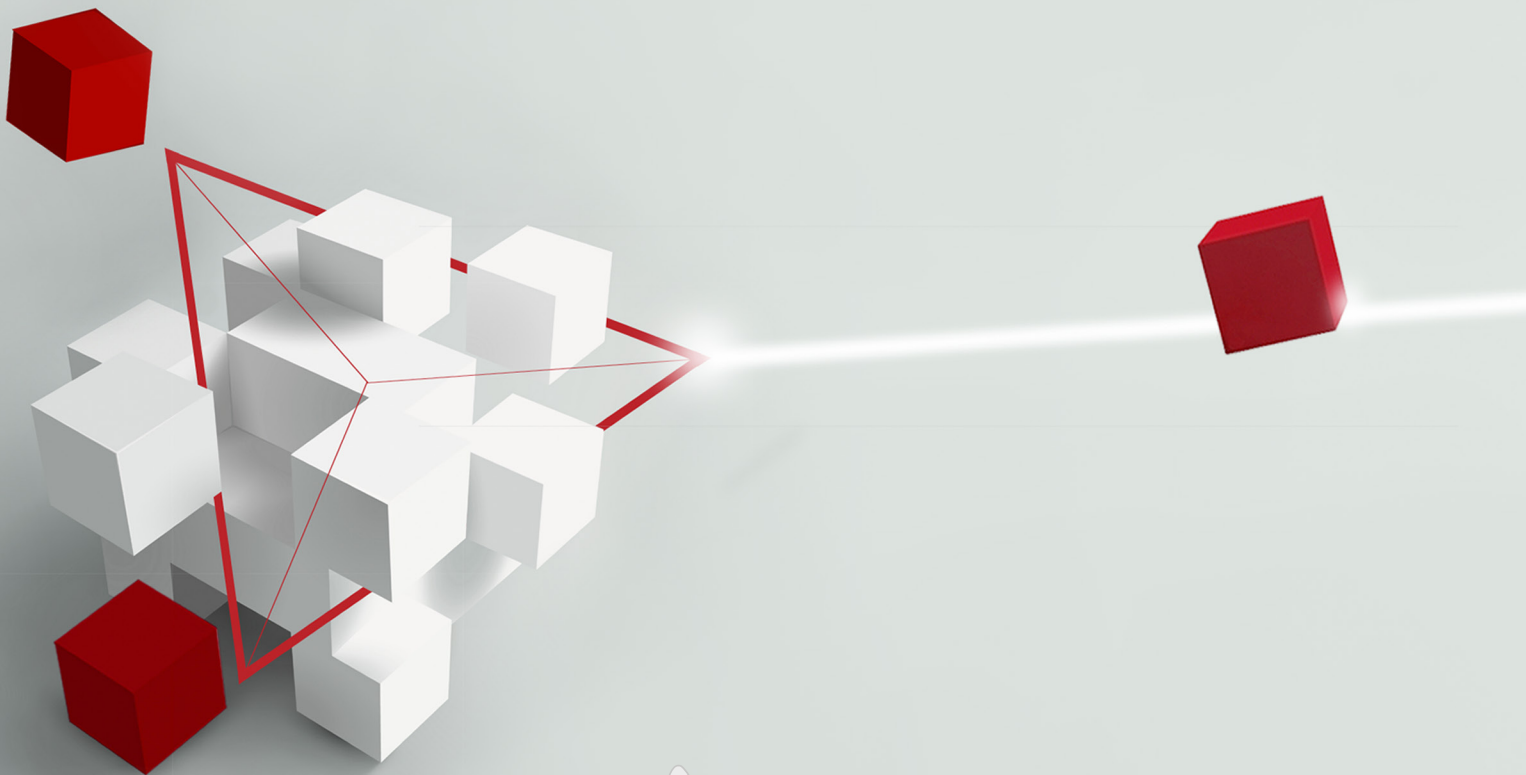


SURVEY RESULTS

Business Value

Coming From Two Perspectives

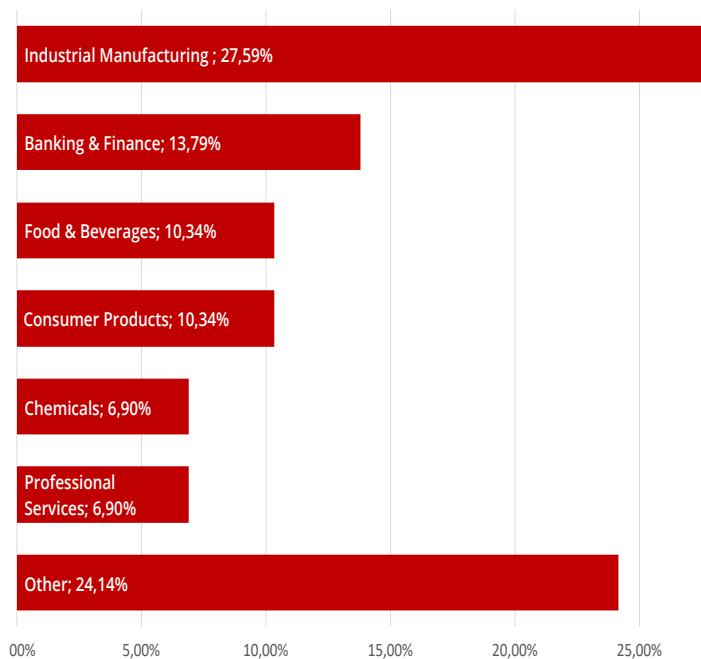


The initial focus was on how IT could leverage technology and resources to improve business performance (see i.a., Melville et al. 2004). This approach was bottom-up and cost-oriented. Now, the business value dialogue is shifting towards higher level concepts, involving IT on a new level, akin to vertical integration.

