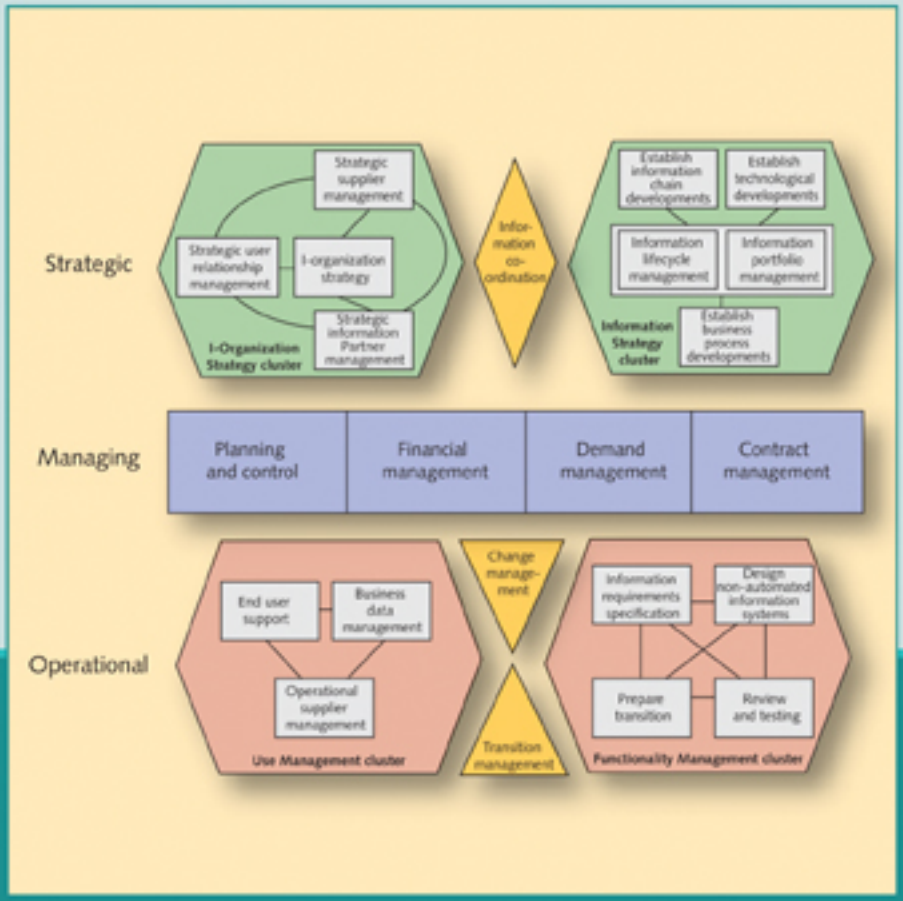
BEST PRACTICE

BiSL -
A Framework for Business Information Management



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BiSL

A Framework for Business Administration and Information Management

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BiSL

A Framework for Business Administration and Information Management

Remko van der Pols
Ralph Donatz
Frank van Outvorst

Van Haren PUBLISHING

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Foreword

Effective management of business information is critically important for today's organizations, covering all the activities for controlling information provision. This is the domain in which managers of business information, system owners, product managers, information managers and Chief Information Officers (CIO's) operate.

This book describes a process framework for business information management (also widely known as business information systems management) and information management. This is the Business Information Systems Library (BiSL) – a public domain standard for business information management and information management that is consistent with the IT Infrastructure Library (ITIL) and Application Services Library (ASL).

The concept of a framework of this kind is not new – for example, there are several publications describing models for business systems management. The information in this book helps organizations to adopt a professional approach to the management of their business information. It draws on the practical experiences of organizations that are using this framework and builds on the lessons learned from those experiences. It provides a full description of the framework, together with a detailed definition of a standard for business information management and information management.

Many individuals and organizations have contributed to the development of this book. We first wish to thank the many organizations who have adopted our model: their willingness to share their experiences has enabled us to define a practical and practice-based framework that is based on real-life experience. Special thanks go to the CIP (Concern Information Management Police) and DICTU (the Defence IT Executive Organization in the Netherlands).

Our thanks also go to the members of the BiSL Quality Board, who made valuable contributions through evaluation and discussion: Gert van Heun, Carel Retera, Harry Tolboom, Gerard Wijers and Jan van Zessen,

Many other colleagues contributed to evolving thinking about the framework. Our thanks go to our closest colleagues, particularly René Sieders, Hans Smorenburg and Peter van der Zee.

