IT Governance:
a practical approach.

SAVE XX

Maison Grand Place, Grand Place 19, Brussels.
December 7th, 2009

Jean-Pierre Delvaux, CGEIT

www.delvaux-conseil.com

JEAN-PIERRE DELVAUX
INGÉNIEUR-CONSEIL
PLANIFICATION STRATÉGIQUE ET MANAGEMENT DU SYSTÈME D'INFORMATION

SAVE XX, December 7th, 2009.
Agenda

- **IT Governance.**
- **The foundations of my COBIT feedback.**
- **Provide a comprehensive framework for the governance of IS.**
- **Feed practices into the framework.**
- **Make coherence between BSC and IT Governance.**
- **The Road Map to IT Governance.**
- **Two possible strategies.**
- **Organize your IT Governance**
- **Install a Steering, Monitoring and Evaluation System.**
- **Benchmark your IT Governance.**

IT Governance.

Enterprise Governance, IT Governance, Cobit.

Sarbanes Oxley
LSF

Enterprise Governance

Business
opportunities

Corporate Governance
Conformance Processes

- Chairman /CEO
- Non Executive Directors
- Audit Committee
- Remuneration Committee
- Risk Management
- Internal Audit

Business Governance
Performance Processes

- Strategic Planning and Alignment
- Strategic Decision Making
- Strategic Risk Management
- Scorecards
- Strategic Enterprise Systems
- Continuous Improvement

Accountability
Assurance

Value Creation
Resource Utilisation

COBIT

IT Governance

Risk Mitigation
including security policy,
review and control

Value Creation
Performance

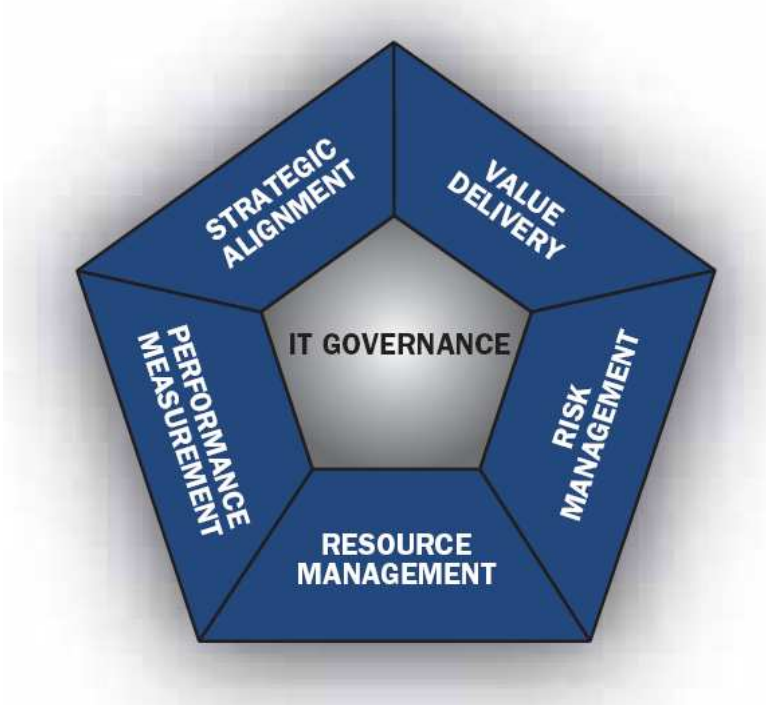
The place of IT Governance in the Enterprise Governance.
Institut de la Gouvernance des SI. 2005

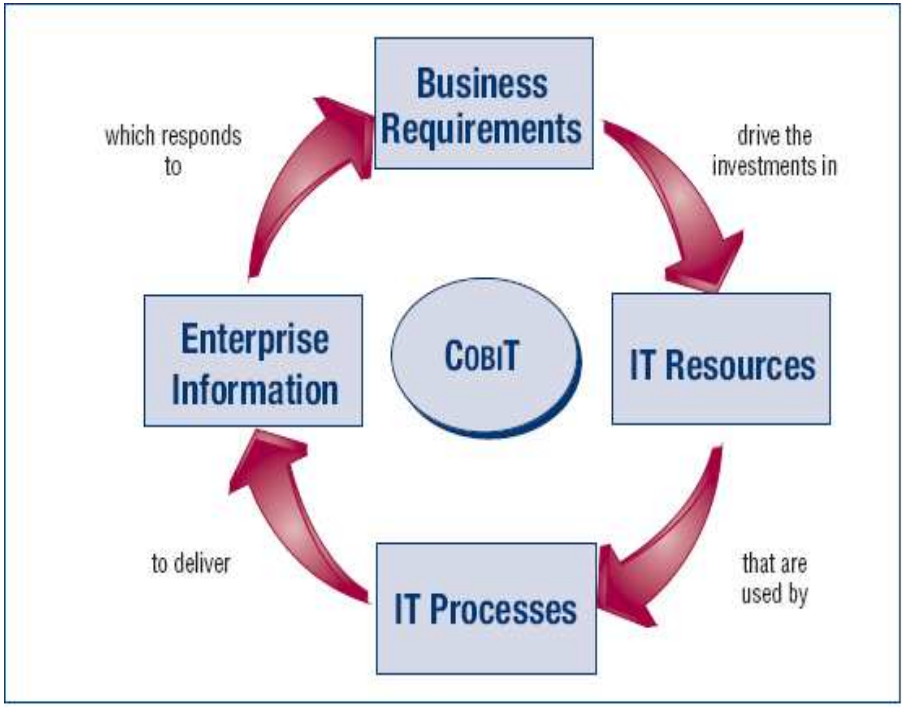
IT Governance.

IT Governance by the IT Governance Institute.

www.itgi.org

- **IT governance is the responsibility of executives and the board of directors, and consists of the leadership, organisational structures and processes that ensure that the enterprise's IT sustains and extends the organisation's strategies and objectives.**





The foundations of my COBIT feedback.

COBIT=	Enterprise	Sector	Background	Approach	My position
Common language of IT.	Arcelor (Paris)	Industry	International merging of 3 equals partners.	Bottom Up. Network of 50 top IT managers.	Group IT Governance Officer.
IT Governance framework.	SMABTP (Paris)	Insurance	Solvency 2. Commissaires aux comptes	Initiated and driven by the CIO.	External Consultant.
IT Governance framework.	Mairie de Rueil-Malmaison	Local Government.	Specification and planning of IT Governance.	Initiated by the CIO.	External Consultant.
Risk framework.	Usinor (Paris)	Industry	Identify and manage risks.	Top Down.	Responsible of Group Information Management.
Risk framework.	Magotteaux (Liège)	Industry	Shareholder change. Risk identification.	Initiated by CEO and reported to him.	Transition Management of the IS.
Framework of roles and responsibilities	La Citadelle (Liège)	Healthcare	Reorganize roles in relation to IS. (Business and IT)	Initiated by General Manager.	CIO, transition management.
Framework of a professionnal certification.	ISACA / ITGI (IT Governance Institute)		www.isaca.org/cgeit	Grandfathering provision.	CGEIT® (Certified in the Governance of Enterprise IT®)
Governance tool of the IS.	HEC et Ecole des Mines (Paris).	Education	Mastères (Spécialisé & Executive) « Management des Systèmes d'Information et des Technologies ».		Animation of workshops.

