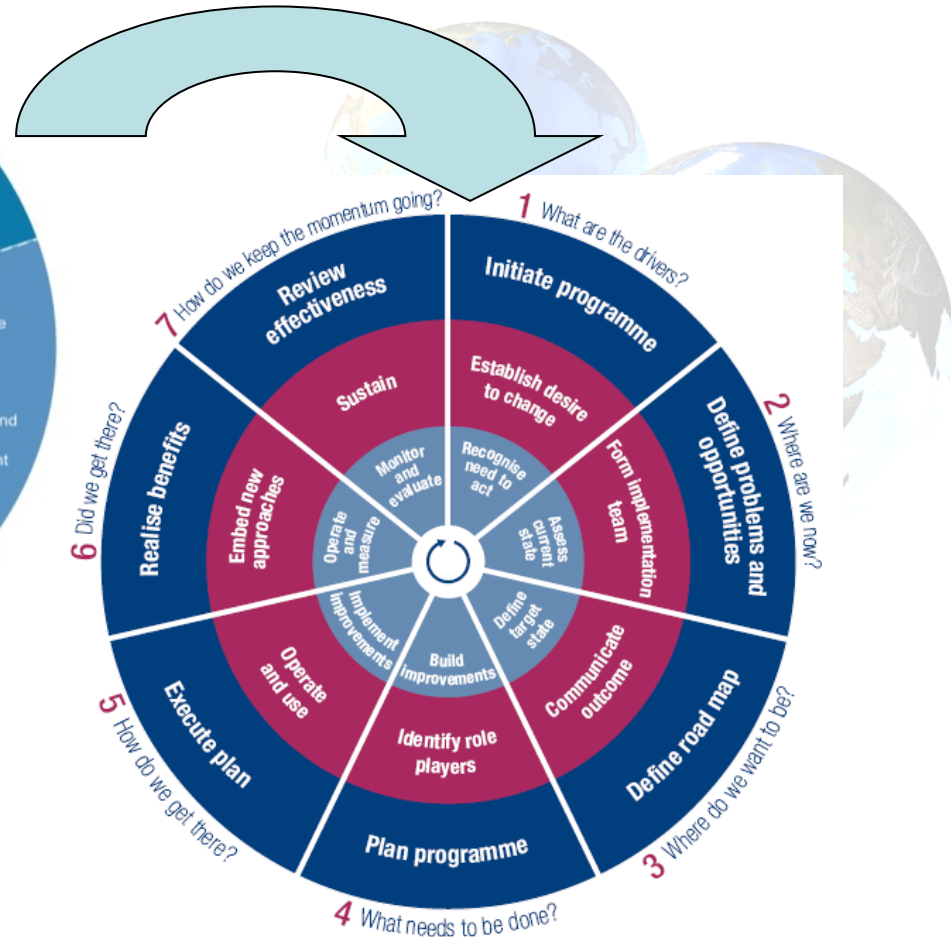
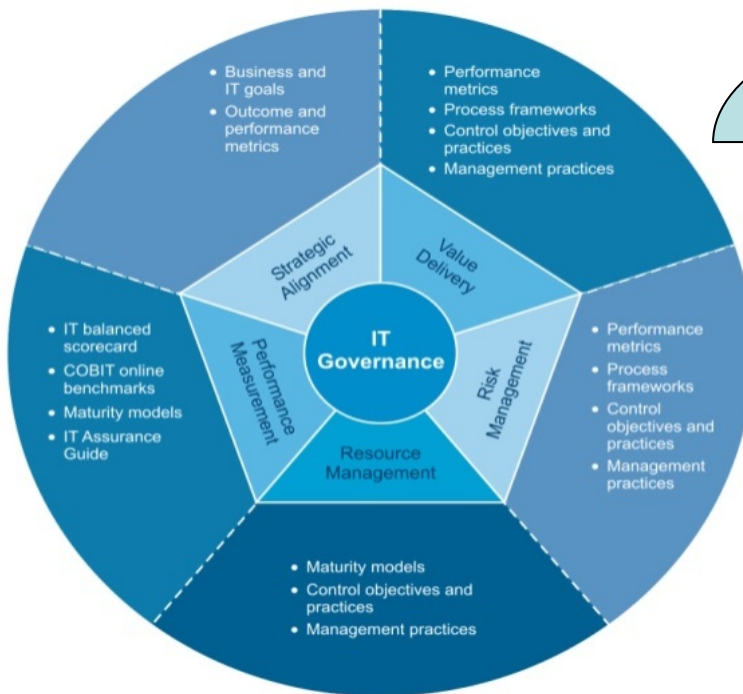