We also wish to thank the founders of the first version of the model: Kees Deurloo and Machteld Meijer. Special thanks go to Kees Deurloo, whose contributions to the first model were indispensable. This book is dedicated to him.

Ralph Donatz
Frank van Outvorst
Remko van der Pols

Contents

CHAPTER 1

Introduction

Key messages

- **Most organizations depend on their information systems; information management is becoming critically important. Business information management is a priority.**
- **Outsourcing of IT activities is increasing; it is essential for the organization to maintain control of the IT services to be delivered. A professional approach to business information management becomes a necessity.**
- **Modern organizations are becoming increasingly complex, with diverse demands for information systems. Business information management acts as the focal point and as the customer.**
- **Organizations and their requirements for information provision change rapidly. These changes can be adequately anticipated and managed by adopting business information management.**
- **Information policy sets the context for business information management and business information administration; policy and operational practice need to be integrated.**
- **The Business Information Services Library (BiSL) as a generic framework provides an effective solution for business information management and business information administration.**

1.1 Background

This chapter explains the context of business information management – why it is increasingly important, the trends influencing the way in which organizations manage their information and the advantages of adopting BiSL as a solution.

Increasing importance of business information management
With the close relationships between business processes and their supporting information systems, access to reliable business information becomes increasingly important. A professional approach to business information management and good co-ordination of the required processes become essential: downtime of even a small system can have disastrous consequences for operational management.

As well as professional operation and management of the technical infrastructure (with ITIL as the guiding principle) and application management (with ASL as the guiding principle), there is now great interest in a professional approach to business information management. Effective integration of IT activities (whether or not outsourced) and overall information provision to the organization and its business processes are crucial. Business information management provides this management and connection.

Increase in outsourcing of IT activities

The numbers of organizations outsourcing some or all of their IT activities is increasing. Most businesses have considered outsourcing recently; the main reason for doing so is to enable the organization to concentrate on its core business activities, leaving IT to external providers. However, the activities of managing delivery from outsourced IT activities and defining the required information provision should never be outsourced. The user organization (the business) must be in control of decisions about information provision. Business information management, as an intermediary between IT and the organization, fulfils *precisely* this role.

Increasing complexity within the organization

Mergers, takeovers and autonomous growth mean that organizations are becoming larger and more complex. They are often subdivided into smaller units – subsidiary companies, business units and so on – using the same information systems. But opinions on information provision may differ, and influence may be dispersed.

Various parties in an organization may have control over different aspects of information provision. For example, their respective roles can include process owners, system owners, business information managers, information managers and information consultants. In addition suppliers may also exercise control over information provisioning activities. These parties will seldom act in each other's interest. One does not often realize that their actions might have an impact upon other actions undertaken elsewhere within the organization.
Business information management fulfils this co-ordinating role on behalf of the user community.

Organizations are changing rapidly

As the pace of organizational change accelerates, it is very important to ensure that total information provision (IT product portfolio and organization of information provision) continues to match the business and its changing needs. Business information management has a role to play in enabling the organization to adapt to change.

A policy fitting in with practice

A lot of attention has always been paid to information policy. However, the relationship between information policy and operational business information management

is under-exposed. Information policy must shape and direct existing practice but must also take account of future demands and current shortcomings. Policy and operational practice must be integrated; this is a precondition for effective and efficient information provision.

Business information management ensures that information provision fits in with the business processes and the requirements of the users of those business processes. It is from this viewpoint that business information management is positioned within the user organization.

The BiSL framework as a solution
The importance of business information management is increasing. BiSL (Business Information Services Library) offers a practical solution, business oriented and based on a process approach for business information management.

1.2 Business information management

It is clear from the trends described above that managing, controlling and modifying information provision from a demand perspective becomes the critical success factor for how well information provision aligns with the business processes – and the costs that will be acceptable for achieving that integration.

To summarize: anyone who wishes to manage information provision must not only manage the supply of IT. It is much more important to manage the demand for information provision and how this matches the business processes. This business-IT-alignment can only succeed if the various levels of control of information provision converge and are interrelated.

