

Adaptive Business Engagement

January 2018

A Framework for Member Conversations

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DIGITIZATION CHANGES THE MEANING OF IT

How IT's Role Has Changed

Business Strategy Drives IT Strategy



Business Strategy = IT Strategy

All IT Projects Are Business Projects



All Business Projects Are IT Projects

Sole Provider of Technology



Partner with Business Led-IT

Cost Center (SG&A)



Digital Transformation Driver (COGS)

Source: CEB analysis.

WANTED: STRATEGIC AND TECHNICAL EXPERTISE

What Business Partners Want and Need for IT

Percentage of Business Partners

What Business Partners Want

69% want advice on digital opportunities and risks.

78% want technical advice on digital capabilities.

78% want multiple points of contact for help with different needs (not a single point of contact).

Strategic Advice

Technical Expertise

A Quick, Flexible Response

What Business Partners Get

21% find IT provides effective advice.

26% find IT has sufficient technical expertise.

36% are able to easily access the points of contact they look for within IT.

n = 687-997 Business Leaders.

Source: IT Business Alignment Tool 2013-2015.

“Some business executives are tech savvy and just need IT’s consulting advice. Others need us to educate them on what new technologies can do.”

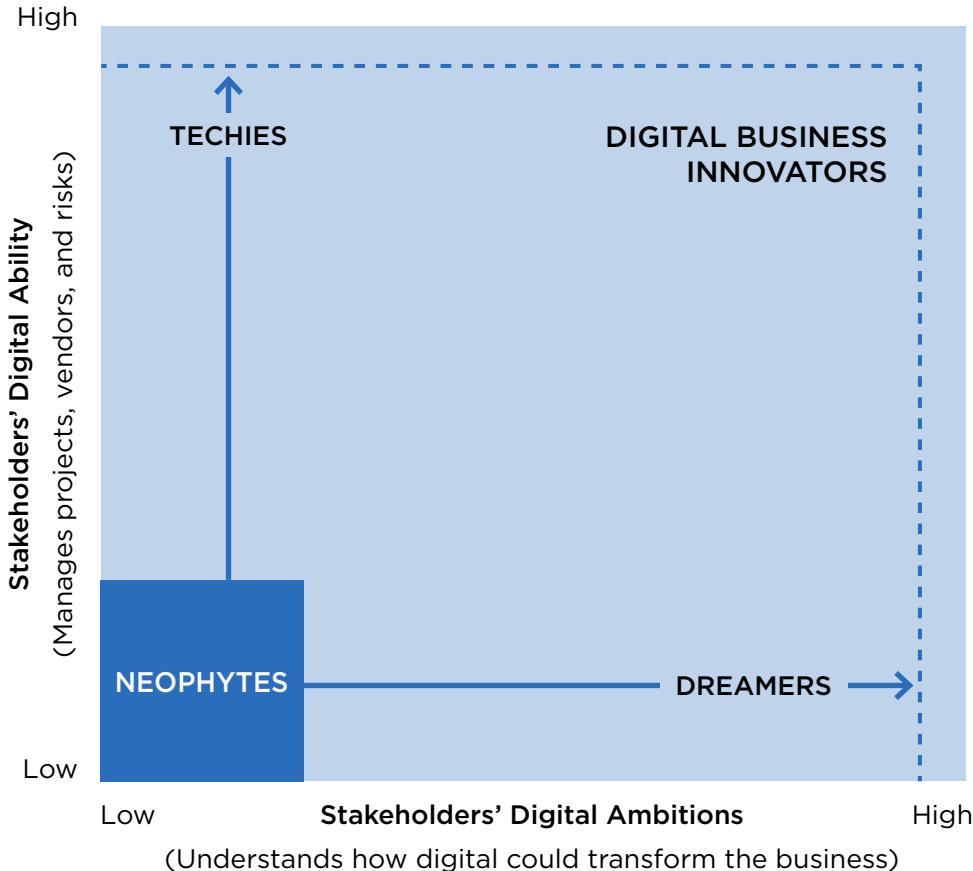
CIO

“We don’t need someone to capture requirements; we need help early on thinking through the possibilities of new technology, the business strategy implications, and how to make it all work in our environment.”

BU General Manager

MORE DREAMERS AND TECHIES AT THE INTERFACE

The Diversity of Stakeholder Digital Ability and Ambition



Source: CEB analysis.

Representative Examples

Neophytes: A finance team needs to be shown “the art of the possible” and the potential of new analytical capabilities.

Dreamers: A marketing team needs advice on assessing the technical viability of a proposed new digital marketing campaign.

Techies: A facilities team needs to be shown the enterprise-level implications of a new digital capability.

Digital Business Innovators: A product team needs advice to access data in enterprise systems and build APIs.

A WIDER RANGE OF ACTIVITIES AT THE INTERFACE

Listing of IT's Changing Activities

▲ Increase IT effort ▼ Reduce IT effort

Opportunity Identification	Portfolio Prioritization	Project Design and Definition	Solution Delivery
▲ Shape business strategy	▲ Manage prioritization processes	▲ Review architectural options and risks	▲ Broker internal and external resources
▲ Develop business capability roadmaps	▼ Steward initial project proposal creation	▲ Assess technology vendors	▲ Prepare business partners to manage digital initiatives
▲ Assess technology, business, and consumer trends	▼ Oversee business case creation	▲ Plan for skills and knowledge resources	▼ Explain IT cost drivers
▲ Promote new technology opportunities	▼ Develop project budget and schedule	▲ Assess usability and map customer experience journeys	▼ Provide updates on the delivery of digital initiatives.
▼ Set expectations about IT opportunities and limitations			▼ Manage resources

Source: CEB analysis.

IT'S ADAPTIVE BUSINESS ENGAGEMENT MODEL

Operating Principles for Effective Digital Relationship Management

<p>Flex IT's Engagement Role</p> <p>Shift between evangelizing, consulting, brokering, coaching, and delivering based on business partners' digital ability and ambition.</p>	<p>Organize Around Business Capabilities</p> <p>Align the interface around cross-cutting business outcomes, not around the boxes in the org chart.</p>
<p>Build Technical Depth and Engagement Skills in Parallel</p> <p>Create an IT workforce strategy that simultaneously builds engagement competencies and stays ahead of emerging technologies.</p>	<p>Accelerate Access to Technical Expertise</p> <p>Build teams that can provide fast, seamless access to technical and other expertise where and when business partners need it.</p>

Source: CEB analysis.

