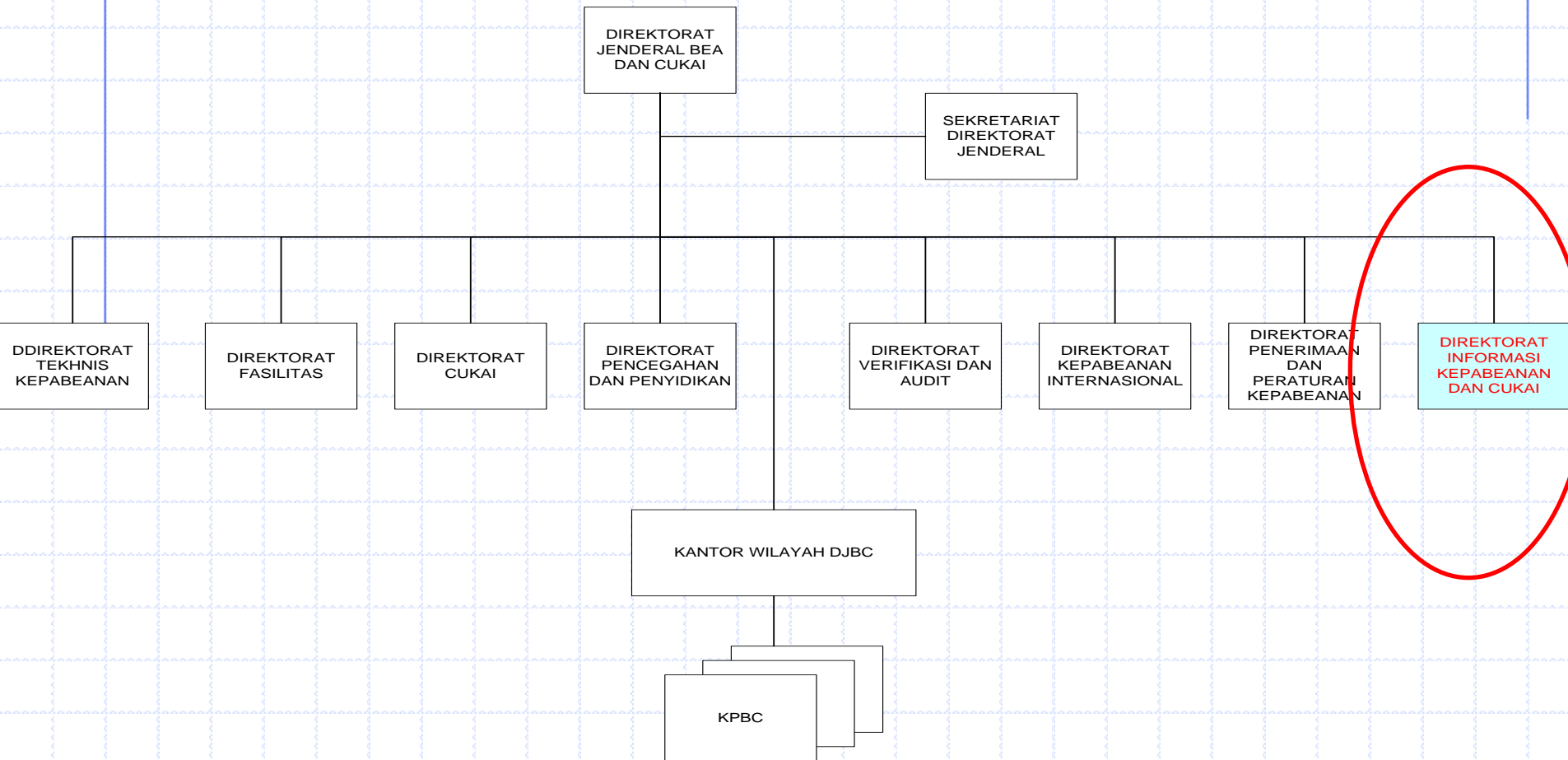- Mengapa posisi unit TI dalam perusahaan berbeda-beda? Faktor apa yang mempengaruhi?

Faktor apa yang mempengaruhi posisi unit TI?