Separating supply and demand organizations
Effective control of demand, translated into requirements for automated information provision, can only succeed if the supply and demand organizations are separated in terms of information provision. The demand side is governed by business information management. Choices made on the demand side are translated via business information management to the management on the supply side. The actual service is then delivered by the IT provider or department.

Business information management is not part of the IT organization; it is positioned within and is an inseparable part of the user organization. It can be structured in different ways but is always part of the user organization. Business information management includes day-to-day management of information provisioning and execution of the activities of the business manager's portfolio in the area of information provision.

The field of business information management

The complex scope of managing, controlling and adjusting information requirements, as well as the control of all related activities, fall under the domain of business information management. The scope of activities is wider than of the traditional, operational business information (systems) management. It also includes the activities of the system owner, process owner, contract manager and information management. Depending on how it is organized, business information administration delivers the operational level of business information management, and information management forms the strategic level of business information management. It is important to recognize that these activities fall within the same domain.

Chapter 2 explores the various topics and levels within business information management:

- the operational control of information provision (such as, for example, defining the content of new information provision by developing specifications)
- managing information provision and contracts/agreements with IT providers and user organizations (the process ownership or system ownership)
- designing the policy for the future of information provision

It is important that these various levels of control are interlinked. This will determine the effectiveness and the amount of influence and control that these have.

1.3 Objectives of this book

The objectives of this book are to:

- raise awareness of the necessity and importance of business information management
- provide a description of the complete framework for business information management, BiSL
- provide a detailed description of the processes within functional aspects and their relationships with other management areas
- offer a complete picture and reference work for anyone who is in any way involved with business information management or its application.

1.4 Structure of the book

Chapter 2 deals with the positioning of business information management and BiSL within the total management scope of information systems and information provision. Chapter 3 outlines the BiSL framework, and addresses and explains the various clusters of the processes.

Chapters 4 to 10 deal with the various process clusters identified in the BiSL framework. The processes at the operational level are dealt with first, followed by those on a managing level and ending with the processes at the strategic level.

The process descriptions follow a fixed structure. This starts with the objective of the individual process, followed by the subjects within the process, the activities, the output of the process and the relationships of the respective process with other processes or other parties. Regarding the description of the processes, the choice was made not to describe the way the management processes control the other processes for each process. This method of description is the same for each process, therefore the management mechanism is described only once at the beginning of Chapters 4 and 5.

Finally, Chapter 11, deals with implementation and organizational aspects.

Clear and unambiguous communication between business information management, application- and technical infrastructure management is essential. This book aims to focus upon the relationships and interfaces between the various IT management domains. The structure and composition of this book is consistent with the book *ASL, A Framework for Application Management* (Remko van der Pols, 2001).

CHAPTER 2

Positioning of business information management

Key messages

- **Business information management does not operate on its own but is very closely related to application- and technical infrastructure management.**
- **Business information management is part of the of the user organization.**
- **Business information management is the portfolio holder of information provision for the business process.**
- **Business information management acts as the customer for application management and technical infrastructure management (IT provider).**

2.1 Management forms

In this book we distinguish between three IT management domains:

1. Technical infrastructure management
2. Application management
3. Business information management

Technical infrastructure management is responsible for maintaining the working of the information system. This includes infrastructure, equipment, networks, software and data collection, which are the main areas of consideration of the computer centre or the IT centre. ITIL (Information Technology Infrastructure Library) is a much-used framework in this context.

Application management is responsible for maintaining application software and the databases. Application management corresponds to the operation of a software company: the creation, maintenance and adaptation of software applications. ASL (Application Services Library) is the standard for organizing application management.

Business information management on behalf of the business and user organization is responsible for maintaining the functionality of the information systems. This section con-

centrates on the provision of information to support the organization and its business processes.

Figure 1 shows these three management domains in relation to one another.