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Source: CEB analysis.

ADAPT ENGAGEMENT ACROSS FIVE ACTIVITIES

Five Engagement Activities

- 

1
Evangelizing

Keep abreast of emerging digital trends and educate business partners on opportunities to create value from technology.
- 

2
Consulting

Offer advice and frameworks to enable successful business leadership of technology investments.
- 

3
Brokering

Provide the internal and external connections needed for business leadership of technology investments.
- 

4
Coaching

Develop employee skills to help them make full use of the enterprise's technology and information.
- 

5
Delivering

Own the process of delivering technology functionality or provide integration capabilities for business-led technology investments.

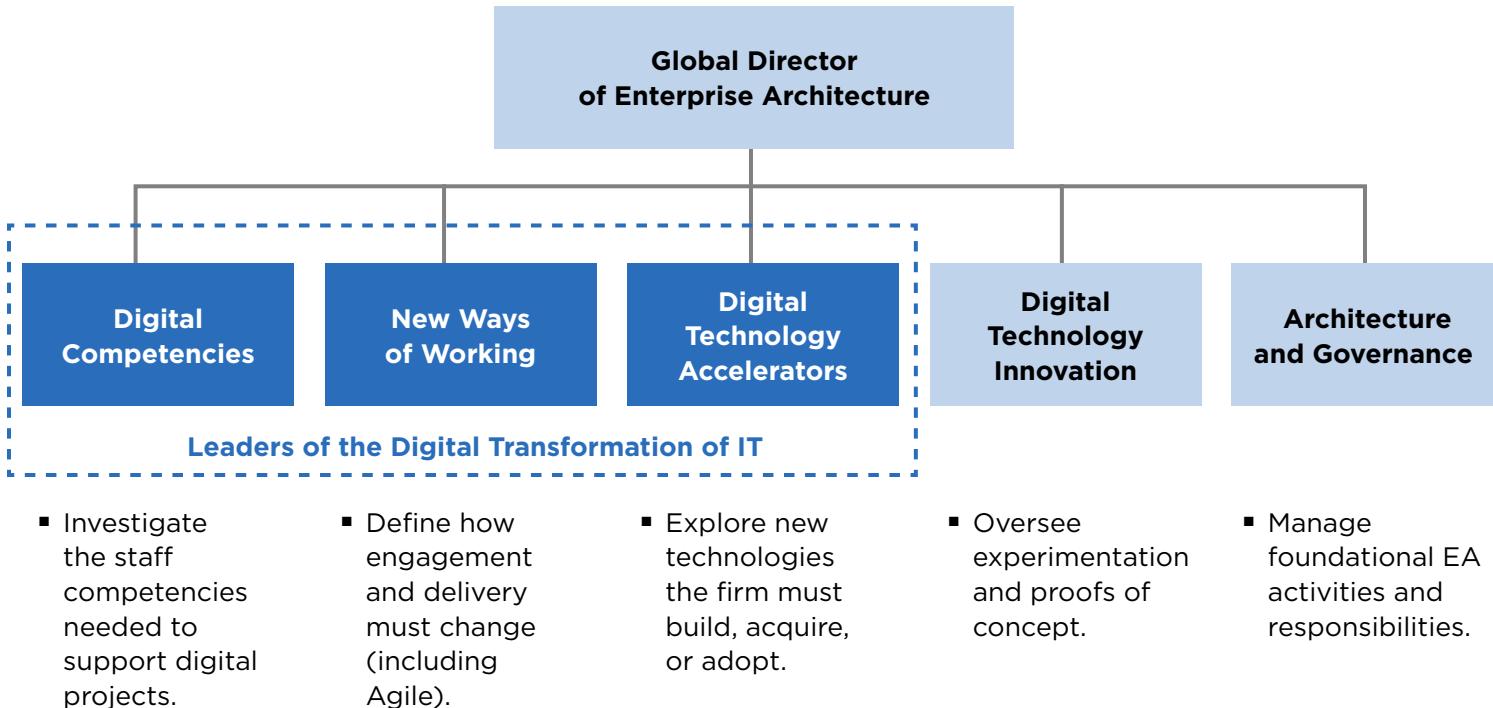
Flex between the five activities based on business partners' digital ambition and ability, not their personality or ways of working.

Source: CEB analysis.

