

Quick Assessment Service for IT Investment Management -Impact*-

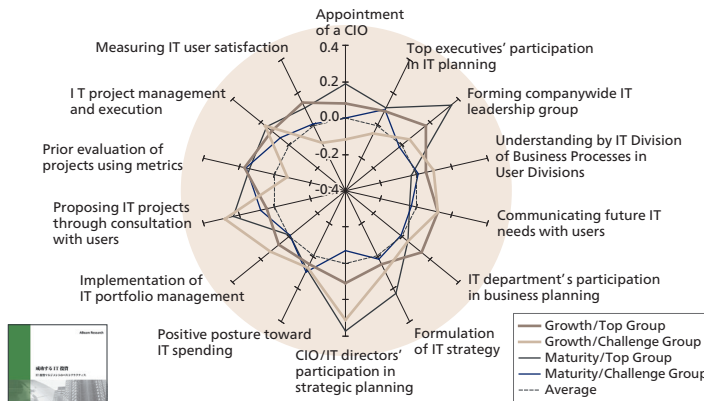
These days, companies employ IT as a tool for directly changing their business and its significance is growing substantially. As IT becomes more important, there is a strong demand for commitment to accountability, and to results, in IT investing. A survey conducted by ABeam Research between October and December 2003, entitled "Managing IT Investment for Success: Best Practices of IT Investment Management" revealed that, while companies retain their enthusiasm for IT investment, they are dissatisfied with the results of their IT investing. In this environment, devising a mechanism for delivering results is a pressing task.

Quick Assessment Service for IT Investment Management -Impact*- is a service that quickly assesses the status of a company's IT management and delivers proposals for making it effective.

IMPACT=IT Management Process Assessment and Classification Tool

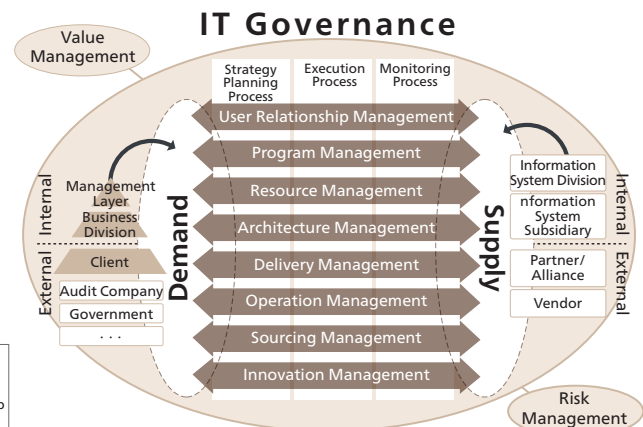
Assessment Characteristics

"Managing IT Investment for Success: Best Practices of IT Investment Management*" is used as a benchmark to evaluate the gap between companies and the best practice of IT Investment Management, depending on the company's market position.



* "Managing IT Investment for Success: Best Practices of IT Investment Management" was developed based on questionnaires received from 125 companies listed on the stock market, and analyzed the results regarding their level of success in IT investment and its management process execution.

Based on the IT framework best practice model derived from a wealth of consulting experience, the maturity of IT management is measured



* IT Management Framework is a guideline advocated by ABeam Consulting, of various items that a CIO must comprehensively and systematically manage in order for a company's value to increase.

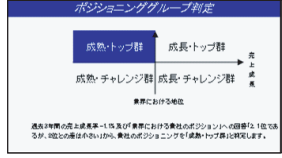
Quick Assessment Approach

The timeframe for implementation is around four weeks (excluding preliminary preparations). Beyond the IT department, we also conduct investigations and interviews of management personnel and user departments, which enable us to make assessments from a company-wide perspective.

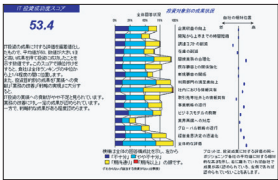
	About 4 Weeks				
	Preparations	Research into Current Situation (About 1 Week)	Analysis / Assessment (About 2 Weeks)	Report Creation (About 1 Week)	Report Submission
Work Outline	Awareness alignment with related members and preparations needed in order to start the quick assessment are held	Identification of agendas for each resource, questionnaire / interview research is conducted.	Based on the responses to the questionnaires, an assessment regarding the current situation is created, and measures are suggested.	Analysis / Assessment Results and Reports are Organized	2. Next Step 1. Assessment Results I Positioning Groups II IT Investment Success Level III IT Investment Process IV Information System Division Placement V Information System Division Organizational Ability
ABeam's Work	<ul style="list-style-type: none"> Explanation of Research Summary Submission of Previously Confirmed Resource List Creation of Interview Sheet 	<ul style="list-style-type: none"> Advancement of Interviews and Organization Extraction of Agendas 	<ul style="list-style-type: none"> Gather Response to Questionnaires Benchmark Analysis Agenda Organization Extraction of Suggested Measures 	<ul style="list-style-type: none"> Analysis Results Organization Suggested Measures Organization 	
Client's Work	<ul style="list-style-type: none"> Submission of IT Related Resources Interview Supervisor / Internal Adjustment of Schedule 	<ul style="list-style-type: none"> Responses to Questionnaires Responses to Interviews 	<None>	<None>	
Suggested Items	Based on scope of information and research conditions that allow for advance adjustments, the work period may be changed slightly.	Receive cooperation on research in to the Information System Division, Management group, and User Division	Based on the situation of the questionnaires, some parts may not be analyzed	The specific suggested measures gained from the results of the assessment will be presented in a separate discussion	