Implementing IT Governance




Agenda

- Getting Started
- Self Assessment
- Creating the right environment
- IT governance life cycle
- 7 Phases to Implementation
 - Phase 1: Change driver?
 - Pain points
 - Trigger events
 - Phase 2: Where Are We?
 - Phase 3: Where do we want to be?
 - Phase 4: What needs to be done?
 - Phase 5: How do we get there?
 - Phase 6: Did we get there?
 - Phase 7: Continued Sustainability?
- Challenges to success
- Enabling change



Getting Started

Red Flags of Common Examples of Poor IT Oversight

- Board members or senior managers are reluctant to engage with IT.
 - Business executives and IT executives communicate amongst themselves poorly or infrequently.
 - IT leaders and experts do not 'get' the business requirements.
 - Business leaders do not understand the potential for IT-enabled innovation.
 - IT-enabled changes frequently fail to meet business needs and are delivered late and over budget.
 - IT risks are not understood or managed effectively in conjunction with business risks.
 - Metrics to measure IT's success are not relevant to the business users.
- 

Self Assessment

- ISACA defines IT Governance as:

IT governance provides the conceptual framework, structures, processes, resources and information aligned to enterprise strategies and objectives, enabling the enterprise to take full advantage of IT, maximizing benefits, capitalizing on opportunities and gaining competitive advantage.

3 Scenarios of IT Governance starting assessment:

- 1) No Formal IT Governance framework implementation.**
- 2) In progress implementation of IT Governance**
- 3) Mature Formal IT Governance framework**

Which of these 3 would you consider the highest Risk?

Self Assessment con't

- None: If you have no IT Governance framework in place, the company is either getting started (who is the IT Governance Executive for Facebook?, how's that IPO investment working out for you)
- In Progress: I've implemented an IT Governance framework cause its important, but there are to many other pressures to make it a priority so until IT becomes a problem the business will status quo
- Mautre: I've spent time money and effort in the past to implement a robust IT Governance framework within the culture of the company we were 15 years ago, Oh wait we are not the same company we were 15 years ago due to 4 major mergers, 3 major divestures, countless restructures, and outsourcing half our IT staff, and moving our entire enterprise to that "Cloud Thing" so we don't have to worry about IT or it, is IT or it? I keep forgetting.

Creating the Right Environment

Creating the right environment is recognised now as a pre-requisite for successful implementation so that IT governance processes operate effectively as part of normal business practice, there is a culture supporting this, and there is top management active commitment.

To foster successful governance of IT:

- Include adequate direction and oversight, including guiding principles
- Provide sufficient commitment, direction and control of activities that are aligned with enterprise objectives
- Provide a foundation for ongoing implementation and operation of effective IT governance practices, in conjunction with process improvement activities
- ISACA Templates



Senior Leader
Diagnostic



MGT Awareness

Creating the Right Environment (cont.)