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Provide a comprehensive framework for the governance of IS

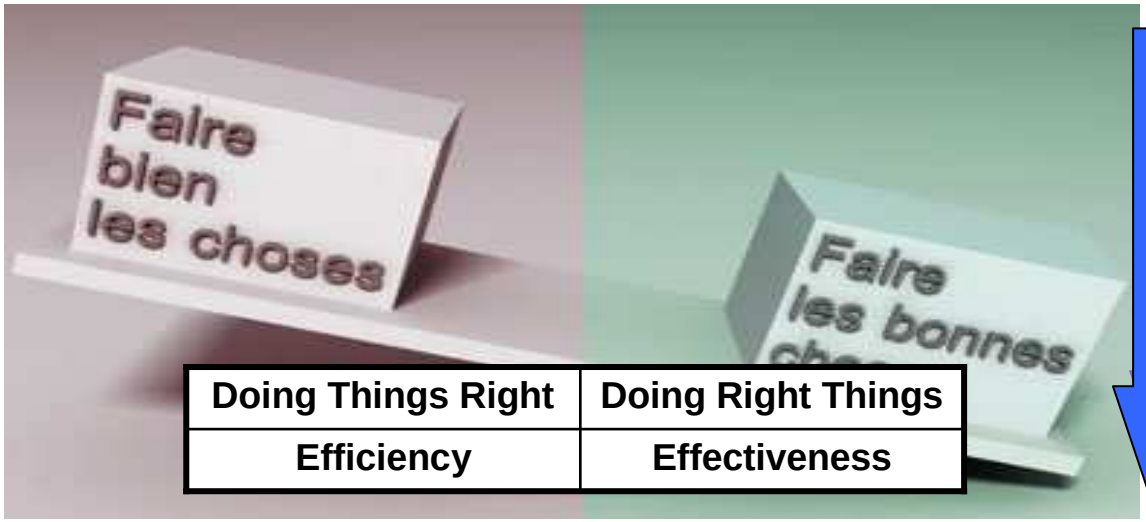
« Doing Right Things »

PLAN AND ORGANISE

- Define a strategic IT plan
- Define the information architecture
- Determine technological direction
- Define the IT processes, organisation and relationships
- Manage the IT investment
- Communicate management aims and direction
- Manage IT human resources
- Manage quality
- Assess and manage IT risks
- Manage projects

ACQUIRE AND IMPLEMENT

- Identify automated solutions
- Acquire and maintain application software
- Acquire and maintain technology infrastructure
- Enable operation and use
- Procure IT resources
- Manage changes
- Install and accredit solutions and changes



Doing Things Right	Doing Right Things
Efficiency	Effectiveness

COBIT® GOVERNANCE, CONTROL and AUDIT for INFORMATION and RELATED TECHNOLOGY

MONITOR AND EVALUATE

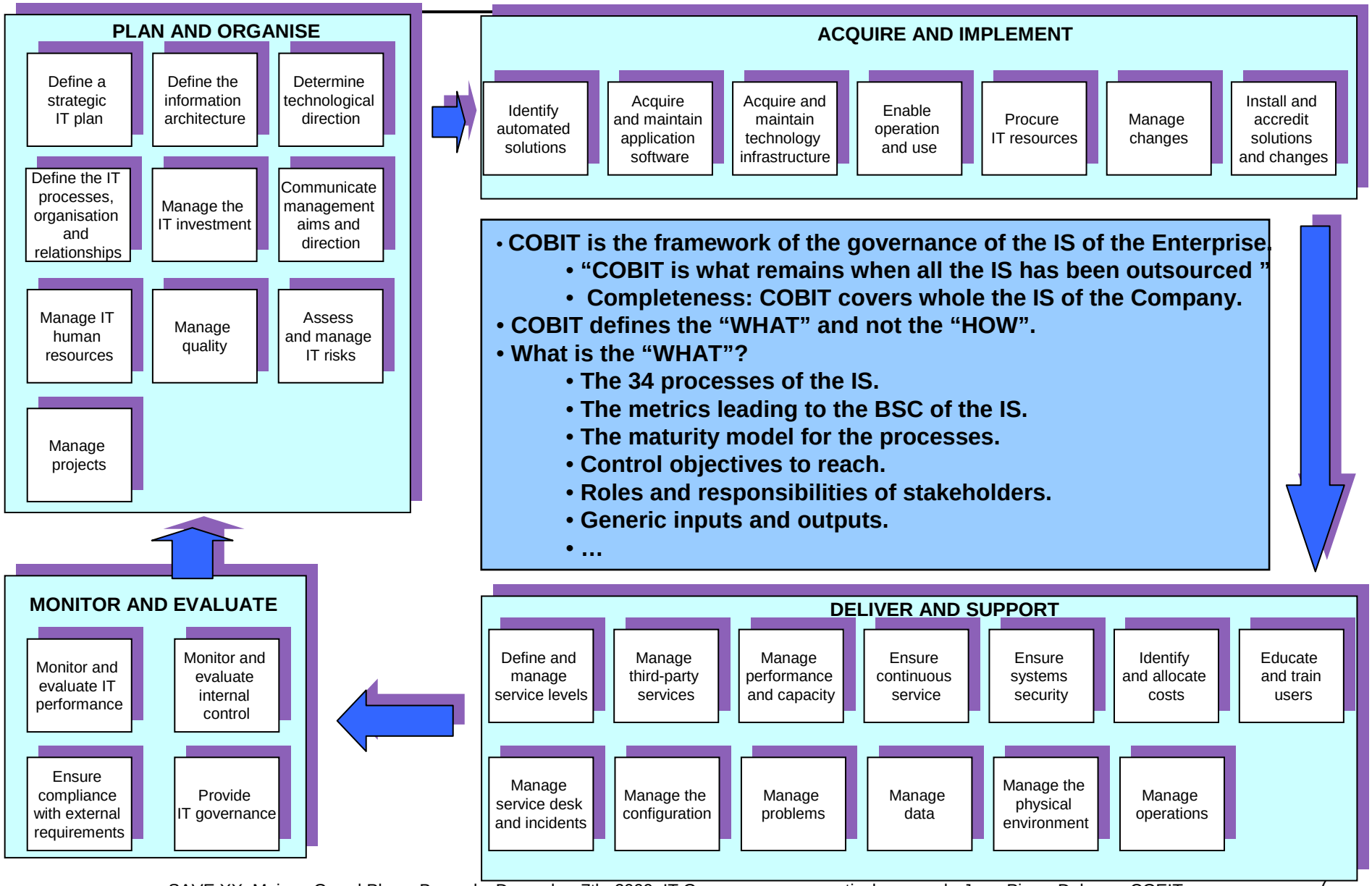
- Monitor and evaluate IT performance
- Monitor and evaluate internal control
- Ensure compliance with external requirements
- Provide IT governance

DELIVER AND SUPPORT

- Define and manage service levels
- Manage third-party services
- Manage performance and capacity
- Ensure continuous service
- Ensure systems security
- Identify and allocate costs
- Educate and train users
- Manage service desk and incidents
- Manage the configuration
- Manage problems
- Manage data
- Manage the physical environment
- Manage operations