ALIGN EA TO THE PORTFOLIO OF DIGITAL WORK



Activity Alignment of Heineken's EA Group

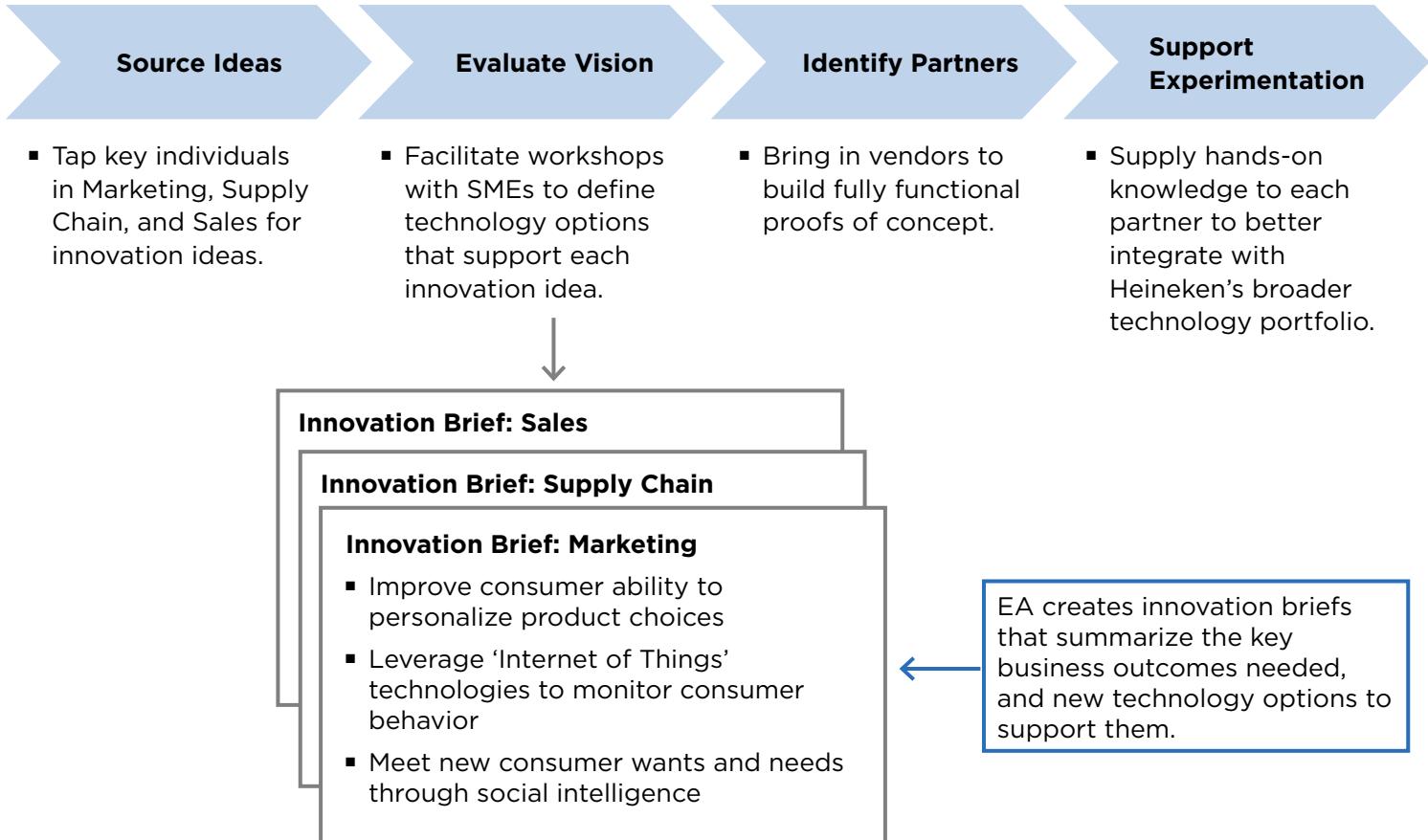


Source: Heineken; CEB analysis.

EA AS AN INTERNAL AGENCY FOR INNOVATION



Digital Innovation Exercises



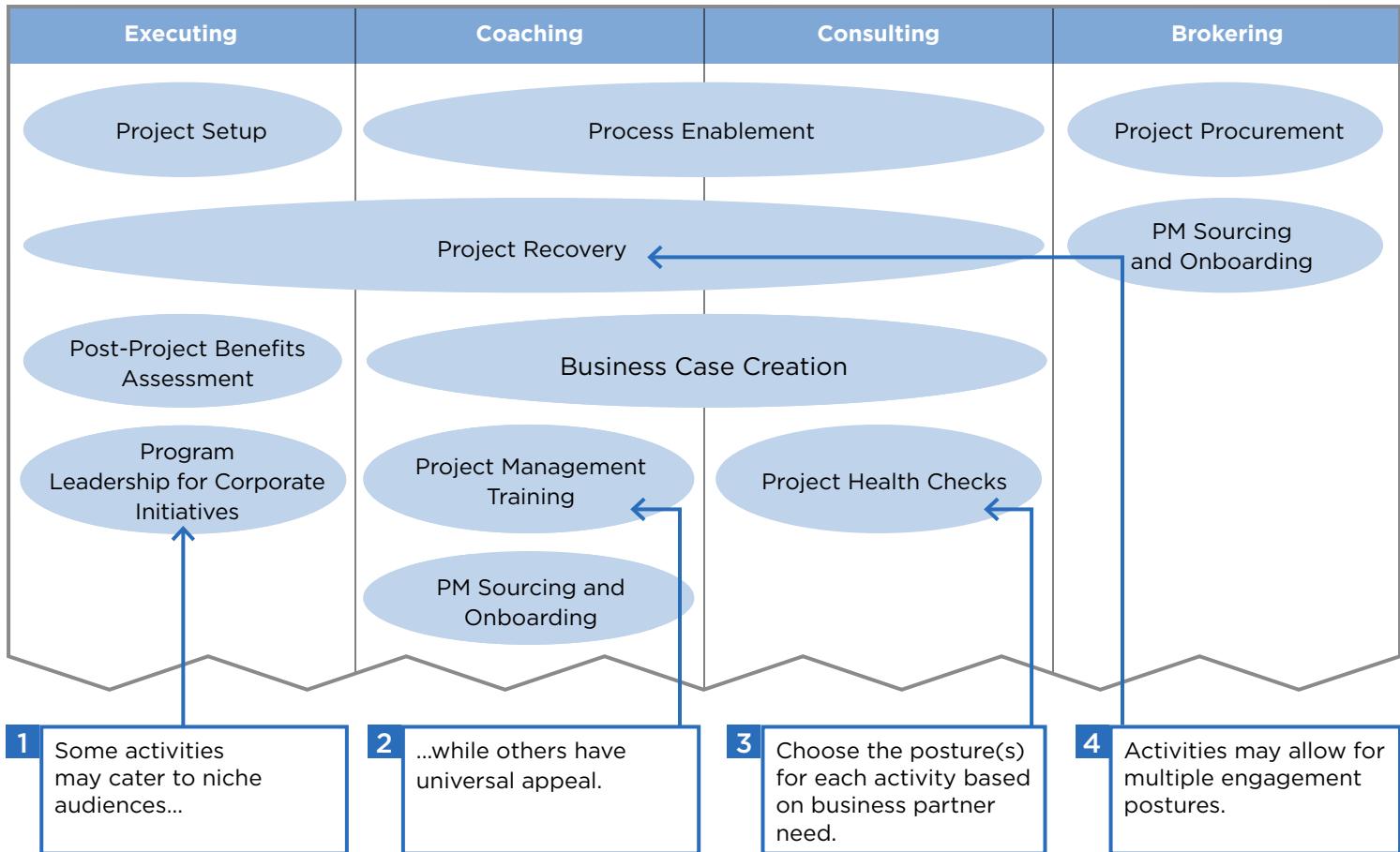
Source: Heineken; CEB analysis.



CONSIDER ALL ENGAGEMENT POSTURES



Air Products' PMO Activities by Engagement Posture



Source: Air Products and Chemicals, Inc.; CEB analysis.