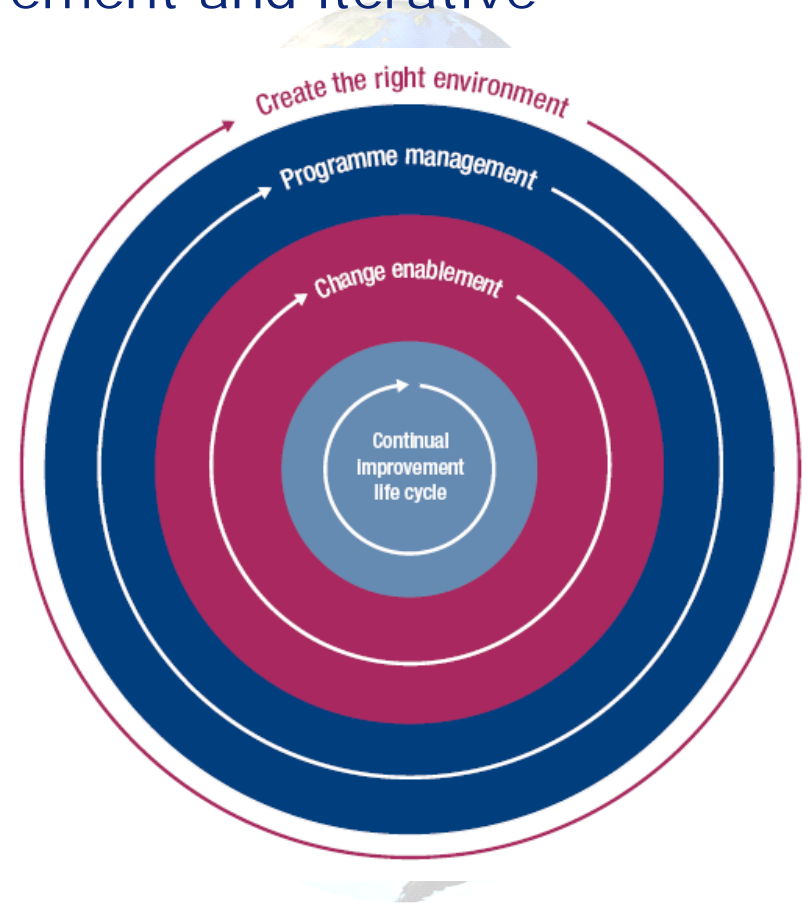
- Executive management should specify and design the guiding principles, decision rights and accountability framework for IT governance:
 - Set the tone at the top
 - Encourage the desired control culture regarding the use of IT to support enterprise objectives
 - Allocate clear roles and responsibilities for directing the IT governance improvement programme
- Provide a mechanism for executive and board oversight and direction of IT activities, e.g., IT strategy committee
- The executive should mandate adoption of an IT governance framework
 - Principles, policy, organisation, structures, processes and practices
 - Ensure alignment of IT risk management within the enterprise risk management framework
 - ISACA Templates