- Sektor industrinya
- Intensitas penggunaan informasi
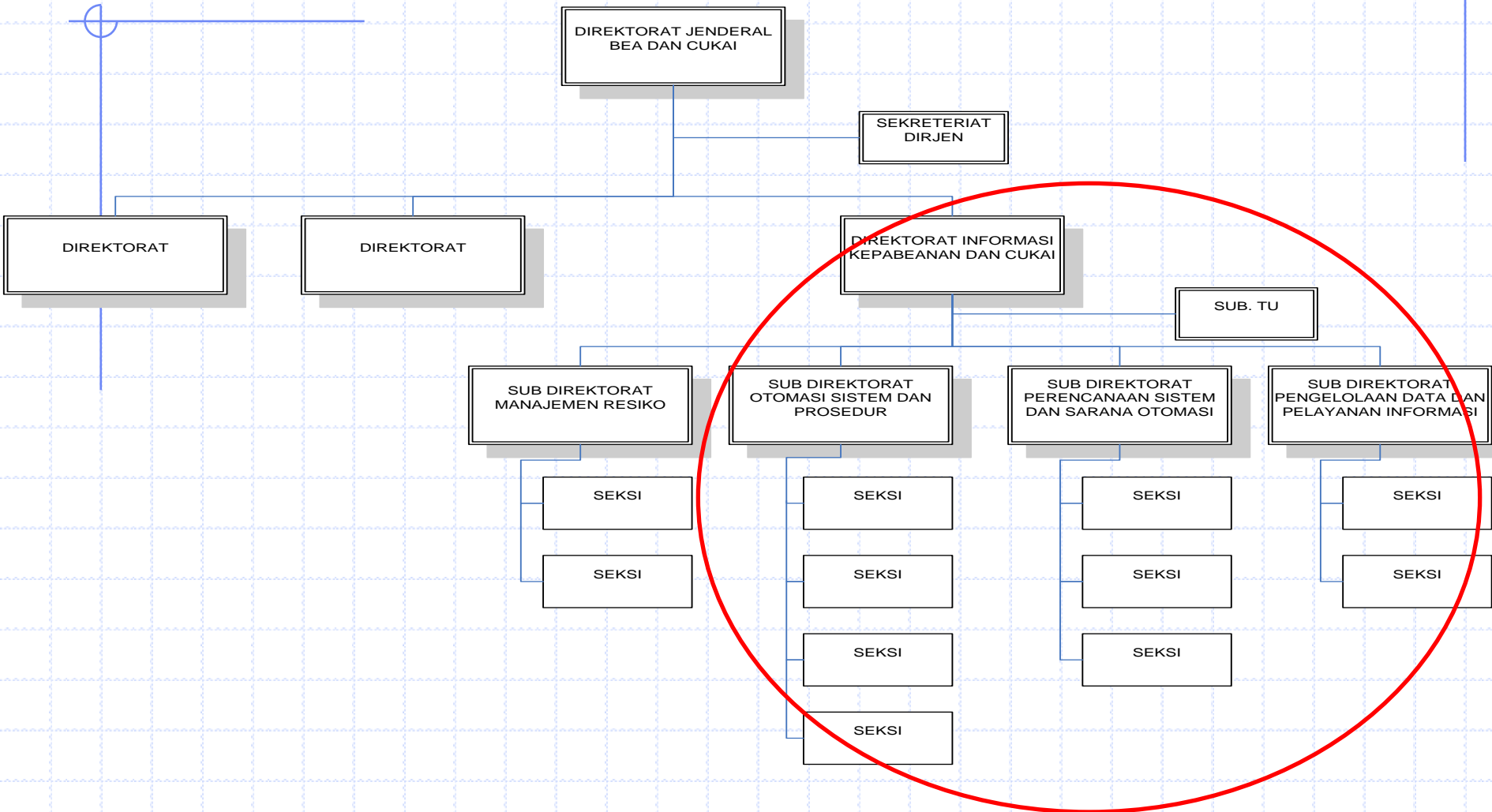- Maturitas pemanfaatan teknologinya
- Dsb...

Contoh di Pemerintahan

- Dari studi kasus Pusilkom UI dan thesis Bambang Jokonowo (batch 3 IT Gov)

Structures (1)

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                    ┌──────────────────┐
                    │  DIREKTORAT      │
                    │  JENDERAL BEA    │
                    │  DAN CUKAI       │
                    └──────────────────┘
                              │            ┌──────────────────┐
                              │────────────│  SEKRETARIAT     │
                              │            │  DIREKTORAT      │
                              │            │  JENDERAL        │
                              │            └──────────────────┘
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| DDIREKTORAT TEKHNIS KEPABEANAN | DIREKTORAT FASILITAS | DIREKTORAT CUKAI | DIREKTORAT PENCEGAHAN DAN PENYIDIKAN | DIREKTORAT VERIFIKASI DAN AUDIT | DIREKTORAT KEPABEANAN INTERNASIONAL | DIREKTORAT PENERIMAAN DAN PERATURAN KEPABEANAN | DIREKTORAT INFORMASI KEPABEANAN DAN CUKAI |

KANTOR WILAYAH DJBC

KPBC

Structures (2)