PROMOTE THE RIGHT VENDOR QUESTIONS



Business Leader's Buyer's Guide

Partial View

I. Fit with Identified Business Need	II. Implementation Effort	III. Quality of Vendor Partnership	IV. Financial Cost
<p>Part 1: Questions for Self-Reflection</p> <ol style="list-style-type: none"> 1. Have we defined metrics for assessing the success of this implementation? 2. Do we understand how end users will use this solution? 3. Have we spoken with the likely end users to understand how this would fit into their existing way of working? 4. How likely is it that the way we use this solution changes over time? 		<p>Why Ask These Questions?</p> <p><i>Buyer's Guide Guidance</i></p> <ul style="list-style-type: none"> ▪ It is hard to assess the success of any project that lacks measurable outcomes from the outset. ▪ Business sponsor's perceptions of how a solution will be used often diverge from the ways in which they are incorporated into end users' workflows. ▪ Failing to anticipate business change may result in costly adjustments to the solution later. 	
<p>Part 2: Differentiating Questions for the Vendor</p> <ol style="list-style-type: none"> 1. We have identified two to three core problems this solution must solve for us. Can you provide specific examples of how you have addressed these problems for other clients? 2. What type of preparation (data access, security, special configuration, etc.) was required to successfully resolve those clients' problems? 3. Could we obtain a reference from a customer with the same or a highly similar problem? 		<p>Why Ask These Questions?</p> <p><i>Buyer's Guide Guidance</i></p> <ul style="list-style-type: none"> ▪ It is very hard to spot the main weaknesses of software solutions during the buying process; they usually surface during implementation. Therefore, it is common for inexperienced buyers to feel that they do not understand the potential pitfalls of a solution. 	
<p>Part 3: Standard Questions for the Vendor</p> <ol style="list-style-type: none"> 1. How many other organizations use this product? 			
<p>Overall Grade A-F: (How well did we understand what the vendor told us about this category?)</p>			

Source: CareFusion; CEB analysis.



ADOPT A CHALLENGER PROFILE

Challenger Versus Relationship Builder Profiles

The challenger profile focuses on **building constructive tension** in interactions to push customers out of their comfort zone.

- Offers unique perspective
 - Two-way communication skills
- ▶ **Teaches**
- Knows customer value drivers
 - Can identify economic drivers
- ▶ **Tailors**
- Is comfortable discussing money
 - Can pressure the customer
- ▶ **Asserts Control**

The relationship builder profile focuses on **resolving tension** in interactions to make situations more amicable and positive and encourage collaboration.

- Forms good relationships
 - Builds customer advocates
 - Builds cross-functional relationships
- ▶ **Gets Along with Others**
- Can work with anyone
 - Is genuine
- ▶ **Likeable**
- Accessible to the customer
 - Gives time to help others
 - Respects the customer's time
- ▶ **Generous with Time**

Source: CEB analysis.

IT'S ADAPTIVE BUSINESS ENGAGEMENT MODEL

Operating Principles for Effective Digital Relationship Management

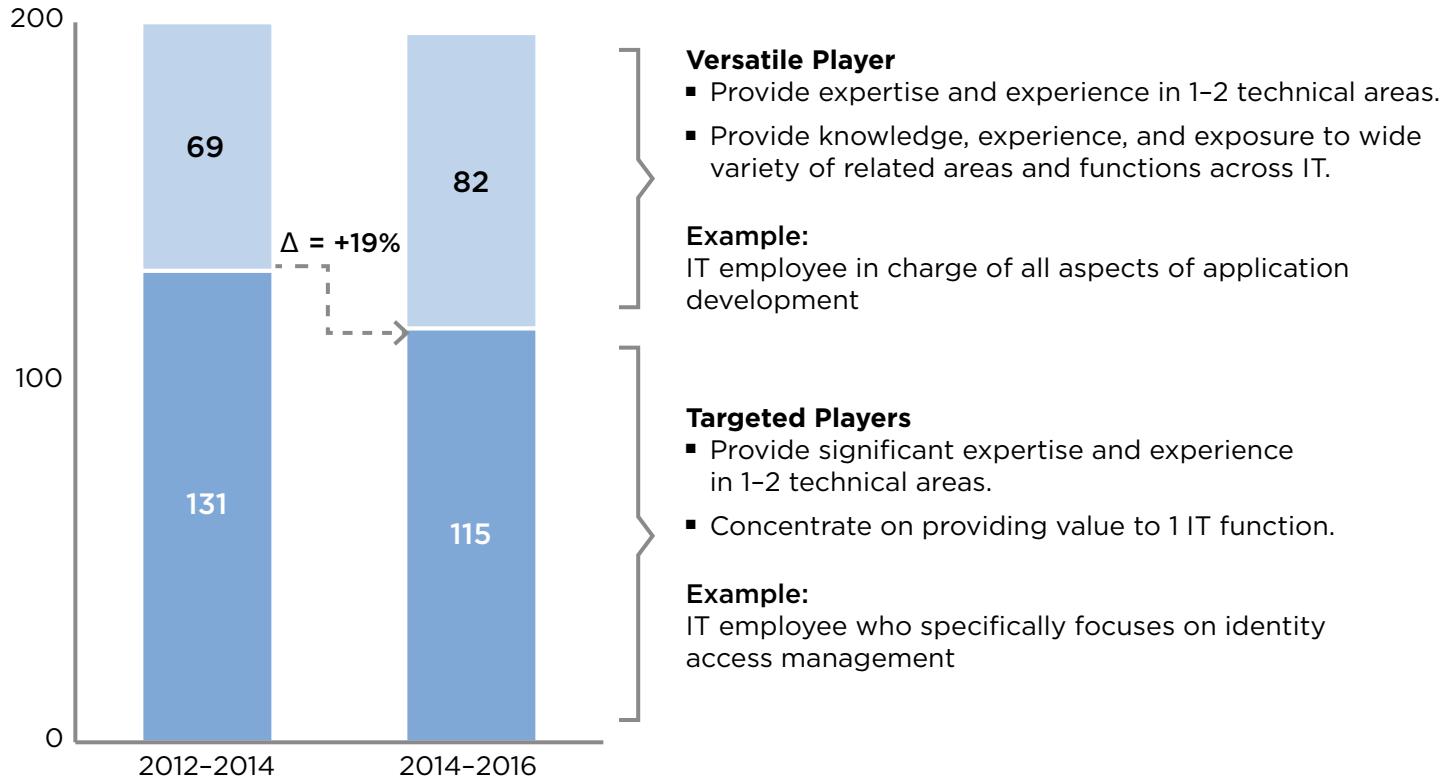
<p>Flex IT's Engagement Role</p> <p>Shift between evangelizing, consulting, brokering, coaching, and delivering based on business partners' digital ability and ambition.</p>	<p>Organize Around Business Capabilities</p> <p>Align the interface around cross-cutting business outcomes, not around the boxes in the org chart.</p>
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Source: CEB analysis.