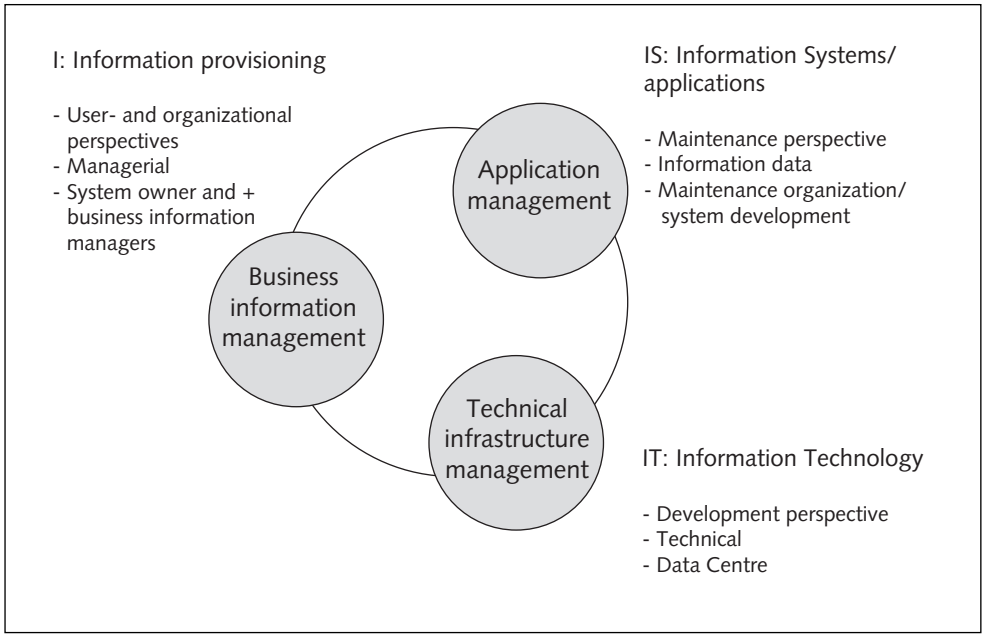

Figure 1 Management domains

2.2 Positioning of business information management

The three recognized management domains are independent from one another. There are close relationships between the business information management domain and the other two IT management domains. Each IT management domain has its own specific points of consideration, activities and responsibilities.

Figure 2 shows the positioning of business information management in relation to other IT management domains and the business process.

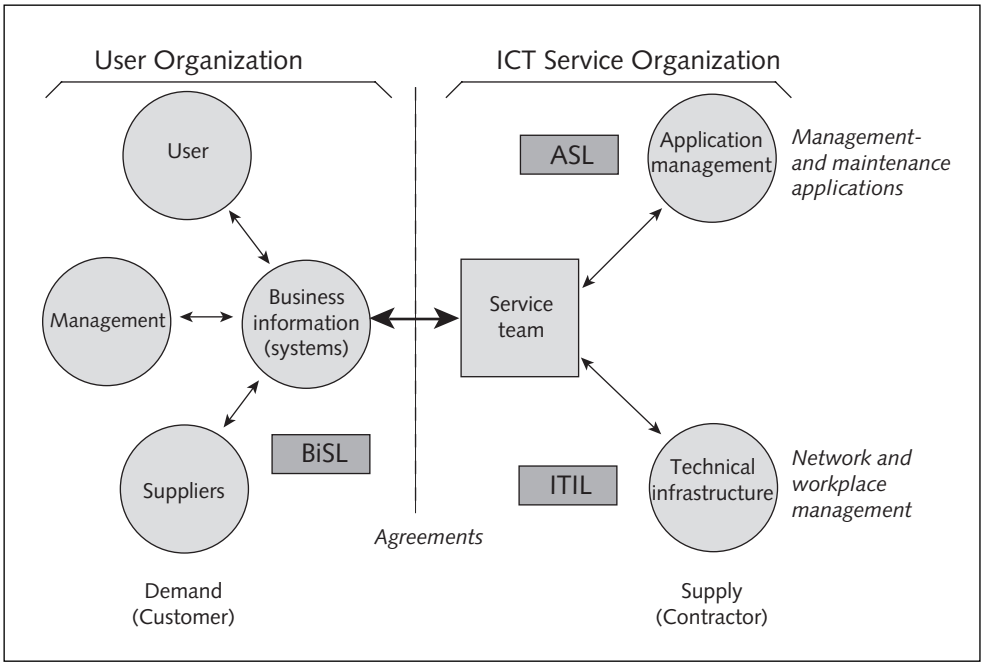

Figure 2 Positioning of business information management

Business information management is expressly positioned as part of the user organization. Business information management is undertaken on behalf of the user organization and the management responsible for the total information provision in the organization, both for the automated and the non-automated part. Here, business information management also functions on behalf of the user organization as the customer for the IT service function.

