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# **Bridging the IS-Line Interface: The Role of the Relationship Manager**

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## **Abstract**

IS Organizations are increasingly focusing on managing the interface between themselves and their clients within organizations to improve not only the level of customer service but also the utilization of firm investments in hardware and software. Several organizations have recently created full-time specialized positions, often termed 'Relationship Manager' to manage the relationship between IS and Line groups. This paper presents the results of an exploratory study to understand the role of the 'Relationship Manager'(RM) and how people in these positions deliver value to IS and Line groups in the organization.

Our findings are that the role of the RMs is complex, requiring a focus on the coordination of activities across the IS-Line interface in the short run while marshaling organizational energy towards initiatives that position the firm favorably in the medium and long term. Combining an intimate knowledge of the organization with expertise in IT, the RMs utilize their influential positions in the informal network within the firm to create and capitalize on opportunities to champion innovation and enable change.

## **Introduction**

A recent report on the use of Information Technology (IT) in organizations indicates that "corporate data processing is going through some of the most radical changes since electronic computers were first used in business" (Financial Times, 1994, p.1). An effective interface between the IS group and users of IT in the firm not only allows the users to utilize technology appropriately but also helps the IS identify IT investments and initiatives that provide value to the firm. Managing the interface between business units and the providers of IT services is therefore a critical issue

To improve the management of the IS-Line interface, several IS organizations have created full-time, designated variously as Relationship Manager', 'Consultant', 'Account Manager' and 'Account Executive'. In contrast with the general trend towards the reduction of managerial positions in IS departments, the number of 'Relationship Managers' is on the increase (Dresner, 1993). Our initial surveys indicate that these positions are typically managed by middle level or senior management personnel drawn from the IS department with significant exposure and understanding of the business of the firm. We refer to people in these IS-Line interface positions as 'Relationship Managers' because the key result area for each of them is the building of an effective, responsive relationship between IS and Line groups. Relationship Managers neither have people reporting to them directly, nor do they have formal authority to allocate budgets or

determine schedules. The effectiveness of people in such positions therefore depends largely on their ability to leverage their expertise and on their personal capabilities to influence the actions of IS and Line personnel. While anecdotal evidence for the usefulness of the position of the Relationship Manager is available, little is known about the activities of the persons in the role and how they deliver value to IS and user groups. This is a significant issue as the role of the RM, as the point of contact for users with the IS is vulnerable to scapegoating and elimination during periods of discontentment with the IS department. This study represents the first known attempt to systematically collect data to understand the role of managing the IS-Line interface.

## Research sites and Methods

We collected data from on-site observations of Relationship Managers at four firms that had created full-time positions to manage the IS-Line interface. The managers chosen for observation from each firm were interviewed over the phone to understand the context of the RMs' jobs and their specific responsibilities. Following these interviews, the first author observed the managers at work for two consecutive days, collecting data on their activities employing the technique of 'Structured Observation', previously used to study the roles of CEOs, IS Managers and CIOs (Mintzberg, 1973, Ives and Olson, 1981, Stephens, et al., 1993). Structured Observation involves the researcher taking the stance of a non participating observer to record the activities of managers as they occur, the time spent by the manager on each activity and collect qualitative data on the nature of the manager's actions. The RMs during the observation also provided a wealth of contextual information on the organization and their personal experiences in different situations. To supplement this data, we also collected copies of one week's worth of the managers' incoming and outgoing e-mail and paper correspondence. Details of the RMs and the organizations are in Tables 1,2.

	<b>TelCo</b>	<b>CompCo</b>	<b>ServCo</b>	<b>PowerCo</b>
<b>Designation</b>	Consultant	Client Executive	Account Manager	Client. Support Executive
<b>Position Created</b>	1993	1991	1990	1990
<b>Tenure in Firm</b>	27 years	12 years	10 years	14.5 years
<b>Tenure on the job</b>	1 year	1 year	4 years	4 years
<b>Background</b>	Systems Analyst	Tech Support	Systems Analyst	Data Center Ops