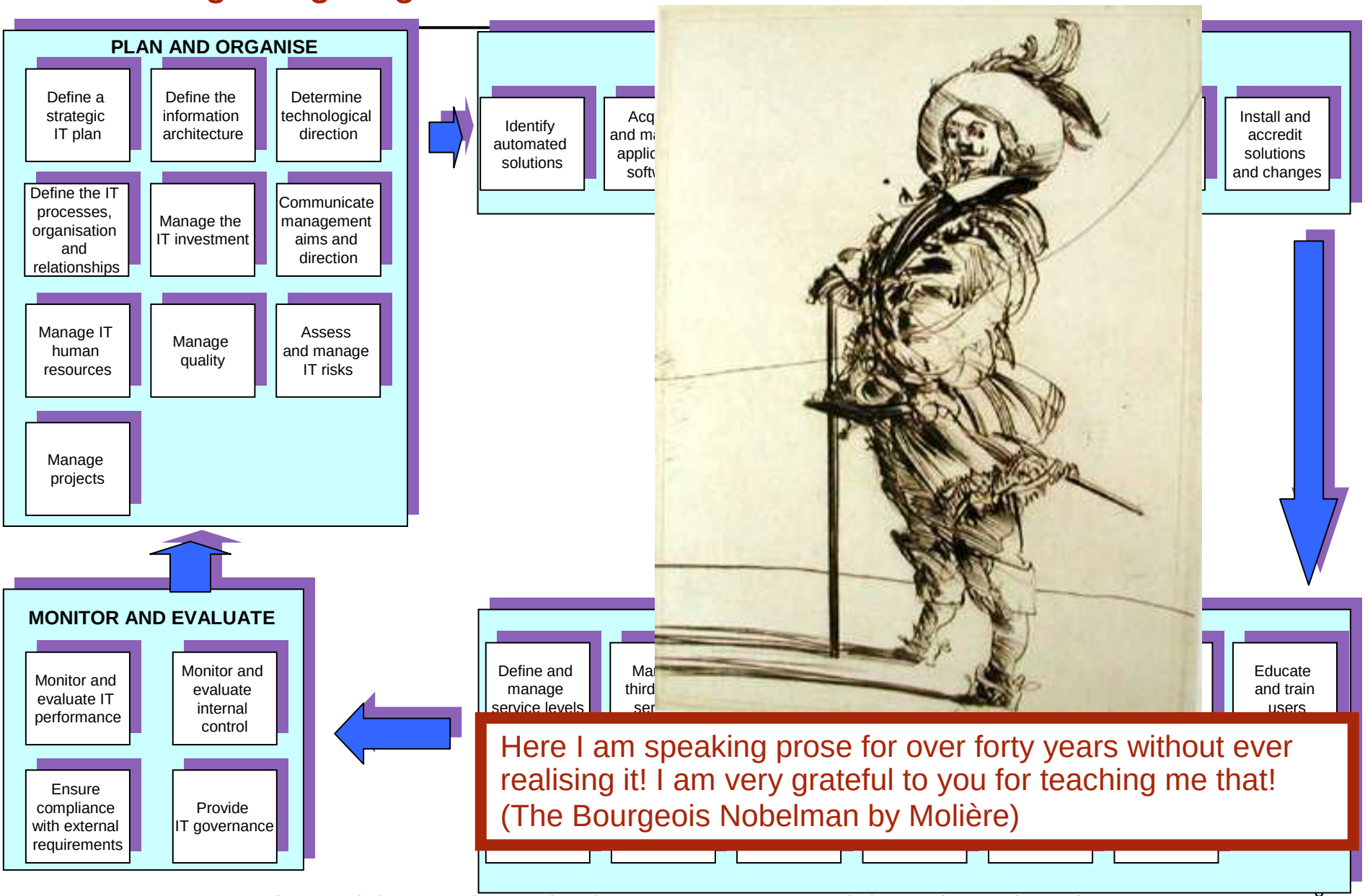
Provide a comprehensive framework for the governance of IS

COBIT is the standard that specifies the framework.



Feed practices into the framework.

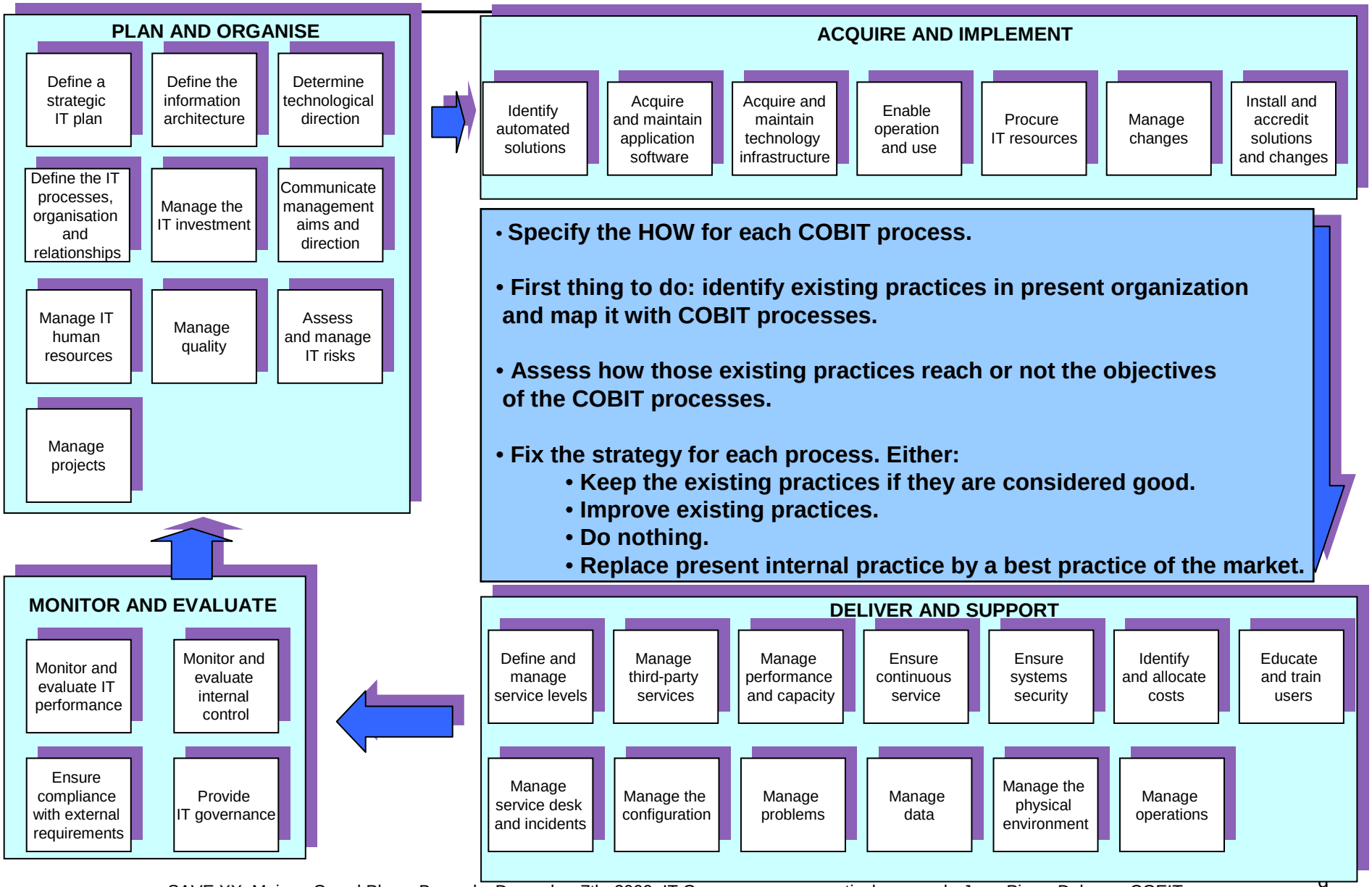
« Doing Things Right ».