Implementation
Templates

Initiating a Life-cycle Approach

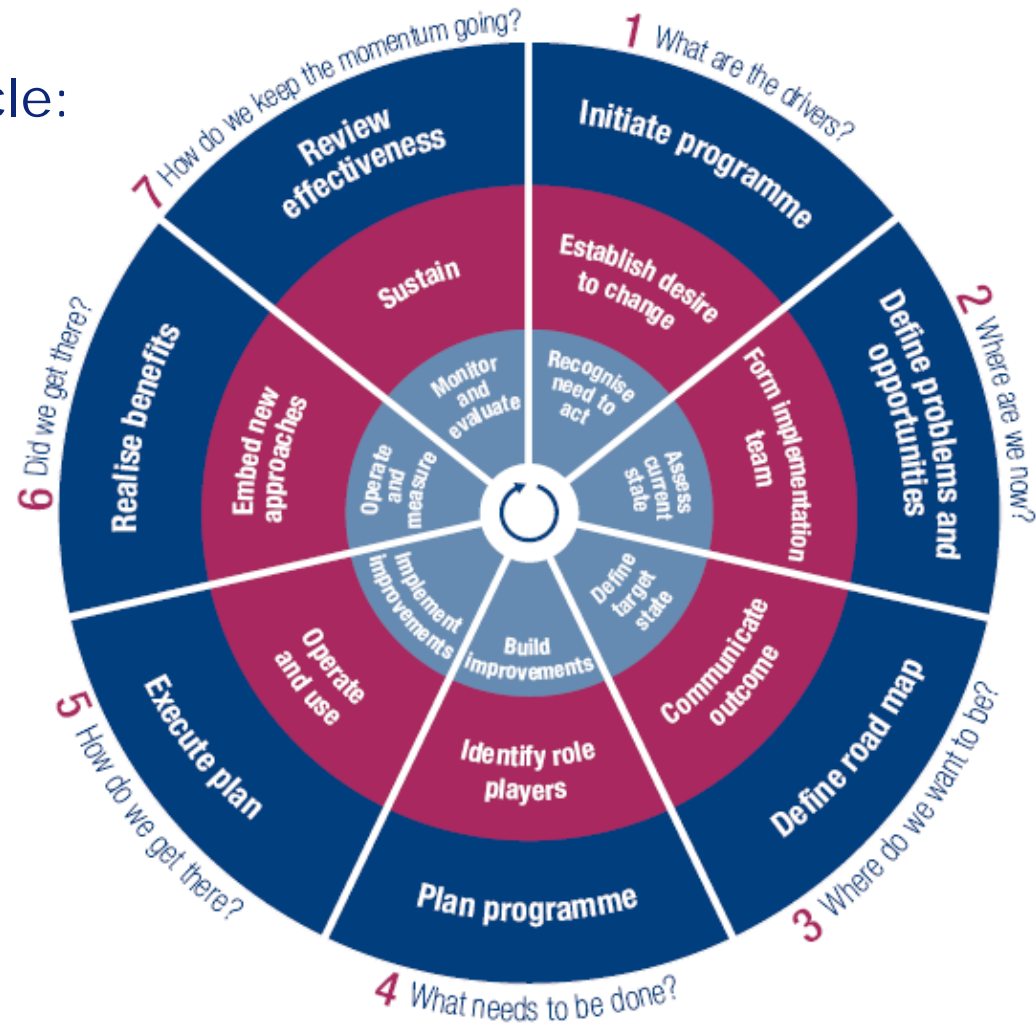
- New guide emphasises the life cycle rather than a 'road map' that implies a destination
- Life cycle provides ongoing improvement and iterative governance maturity
- Three concurrent activities:
 - Continual improvement
 - Change enablement
 - Programme management



Implementing the Life cycle

Seven phases in the life cycle:

- What are the drivers?
- Where are we now?
- Where do we want to be?
- What needs to be done?
- How do we get there?
- Did we get there?
- How do we keep the momentum going?



1 - What Are the Drivers?

- Need for new or improved IT governance organisation is usually recognised by organisation pain points and/or trigger events
- Pain points should be identified by management, audit, and risk and compliance processes
- Board and executive management personnel should:
 - Analyse pain points to identify root cause
 - Look for opportunities during trigger events
- Combination of realised trigger events and existing pain points provide the business case for improved or new IT governance initiatives
- The goal of this phase of the life cycle includes:
 - Outlining the business case
 - Identification of stakeholders and roles and responsibilities
 - IT governance programme 'wake-up call' and kick-off communications



Typical Pain Points

- Failed IT initiatives
- Rising costs
- Perception of low business value for IT investments
- Significant incidents related to IT risk (e.g., data loss)
- Service delivery problems
- Failure to meet regulatory or contractual requirements
- Audit findings for poor IT performance or low service levels
- Hidden and/or rogue IT spending
- Resource waste through duplication or overlap in IT initiatives
- Insufficient IT resources
- IT staff burnout/dissatisfaction
- IT-enabled changes frequently failing to meet business needs (late deliveries or budget overruns)
- Multiple and complex IT assurance efforts
- Board members or senior managers who are reluctant to engage with IT

Relevant Trigger Events

- Merger, acquisition or divestiture
- Shift in the market, economy or competitive position
- Change in business operating model or sourcing arrangements
- New regulatory or compliance requirements
- Significant technology change or paradigm shift
- An enterprisewide governance focus or project
- A new CIO, CFO, COO or CEO
- External audit or consultant assessments
- A new business strategy or priority



2 – Where are We Now?

