

## White Paper



### Information Technology Index

#### IT Index

---

Lakshmy Ganapathy, Vitthal Salke

#### Abstract

Every organization requires some mechanism to understand how well they have utilized IT, for the better or worse. This could be a way of evaluating where they stand and where they can reach and what they need to do to get there. The quantifiable data to gauge this is the IT Index of an organization. Industry-wide information on infrastructure, business process framework and its system architecture is used to arrive at an organization's IT Index.

IT Index as an intellectual property of Infosys will provide wide variety of opportunities in the fields of consulting, designing solutions, architecting, enhancements, Oracle package implementations, Oracle SOA etc.

For more information, Contact [askus@infosys.com](mailto:askus@infosys.com)

Jul 2008

## Organization & Information Technology

Prior to Information Technology (IT), business operations were carried out manually and industries faced great operational challenges in handling large data volumes, quality issues, security, control, performance, availability and achieving the expected/ required end results.

Information Technology aids an organization to solve operational challenges and automate business functionalities/ environments.

## Information Technology Concerns in an Organization

Information Technology (IT) is typically among an organization's top five expenditures. IT is a critical component of an organization's business infrastructure and is at the core of many cost reduction and risk management initiatives.

Many companies are frustrated with the return on their IT investments. Others face the operational challenge of addressing risk management, security, controls and data quality issues that arise from:

- Increasing Internet usage, network connectivity and web services
- Disparate IT systems and applications
- IT cost control
- IT alignment with business objectives
- New or updated ERP and CRM systems and applications
- The need for analyzing large amounts of disparate data etc.

## IT Index – A Metric to gauge an Organization's Information Technology against Industry Standards

The pain areas of an organization mentioned above directly point towards the effectiveness, or rather, the ineffectiveness of IT usage, business process gaps etc.

There are various techniques to measure IT effectiveness such as:

- Missed opportunities
- Client impact
- Self-help
- Staff mix
- IT spending
- Security - Perception counts
- Development speed
- Innovation

However, these techniques do not define a metric or a scale to gauge an organization's IT against the industry standard or practice.

Consulting opportunities thus arise to identify the gaps, propose better use of IT and ROI or model the best practice in the industry.

### *What if*

- A metric and the associated guidelines, enable an organization to evaluate where their IT practices stand in par with the best in the industry?
- IT changes and best possible architectures, design patterns and business process for the industry are made available as a model and the metric is computed?
- Based on the metric, organizations are able to reason out causes for their pain points?
- There is a way of assuring ROI from IT with the help of the metric and through a proven track record?

Yes, IT Index is the metric that can quantifiably show IT effectiveness for an organization.

The deviation from the IT Index is gauged in levels. The level of IT Index, directly map's to the organizations current pain areas. Hence by improving the IT Index level enables the organization to overcome its current short comings.

## IT Index Model – Derived industry specific with best practices and benchmarks

IT Index can be derived based on comparison of the organization's business & IT architecture against the industry-wide standard as specified by the metric.

The IT Index Model is constituted by:

- The benchmarked business process
- Architecture to implement the business model
- Maximization of ROI
- Literature on IT Index levels, associated pain areas and improvement measures

## IT Index - Concept

To arrive at the literature for IT Index requires efforts in the direction of identifying the following:

### *The business process for an industry:*

The benchmarked business process for the specific industry taking into consideration the current and future growth needs, goals, objectives, future trends, best practices, factors to evaluate IT effectiveness etc.

### *Deriving the architecture:*

- The latest architecture trends benchmarked with proven capabilities to implement the operational needs of the business
- Evaluated and benchmarked solution with packages, middleware and cutting edge technology to achieve the goals of the organization

### *Applying packages/ solutions:*

- Packaged solutions available to solve industry problems are mapped to the architecture and a ready-made IT landscape for the business
- Oracle packages and solutions can be benchmarked against its competitors and standard solutions can be provided for future architecture

For eg: A complete Oracle-based solution can be provided for the healthcare industry incorporating IT effectiveness and the business process while envisaging current and future business needs and growth.

Alternatively, a mixed bag implementation with best in IT industry packages and integration techniques can also be provided.

### *The ROI analysis:*

- Return of Investment assured by implementing the suggested business process and architectural models

### *Pain Points:*

- The model is further supported with literature on deviation from the metric and associated possible pain areas of the organization at various levels of the IT Index

For e.g.: Manual operations, Data duplication, Delays, Missed Opportunities etc.

The level of IT Index indicates the current state of the organization's IT model, IT effectiveness and possible improvement measures for the next level.

## IT Index – As Infosys Intellectual Property

Consulting projects have been carried out for specific clients to identify pain areas and propose future IT architecture. This can be generalized across the industry by the Infosys consulting stream.

Infosys organization assets such as industry-based process frameworks, governance, people process, white papers on design parameters, data segregation etc can be used to arrive at the industry specific IT Index Models.

SetLabs can carry out the required R&D to arrive at the IT architecture for the proposed process model, develop the literature and tools for organizations to evaluate and gauge the IT Index levels. Along with this, Infosys Consulting can carry out periodic enhancements required for the IT Index model incorporating the latest trends in the specific industry, technology and business.

## Conclusion

The main advantage of the IT Index is the association of the pain points and determining the level at which an organization is against industry standards. Thus at any time, an organization is made aware of how much improvement is needed to meet industry benchmarks.

Information Technology concerns of the organization regarding the best-suited business process model and the mapping architecture is addressed in unison by the IT Index metric.

The benchmarked approach, proven track record and assurance of ROI will provide confidence for organizations to implement the offered solution.

### About the Authors

**Lakshmy Ganapathy** is a Senior Project Manager with Infosys. Her experience includes over four years of project management and eleven years in the fields of consultancy, requirement elicitation, analysis, design, development and implementation of Java, J2EE and Web applications.

**Vitthal Salke** is a Senior Project Manager with Infosys. He has more than 11 years of extensive experience in Information Technology across a blend of products and technologies, with experience in Business / System requirements analysis, technology systems design, development, integrations and implementations for various clients to manage large scale programs across a range of different functional industries.



For more information, contact [askus@infosys.com](mailto:askus@infosys.com)

### About Infosys

Many of the world's most successful organizations rely on Infosys to deliver measurable business value. Infosys provides business consulting, technology, engineering and outsourcing services to help clients in over 30 countries build tomorrow's enterprise.

For more information about Infosys (NASDAQ:INFY), visit [www.infosys.com](http://www.infosys.com).