Contoh di BUMN Asuransi

- Studi kasus Rita Sophia (batch 2)
- Memiliki tugas melaksanakan amanah undang-undang
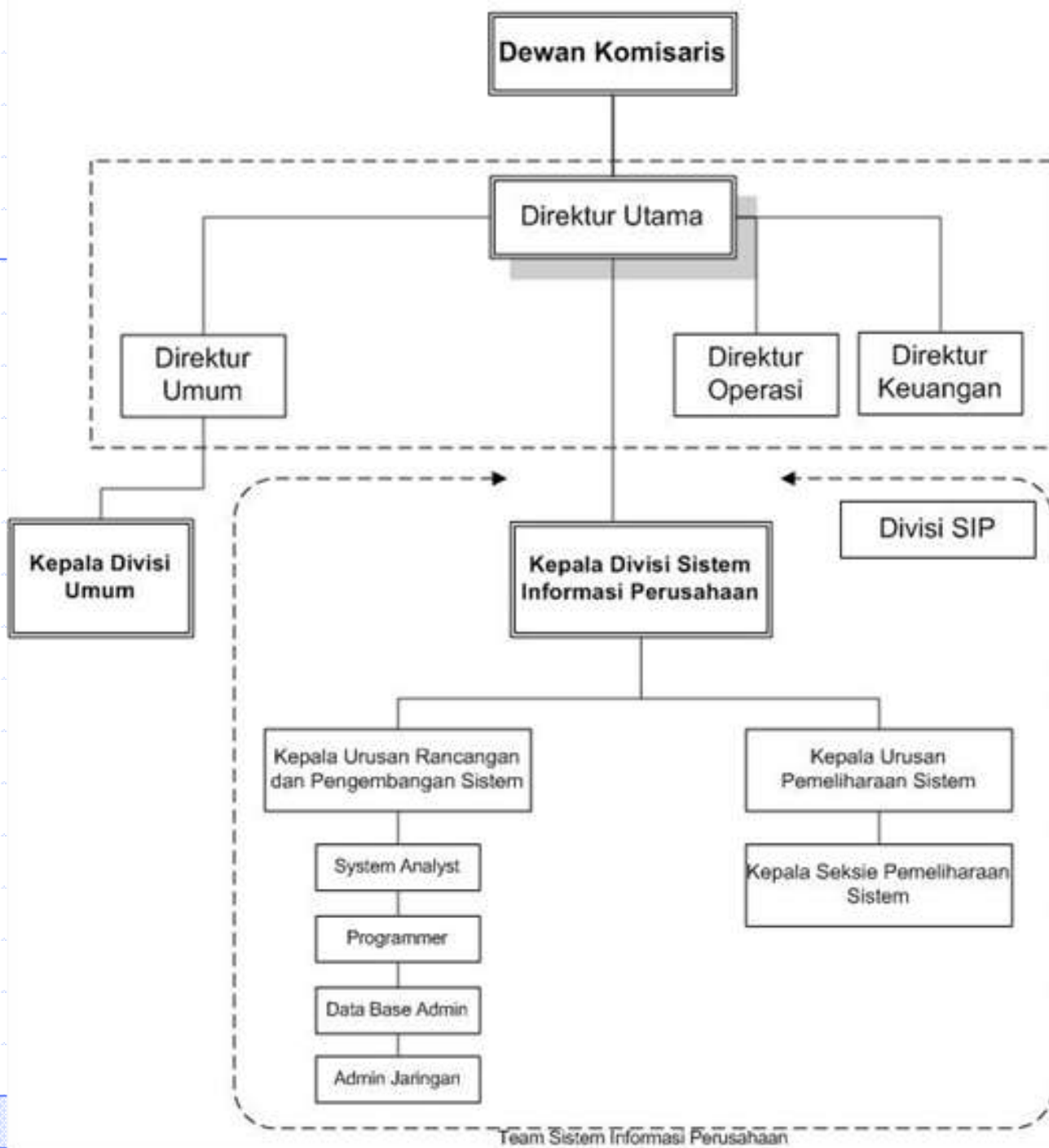
Contoh di BUMN Perbankan

- Di sebuah BUMN Perbankan PT XYZ Tbk, yang maturitas TI-nya tinggi, studi kasus thesis dari Thomas David NP (anggota IT Gov Batch 3)

Board of Commisioner

President Director & CEO

Deputy President Director

Internal Audit

Corporate Secretary

Strategic Business Unit

- Special Asset Management
- Commercial Banking
- Consumer Finance
- Corporate Banking
- Mixro & Retail Banking
- Treasury & International

Corporate Center

- Compliance & Human Capital
- Finance & Strategy
- Risk Management

Shared Services

- Technology & Operations
- Change Management Office

Direktorat Technology & Operation

HR SBU

IT Business Solutions & Application Services Group

- IT Liability & Transactional Solutions
- IT Asset & Cust Relationship Solt
- IT Electronic & Credit Cards Solutions
- IT Wholesale & Overseas Branch Slt
- IT Corporate Center Solutions
- IT Information Management Solutions
- IT Risk Management Solutions

IT Operations Group

- Data Center & DRC
- Infrastructure Operations
- Delivery Channel Operations
- Help Desk
- Reporting & Information Services

Policies, Procedures, Planning & Architecture Group

- Policies, Procedure & BPR
- IT Security
- Planning, Budgetting & Architecture
- IT Competency Center
- General Support

Fungsi Business Liaison

Central Operations Group

- Interntional Payment
- Domestic Payment
- Reconciliation & Open Item Solutions
- Treasury Operation
- Bulk Payment & Central Posting
- Trade Services Operations
- Business Parameter & Operational Improvement
- BPC

Credit Operations Group

- Credit Compliance & legal Admin
- Processing & Maintenance
- Central Liabilities & Supervision
- RCO
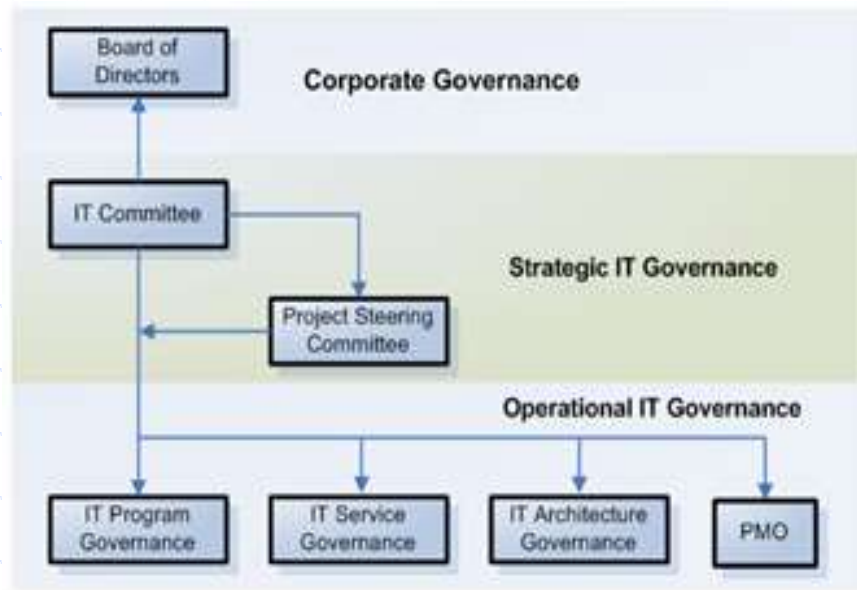
Customer Care Group

