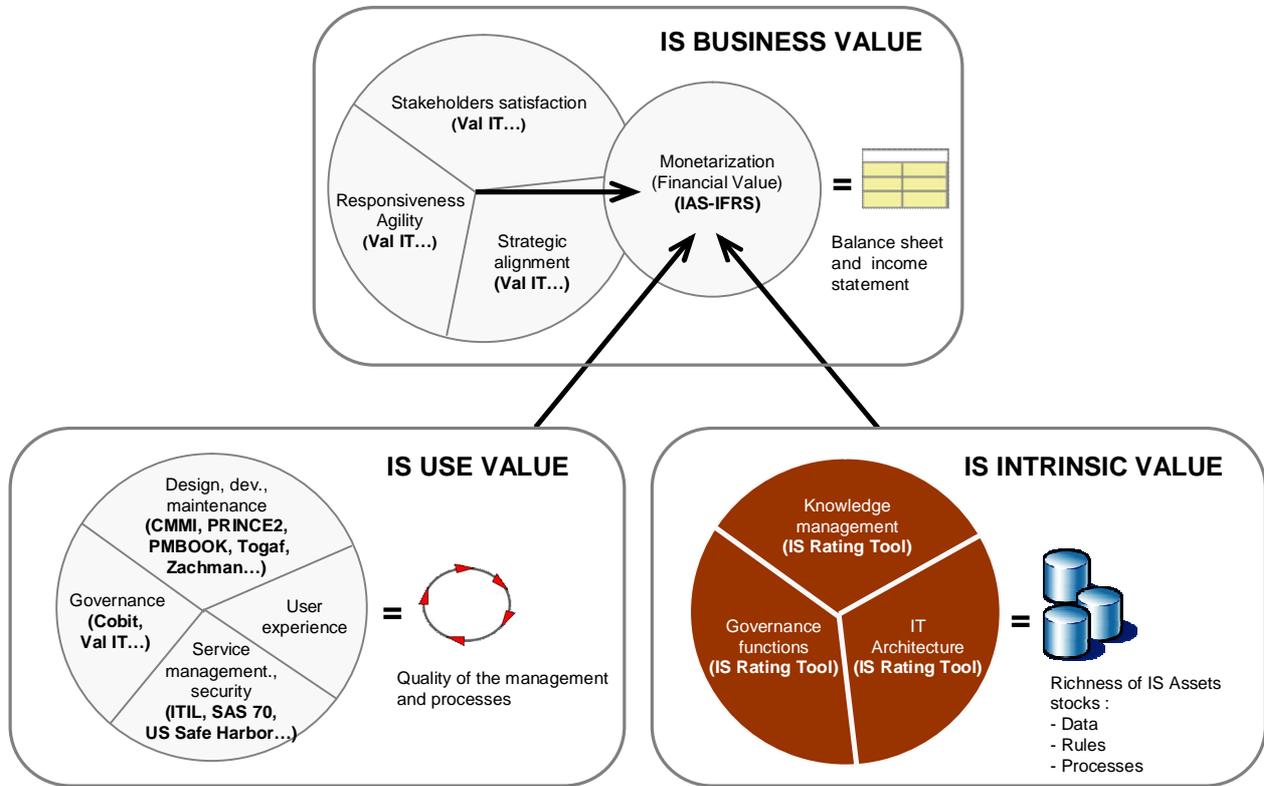


## Types of IS Values

### The missing link of IS Intrinsic Value

In order to compute the sound Value of IS, three types of values must be distinguished: IS Use Value, IS Business Value and IS Intrinsic Value. This last one is where Sustainable IT Architecture enforces its IS Rating Tool.



### IS Use Value

This value deals with the quality of the management and processes established by a company to design, develop, maintain, and run its Information System. In this field, well-known methods and frameworks already exist such as: CMMI, PRINCE2, PMBOOK, TOGAF (ADM), Zachman, and others in the governance field (Cobit and Val IT), and service management and security issues (ITIL, SAS 70, US Safe Harbor, etc.). And finally, the Use Value of IS also encompasses the quality of user experiences.

### IS Business Value

This value deals with two complementary issues. The first one measures the level of stakeholders satisfaction, and the ability of the IS to adapt itself quickly to meet business strategy and requirements. In this field, Val IT is the more well-established framework to support Business IS assessment. The second one is the monetarization of IS into concrete financial terms. This valuation must translate the effectiveness of IS into financial terms (IS contribution to the businesses), but also it must take into consideration the quality of IS Intangible Assets, namely the quality of stocks of information collected and managed by a company, it means its Data, Rules and Processes. In a fast-growing digital economy, if quality of these assets is insufficient, then the competitiveness and the sustainability of a company must be questioned. To tackle this financial translation, the new financial and business accounting IAS-IFRS establishes a set of additional assets to measure in the balance sheet and income statement such as: human capital, marks, patents, customer satisfaction and loyalty, etc. and last but not least, the Information System. To measure the value of IS Assets we need to tackle its Intrinsic Value.

## IS Intrinsic Value

This value allows a company to compute a performance level applied to the quality of its IS assets, namely its data, rules and processes. Three domains of assessment are used to establish a measure in relation to each of these three types of IS Assets. The first one is the "**Knowledge management**"; it checks if the memory effort is sufficient to build and maintain the knowledge of data, rules and processes with a high level of reliability and sustainability. For example, if a customer database has a poor documentation with heavy information duplication across the Information System, then the Intrinsic Value will go down.

The second domain of assessment is in relation to the "**governance functions**" available to business users to allow them to govern their IS Assets, namely their data, rules and processes. Here, the quality of the organisation is not measured as the Intrinsic Value is focus on the availability of governance functions only. The performance of the organization is gauged with the Use Value. For example, if some key data are managed through a rough spreadsheets tool (Open Office calc, Excel...) then the ability to deliver a reliable data version management is compromised. Indeed, only a "Save as..." operation is possible. Therefore, the Intrinsic Value will be bad. On the opposite, if a company uses a database with a business user version management feature, then the Intrinsic Value will go up. Obviously, even with this high-end business governance function, the organization a company enforces could be inefficient. In this case, the Use Value will be bad, whereas the Intrinsic Value is good. As you can guess, the opposite situation is also possible: a good Use Value with a bad Intrinsic Value.

The last domain of assessment is the IT Architecture. In this field, the Intrinsic Value gives a set of indicators to check if the IT Architecture is mature enough to support the memory effort (knowledge management) and business governance functions. Here, a targeted IT Architecture is defined and relies on the integration between business repositories, namely MDM, BRMS and BPM.

The IS Intrinsic Value is measured with help from the IS Rating Tool, established and freely published by the Sustainable IT Architecture not-for-profit organization.