IT LEADERS SEEK MORE VERSATILE SKILL SETS

Change in the Mix of IT Staff, 2012–2016

Percent Change in Job Descriptions Seeking Targeted Players and Versatile Players, 2012–2014 Versus 2014–2016



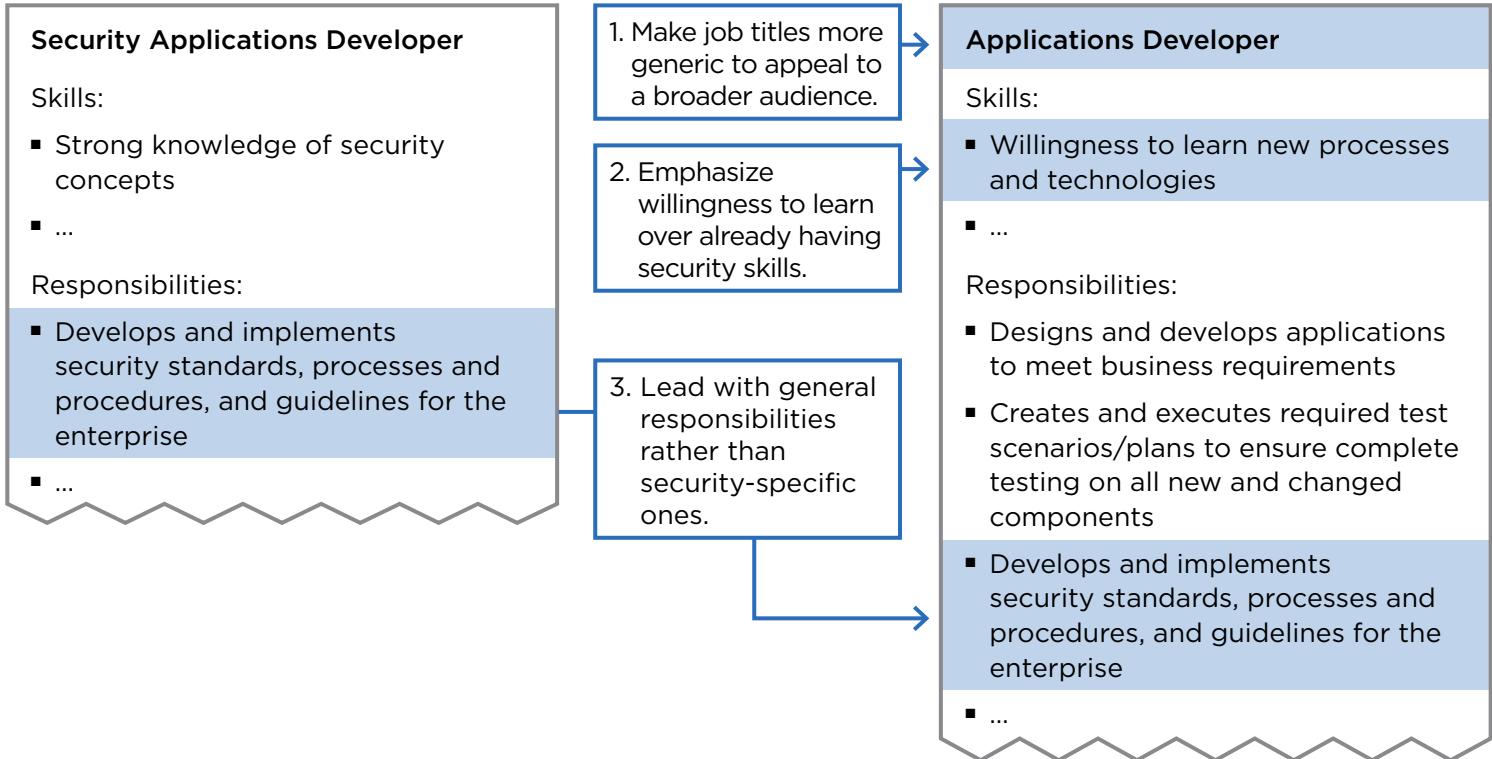
$n = 200$ job listings (2012–2014); 197 job listings (2014–2016).

Source: CEB analysis.

REFRAME JOB DESCRIPTIONS

Excerpts from Job Descriptions

Illustrative



Source: Mutual of Omaha; CEB analysis.

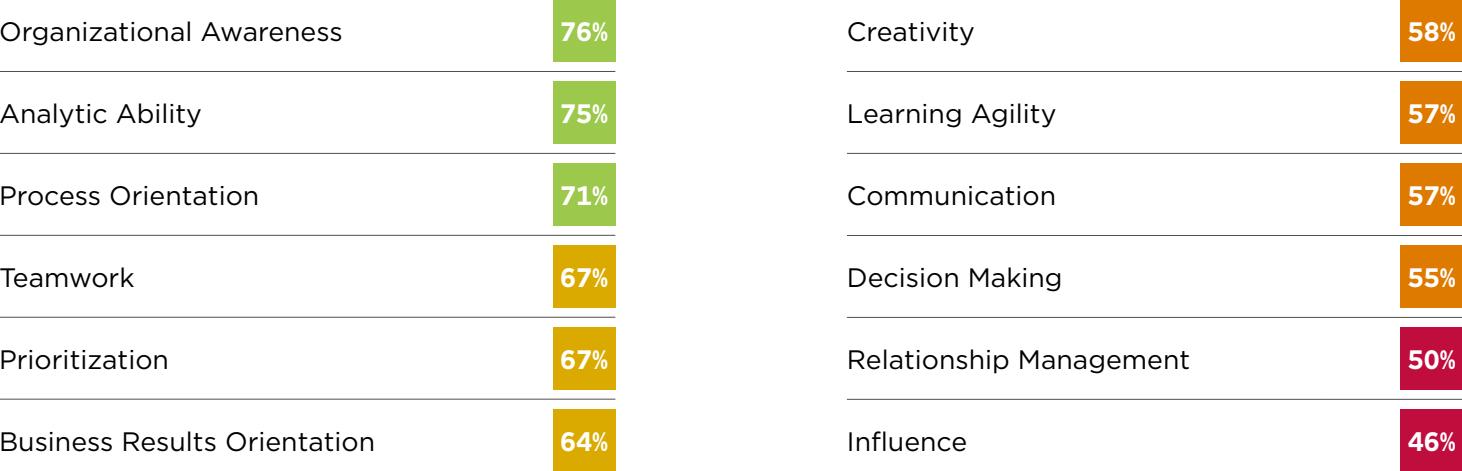


DIGITIZATION WIDENS COMPETENCY GAPS

Current Internal Scarcity of Key IT Competencies

Percentage of IT Employees Who Are at Least at the Proficient Level^a

■ More Than 70%
 ■ 61%–70%
 ■ 51%–60%
 ■ Equal or Less Than 50%



n = 2,957.