- Customer Contact Center
- Customer Handling Management
- Service Quality Improvement
- Customer Information & Support
- Customer Access Management

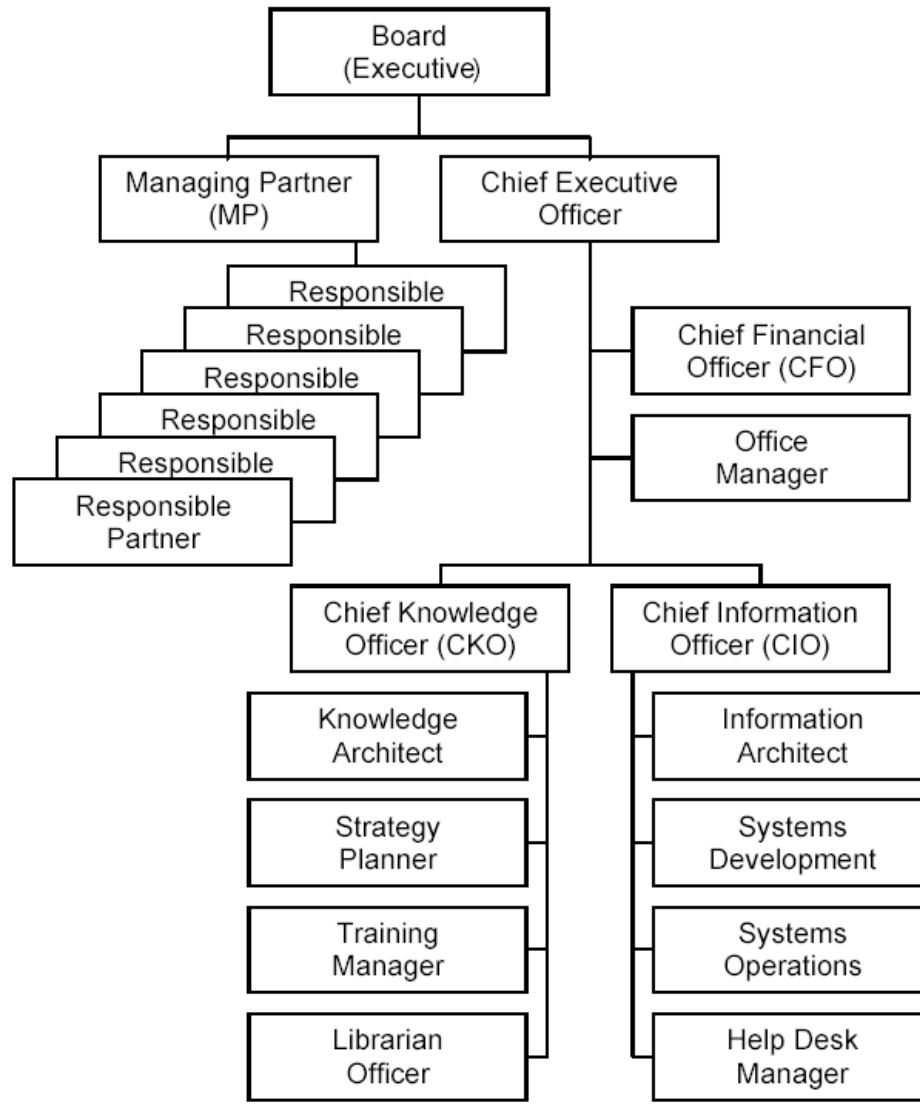**Teknologi Informasi**

Operations

- Corporate Governance terdiri dari Board of Directors, untuk memastikan keselarasan (alignment) antara IT Strategic Plan dan keseluruhan strategi bisnisdan pemutusan pelaksanaan inisiatif
- Strategic IT Governance berperan dalam memberikan strong sponsorhip terdiri IT Committee dan Project Committee