However, this shift is not without challenges, such as the business perceiving IT as a black box, overemphasis of technology in the IT-business dialogue, and IT's difficulty in understanding what generates business value (see Held and Westner 2022). To address these challenges, the understanding of IT Business Value Management is evolving towards a joint top-down alignment of targets, prioritization, and budgeting. This requires a strong decision-making base and room for informed assumptions about the future.

Six questions, six answers.

We asked CIOs questions related to the significance of business value management in their industry and company size. The questions aimed to gauge the CIOs' personal views on the topic's relevance, their perception of the topic's relevance within their organization, the individuals involved in discussions about it, and the concepts being discussed.



Graph 1: Industry Distribution

¹[An Integrative Model of IT Business Value \(Melville et al. 2004\)](#)

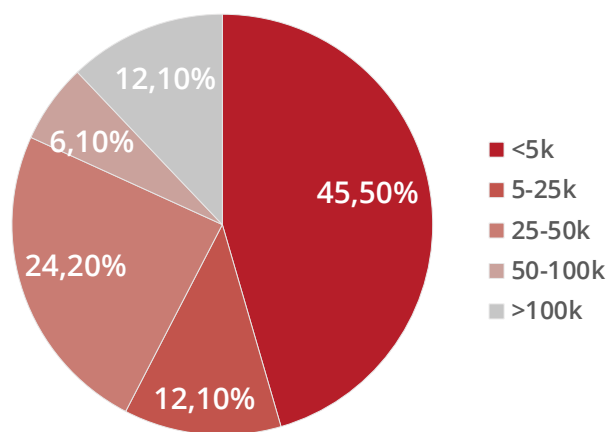
²[IT Business Value Measurement and Communication among German CIOs \[...\] \(Held and Westner 2022\)](#)

Industry Distribution

Especially Industrial Manufacturing and Banking and Financial Services are represented in this survey. Other industries are evenly distributed.

Sizes of Surveyed Companies

The majority of represented organizations employ 5k employees or less. 25-50k and even larger firms are also well-represented.



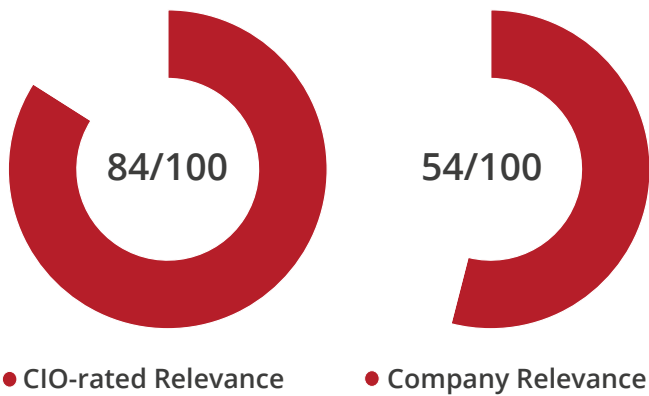
Graph 2: Company Size

CIO-rated Relevance

On average, surveyed CIOs rate the relevance with 84/100 as very high. The CIOs see a relevance-discrepancy when comparing their perspective to that of the remainder organization, as we can see in the next graph.

CIO-perceived Relevance in their Organization

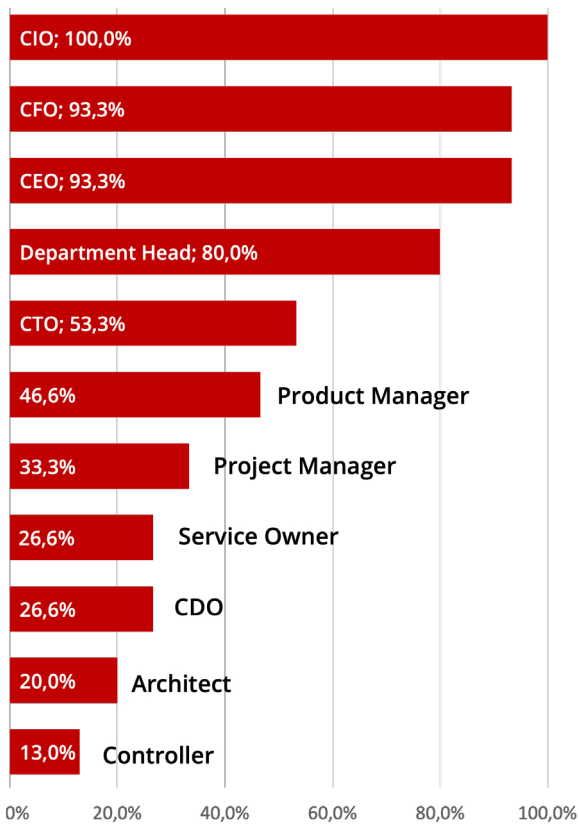
Business Value Management is well-resonated within organizations. However, the individual responses show a relevance-discrepancy: 54% of CIOs answer that their organization would rate it significantly lower (gap of 20% or more per individual answer).