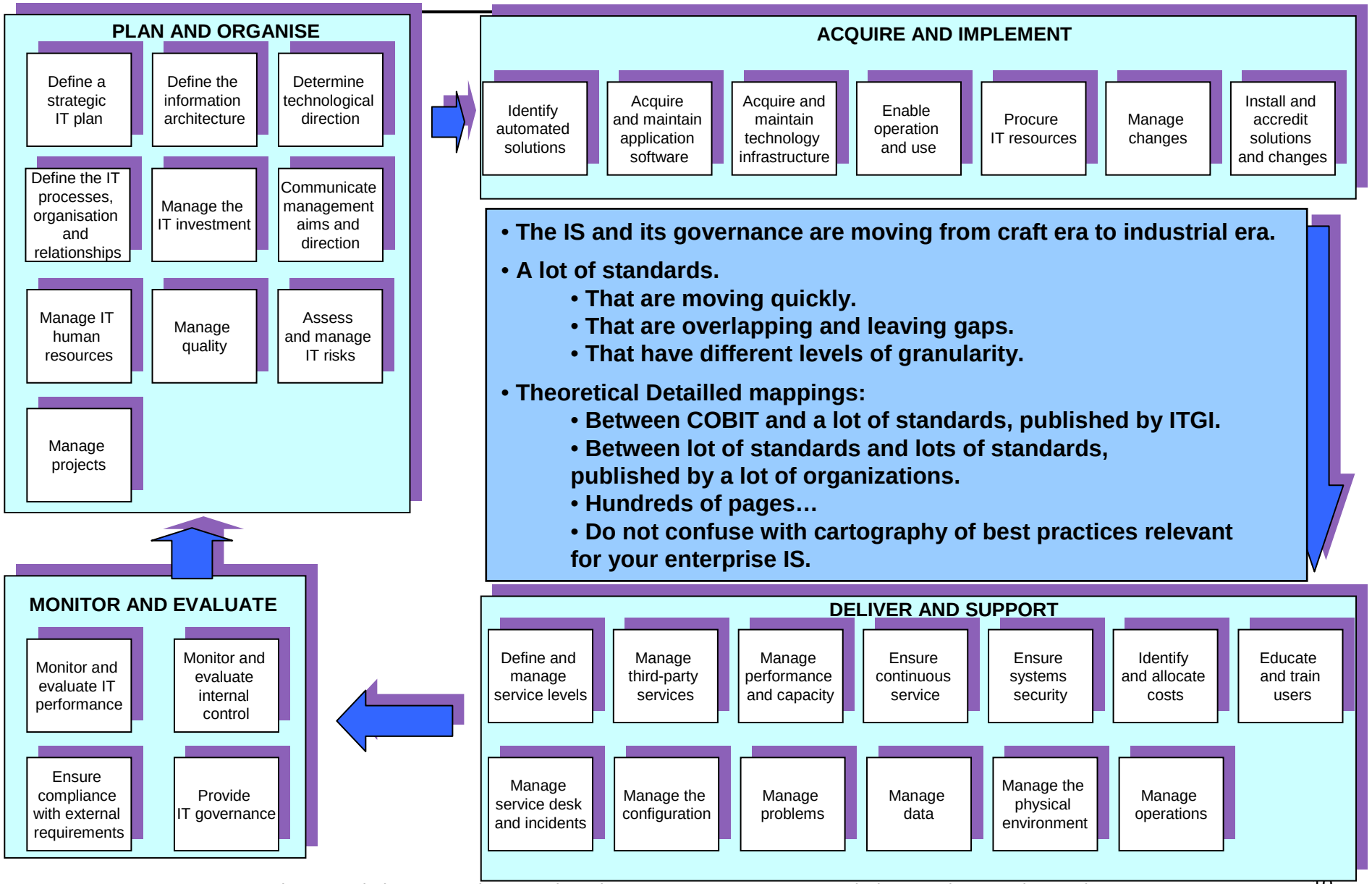
Here I am speaking prose for over forty years without ever realising it! I am very grateful to you for teaching me that!
(The Bourgeois Nobelman by Molière)

Feed practices into the framework.

Reuse internal practices.

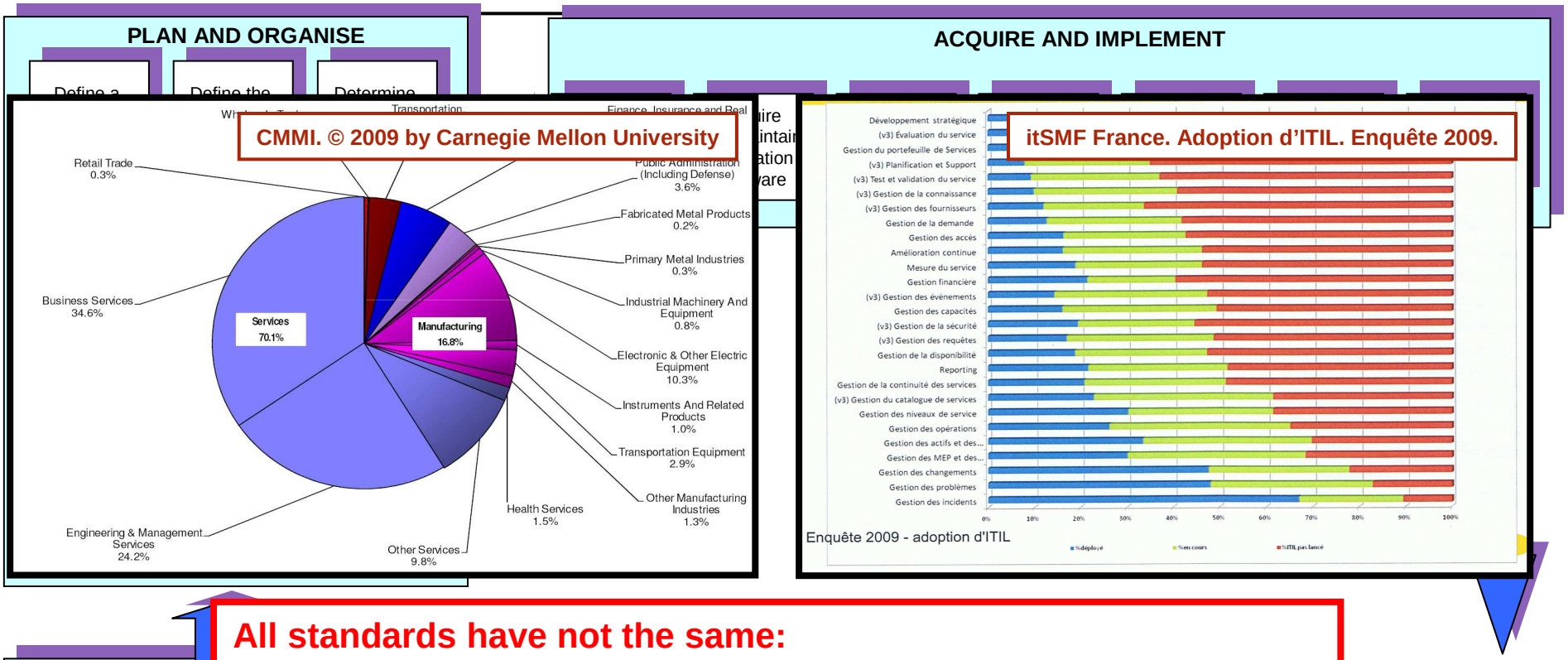


Feed practices into the framework.
Standards, frameworks, …



Feed practices into the framework.