The IT service function delivers all the services in the areas of both technical infrastructure management and application management that are needed to meet the complete information provision requirements of the user organization. The IT service function can consist of both internal and external parties. External parties will operate on behalf of several customer organizations and are therefore active in several IT service functions.

Figure 2 shows the service team positioned as a clear co-ordination point for all services delivered by the IT service function. The service team thus forms an integrator for the business information management on behalf of the IT service function. The service team is responsible for the integral quality and mutual co-ordination of the IT services delivered by the IT service providers .

2.3 The nature of business information management

Portfolio holder of information provision

Information provision plays an essential role in supporting business processes for several organizations. Both information provisioning and IT are too important for these business processes to hand over full control to the IT provider.

The user organization must take on this management itself. The control of information provision - and defining the information demands and any needs for IT solutions arising from this - require specialist knowledge and experience of the business and its processes. This is very different from having technical IT experience.

Business information management implements the portfolio of information provision on behalf of the business manager (of the business process). Business information management ensures that the business processes are supported in an optimal manner. Business information management is thus responsible for the design and delivery of information provision. This requires that business information management forms an inseparable part of the user organization.

The areas of tension in business information management

Business information management operates within four fields of force:

- information provision within the organization's business processes: specifying the organization's information requirements
- automated information provision (IT) and IT support: ordering IT services and monitoring the IT provider
- the business information management organization: the function that controls the information provision for the organization
- the policy of the organization

Central between these four fields of force is business information management. This translates the demands of information provision in the business process into support by automated and non-automated information provision. Business information management implements and enforces the policy of the organization on these aspects and provides the support for this to the users and the management of the organization.

The area of tension shows the various areas of consideration and the associated risks:

- the business information management translates demand into supply. There is the risk that business information management will monitor the supplier too closely and even take over the roles and activities of the IT provider. It is important that a clear distinction exists between the tasks and responsibilities of business information management and those of the IT provider

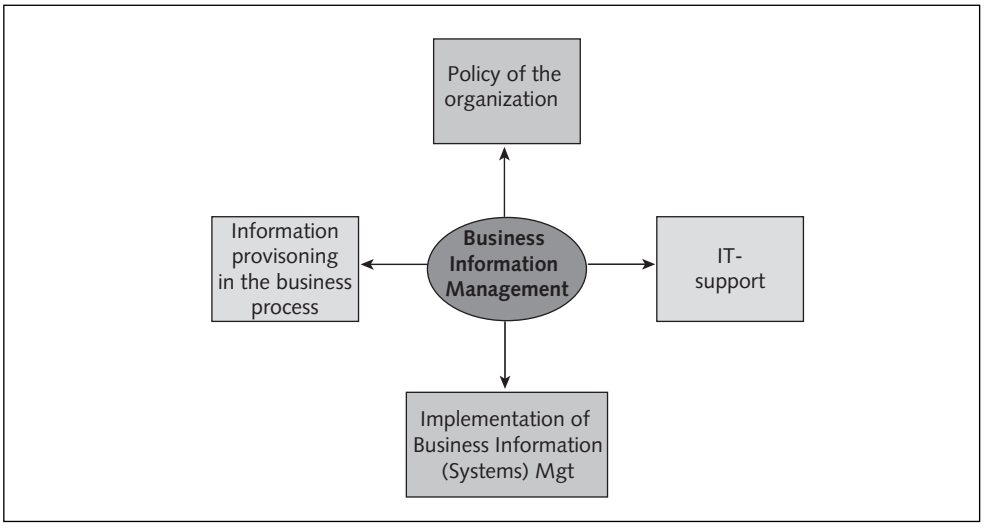

Figure 3 The area of tension in business information management

- an additional risk is that demand is no longer managed (this is the primary task of business information management), only the supply is managed. By concentrating only on IT solutions, the focus on the actual demands of the organization is lost
- it is important not to lose sight of the integral character of the process management within separate domains. For instance cost management not only deals with the costs of the IT related specifically to business information management, but it also involves costs of IT support for business information management and also the costs related to business processes. It is wrong to focus on just one domain
  Business information management, on behalf of the user organization, is responsible for information provision. This means delegated responsibility which is easy to forget. In particular, if business information management is organized within a separate unit there is a risk that it starts to act as if it were a service provider, like a regular IT unit. All responsibility will be laid within the user organization or the line management, which will inevitably lead to new information management function within the user organization.

