IT governance and being 'lean'

by Roch Cousineau

when organizations need to *invest* in more tools in order to have proper IT governance? In other words, how can we ensure we are governing properly, and being lean at the same time?

A recent survey conducted for CA Canada by the Strategic Counsel reveals that for the past two years, the business view of IT's effectiveness in some key priority areas has not been the same as IT's own view. For example, in 2008, nearly 60 percent of the technology managers surveyed rated their IT organization as effective or very effective at aligning IT with business priorities compared to 39 percent of the business managers. In 2009, 64.5 percent of the technology managers surveyed rated their IT organization as effective or very effective at aligning IT with business priorities versus 56 percent of the business managers.

The great divide

Research from CA Canada over the last two years has shown that when it comes to business and IT department alignment, a significant gap exists. This can be attributed to many things – a lack of communication, lack of best practices, or the absence of planning and reporting tools to name a few. The same problem also applies to IT governance. Many organizations are now much more focused on being lean, and this raises the question: how can lean be achieved

While survey results for 2008 indicated some issues between IT and business views, there was some good news in 2009. Canadian business managers' perception of the effectiveness of their organization's IT department had significantly improved, increasing by at least 17 percent across the board in every category, though this trails the self-evaluation of IT managers. The survey also revealed that increased concentration on standardization and process improvement contributed to

these results. In fact, almost half of business and technology managers agreed that investing in IT governance will lead to improved IT efficiency and reduced costs. In addition, for two years running, business and technology managers share the same top three priorities for IT: aligning IT with business priorities, controlling IT costs, and improving service to end users.

One province leads the way

Compared to the rest of Canada (ROC), Quebec respondents displayed much higher satisfaction with their IT effectiveness. These respondents placed a relatively high priority on IT process improvement and the establishment of policies and procedures for management and oversight of IT operations. They also displayed significantly more business-side willingness to invest in IT governance processes and frameworks, and IT project and portfolio management solutions.

Business-side top IT priorities and significant IT/business disconnects in the areas of process improvement and standardization also appear to be affecting the IT/business relationship in the ROC relative to Quebec. In Quebec, IT and business-side top priorities for IT appear to be more mutually supporting in that they concentrate on improvement or standardization of IT-related processes, policies or procedures.

Lean governance how-to

Overall, in both Quebec and the ROC, standardization of policies and procedures and IT process improvement are playing a strong role in helping Canadian IT organizations effectively and efficiently manage services, assets and resources.

One reason Quebec may be leading the way when it comes to lean governance is investment. Quebec business managers

Quebec vs. ROC

Quebec business managers see more value in investing in IT governance, and on managing IT complexity and controlling or reducing IT costs than the ROC.

Top priority:	Quebec	ROC
• Managing IT complexity	81%	47%
• Controlling or reducing IT costs	62%	59%

They also believe that their IT departments are more effective in these areas than the ROC.

IT is effective at:	Quebec	ROC
• Managing IT complexity	56%	38%
• Controlling or reducing IT costs	56%	35%

In addition, Quebec business managers feel their IT departments are more effective at delivering the metrics to judge core IT functions (Quebec: 100 percent, ROC 50 percent).

Summit: Canada's magazine on public sector purchasing

see more value in investing in IT governance processes and frameworks, and IT project and portfolio management solutions than business managers in the rest of Canada:

- Canada-wide, 22 percent of business managers believe their organization should be investing in IT governance processes and frameworks to improve IT efficiency/reduce IT costs, and to support business growth by freeing up IT resources.
- 37.5 percent of Quebec business managers believe their organization should be investing in IT governance processes and frameworks to improve IT efficiency/reduce IT costs, and to support business growth by freeing up IT resources.
- Canada-wide, 24 percent of business managers believe their organization should be investing in IT service portfolio management tools (such as IT asset management, IT licence tracking management, IT project and portfolio management, etc.) to improve IT efficiency/reduce IT costs, and to support business growth by freeing up IT resources.
- 43.8 percent of Quebec business managers believe their organization should be investing in IT service portfolio management tools (such as IT asset management, IT license tracking management, IT project and portfolio management, etc.)

to improve IT efficiency/reduce IT costs, and to support business growth by freeing up IT resources.

The message is that the components of good IT governance – process, policy, procedure, standardization, frameworks – deliver IT business alignment, and therefore better lean IT governance. Organizations across Canada can also learn to become leaner and have good governance by focusing on three main things:

1. **Invest in the right solutions:** Good lean governance should lead to the establishment of best practices. A key part of this checklist should include investment in the right tools – the ones that will give you long-term lean governance ROI. IT departments that invest in the right tools and resources to demonstrate their effectiveness see higher ratings in IT effectiveness. The right kinds of tools for the job include project and portfolio management software, integrated lifecycle tools, and perhaps most importantly metrics tools. With increased scrutiny and economic pressures greater than ever for IT, communicating its business value has never been more important. Unfortunately, technology often speaks in its own language, using internal metrics that don't relate to corporate priorities[1]. Something

---

[1] CA: http://www.ca.com/us/eitm/collateral.aspx?cid=181385, p. 1

as simple as the right project and portfolio dashboard can help IT gather all the relevant information to present to business leaders.

2. **Break down barriers:** Harmonize prioritization of IT policy, procedure and standardization. Mutually supporting IT/business prioritization of IT policies, procedures and standards delivers higher IT/business alignment satisfaction. Unlike many other assets within an organization, IT in itself has no intrinsic value. It does, however, play a pivotal role in business growth and success by automating and transforming business processes and delivering innovation. Since this is well understood, why does IT find it so difficult to measure and report the performance of IT in terms that are both relevant and meaningful to the business?

Part of the answer lies in the metrics IT has traditionally used to measure and report its capabilities. Typically, these have been technology and operations-centric, which while useful for IT managers, have no relevance to their business counterparts. Business managers need to understand how IT is supporting their business goals and objectives, so presenting them with reports detailing server-uptime or problem resolution time does not deliver what they are looking for.

Top of mind for business executives are new products, services and even business models that will increase profits and market share or drive service improvements. So, not surprisingly, the reports that would be most beneficial to them would be those that show how IT is contributing towards these objectives. The problem for IT is one of translation – taking something technical and abstract, and translating it into something meaningful and useful to all parties.[2]

Share the responsibility: To better manage integration of IT within the business, IT governance should be handled by all relevant stakeholders, and not just IT departments. Smart IT managers will make sure they get the business-side involved in the IT process. The more you integrate the business side into IT, the more aligned you will be with business goals and providing the metrics business is looking for. While this may be easier to implement in a smaller organization that is more nimble and where IT often deals directly with the CEO, large organizations should also really focus on sharing the responsibility. ⋀⋀

Roch Cousineau is the vice-president, Quebec region, for CA Canada. CA has a range of product and portfolio management solutions to help organizations achieve leanness and IT governance.

---

[2] CA: http://www.ca.com/us/eitm/collateral.aspx?cid=1 81385, p. 2