Assessment Content

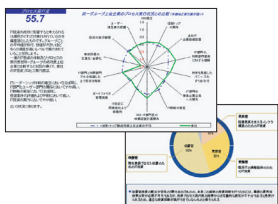
1. Positioning Groups

<p>Assessment Perspective</p> <p>"A Study of Success Result in IT Investment" indicated that the business and competitive environments in which companies operate are strongly influential on their IT investment judgments and implementation. We identify the subject company's positioning in order to benchmark its IT investment management processes and clarify the key points for improvement.</p>	<p>Assessment Content</p> <ul style="list-style-type: none"> ■ We gather data on revenue growth and position within the industry from published information and questionnaire responses. ■ Between these two axes, we judge which positioning group the subject company belongs to, from "Growth – leaders", "Growth – challengers", "Maturity – leaders" and "Maturity – challengers". 	<p>Illustration of Assessment Results</p>  <p>The diagram shows a 2x2 matrix with 'Revenue Growth' on the vertical axis and 'Market Position' on the horizontal axis. The quadrants are: Top-Left (Maturity-Leaders), Top-Right (Maturity-Challengers), Bottom-Left (Growth-Challengers), and Bottom-Right (Growth-Leaders). A subject company is plotted in the Growth-Challengers quadrant.</p>
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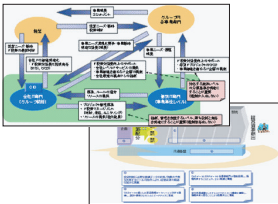
2. IT Investment Success Score

<p>Assessment Perspective</p> <p>The existence of a positive correlation between companies with higher degrees of IT investment success and company performance has been confirmed. To demonstrate whether or not IT investment is effectively delivering results, our analysis takes into account business performance information, which is objective and quantitative.</p>	<p>Assessment Content</p> <ul style="list-style-type: none"> ■ Based on responses to an assessment questionnaire concerning the results of IT investment for each purpose, we apply weighting for each field, giving, for example, higher scores to fields directly linked to increasing profitability, to generate a standard ■ We compare the subject company's score to the average value for all companies belonging to the same positioning group, to produce a relative judgment of the status of results for each investment purpose. 	<p>Illustration of Assessment Results</p>  <p>The chart shows a score of 53.4 for the subject company. It compares this score against various IT investment purposes (e.g., Revenue Growth, Profitability, Operational Efficiency) and benchmarks it against other companies in the same positioning group.</p>
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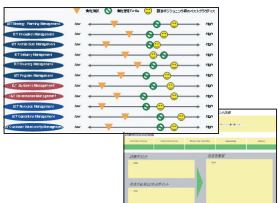
3. Level of Execution of the IT Investment Process

<p>Assessment Perspective</p> <p>There is no single decisive factor for success in IT investment. It is important to recognize the process running through the IT investment management as a pattern. For example, portfolio management in IT investment first yields results when the allocation of investment conforms to the company's strategy and an IT investment process has been established, and not when attention is only given to classification methods and absolute values of investment allocation.</p>	<p>Assessment Content</p> <ul style="list-style-type: none"> ■ We take questionnaire responses as the benchmark to compare against an IT management process pattern tailored to the company's position, identifying areas for improvement. ■ We use interviews to check the record of investment allocation to each field, and assess the linkage to the state of process execution. 	<p>Illustration of Assessment Results</p>  <p>The chart shows a score of 55.7. It uses a radar chart to compare the subject company's performance across 11 different management fields against a benchmark.</p>
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4. Positioning of the IT Department

<p>Assessment Perspective</p> <p>We clarify whether the IT department, which should be accountable for the results of investment, is able to give clear responses to the demands of management and of business departments, to reaffirm the position of the IT department in the subject company</p>	<p>Assessment Content</p> <ul style="list-style-type: none"> ■ We interview representatives of management, business departments and the IT department to check for perception gaps concerning the division of roles between them, and propose points that should be clarified, with reference to the ABeam Best Practice Model ■ The company indicates the areas in which the IT department contributes to added value generation in line with company business strategy. 	<p>Illustration of Assessment Results</p>  <p>The diagram illustrates the relationship between the IT department and other business units (Sales, Marketing, Production, etc.), showing how IT contributes to value generation across the organization.</p>
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5. Organizational Ability of the IT Department

<p>Assessment Perspective</p> <p>It is important that the IT department, which is responsible for the execution of the IT investment process, should exercise comprehensive administrative control, at an appropriate level, over all aspects of IT. For each of the 11 management fields defined in ABeam's IT Management Framework, we clarify the maturity of the IT department's organizational functions and the management level.</p>	<p>Assessment Content</p> <ul style="list-style-type: none"> ■ We use questionnaire responses and interviews to check the current level of execution, and the target level, in each management field. ■ We consider the level of priority of each field that requires improvement, and propose remedial measures for fields which require urgent attention. 	<p>Illustration of Assessment Results</p>  <p>The chart shows a score of 55.7. It uses a radar chart to compare the subject company's performance across 11 different management fields against a benchmark.</p>
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