The key point of added value of business information management is found in the alignment between the information provision and the business processes. Crucial for this is a good knowledge of the respective business process in combination with the required information provision. This applies to supporting business processes (for example, providing personnel or financial information), managing business processes (for example, providing logistical information) and the primary business processes (for example, providing purchase- and sales information).

An important precondition for effective business information management is a specialised knowledge of the business process. This can be achieved in various ways. As it is generally impossible for one person to possess all the required specialist knowledge, the personnel capacity is usually divided over various information clusters or information domains.

The levels of information provision

Information provision can be viewed at three levels within an organization. Management of information provision takes place at each of these levels:

- at the *corporate information provision* level, information provision is managed from the perspective of the entire organization, paying attention to the relationships between the various business processes and the consequences for information provision. In practice, this is an area of consideration that is often taken care of by separate departments within the organization because of the requirement for specialist knowledge, skills and contacts
- at the *business process* level, all information provision supporting this process is managed. For control at this level, the individual business processes require that information is centralised
- there is also a *system-based level*. Here, the specific demands of users are anticipated in working with information systems. An information system often supports only a part of a business process; conversely, a single information system is often used for several business processes. This means that there are often several information systems that support the entire business process, which gives rise to the necessity for business information management at the system level

A pitfall in controlling information provision is that control is only exercised at too low a level: only at the information system level. The classification into information systems[1] is often based on a technical arguments. Control should also include the two other levels from a business point of view.

The levels of business information management

Business information management must be implemented for each of the levels described above. Various levels are also present within business information management.

1 There are two definitions of the term information system. Here, the limited definition is used: an information system is an automated application: software combined with databases. See also the list of definitions at the back of this book.

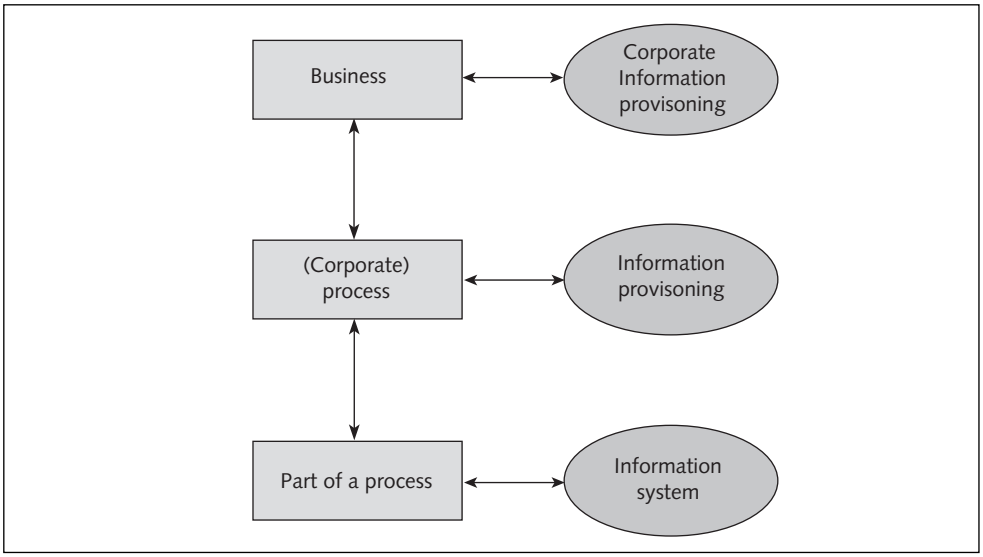

Figure 4 Three levels of information provision

The domain of business information management is wide. In each case, business information management should be more widely interpreted than only to the role of an operational business information administrator. The BiSL framework recognizes three levels:

- operation
- management
- strategy

The associated roles for these levels are often indicated by the business information administrator, system ownership and information management respectively.

- The *operational level* of processes of business information management deals with the use of the information provisioning and defining the demands that this information provisioning must satisfy. In practice, this includes the tasks carried out by the role or function of business information administrator.
- The *managing level* deals with costs, returns, contracts and planning. Functional roles such as system owner, customer, budget holder, etc. take responsibility for this. In cases where packaged software suppliers also carry out business information management, this level is often carried out by the role of product manager.
- The *strategic level* deals with the future of the information provisioning: information management.