Adopt the most widely used standards on the market if they are useful for your IS.



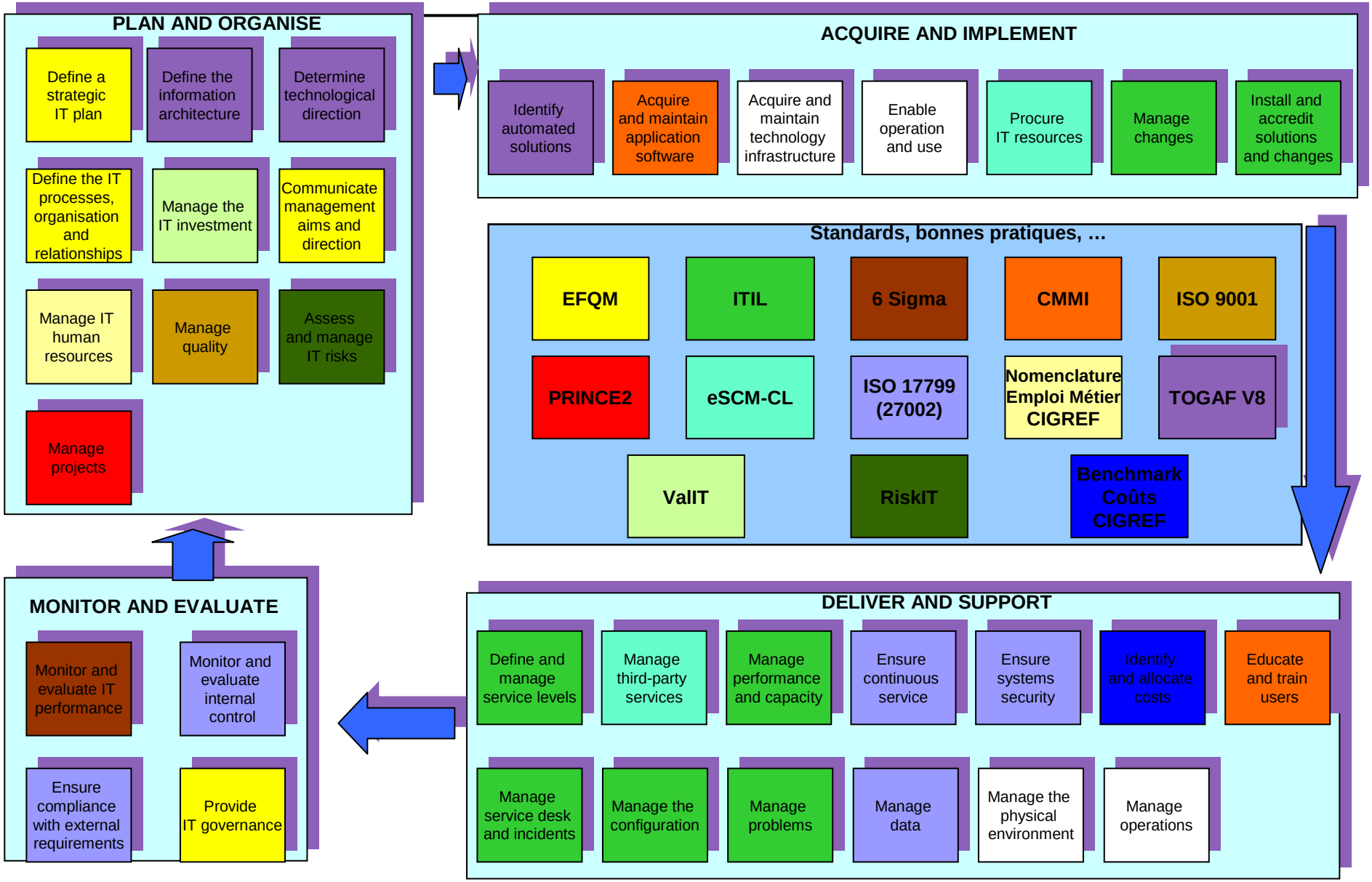
All standards have not the same:

- **Targeted audience.**
  - **Enterprise IS**
  - **Service organizations**
  - **Software intensive development organizations**
  - **…**
- **Entry point (Size of the enterprise).**
- **Level of diffusion.**
- **…**

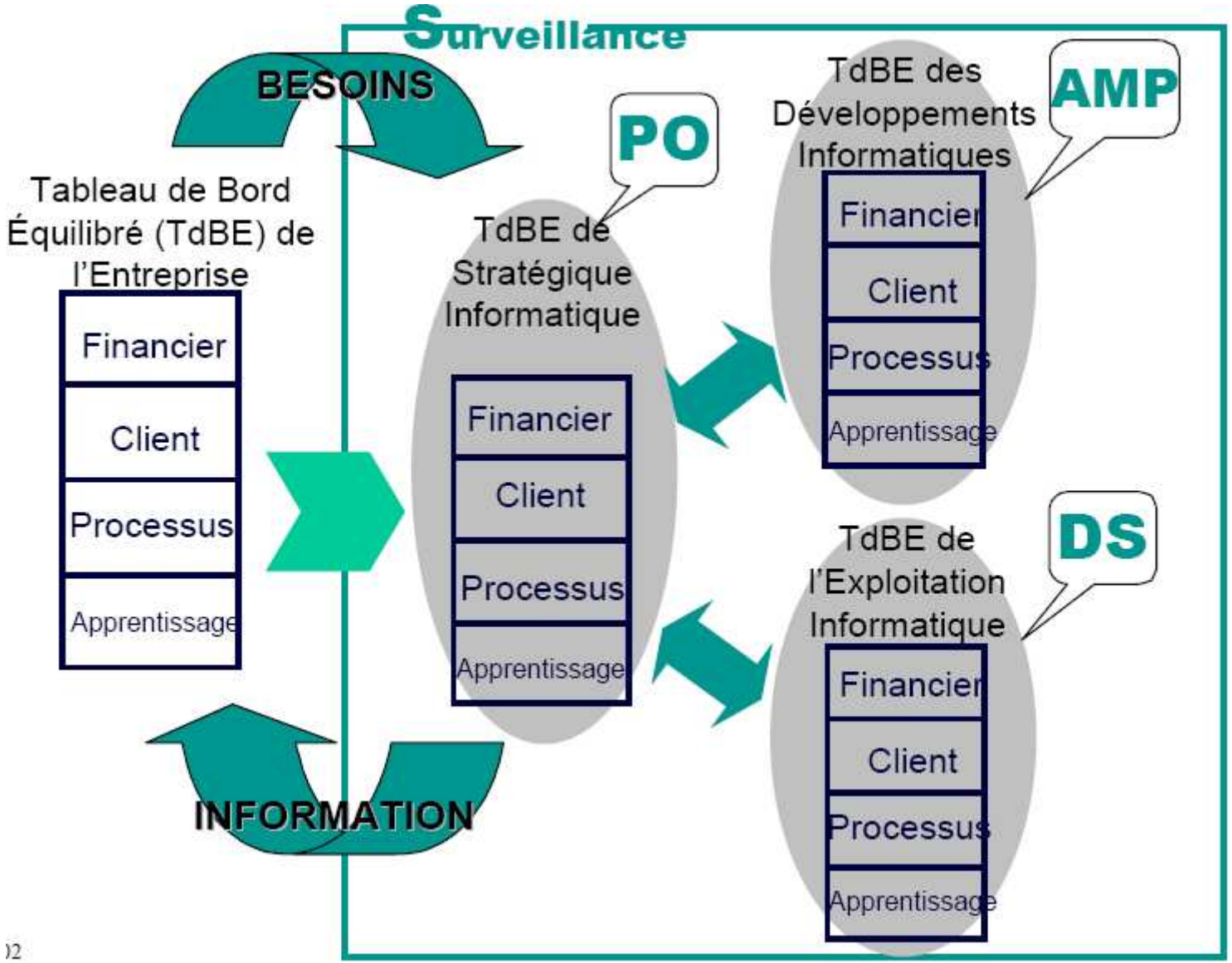
All parts of the standards have not the same level of adoption.

