Driving Innovation Through Business Relationship Management

BRM organizations take the IT-business partnership to the next level, enabling technology to transform business capabilities.

Executive Summary

Most companies have by now developed a strong partnership with IT for achieving business goals and objectives. But as new technologies emerge and newer business models are enabled, the partnership needs to evolve and focus more on innovation. CIOs, therefore, are establishing a dedicated “business relationship management organization” (BRM) to improve business-IT alignment and drive technology innovation to grow and transform business capabilities.

A dedicated BRM organization is the “face of IT” for business. Similar to relationship managers in banks who advise customers on investments, a BRM organization is a trusted advisor to the business. The key responsibilities of a BRM organization include:

• Facilitating idea-generation through a well-defined innovation process.
• Engaging with the business in developing proposals for strategic initiatives or innovative technology solutions.
• Performing periodic reviews (monthly or quarterly) with business partners to discuss the overall business-IT engagement status.
• Conducting biannual/annual satisfaction surveys to assess what is working and what needs to be improved in order to better partner with the business.

This white paper discusses where BRM organizations fit in today’s enterprises; how the organization interacts with other business functions; concrete ways you can use BRM to instill a culture of innovation; and how to measure BRM success. Lastly, we describe how a large U.S. insurer engaged our business consulting team to set up a BRM organization and is now benefiting from increased client satisfaction, a fourfold increase in the number of new ideas and a 30% reduction in average cycle time for developing technology initiative proposals.

Fitting BRM into the Enterprise

Typically, the BRM organization is either integrated into the IT planning and strategy organization, or it reports directly to the CIO, ensuring high visibility and access to all functions in IT. The organization engages with business stakeholders and also interacts with other IT functions, such as:

• **Enterprise architecture**, to provide the business with a greater understanding of...
technology solutions or develop a strategy to advance the overall technology roadmap for various lines of business.

- **Portfolio management**, to estimate and prioritize various initiatives or projects on which the business would want IT to work.
- **Program management**, to provide expert advice on key program-related risks or issues that need to be discussed with the business beyond the governance structure.
- **Operations**, to assess feedback from the business on day-to-day support.

### The BRM Operating Model

The organization is staffed by business relationship managers who possess subject matter expertise not only in the IT domain but also in specific business areas. The key traits of successful business relationship managers are:

- Strategic vision and structured thinking.
- Knowledge of industry trends in business and technology.
- Strong teamwork and interpersonal skills.
- Excellent presentation and communication skills.

Based on their area of expertise, business relationship managers are generally aligned with one or more lines of business. For instance, in a typical financial services company, business relationship managers tend to be aligned with each functional area – sales, marketing, actuarial, products and services (see Figure 1). In addition, some managers may be dedicated to specific initiatives requiring focused business interaction and communication.

An IT organization of 500 or so employees covering six to seven functions under one line of business would typically have five to six business relationship managers.

### Driving Innovation

Although all the responsibilities of a BRM organization are equally important, the business is increasingly looking to business relationship managers for advice on how to use technology innovation to enable business transformation and improve competitive positioning. The business relationship manager plays a key role in instilling a culture of innovation in the organization by:

- **Defining various innovation channels**, such as innovation labs, innovation booths, innovation campaigns, focused innovation workshops, one-on-one meetings and innovation letterboxes.
- **Identifying the appropriate people**, ranging from business stakeholders to IT employees, who need to be engaged through these channels.
- **Leveraging appropriate systems or platforms such as idea management systems** to gather, evaluate and manage ideas.

---

![BRM Operating Model](image-url)
• Developing an infrastructure to support the prioritization and proposal development for various ideas.

Innovation Channels and Innovator Personas

An innovation channel is a mechanism or means of probing the organization to garner ideas in response to a particular challenge or objective. Various organizational roles or individuals providing innovative ideas are defined as innovator personas. Start-ups and entrepreneurial businesses tend to tap the potential of innovator personas across the organization, while larger organizations typically work with mid- to senior-level management. Based on the purpose of the innovation effort, it can be critical for the BRM organization to engage the right innovator personas to generate the best ideas.

An equally critical task is to ensure that suitable innovation channels are identified, depending on the type of ideas needed and the type and size of the persona audience being harnessed for innovation. Key characteristics of various innovation channels are depicted in Figure 2.

Idea Management Systems

While facilitating innovation processes, technology enablers such as idea management systems can also be leveraged to simplify the process of idea gathering, idea evaluation and communication to a wide audience of innovators. Idea management systems enhance operational efficiencies for innovation processes such as innovation campaigns. Some of the key functionalities provided by idea management systems are rapidly customizable templates for gathering