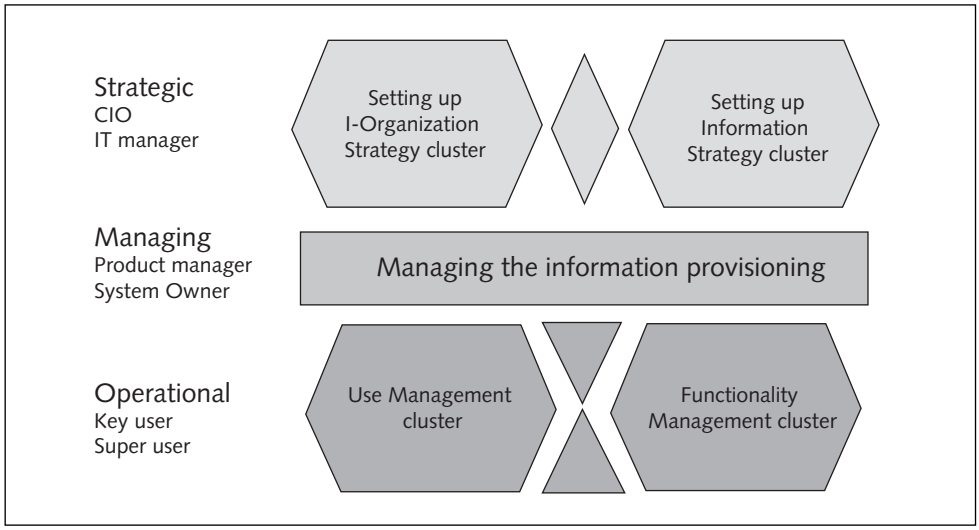

Figure 5 Levels within business information management

The extent to which an organization succeeds in achieving effective and efficient information provision depends to a great deal upon the extent to which the processes at the various levels exchange information and co-operate with one another.

The main tasks of business information management

Business information management handles the portfolio of information provision on behalf of the business- or line manager. This makes business information management responsible for the design and implementation of information provision. The following tasks are essential in order to satisfy this responsibility and thus form the main tasks for all processes and levels within business information management:

- recognizing needs or demands within the user organization
- translating this demand into solutions by way of further implementation or a change of information provision. Not every demand or request necessarily requires a solution with the help of information provision and not every delivery of a new information provision or extension of an existing information provision leads to an IT assignment

The change request can often also be met by changes in the area of non-automated information provision or organizational adjustments. In this case, there is thus no question of a further delivery or extended use of information provision.

- deciding and issuing assignments to the IT provider and managing, monitoring and evaluating of their delivery or supply

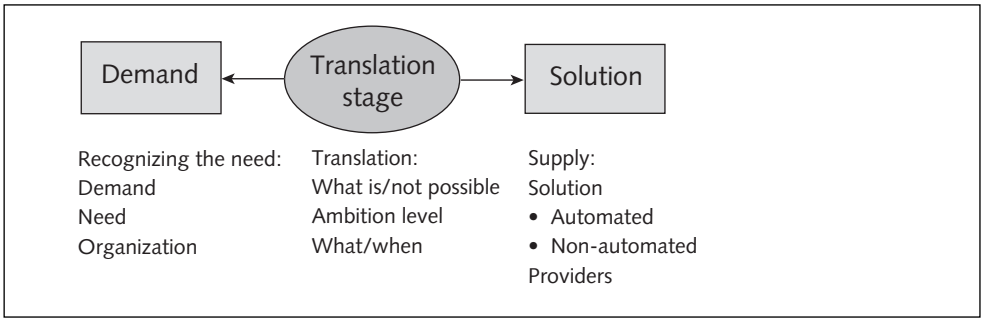

Figure 6 The main tasks of business information management

When translating demand into supply, not every demand automatically leads to supply:

- demands are sometimes not translated into a solution or a change in information provision;
- demands are sometimes translated into a solution at a later stage or when this is cost effective;
- demands are sometimes only partly satisfied. The scope of the requirement is reduced or the solution only fulfils part of the demand.

Responsibilities of business information management

Business information management deals with the translation of business processes into information provision. This is, however, influenced by the policy of the organization. Development of the organization's policy and translating this policy into a business process is within the domain of the organization's line- or business management. Line management carries out the translation by developing a processing architecture that describes how the organization will realize her policy. Because of the relationship between the business process and information provision, business information management, which is responsible for developing the information policy model. must be closely involved in the domain of line management. Line management, of course, remains responsible for the business process.

