The Business Value of IT

This book provides simple, partial but rich coverage of some of the domains of the ISACA Certified in the Governance of Enterprise IT® (CGEIT®) certification, from an independent point of view.

The authors are experienced IT professionals highly aware that the cost/value relationship of IT for a business is an increasing concern of chief executive officers, chief information officers and chief financial officers, and they cleverly divide the book into four parts:

• Part I, “What Does IT Contribute to the Business?,” explores important concepts on:
  – How to measure the value of IT, using indicators such as return on investment (ROI), economic value added (EVA) and return on asset (ROA)
  – How to use these IT value measurements for decisions, using dashboards, the business case and value visualization
  – How to realize how much IT is enough, dealing with important decisions on IT spending in accordance with each organization
  – How much to pay for IT, covering interesting topics regarding the always controversial issue of setting an appropriate IT budget

• Part II, “Why Should We Care About IT Governance?,” deals with different but related aspects, such as who governs IT and what key elements they use; what IT governance frameworks and models, such as CoIT, IT Infrastructure Library (ITIL) and Capability Maturity Model Integration (CMMI), can be considered; how IT outsourcing can be adequately governed; and the benefit of using IT tools in the IT governance effort. This last concept is based on Howard Baetjer’s book Software as Capital, in which he states, “In virtually all human production, we employ capital goods—tools—for the purpose. Much of our knowledge of how to produce is found not in our heads, but in those capital goods that we employ. Capital is embodied knowledge.”

• Part III, “Why Should We Measure IT Performance?,” discusses what performance means to IT and to the business, considers what the desired outcomes are, and looks at key measures and how to identify the key “missing measure” and the attributes of a successful measurement program. This section of the book focuses on IT development and tries to answer the question: is IT producing a high-quality product in a timely and cost-effective manner that functions according to the requirements?

• Part IV, “How Should We Change?,” is a description of what changes should be made considering different angles:
  – How can we manage IT changes?
  – How should IT manage risk?
  – How should IT manage its people?
  – What should IT expect from the business?

The book is written in a very fresh and pleasant way from the perspective of authors with a deep IT background. It will be especially interesting for readers who want to understand the business value of IT.

EDITOR'S NOTE
The Business Value of IT is available from the ISACA Bookstore. For information, see the ISACA Bookstore Supplement in this Journal, visit www.isaca.org/bookstore, e-mail bookstore@isaca.org or telephone +1.847.660.5650.