Business Relationship Management:
Standards, Best Practices, and Practical Implementations

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In 2011, both ITIL and ISO/IEC 20000 formalized the existence of a dedicated business relationship manager (BRM) role and corresponding process. The simultaneous inclusion of BRM in both the ITIL best practices and the ISO/IEC 20000 standard was a logical step toward the growing recognition, among IT service providers of all types, of the need for a dedicated business customer-facing function and supporting process. ITIL defines the BRM as an "advocate of the customer," someone who interfaces with most IT service management processes and plays a pivotal role in articulating, communicating, and synchronizing the customer's and IT service provider's strategies and expectations.[1] The growing number of BRMs is a response to the mounting pressure on CIOs to improve IT-business alignment and regain the confidence of business executives, which some 75 percent of IT organizations have lost.[2]

As more organizations adopt ITIL best practices or pursue ISO/IEC 20000 certification, the number of BRMs continues to rise. Gartner predicts that the percentage of IT personnel dedicated to relationship management and change leadership functions will reach nearly 15 percent by the end of 2013, 20 percent by 2016.[3] However, many organizations still struggle to measure BRM performance effectively.

Whether your organization is new to business relationship management or already has a functioning BRM role, our

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[1] *ITIL Service Strategy* (TSO, 2011).

[2] Ellen Messmer, "CFOs Lack Faith in CIOs and IT Teams, Survey Shows," *Network World* (June 22, 2011), **www.networkworld.com/news/2011/062211-cfos-cios.html**.

[3] Diane Morello, "IT Professional Outlook, 2012 to 2016: Prepare for a Future Unlike the Past," Gartner Industry Research (January 27, 2012), **www.gartner.com/id=1907116**.

goal is to help you either improve your existing performance assessment framework or implement a new, comprehensive ITIL-based BRM performance assessment framework informed by the ISO/IEC 20000 standard requirements. We will discuss the BRM role and corresponding performance evaluation criteria implemented at a leading retailer and compare it with the latest ISO/IEC 20000 standard requirements and ITIL best practices. Finally, we will outline some challenges BRM implementations often encounter and suggest ways to overcome them.

Untangling the Knots

When we first engaged with Value Masters, Inc.,[4] its IT organization was known internally as "The Knots." At the time, IT was poorly aligned with the business and was known for persistently *not* delivering solutions that met the business's requirements. The solutions IT delivered—with frequent project cost and deadline overruns—often had abysmal quality records, with software bugs and system crashes considered all but the norm. Significant IT resources were committed to fixing service problems, but IT kept tying things up in quick-fix knots, making the environment ever more unstable. The result? It took forever to get anything done.

Recognizing that IT *was* the root cause of the problem, the CIO established a team of business relationship managers (BRMs) to work closely with the business to radically improve IT-business alignment and transform the IT organization from a costly business burden into lean and efficient business enabler and partner. To untie the Gordian IT service knot, the CIO defined the following BRM role objectives:

1. Lock down the sporadic and often disruptive changes to IT systems and services with a formalized change management process.
2. Improve demand and capacity management processes to help IT better understand and proactively respond to changing business requirements.
3. Establish three-year business and IT solution road maps to better manage business expectations and improve strategic planning and IT resource allocation.
4. Use business analysis techniques and business cases to define high-level product features and desired service levels for existing and emerging IT offerings.
5. Ensure IT service delivery objectives are met at a line-of-business level.
6. Transform BRMs into trusted business partners and key members of their respective business units.
7. Leverage improvements in business relationship management to increase business satisfaction with IT and transform the IT-business relationship into a collaborative partnership.
8. Establish a comprehensive business-value-driven framework of critical success factors (CSFs) and key performance indicators (KPIs) to perform periodic progress and BRM role performance assessments.

Building effective, well-balanced relationships with both IT and the business is often the first challenge for newly-minted BRMs. At Value Masters, some IT staff initially failed to see the value of the BRM role, because, to them, the BRMs appeared to be focused primarily on working with the business and only occasionally checking in on IT projects. This perceived disconnect is an occupational hazard inherent in the BRM role: as customer advocates, BRMs spend a lot of time meeting and planning with the business. To overcome the perceived lack of value to IT and promote effective relationships with key IT staff, the BRMs at Value Masters host monthly road map reviews with IT project managers, architects, and solution delivery managers. At these meetings, the BRMs outline current business priorities that will help improve resource allocation and prioritization.

At Value Masters, the BRMs' success is measured through biannual business satisfaction surveys. In a twenty-question survey, business customers rate the BRMs' performance as well as overall IT service quality for their areas. The CIO discusses the survey results during each BRM's performance review, and the BRMs' bonuses are contingent on the performance of the respective business units, which provides additional incentive for BRMs to champion IT projects with the greatest value to their business customers.

Since its inception two and a half years ago, the BRM team at Value Masters has been quite successful. The IT organization shed its disparaging moniker, and as the business's confidence in IT ability to deliver value grew, so did its expectations. Many business executives have not only recognized the value BRMs bring to their businesses, they've willingly allocated budgets to fund additional BRM positions. Today, BRMs play a crucial role in ensuring business-customer satisfaction with quality, business-value-driven IT services.

A Successful BRM Implementation Blueprint

According to the ISO/IEC 20000 standard, "the BRM process should ensure that the mechanisms are established to manage relationship between the service provider and customer(s). An outcome from the process should be improved customer satisfaction and delivery of value through achievable business outcomes."[5] At Value Masters, the CIO recognized the need for and correctly positioned his BRM team to affect swift, positive transformation. The BRMs were charged with improving business-customer satisfaction, and were given specific, high-impact objectives to achieve this goal. A common tactic when it comes to turning struggling IT services around is instituting strict change management controls to stop the flood of (often disruptive) unauthorized changes.[6] As change-related service outages were brought under control, the BRM team at Value Masters shifted its focus to more strategic goals, including proactive demand and capacity management, all the while using every opportunity to establish a rapport with and earn the trust of the business customers and IT stakeholders.