Feed practices into the framework.

Adopt the most widely used standards on the market if they are useful for your IS.

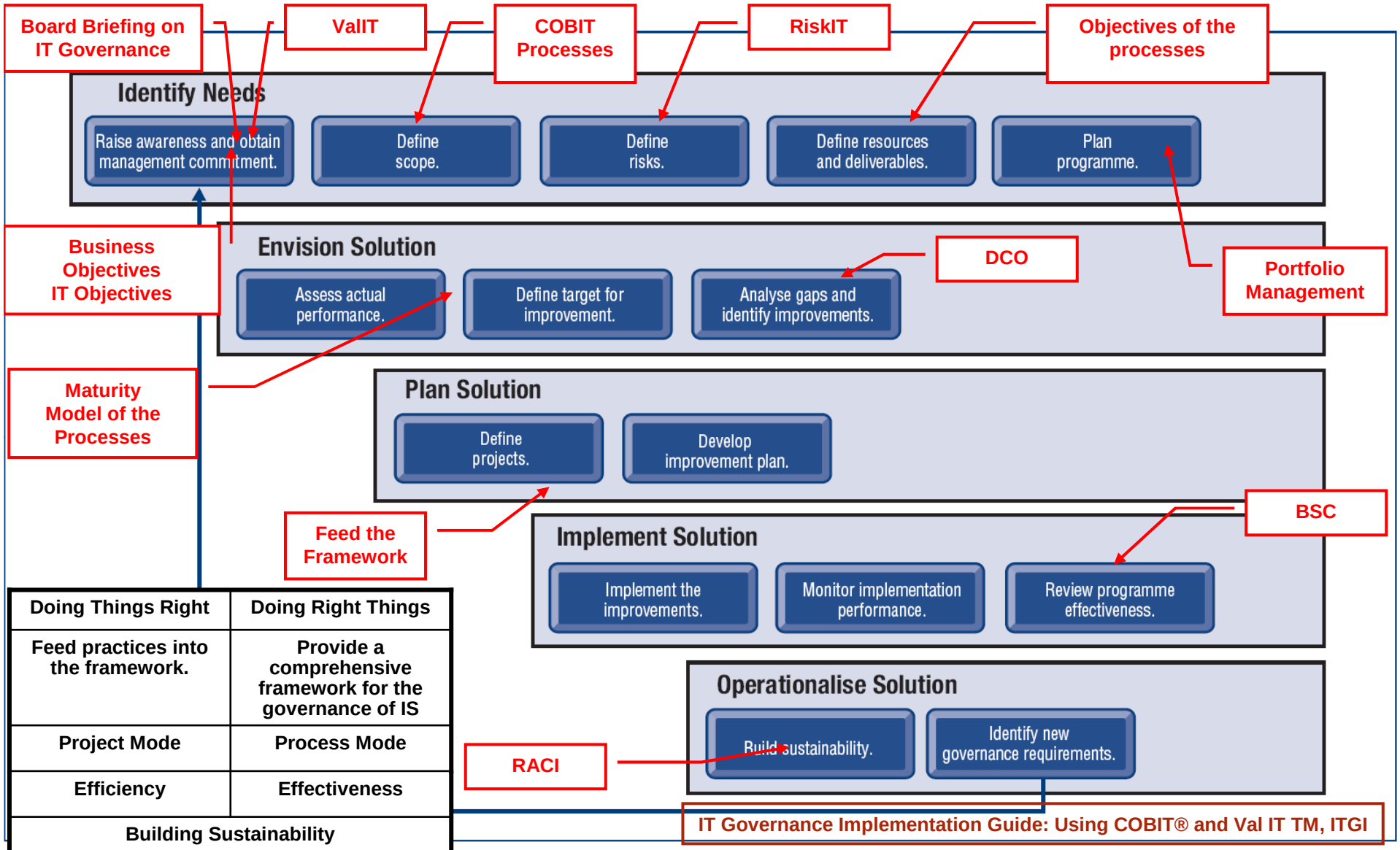


Make coherence between BSC and IT Governance.



The Road Map to IT Governance.

The road map and the components of COBIT.

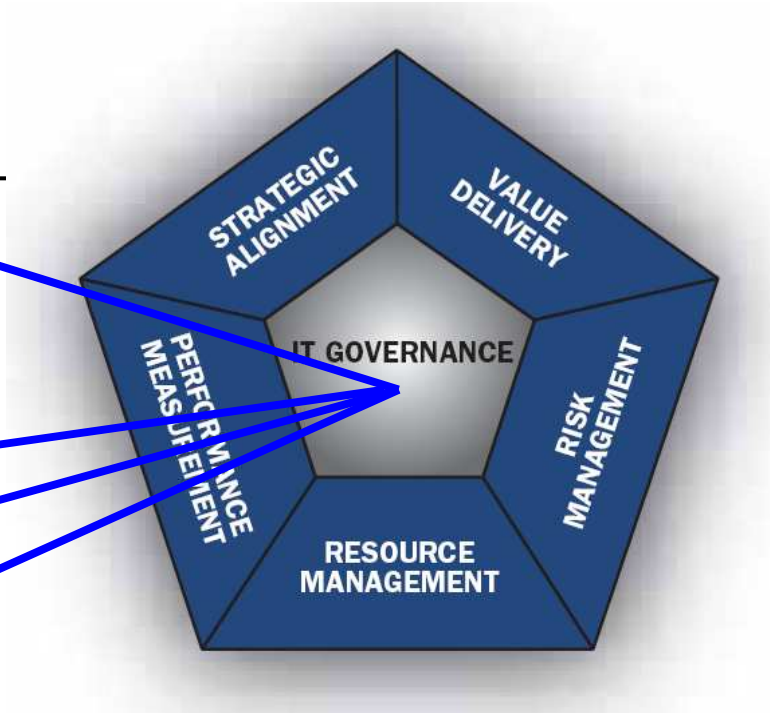


Doing Things Right	Doing Right Things
Feed practices into the framework.	Provide a comprehensive framework for the governance of IS
Project Mode	Process Mode
Efficiency	Effectiveness
Building Sustainability	

Two possible strategies.