- Operational IT Governance berperan dalam mengeksekusi proyek secara optimal sesuai dengan Project Charter dan menjaga compliance terhadap arsitektur, policy dan sekuriti. Operational IT Governance meliputi:
  - IT Program Governance yang terdiri dari Program / Project Managers serta Product Owners
  - IT Service Governance yang terdiri dari IT Service Owners
  - IT Architecture Governance yang terdiri dari IT Group Head serta Technology Advisor
- Project Management Office
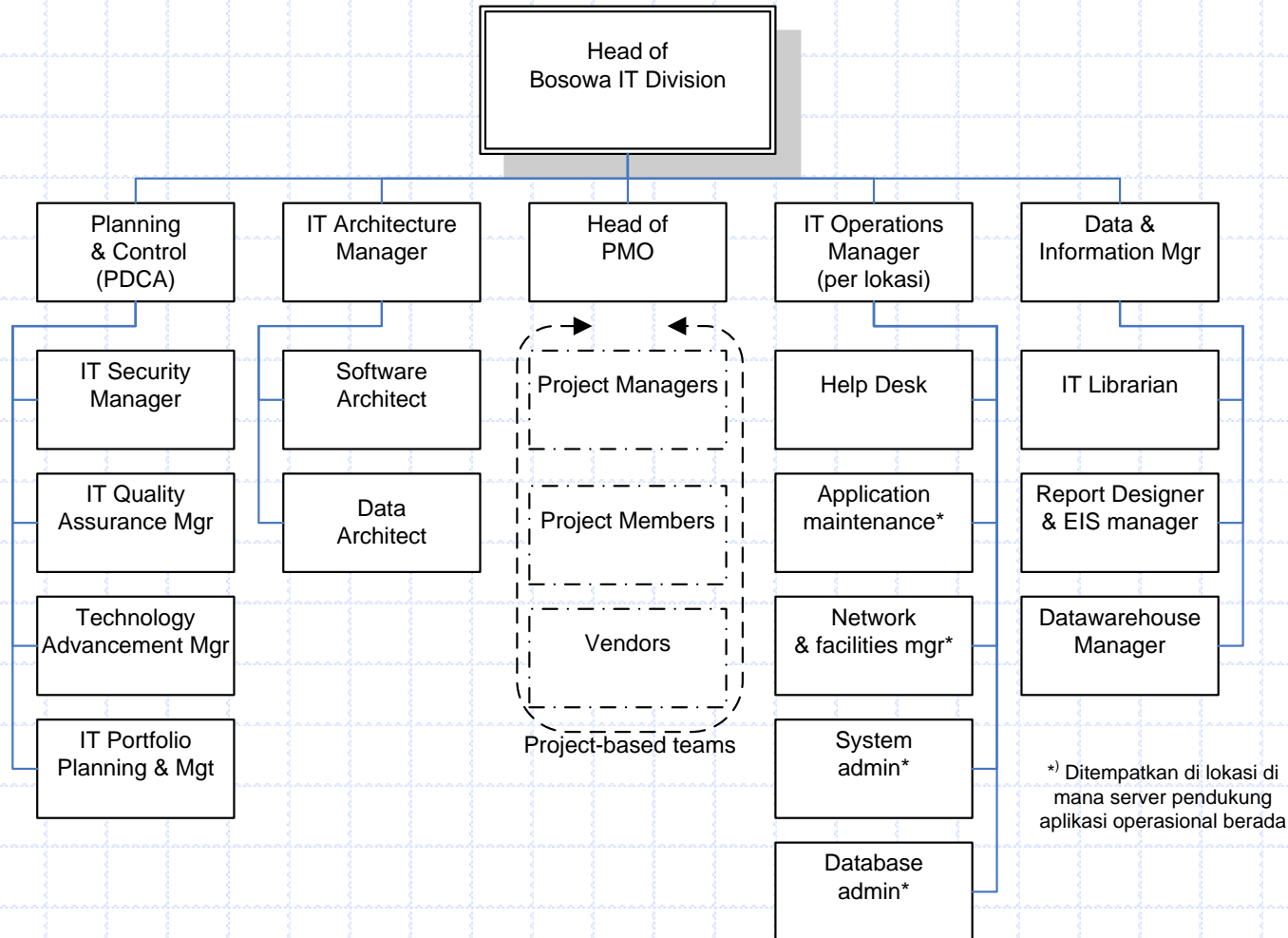
Contoh dari Gottschalk (1)
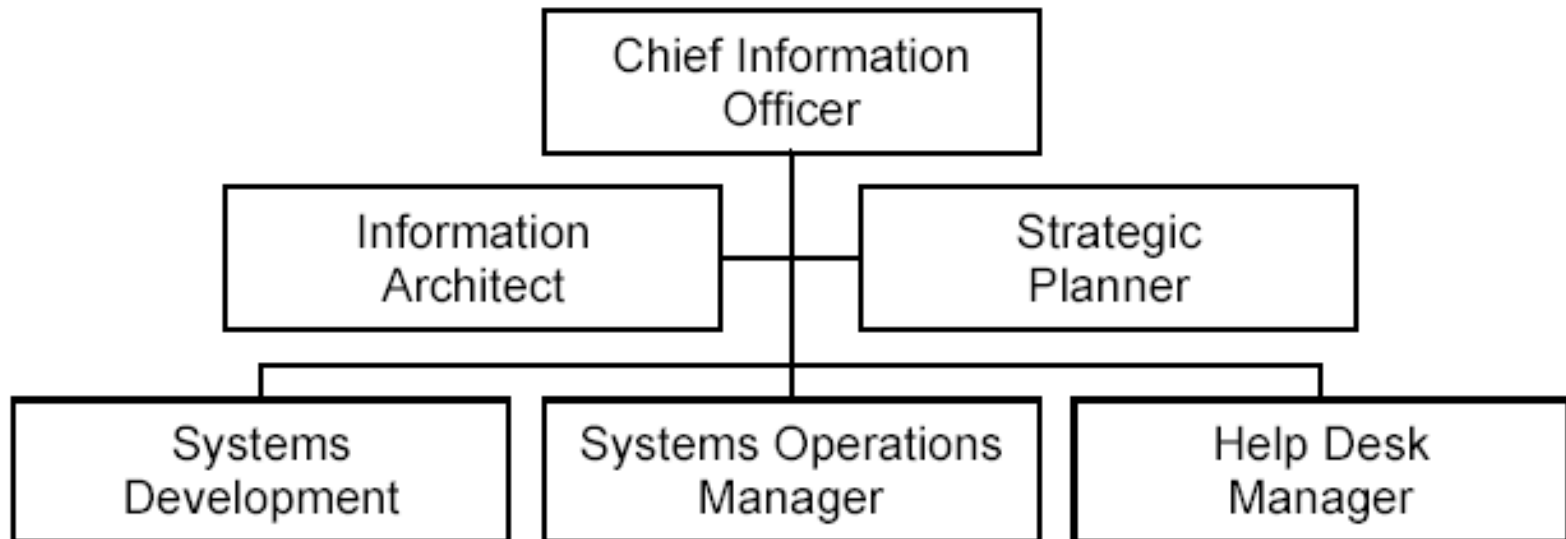
Contoh dari Gottschalk (2)
di sebuah firma hukum besar