Innovation Channels and Innovator Personas

<table>
<thead>
<tr>
<th>Idea Type</th>
<th>Persona Type</th>
<th>Size of Persona Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation Lab</td>
<td>Improvement opportunities based on key organizational objectives.</td>
<td>Mid- to senior-level management.</td>
</tr>
<tr>
<td>Innovation Booth</td>
<td>Top-of-mind issues/concerns and improvement opportunities.</td>
<td>Attendees for a particular event.</td>
</tr>
<tr>
<td>Innovation Campaign</td>
<td>Potential ideas and solutions to address a single objective or concern.</td>
<td>All employees from select departments/organizations.</td>
</tr>
<tr>
<td>Focused Innovation Workshop</td>
<td>Potential ideas/solutions to address a single objective or concern.</td>
<td>SMEs representing different departments or perspectives.</td>
</tr>
<tr>
<td>One-on-One Innovation Meeting</td>
<td>Improvement opportunities based on key organizational objectives.</td>
<td>CXO/senior leadership member.</td>
</tr>
<tr>
<td>Innovation Letterbox</td>
<td>Top-of-mind issues/concerns and improvement opportunities.</td>
<td>All employees from the organization.</td>
</tr>
</tbody>
</table>

Figure 2
CASE STUDY >>
Leading U.S. Insurer Embraces BRM

Challenge
Charged with enhancing the business-IT relationship, the CIO at a large U.S. insurer engaged our business consulting team to set up a BRM organization.

Solution
Our business consulting team engaged with client stakeholders to identify the key challenges in the existing business-IT relationship. To address these challenges, we recommended the establishment of a BRM organization as part of the IT planning and strategy function. The four key functions of the BRM organization were:

- Facilitation of innovation to manage the idea-generation process through four key innovation channels: innovation labs, innovation booths, innovation campaigns and focused innovation workshops.
- Business opportunity management for providing consultation to the business for proposal development.
- Monthly business partner reviews to gather feedback from various business units on key business performance metrics.
- Semi-annual business customer satisfaction surveys to assess improvement opportunities for the business-IT relationship.

Based on the four key functions, we recommended that the BRM organization be staffed by one executive to manage the overall business-IT relationship, three managers aligned with one or more of the six lines of business and one manager dedicated to the strategic initiatives.

To provide a working framework for the BRM organization and various innovation mechanisms, we defined and syndicated detailed packages, including process flows, standard operating procedures, supporting process templates and metrics. As part of enabling the creation of the BRM organization and suggested innovation processes, we also worked with the client to define detailed implementation and training packages.

Benefits
The insurer has rolled out our functional recommendations on the BRM organization setup and has implemented various innovation processes. As a result, the company has realized the following benefits:

- A 20% to 25% increase in the overall business satisfaction score, measured by a stronger business-IT partnership, improved communication, innovative technology solutions and periodic reviews.
- A significant increase in the number of new ideas (on the order of fourfold) generated through various innovation mechanisms and eventually converted into strategic initiatives.
- A significant reduction in the average cycle time (on the order of 30%) of developing proposals for technology initiatives by engaging the BRM organization to drive the process.
success should be continuously measured using the following parameters:

- Business satisfaction survey on the state of the business-IT relationship.
- The quality and number of technology ideas or solutions that were proposed to the business for growing and transforming its capabilities.
- The degree to which the business is up to date on key IT events and initiatives.
- Average cycle time reduction in developing proposals for technology initiatives.

References

About the Authors
Philippe Dintrans is the Vice President and the Practice Leader of Cognizant Business Consulting’s (CBC) Strategic Services Group for North America, where he has led a number of consulting engagements on business transformation, IT transformation and change management for marquee clients. Philippe holds a master’s of science in engineering from Massachusetts Institute of Technology (MIT) and an MBA from INSEAD. He can be reached at Philippe.Dintrans@cognizant.com.

Amit Anand is a Senior Manager with CBC’s Strategic Services Group, with 11 years of experience in successfully leading and managing large IT performance and process improvement initiatives for various clients. Amit holds a bachelor’s degree from IIT Delhi and an MBA from the Indian School of Business, Hyderabad. He can be reached at Amit.Anand@cognizant.com.

Joseph Nathan is a Senior Consultant with CBC’s Strategic Services Group, with seven years of IT consulting experience. His specific areas of expertise include IT organization and operating models, cost optimization and business process re-engineering. He holds a bachelor’s degree from Madras University and an MBA from the Indian Institute of Management, Bangalore. He can be reached at Joseph.Nathan@cognizant.com.

Jayadevan Vijayakrishnan is a Senior Consultant with CBC’s Strategic Services Group, with six years of experience in the industry. His specific areas of expertise include IT performance and process improvements, IT organization and operating model redesign and IT strategy development. He holds a bachelor’s degree in computer science engineering and an MBA from the Indian Institute of Management, Bangalore. He can be reached at Jayadevan.Vijayakrishnan@cognizant.com.
About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world's leading companies build stronger businesses. Headquartered in Teaneck, New Jersey (U.S.), Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise, and a global, collaborative workforce that embodies the future of work. With over 50 delivery centers worldwide and approximately 140,500 employees as of March 31, 2012, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 500 and is ranked among the top performing and fastest growing companies in the world. Visit us online at www.cognizant.com or follow us on Twitter: Cognizant.

© Copyright 2012, Cognizant. All rights reserved. No part of this document may be reproduced, stored in a retrieval system, transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the express written permission from Cognizant. The information contained herein is subject to change without notice. All other trademarks mentioned herein are the property of their respective owners.