- Define the problems and opportunities
 - Understand the pain points that have been identified as governance problems
 - Take advantage of trigger events that provide opportunity for improvement
- Form a powerful guiding team
 - Knowledge of the business environment
 - Insight into influencing factors
- Assess the current state
 - Identify the IT goals with respect to enterprise goals
 - Identify the most important processes
 - Understand management risk appetite
 - Understand the maturity of existing governance and related processes



3 – Where Do We Want to Be?

- Define the road map
 - Describe the high level change enablement plan and objectives
- Communicate desired vision
 - Develop a communication strategy
 - Communicate the vision
 - Articulate the rationale and benefits of the change
 - Set the 'tone at the top'
- Define target state and perform gap analysis
 - Define the target for improvement
 - Analyse the gaps
 - Identify potential improvements



4 – What Needs to Be Done?

- Develop programme plan
 - Prioritise potential initiatives
 - Develop formal and justifiable projects
 - Use plans that include contribution and programme objectives
- Empower role players and identify quick wins
 - High-benefit, easy implementations should come first
 - Obtain buy-in by key stakeholders affected by the change
 - Identify strengths in existing processes and leverage accordingly
- Design and build improvements
 - Plot improvements onto a grid to assist with prioritisation
 - Consider approach, deliverables, resources needed, costs, estimated time scales, project dependencies and risks

5 – How Do We Get There?

- Execute the plan
 - Execute projects according to an integrated programme plan
 - Provide regular update reports to stakeholders
 - Document and monitor the contribution of projects while managing risks identified
- Enable operation and use
 - Build on the momentum and credibility of quick wins
 - Plan cultural and behavioral aspects of the broader transition
 - Define 'measures of success'
- Implement improvements
 - Adopt and adapt best practices to suit the organisation's approach to policies and process changes



6 – Did We Get There?

- Realise benefits
 - Monitor the overall performance of the programme against business case objectives
 - Monitor and measure the investment performance
- Embed new approaches
 - Provide transition from project mode to 'business as usual'
 - Monitor whether new roles and responsibilities have been taken on
 - Track and assess objectives of the change response plans
 - Maintain communication and ensure communication between appropriate stakeholders continues
- Operate and measure
 - Set targets for each metric
 - Measure metrics against targets
 - Communicate results and adjust targets as necessary