Strategy	Targeted Excellence	Global Improvement
COBIT processes	Chosen according to the objectives and context of the business and available energy for COBIT.	All others COBIT processes.
COBIT is…	The framework for the Governance of the IS.	A common language for the stakeholders of the IS.
Target of Maturity	Level 4 : Managed and Measurable. (Level 5: Optimised for ME)	Level 3 : Defined.
Approach	Organized.	"Participatory".
Responsibilities	Process Owners and typology of responsibilities.	Process Champions.
Metrics	KGI, KPI	-
Financing	Specific	-
Approach	Top-Down.	Bottom-Up.
Planification	Road Map	-
Progress rate	Max 1 maturity level / year	Max 1/2 maturity level / year

Organize your IT Governance



- **Board**
- Board of Directors
- IT Strategy Committee
- **Executive**
- CEO
- Business Executives
- CIO
- **Support Committees**
- IT Steering Committee
- Technology Council
- IT Architecture Review Board

IT Governance Officer??

Process Owner
« Targeted Excellence »

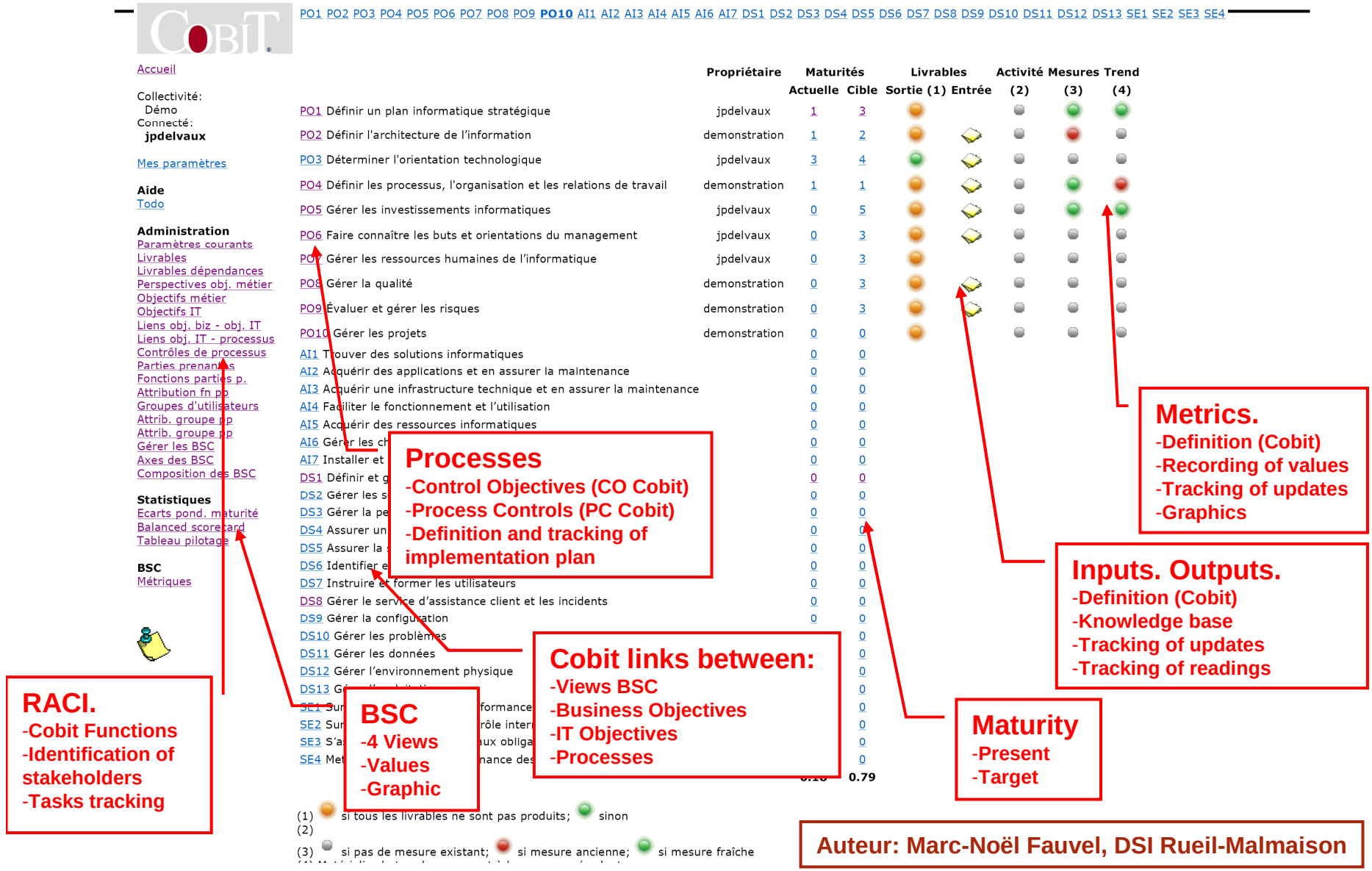
Process Champion
« Global Improvement »

RACI Chart

Activities	CEO	CFO	Business Executive	CIO	Business Process Owner	Head Operations	Chief Architect	Head Development	Head IT Administration	PMO	Compliance, Audit, Risk and Security
Link business goals to IT goals.	C	I	A/R	R	C						
Identify critical dependencies and current performance.	C	C	R	A/R	C	C	C	C	C		C
[illegible] IT strategic plan.	A	C	C	R	I	C	C	C	C	I	C
Build IT tactical plans.	C	I		A	C	C	C	C	C	R	I
Analyse programme portfolios and manage project and service portfolios.	C	I	I	A	R	R	C	R	C	C	I

A **RACI** chart identifies who is **R**esponsible, **A**ccountable, **C**onsulted and/or **I**nformed.

Install a Steering, Monitoring and Evaluation System.



Benchmark your IT Governance.
IT Governance Global Status Report—2008, ITGI

Figure 1—Size and Geographic Reach of the Sample

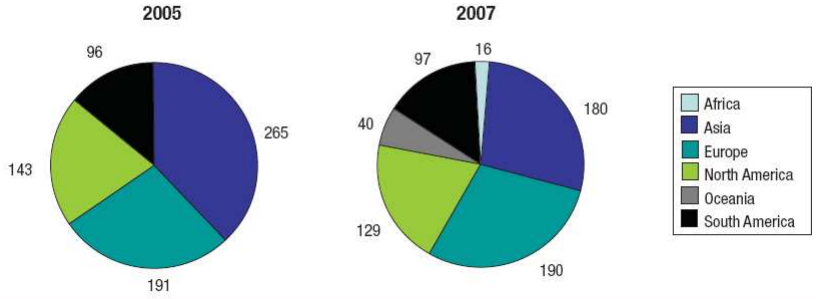


Figure 2—Industry Spread

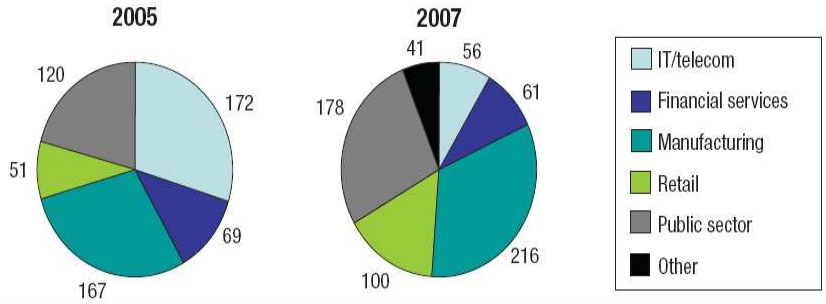


Figure 3—Size of Respondent's Organisation

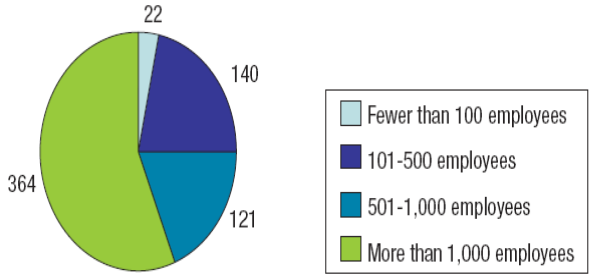


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Figure 20—IT Governance Maturity Level