Graph 3: Relevance

Involved Roles

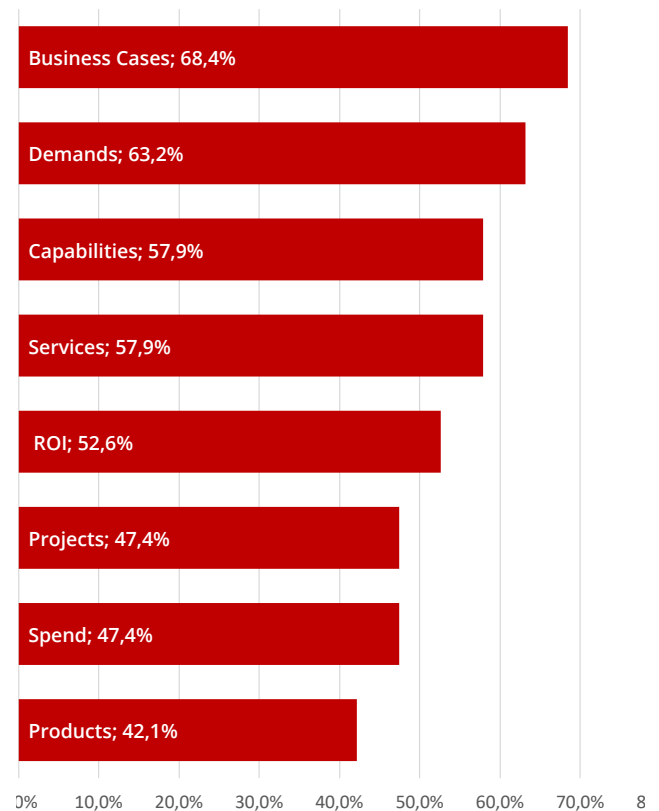
The dialogue is driven by the CIO, CEO, and CFO. In larger organizations with more than 5k employees, department heads are also involved. The involvement of portfolio item responsible parties depends on the concepts being discussed.



Graph 4: Involved Roles

Related Concepts

Business Cases remain the favored method for business value-based decision-making, with 68.4% in favor. Demands, as a well-established method for estimation and prioritization, rank second at 63.2%. Capabilities, a less established concept, closely follows at 57.9%.



Graph 5: Related Concepts

What's Next?

Our survey data and expert conversations indicate a growing adoption of capabilities for managing business value. To gain further insight, we propose two models and invite your thoughts. The concept of capabilities, after years of ambiguity, is becoming more defined through various definitions and taxonomies. Key characteristics include being objects of strategic relevance, with the ability to describe an organization's execution of strategy or serve as an internal enabling entity, and its common use for aligning execution with strategy.

Version A: Capability-Driven Model

In this version, capabilities are derived from the strategy and categorized as differentiators, enablers, or efficiency enhancers. Their categorization affects how business value is calculated, e.g. through business cases in efficiency scenarios or faith-based investments in the case of differentiators. Prioritization involves all parties involved in the dialog and is done at eye level. Demands can be defined by the organization or derived from capabilities. Overall, capability-driven business value management is primarily driven by strategy from the top down, with an internal and external perspective on the organization.¹



Image 1: Capability-Driven Model

Version B: Demand-Driven Model

In this version, demands are determined based on internal needs and often correlated with their proximity to the strategy and estimated size in person-days. The size is used to prioritize, with larger items ranked higher. Capabilities are used to categorize and bundle requirements instead of targeting processes (see also Melville et al. 2004). Business value is measured using the organization's standard, such as by calculating Business Cases based on demands. Overall, demand-driven business value management is primarily driven from the bottom-up with a focus on identifying business needs.²



Image 2: Demand-Driven Model

¹ Inspired by dialogs with Prof. Rentrop

² Inspired by dialogs with Bee360 Customers

About the authors:



Dr. Corvin Meyer-Blankart

Driven by his genuine interest in technological advancements, Corvin is motivated to establish new ways of working to leverage digital innovation. His experience spans from vision and strategy to support, from local SMEs to globally active corporations, and from B2B to B2C industries. This contextual in-depth knowledge enables him to identify and communicate organizational, technological and processual requirements to drive a departure from the traditional towards an agile and customer centric approach.

Sönke Claussen

Sönke draws on decades of experience when it comes to managing corporate IT from a holistic perspective. Over the years, he supported and drove transformations of various firms in B2B and B2C industries. He is a generalist with an eye for details – whether it is the joint conception of a digital strategy or the precise implementation in various areas. His rich background enables him to draw the bigger picture and determine the right lever for driving change.