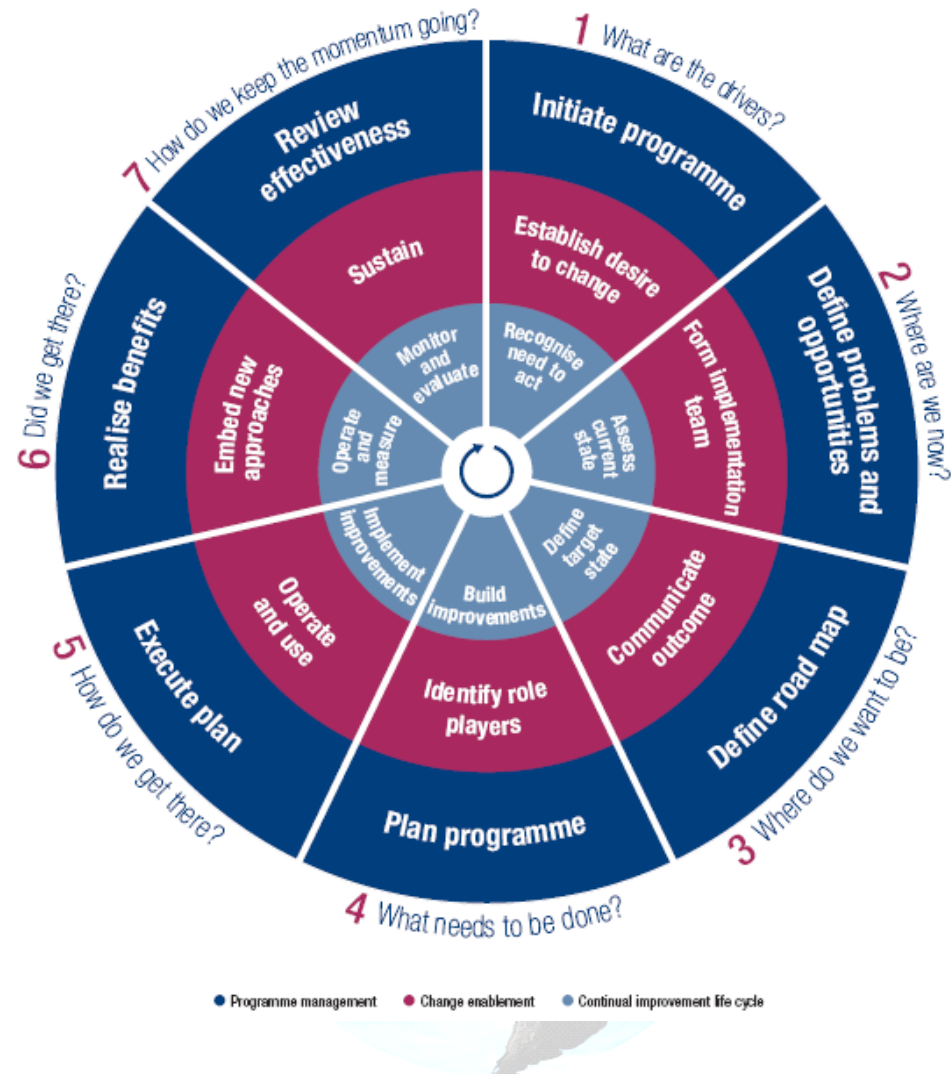
7 – How Do We Keep the Momentum?

- Continual improvements – keeping the momentum is critical to sustainment of the life cycle
- Review the programme benefits
 - Review programme effectiveness through a programme review gate
- Sustain
 - Conscious reinforcement (reward achievers)
 - Ongoing communication campaign (feedback on performance)
 - Continuous top management commitment
- Monitor and evaluate
 - Identify new governance objectives based on programme experience
 - Communicate lessons learned and further improvement requirements for the next iteration of the cycle



Challenges to Success

- Experience of IT governance implementation shows there are practical issues that need to be overcome for the initiative to be successful and for continual improvement to be sustained
- Each phase of the life cycle presents its own challenges