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[4] The name of the company has been changed to preserve its anonymity.

[5] "Guidance on the application of service management systems," ISO/IEC 20000-2:2012, **www.iso.org/iso/home/store/catalogue_tc/catalogue_detail.htm?csnumber=51987**.

[6] Kevin Behr, Gene Kim, and George Spafford, The Visible Ops Handbook: Implementing ITIL in 4 Practical and Auditable Steps (IT Process Institute, 2005), **www.itpi.org/the-visible-ops-handbook**.

Building trust and establishing effective partnerships takes time and persistent effort. Depending on the severity of the situation and the amount of available goodwill, BRMs might be given some time to establish credibility; more often than not, however, the pressure is on to show results quickly. Customer satisfaction metrics, which should become an essential part of the BRM performance evaluation framework, might not improve quickly enough to win support for the BRM role among the more skeptical business stakeholders.

As the BRM role and IT services mature, and as the focus of the BRM shifts toward strategic planning, IT project value management, and the expansion of business relationships, the implementation of an effective framework of BRM-process-centric CSFs and corresponding KPIs is a crucial step. CSFs and KPIs will enable the organization to measure BRM performance and more effectively communicate the business value of the BRM role. The table below summarizes the CSFs and KPIs ITIL recommends for BRM process assessment.[7]

Select CSFs and KPIs Recommended by ITIL

CSF_1: The ability to document and understand customer requirements and services and the business outcomes they wish to achieve.	**KPI_1:** Business outcomes and customer requirements are documented and signed off on by the customer as inputs into service portfolio management and service design processes.
CSF_2: The ability to identify changes to the customer environment that could potentially impact the services provided.	**KPI_2**: BRM provides input about changes to the customer environment that result in changes to services and strategy, resulting in improved customer satisfaction scores.
CSF_3: The ability to establish and articulate business requirements for new services or changes to existing services	**KPI_3**: Every new service has a comprehensive set of requirements defined by the business; these have been signed off on by both the business and IT leadership at the strategy, design, and transition stages.
CSF_4: Formal complaints and escalation processes are available to customers.	**KPI_4**: The number of complaints and escalations are measured and trended over time and by customer.

Beyond the Basics

As a crude simplification, the journey from a dysfunctional, mistrusted, and inconsistent provider of IT solutions and services to a valued business partner has two major stages:

Stage 1: Stop the bleeding.

Stage 2: Build a valued and value-producing partnership with the business.

IT service management and business relationship management factor heavily into Stage 1, as evidenced by the CSFs and KPIs in the table above. These are not sufficient, however, to succeed in Stage 2. While an IT organization must be careful not to revert back to an early state of poor service quality and customer satisfaction, simply delivering ever-improving services will not transform IT into a respected, value-producing business partner. Sooner or later, IT service management improvement efforts will reach a point of diminishing returns. You'll need to do something different to keep improving the business's return on its IT investment.

While BRM is important in both stages, the competencies, activities, and performance evaluation criteria needed for Stage 2 will be different from those used in Stage 1. While Stage 1 tends to emphasize supply management processes and activities, Stage 2 focuses on business demand management: stimulating, surfacing, and shaping demand for services, activities, and initiatives with the highest potential business value. Whereas Stage 1 BRM performance evaluation criteria can be largely quantitative, qualitative metrics become more valuable in Stage 2. The table below provides examples of CSFs and KPIs that become increasingly relevant during Stage 2.

Sample CSFs and KPIs for a More Mature BRM Process

CSF_1: The ability to leverage information and IT for competitive advantage.	**KPI_1:** The proportion of the IT investment portfolio allocated to strategic initiatives intended to create competitive advantage.
CSF_2: The ability to assess business value realized through IT assets and investments.	**KPI_2**: Every business case has measures of forecasted business value that are tracked to determine actual value realized.
CSF_3: The contributions of the BRM team to business strategy formulation and execution.	**KPI_3**: The business unit has a comprehensive business strategy with capability and business solution road maps it co-owns with the BRM.
CSF_4: The BRM is recognized as a valued member of the business unit management team and a valued asset by the IT organization.	**KPI_4**: The BRM's ability to understand, contribute to and communicate business unit strategy and promote the IT "brand" and capabilities.

It is hardly possible to describe every aspect and prescribe a complete set of universally applicable metrics for the multifaceted BRM role that, by its very nature, resists a one-size-fits-all solution. Effective business relationship management is as much an art as it is a structured process. We hope you learned enough to get started on your BRM implementation journey. If you have any questions, please don't hesitate to contact us at **www.BRMInstitute.org**.

About the Author

Dr. Aleksandr Zhuk has more than eighteen years of hands-on experience designing, building, implementing, supporting, and managing complex IT and communications systems. He is a senior member of Citigroup, Inc.'s Global Active Directory Support team and the founder of the Business Relationship Management Institute, an organization dedicated to research, development, and professional training in the field of business relationship management. Aleksandr received his doctorate in management from the University of Phoenix and has earned CISSP, ITIL, and ISO/IEC 20000 professional certifications.

[7] For the full list, please see Section 4.5.8 of *ITIL Service Strategy* (TSO, 2011). A couple of recent publications expand the list of recommended CSFs and KPIs even further: Kurt McWhirter and Ted Gaughan, *The Definitive Guide to IT Service Metrics* (IT Governance Publishing, 2012); Peter Brooks, *Metrics for Service Management* (Van Haren, 2012).