Source: CEB 2013–2015 IT Talent Assessment.

^a “Proficient” is defined as scoring a 3 on the competency on a 5-point scale. Employees are defined as “at least” proficient if they score a 3, 4, or 5. See [page 30](#) for definitions of each competency.

COACH ON SOFT SKILLS, NOT JUST JOB TASKS

Key Competencies for New Work Environment

Illustrative

1. Organizational Awareness
2. Analytic Ability
3. Process Orientation
4. Teamwork
5. Prioritization
6. Business Results Orientation
7. Creativity
8. Learning Agility
9. Communication
10. Decision Making
11. Relationship Management
12. Influence

Manager Checklist for Relevant Competencies

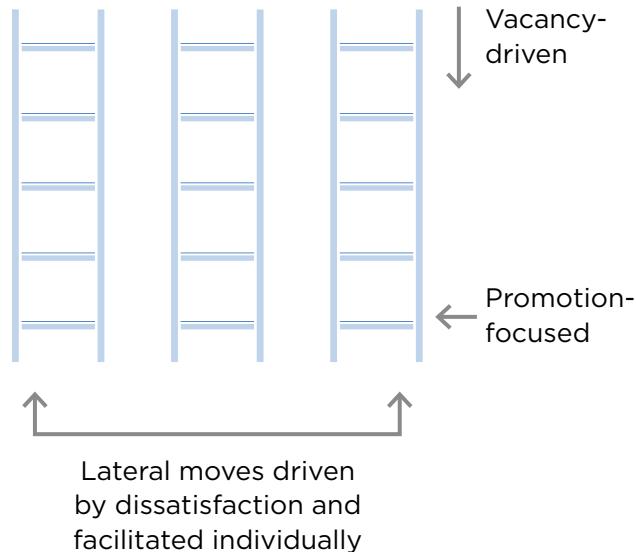
Manager To-Do List

- ✓ Clearly communicate the necessity of soft skills in the new work environment to employees.
- ✓ Emphasize the development of soft skills in employees' development plans.
- ✓ Focus on not just the experiences needed to develop skills but also the coworkers that can provide support and coaching to employees.
- ✓ Explicitly note opportunities for employees to practice soft skills while completing daily job tasks.
- ✓ During performance discussions, devote time to employee improvement on soft skills in addition to project outcomes.

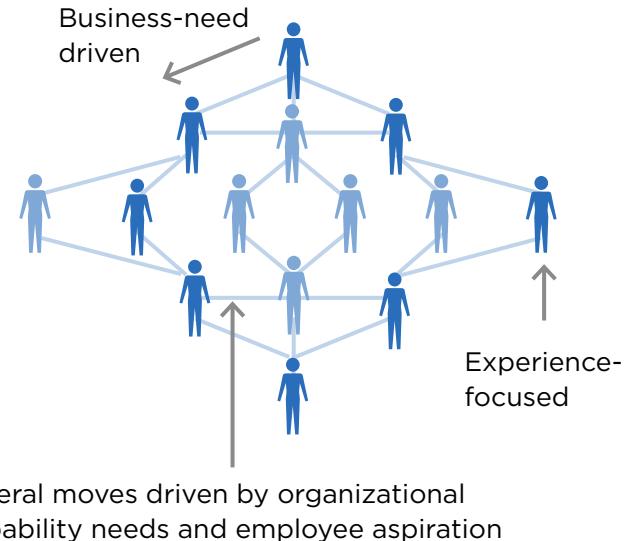
Source: CEB analysis.

FOCUS ON EXPERIENCES TO PROMOTE VERSATILITY

Model of Promotion-Based Career Culture



Model of Growth-Based Career Culture



- Employees focus on the next promotion
- Employees typically stay within a functional or organizational silo
- Career moves are driven by career dissatisfaction
- Opportunities are the result of vacancies

- Employees focus on obtaining new experiences that build their skills
- Employees move between different parts of the organization
- Career moves are driven by growth opportunities
- Opportunities are the result of business need

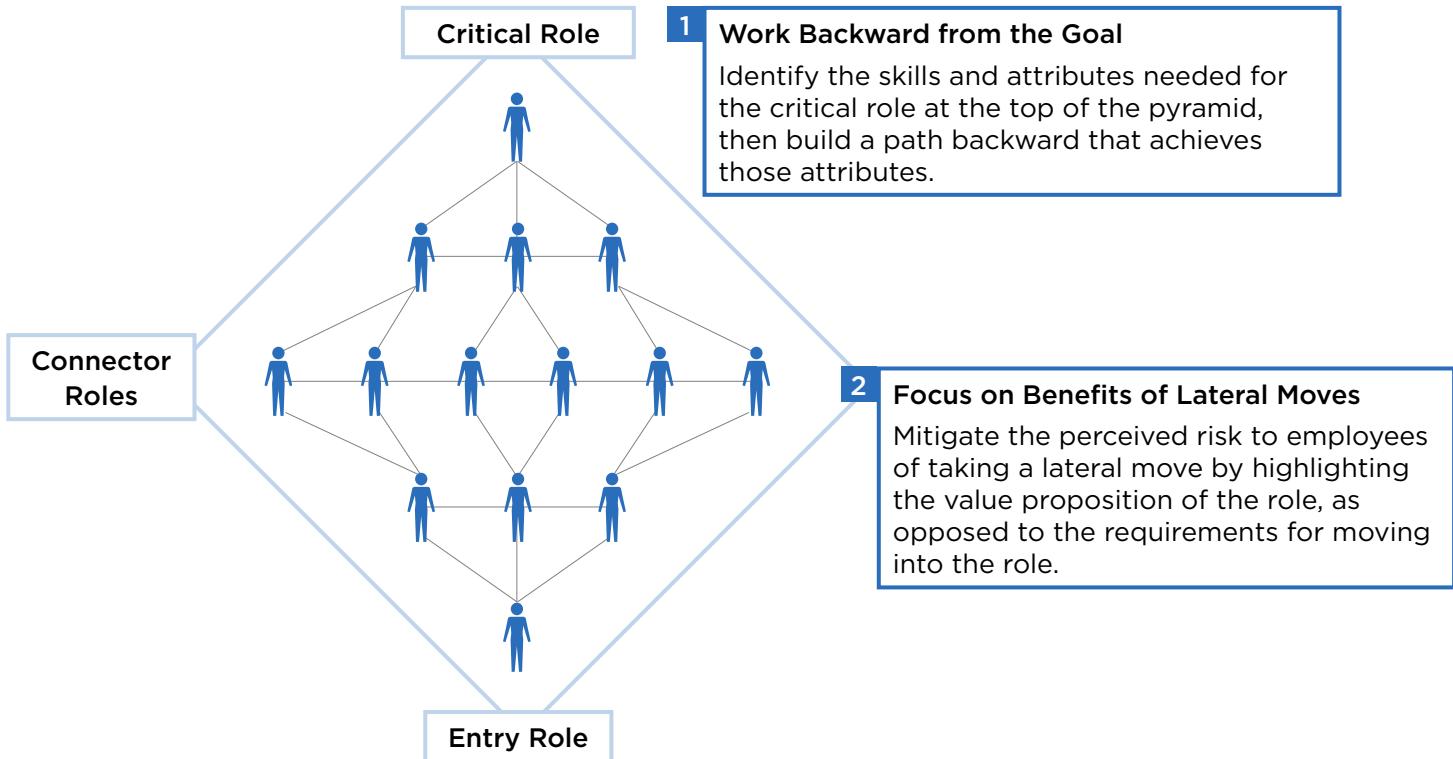
Source: CEB analysis.