Business information management is responsible for the translation phase of the business process and business policy into information provision. Application management and technical infrastructure management deal with the further translation into applications and infrastructure.

The various responsibilities of the IT management domains and the domain of business management converge on some points as shown in Figure 7. In this Figure, responsibilities of the three IT management domains are projected on to the information architec-

tures for the complete translation of business policy into an application running on a computer system.

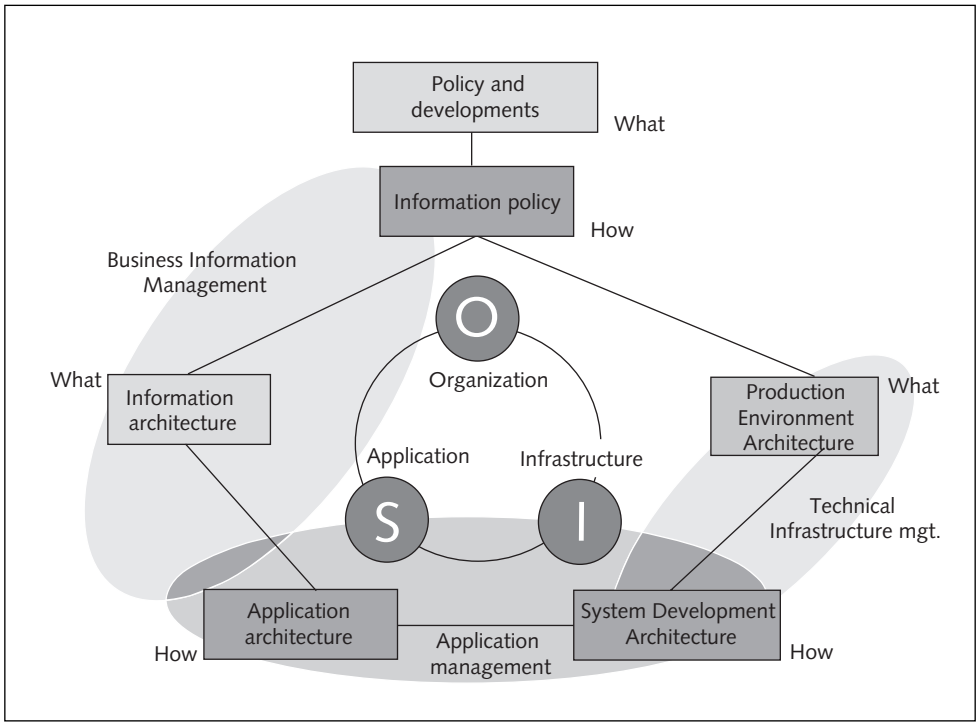

Figure 7 Areas of responsibility in Business information management

Business information management translates the business policy model (describing what should the business process look like) into the information architecture. This describes what information provision should look like and shows the relations between the business processes and the supporting information provision.

An important part of the delivery of information provision takes part with automated applications. The set-up and running of these applications thus define to a large extent the quality of the support for the business processes. Business information management will be involved in the application architecture. The development and connection of applications are described in the application architecture, which is primarily the responsibility of application management.

Business information management can also place demands on the IT infrastructure architecture and the system development architecture. The IT infrastructure architecture gives a description of the technical infrastructure used for operating the applications. The system development architecture indicates which technical environment, help resources and standards are used in the development and maintenance of applications. The responsibility for both architectures rests with technical infrastructure management, but business information management can place demands on this, because of specific requirements for information provision.

Business information management as line activity

An organization is subject to all kinds of changes: its name changes, the organization becomes part of a larger concern or is divided up into smaller parts. However, the business processes usually remain stable; they generally continue their course and remain in existence.

The need for information provision for the business process therefore also remains in continuous existence, requiring continuous control of information provision. Therefore business information management is often implemented as line activities. Businesses sometimes refer to activities in this area as projects or programmes, which suggests that these are only carried out during a certain period. However, this is not correct: activities in the area of business information management are continuous and should therefore be considered as line activities.

Radical changes to information provisioning are often delivered in the form of a project or programme. The change of information provisioning is drawn from outside the organization currently providing the information but this does change the underlying processes or the points of consideration. It still is part of the business information management function.