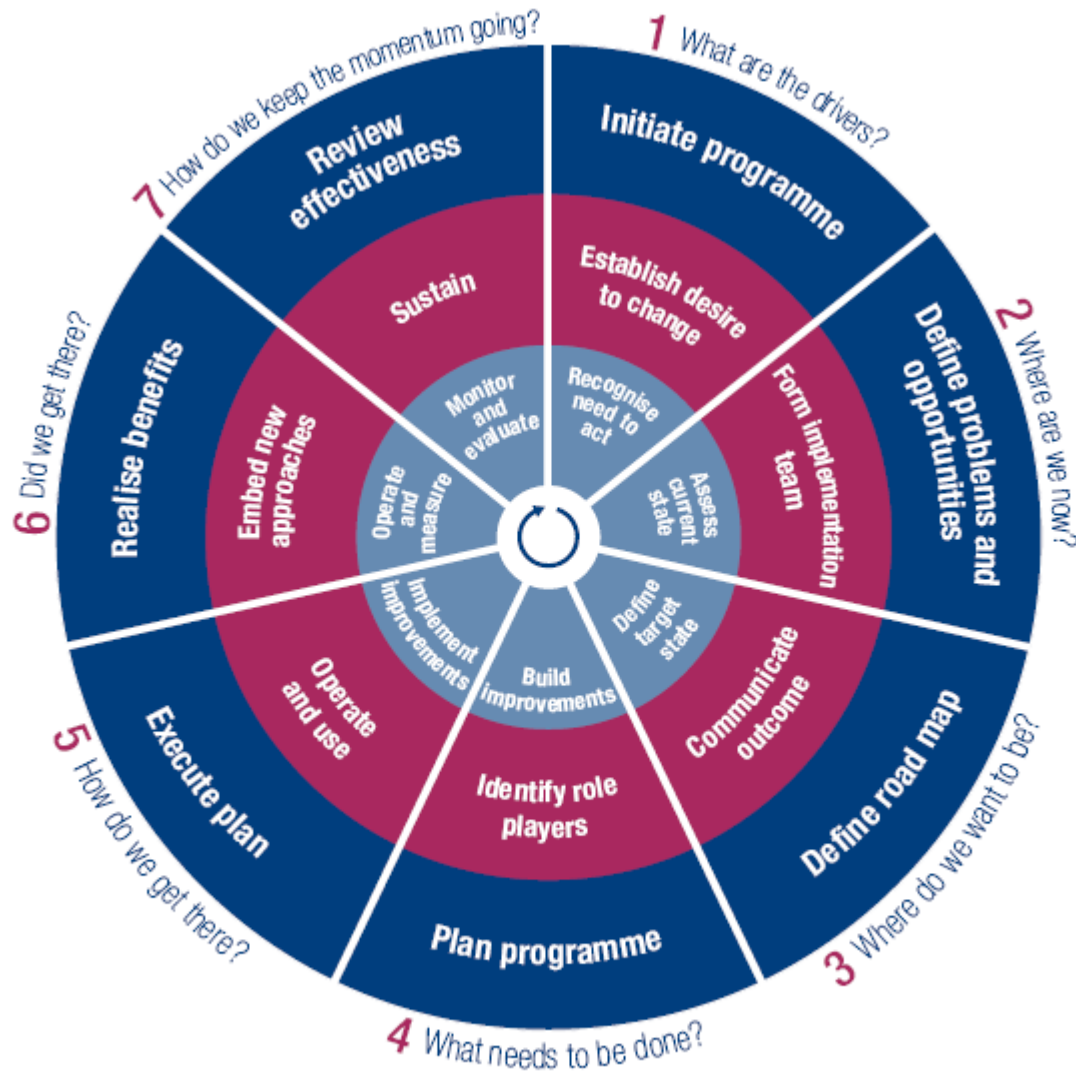


Challenges to Success

- What are the drivers?
 - Lack of senior management buy-in
 - Lack of current enterprise policy and direction
- Where are we now and where do we want to be?
 - Cost of improvements outweigh perceived benefits
 - Lack of trust and good relations between IT and business
- What needs to be done?
 - Resistance to change
 - Lack of understanding of IT governance
- How do we get there?
 - Trying to do too much at once
 - IT is in 'fire-fighting' mode and not able to properly prioritise tasks
 - Lack of appropriate IT skills in place
- Did we get there and how to keep the momentum going?
 - Improvements are not adopted or applied
 - Benefits are difficult to show or prove



Enabling Change



Enabling Change

Guidance provided at each life cycle phase

Based on Kotter Model:

- Establish a sense of urgency
- Form a powerful guiding coalition
- Create and communicate a clear vision, expressed simply
- Empower others to act on the vision, identifying and implementing quick wins
- Enable use and implement improvements/produce more change
- Institutionalise new approaches
- Sustain



Questions and Answers