Source: CEB analysis.

GENERATE INTENTIONAL MOVEMENT

National Grid's Diamond Shaped Career Maps

Elements of a Career Map



Source: National Grid; CEB analysis.

IDENTIFY KEY EXPERIENCES

Benefits of Focusing on Experiences:

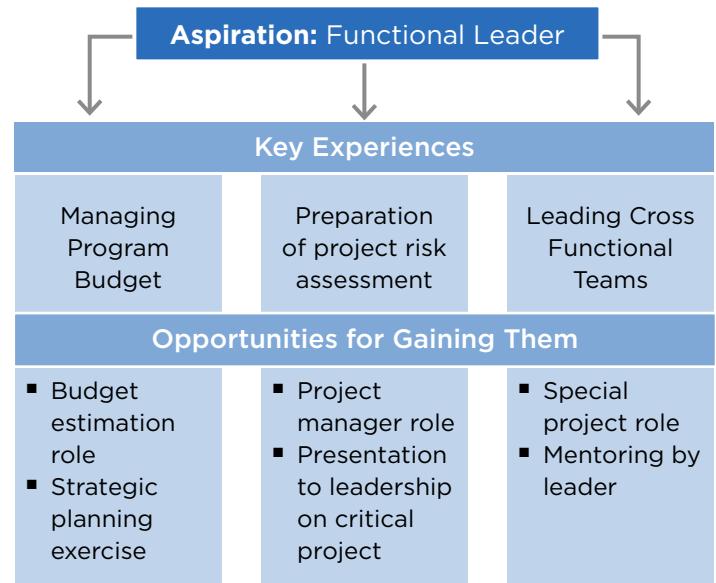
- **Flexible:** It is easier to define key experiences, instead of mapping paths through evolving positions
- **Realistic:** Instead of implicitly promising progression, it highlights the variety of experiences and their benefits

Designing Careers Around Positions



Definition: Tools and coaching based on traditional career moves help employees determine the positions they are interested in and map out a path.

Designing Careers Around Experiences



Definition: Organizations actively manage experiences that build current and future capabilities to inform employee aspirations and enable them to grow their careers.

TAILOR THE ORGANIZATION TO CAREER PATHS

IT Career Archetypes

IT Career Archetypes	Most Prevalent	Key Action To Enable Success
 <p>Versatile Players Moves between roles in IT and technical roles outside IT</p>	<ul style="list-style-type: none">▪ Office of the CIO▪ PMO	<p>Establish Fusion Teams. Build and support cross-functional teams that include technical staff from IT and other functions</p>
 <p>Adventurers Moves between cross-functional teams in IT</p>	<ul style="list-style-type: none">▪ Applications▪ Enterprise Architecture	<p>Create Career Maps. Identify and integrate key experiences into development plans</p>
 <p>Targeted Players Provides expertise in one functional area in IT</p>	<ul style="list-style-type: none">▪ Infrastructure▪ Information Risk	<p>Estimate Demand for Specialized Skills. Create skills forecasts to estimate future IT talent needs for specialized skills and inform strategic workforce planning</p>

Source: CEB analysis.

KEY TAKEAWAYS

Build an Adaptive IT-Business Engagement Model: Create a model for engagement between IT and the rest of the business that can be reconfigured based on the type of support business partners need, where, and when.

- 1. Flex IT's Engagement Role.** Shift between evangelizing, consulting, brokering, coaching, and delivering based on business partner's digital ability and ambition.
- 2. Build Technical Depth and Engagement Skills In Parallel.** Create an IT workforce strategy that simultaneously builds engagement competencies and stays ahead of emerging technologies.

Additional Resources and Upcoming Events



ADDITIONAL SUPPORT

CEB Applications

Understand the **key features of the new IT operating model for digital** by reviewing [The New IT Operating Model for Digital](#).

Review the **principles of adaptive business engagement**. [Adaptive Business Engagement: Preparing IT-Business Collaboration for Digitization](#).

Review the **technology skills that are present and in demand** in IT functions and the broader enterprise. [The Talent Implications of Digitization](#).

Build **new competencies amongst your business analysts** for a changing solutions delivery organization. [Business Analyst's Handbook](#).

CEB CIO

Understand the **key features of the new IT operating model for digital** by reviewing [The New IT Operating Model for Digital](#).

Review the **principles of adaptive business engagement**. [Adaptive Business Engagement: Preparing IT-Business Collaboration for Digitization](#).

Review the **technology skills that are present and in demand** in IT functions and the broader enterprise. [The Talent Implications of Digitization](#).

Learn how Intel structures a **business engagement model around business capabilities**. [Intel's Adaptive Digital Engagement Model](#).

CEB Enterprise Architecture

Understand the **key features of the new IT operating model for digital** by reviewing [The New IT Operating Model for Digital](#).