Contoh dari Perusahaan Konglomerasi Nasional

Head of Bosowa IT Division

Planning & Control (PDCA) — IT Architecture Manager — Head of PMO — IT Operations Manager (per lokasi) — Data & Information Mgr

- IT Security Manager
- IT Quality Assurance Mgr
- Technology Advancement Mgr
- IT Portfolio Planning & Mgt

- Software Architect
- Data Architect

Project-based teams:
- Project Managers
- Project Members
- Vendors

- Help Desk
- Application maintenance*
- Network & facilities mgr*
- System admin*
- Database admin*

- IT Librarian
- Report Designer & EIS manager
- Datawarehouse Manager

*) Ditempatkan di lokasi di mana server pendukung aplikasi operasional berada

Role of IT Function in Relation to Business

|	Primary Task	Evaluation Criteria	Deliveries	Organizing
stage 1	• Cater for basic infrastructure • Office automation • Operate according to SLA	• Operations efficiency, reliability, security • Cost efficiency • Customer satisfaction	• Daily operations and user support • All deliveries could be defined as IT services	• Separate department with a Customer-Supplier interface to the business; most of the services could be bought externally
stage 2	• Support business strategy • Support business processes • Use of technology to achieve business goals	• Influence that IT has on the business bottom line • Achievement of goals (set by the business management)	• Support, like consultancy and systems development • Man-hours or turn-key; deliveries might be packaged as services	• Rather a partner than a Customer-Supplier relation • Center of excellence type of unit
stage 3	• Business enabler • Use of technology to set forth new business goals • Influencing business strategy	• Share of contributions to the creation of competitive advantages	• Cooperation - not 'deliveries' • Be a driving force uncovering possible options and benefits • Utilize the technology to give business value	• Strategic unit; balanced IT and business competence • Business participant and co-responsible
stage 4	• Integrated part of business • Manage IT as a critical success factor of the business • Conduct IT as one of the management diciplines	• Long term effect on the organization • Contributions to the ability to survive in the long run	• Integrated - not 'deliveries' • Developing IT as part of the business development	• Integrated in management and competence/discipline development, locally and centrally • Business responsible

Bagaimana keadaan di Norwegia?

- An empirical study in Norway showed that of 41 IS/IT plans,
  - 15 documented that the firms were at Stage 1, with an IT function focused on technical matters.
  - Thirteen (13) firms had an IT function on Stage 2,
  - while 14 firms gave the IT function influence on the business strategy and hence may be classified as being on Stage 3.
  - Only two firms recognized their IT function as critical for the business ability to survive in the long run (Stage 4).

Sedangkan menurut Gold (2003)

- Kenyataannya sulit bagi sebuah organisasi TI untuk bisa mencapai stage "innovasi untuk penciptaan nilai bisnis" kalau untuk meminimalisir downtime email saja tidak bisa ☺
- Get the basics right (although may be outsourced later).
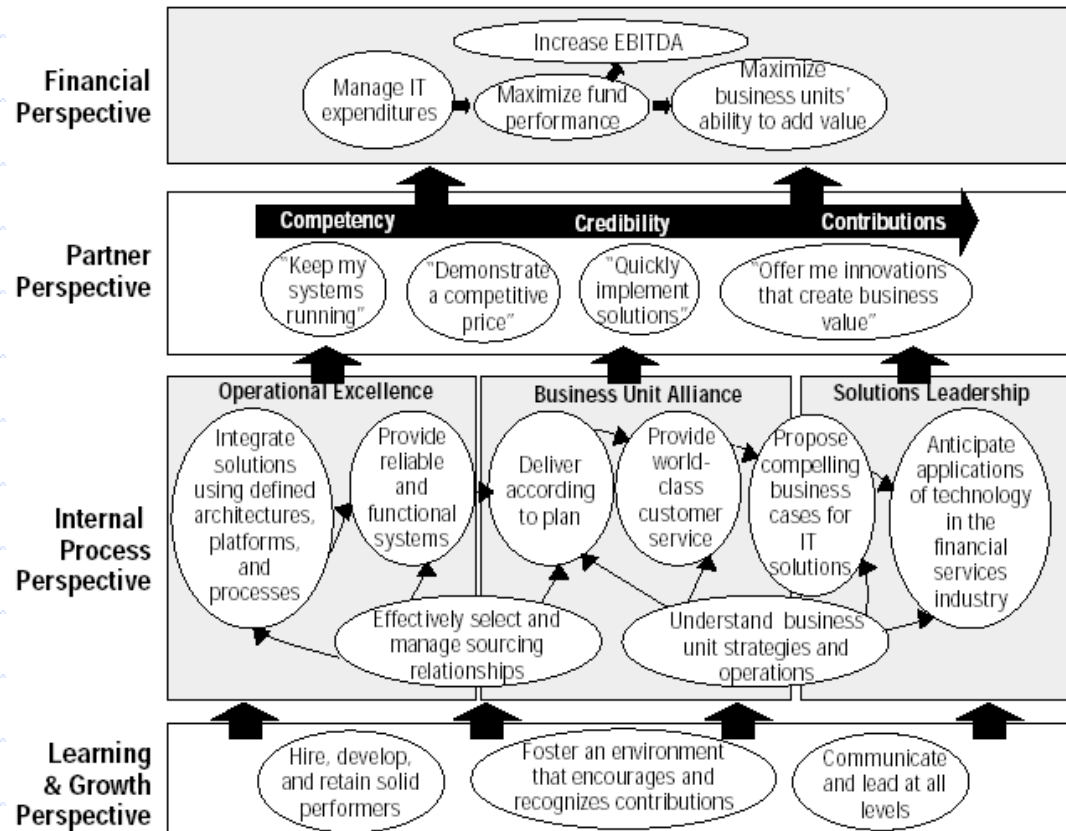
Chief Information Officer
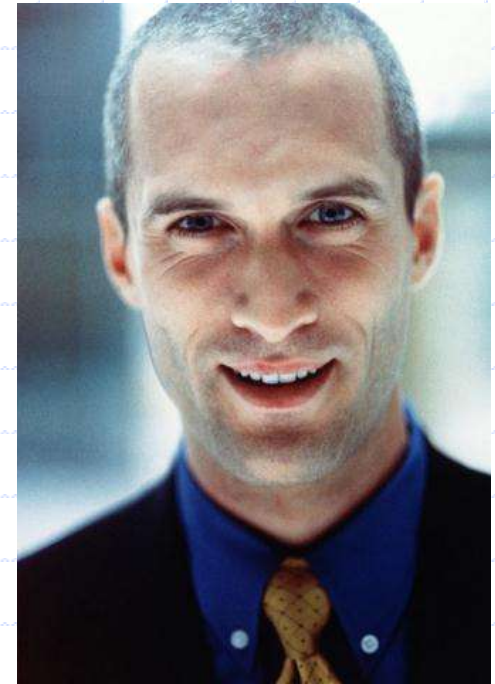
Definisi menurut Gottschalk