**Table 1: Details of Relationship Managers**

	<b>TelCo</b>	<b>CompCo</b>	<b>ServCo</b>	<b>PowerCo</b>
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<b>Nature of Client Organization</b>	Regional Telecom Provider	Computer Manufacturer	Telemarketinig	Nuclear Power Utility
<b>Organizational Dynamics</b>	Downsizing, Restructuring	Downsizing, Restructuring	Diversifying Customer Base	Downsizing, Cost Cutting
<b>Annual Sales</b>	\$12B	\$65B	\$150M	\$5B
<b>Relation of IS to Client</b>	Internal Division	Subsidiary	Subsidiary	Internal Department
<b>IS Budget</b>	\$260M	\$1B	\$155M	\$28M
<b>Trend in Budget</b>	Shrinking	5% Reduction/yr.	Growing	Shrinking to 3% Sales

**Table 2: Details of Organizations**

## **Results and Discussions**

The analysis of the structured observation records indicates that the RMs' work days are punctuated by a large number of interruptions, unscheduled events and crises that require immediate attention and action. The RMs spent significant periods of time communicating , with members of both IS and user groups talking over the telephone, using e-mail, and using face-to-face meetings. The patterns observed are consistent with previous reports of managerial action in IS organizations (Ives and Olson, 1983, Stephens, et al., 1994).

The Relationship Managers observed were 'old hands' in the IS community of their firms, having been part of the IS department when it was a much smaller and tighter knit group. The RMs consequently were part of an extensive informal network of IS personnel and users cutting across functional and departmental in the firm with many old friends currently occupying positions of influence and power. The RMs actively maintain this network, using it to be informed of developments within the organization and on occasion, mobilizing the resources of this network to solve problems.

In general, the RMs were observed to be very sensitive to the temporal perspective of action, a trait strongly associated with entrepreneurs (Bird, 1988). The RMs astutely judged the nature of the opportunity for action, balancing those that delivered results in the short and medium run with those that created value for the firm in the run. In dealing with controversies, the RMs reached out to their extensive personal network in both the IS and Line organizations to influence the course of events in ways that minimized cost, minimized delay and led to solutions acceptable to both users and IS personnel. In this manner, they enabled 'robust action' (Eccles and Nohria, 1994), balancing the need to create flexibility in the long term with the delivery of results in the short term.

Our data indicate that RMs' actions consist of a mix of routine coordination, activities aimed at achieving cross-functional integration and championing opportunities for IT enabled change.

*Coordination:* Relationship Managers, during their work day constantly handled unplanned requests for action on issues that ranged from minor questions (e.g. the billing code to be used for a particular project) to very significant crises (e.g. a system failure terminating a client's critical processes). Though reacting to these ad-hoc events was time consuming, the RMs seldom discouraged such interruptions even when other formal channels existed to handle these problems. One RM said that being the focal point of contact enabled him to 'have his finger on the pulse' of happenings in the firm.

*Cross-functional Integration:* In enabling cross-functional integration, the RM attend to issues that did not typically manifest themselves as problems. For instance, one RM spent a lot of time ensuring that the right set of developers were assigned to his clients' software projects because he knew that the formal process for project staffing was unsatisfactory.

*Enabling Change:* In several cases, we observed RMs enacting purposive strategies for change. For instance, one RM was successful in informally championing and having funds allocated to a Tele-commuting project that had been deferred because of budget cuts in the formal planning process. In other instances, the RM took advantage of serendipitous opportunities for action and change to create value for the organization a strategy often described as 'hustle' (Bhide, 1986). For instance, one RM initiated a dialogue with outsourcing vendors to create a formal proposal to outsource routine processing. While the RM realized that the IS group might feel threatened, he saw this as an opportunity to force the IS group to make the essential transition to a consultative role from its previous role rooted in providing routine DP services.

In general, our data indicates that the role of the RM is entrepreneurial, allowing for considerable latitude in interpretation by the individual. The RMs' actions to manage attention in environments characterized by uncertainty and a shortage of IS resources enable the judicious allocation of the limited IS resources across multiple client needs. Very importantly, RMs create value in the long term by playing the consultative role commonly visualized for them, championing technology driven innovation in the organization.

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