Review the **principles of adaptive business engagement**. [Adaptive Business Engagement: Preparing IT-Business Collaboration for Digitization](#).

Review the **technology skills that are present and in demand** in IT functions and the broader enterprise. [The Talent Implications of Digitization](#).

Review how leading EA leaders are **reinventing their teams** in response to digitization. [Re-Envisioning EA's Role for the Digitization Era](#).

ADDITIONAL SUPPORT (CONTINUED)

CEB Information Risk	CEB Infrastructure	CEB PMO
<p>Understand the key features of the new IT operating model for digital by reviewing The New IT Operating Model for Digital.</p>	<p>Understand the key features of the new IT operating model for digital by reviewing The New IT Operating Model for Digital.</p>	<p>Understand the key features of the new IT operating model for digital by reviewing The New IT Operating Model for Digital.</p>
<p>Help security liaisons and other business-facing security staff improve engagement business partners. Developing Security Liaisons to Drive Good Business Decisions.</p>	<p>Review the principles of adaptive business engagement. Adaptive Business Engagement: Preparing IT-Business Collaboration for Digitization</p>	<p>Review the principles of adaptive business engagement. Adaptive Business Engagement: Preparing IT-Business Collaboration for Digitization</p>
<p>Create a staff development program that focuses on building strong engagement skills. Driving Engagement Skills Down the Security Organization</p>	<p>“Sell” cloud internally to drive cloud adoption throughout the enterprise. Thermo Fisher Scientific’s Cloud Champion</p>	<p>Vary PMO engagement with business partners using multiple postures. Air Products’ Context-Based PMO Engagement</p>
	<p>Provide business partners with guidance on evaluating and selecting cloud providers. JLL’s Broking Cloud Externalization Opportunities</p>	<p>Learn how PMOs can reposition themselves to deliver project management services. The Project Management Services Blueprint</p>

ADDITIONAL SUPPORT (CONTINUED)

CEB IT-Midsized

Understand the **key features of the new IT operating model for digital** by reviewing [The New IT Operating Model for Digital](#).

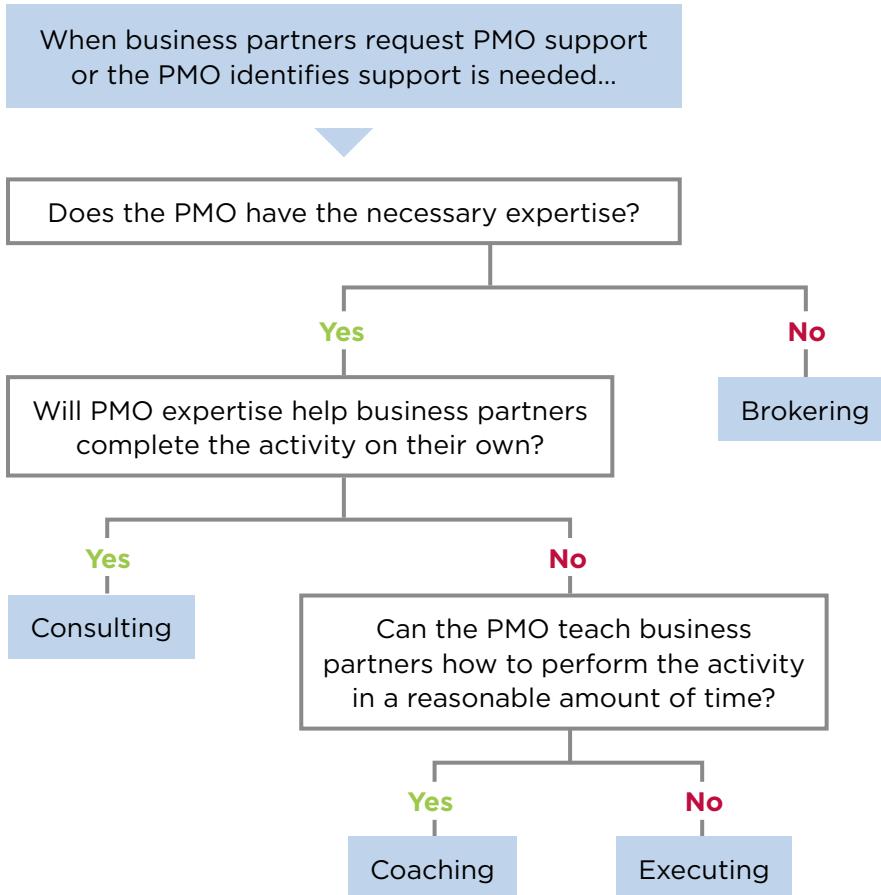
Review the **principles of adaptive business engagement**. [Adaptive Business Engagement: Preparing IT-Business Collaboration for Digitization](#)

Segment business partners by temperament and behavior to **tailor engagement strategy**. [Business Engagement Cheat Sheets](#)

Vary PMO engagement with business partners using multiple postures. [Air Products' Context-Based PMO Engagement](#)

FLEX ENGAGEMENT BASED ON CONTEXT

Decision Rules for Determining Primary PMO Engagement Posture for a Business Partner Need



Guiding Principles

1. The most effective posture for an activity will vary by business partner and over time.
2. For some business partner needs, a combination of postures may be appropriate.
3. The initial posture serves as a starting point for conversation with business partners.

Source: Air Products and Chemicals, Inc.; CEB analysis.



12 COMPETENCIES FOR HIGH PERFORMANCE IN IT

CEB, Now Gartner's IT's Competency Model

Competency	Definition
1. Organizational Awareness	Understands the organization's mission, values, operations, and goals
2. Analytic Ability	Works with data to identify patterns and uses judgment to form conclusions that may challenge conventional wisdom
3. Process Orientation	Uses practices, processes, procedures, and systems to manage work and to simplify and use resources efficiently
4. Teamwork	Promotes and facilitates coordination and cooperation among peers
5. Prioritization	Self-directs activities and works through goal setting, time management, and planning
6. Business Results Orientation	Seeks to understand business needs and to deliver prompt, efficient, high-quality service to the business
7. Creativity	Applies original thinking to produce new ideas and innovative products
8. Learning Agility	Rapidly acquires new knowledge and learns new skills
9. Communication	Conveys complex and technical issues to diverse audiences
10. Decision Making	Considers the relative costs and benefits of potential actions to choose the most appropriate one
11. Relationship Management	Creates relationships with new acquaintances quickly and confidently
12. Influence	Applies different strategies to convince others to change their opinions or plans

Source: CEB analysis.