- The CIO can be defined as the highest-ranking IT executive who typically exhibits <u>managerial roles</u> requiring:
  1. effective communication with top management,
  2. a broad corporate perspective in managing information resources,
  3. influence on organizational strategy, and
  4. responsibility for the planning of IT to cope with a firm's competitive environment.

What can be call CIO according to Gottschalk?

- The following criteria when selecting CIOs for empirical observation:
  1. highest-ranking information technology executive,
  2. reports no more than two levels from the CEO, i.e., either reports to the CEO or reports to one of the CEO's direct reports,
  3. areas of responsibility include information systems, computer operations, telecommunications and networks, office automation, end-user computing, help desks, computer software and applications, and
  4. responsibility for strategic IS/IT planning.

Kenapa CIO penting?
CIO dibaca: "pimpinan unit TI"

1. First, accountability is increased when a single executive is responsible for the organization's processing needs.

2. Second, creation of the CIO position facilitates the closing of the gap between organizational and IT strategies, which has long been cited as a primary business concern.

Apa masalah yang dihadapi oleh CIO (Earl & Feeny, 1994)?

"Chief information officers have the difficult job of running a function that uses a lot of resources but that offers little measurable evidence of its value.

To make the information systems department an asset to their companies — and to keep their jobs – CIOs should think of their work as adding value in certain key areas."

Apa ciri CIO yang sukses?
Menurut Karimi (2001)

- I see myself to be a corporate officer.
- In my organization I am seen by others as a corporate officer.
- I am a general business manager, not an IT specialist.
- I am a candidate for top line management positions.
- I have a high profile image in the organization.
- I have political as well as rational perspectives of my firm.
- I spend most of my time outside the IT department focusing on the strategic and organizational aspects of IT.

CIO sebagai *Business Strategist*
## Menurut Sambamurthy (2001)

"Business strategist is likely to be among the most significant roles that CIOs will fulfill in the digital era. As a business strategist, the CIO must understand and visualize the economic, competitive, and industry forces impacting the business and the factors that sustain competitive advantage. Further, the CIO must be capable of plotting strategy with executive peers, including the chief executive officer (CEO), chief operating officer (COO), and other senior business executives. Not only are CIOs drawn into the mainstream of business strategy, but also their compensation is being linked with the effectiveness of competitive Internet actions in many firms. With an understanding of current and emergent information technologies and an ability to foresee breakthrough strategic opportunities as well as disruptive threats, CIOs must play a lead role in educating their business peers about how IT can raise the competitive agility of the firm. Obviously, to be effective business strategists, the CIOs must be members of an executive leadership team and part of the dominant coalition that manages the firm."

Peran CIO menurut Grover (1993)

• As the ***personnel leader***, the IS manager is responsible for supervising, hiring, training, and motivating a cadre of specialized personnel. Literature has emphasized the impact of this role on IS personnel. This role is mainly internal to the IS organization.

• The *spokesman* role incorporates activities that require the IS manager to extend organizational contacts outside the department to other areas of the organization. Frequently, he or she <u>must cross traditional departmental boundaries</u> and become involved in affairs of production, distribution, marketing, and finance. This role is mainly external in relation to the intra-organizational environment.

• As the *monitor*, the IS manager must <u>scan the external environment</u> to keep up with technical changes and competition. In acting as the firm's technical innovator, the IS manager uses many sources including vendor contacts, professional relationships, and a network of personal contacts. This role is mainly external in Relation to the inter-organizational environment.

