# Evaluate the Capabilities of Your Information Technology to Support Your Enterprise Value-Creating Activities
Using
Value Network Modeling and Analysis

CIO Services, LLC offers an exciting new methodology to get at the old question of IT value. Extending beyond process analysis and linear value chain analysis, our Value Network Modeling and Analysis offering examines the capabilities and needs of IT in a Value Network ecosystem. Value network study has been around for several years, but has become very active in 2011-12 in part due to the works of Verna Allee, Graham Durant-Law, the OMG and because of the tie-in to the hot topic of social network analysis.

It used to be that organizations (companies) built value by vertically integrating the activities which made up the end product to the customer. The reality today however is that organizations more often than not are integrated into a value producing network, which is made up of multiple other organizations. The roles, relationships, transactions, deliverables (both tangible and intangible) which make up this value ecosystem must be understood because they all can add to value creation.

We extend value network analysis to zero-in on the Information Technology capabilities of an organization (company) for supporting value creation and identify where gaps exist.

Through the other service offerings of CIO Services, LLC , should you desire, we can advise, recommend, specify or implement the IT systems you may need to better create value in your ecosystem through the use of Information Technology.
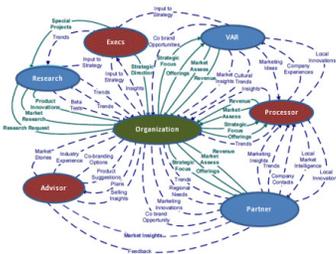
Q) Is this applicable to my organization?
A) If your organization is anticipating any of the following activities, consider using this evaluation methodology to assure results include the examination of value creation support.
- Confirmation that your IT investments are strategic
- Determination of gaps in business value-added activities
- Redesign or upgrade of current IT applications
- Setting up or changing Project or Program Portfolio processes
- Analysis of specific Ecosystem or Enterprise your company "plays" in
- Expansion of roles, activities or players in the Ecosystem
- Determination of two-way value which passes between Customers, Partners, Clients and other actors in the Ecosystem or down to the internal company level

Q) Why business analysis ; we just want to improve our IT?
A) IT is a resource which supports the strategic capabilities of an organization. Capabilities are used to add OR receive value to/from transactions or relationships between roles of an activity, either within your immediate organization or within the networked Ecosystem.
To effectively evaluate the capabilities-support provided by IT, it is critical that value-added transactions are identified and evaluated to pinpoint the most important value-adding activities. That is where IT will get the biggest "bang-for-the-buck"

In addition, most organizations today are in business networks, not business islands. This perspective has not been explored in most legacy IT systems implementations.

Q) What is Value Network Analysis?
A) In a nutshell – the Ecosystem roles and transactions (both tangible and intangible deliverables) of an organization's activities are examined to identify where value is being added (e.g. provide a service) and received (e.g. receive payment or knowledge) – looking for gaps wherever they may exist, where if mitigated would provide overall additional capabilities towards meeting the organization's mission.

Q) What would we get out of a Value Network Analysis?
A) The following are just some of the possible outcomes. It is somewhat dependent on the scope of the network and specifics of the question being addressed.
- An understanding of the organization's position in the value-creating network
- Core capabilities and future capabilities (includes IT) needed to meet value-creating needs.
- Identification of gaps in activities and capabilities (including IT)
- A map of how roles and relationships interplay within the organizations activities
- An understanding of the extent IT is/should be involved in converting tangible and intangible deliverables into value
- The extent IT has created structural bonds within the Ecosystem; for good or bad.
- Quantification of value for ranking
- Ways to create, extend, and leverage value within the organization and the network Ecosystem