• As the *liaison*, the IS manager must <u>communicate with the external environment</u> including exchanging information with IS suppliers, customers, buyers, market analysts, and the media. This role is mainly external in relation to the interorganizational environment.

• As the *entrepreneur*, the IS manager <u>identifies business needs and develops solutions</u> that change business situations. A major responsibility of the IS manager is to ensure that rapidly evolving technical opportunities are understood, planned, implemented, and strategically exploited in the organization.

• As the *resource allocator*, the IS manager must <u>decide how to allocate human, financial, and information resources</u>. The litany of past discussion on charge-back systems (users have to pay for IT services) and the importance of "fairness" in IS resource allocation decisions speak to the importance of this role. This role is mainly internal to the IS organization.

CIO Roles in Different Area
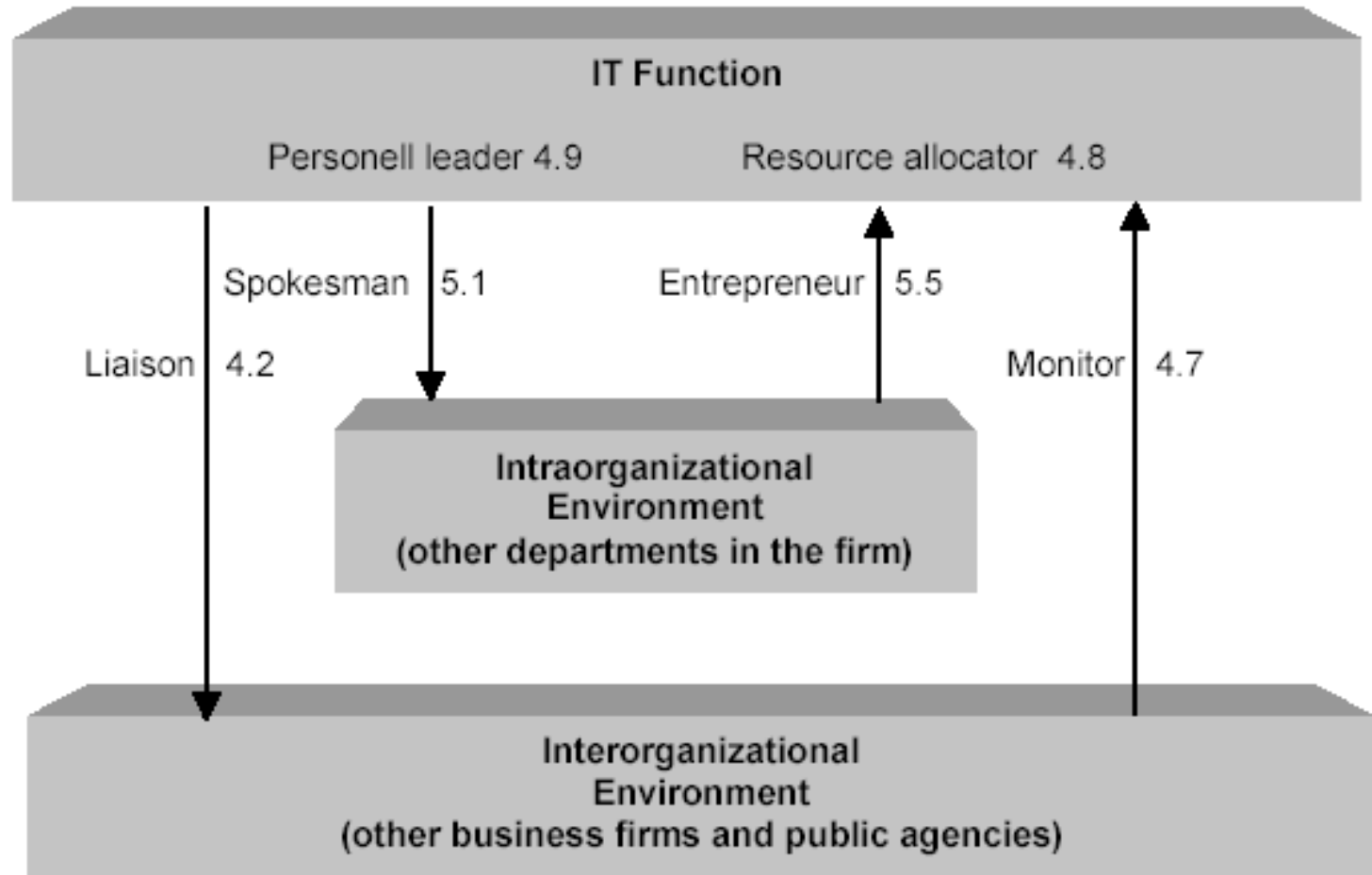
Leadership Roles of IT Executives
Menurut Computer Science Corporation (1996)

- Sebagai Chief Architect: design future possibilities for the business
- Change leader: orchestrates resources to achieve optimal implementation of the future.
- Product Developer: helps define company's place in the emerging digital economy.
- Technology provocateur: embeds IT into business strategy
- Coach people in organization!

Masalah dengan CIO?

- CIOs may not actually possess strategic influence with top management
- CIO may lack operational and tactical influence with users.
- Higher-than-average corporate dismissal rates compared with other top executives
- High expectations of new strategic systems that CIOs may not be able to deliver
- CIO as 'outsiders', no secure footing on the ground