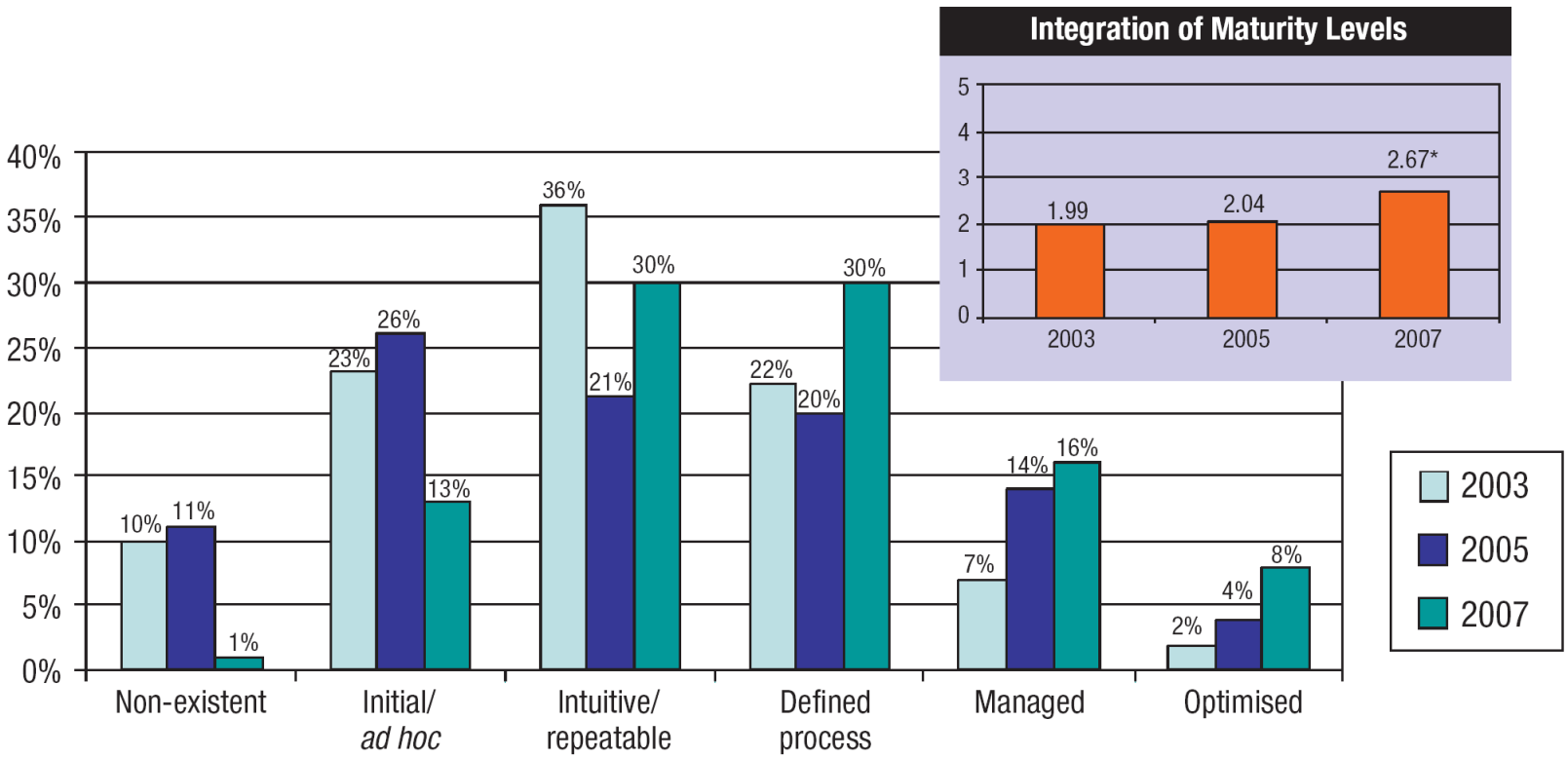

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Figure 6—Key Champion/Sponsor for IT Governance (749 Respondents)

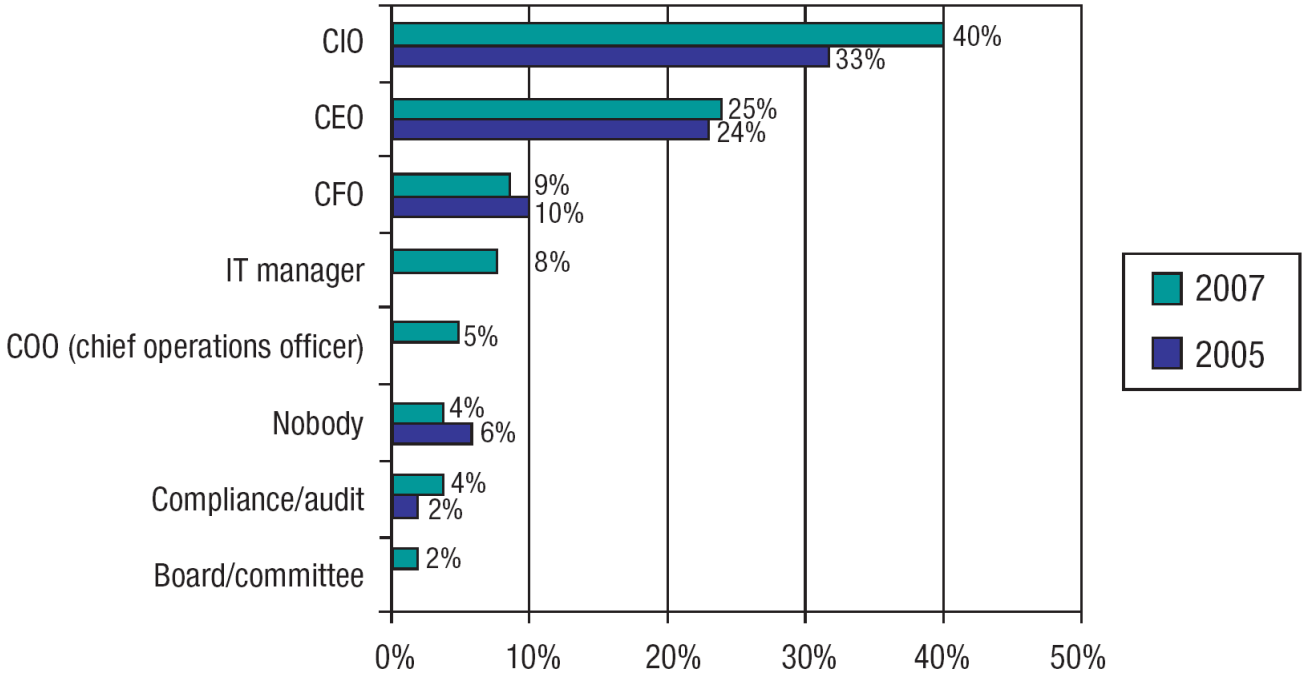

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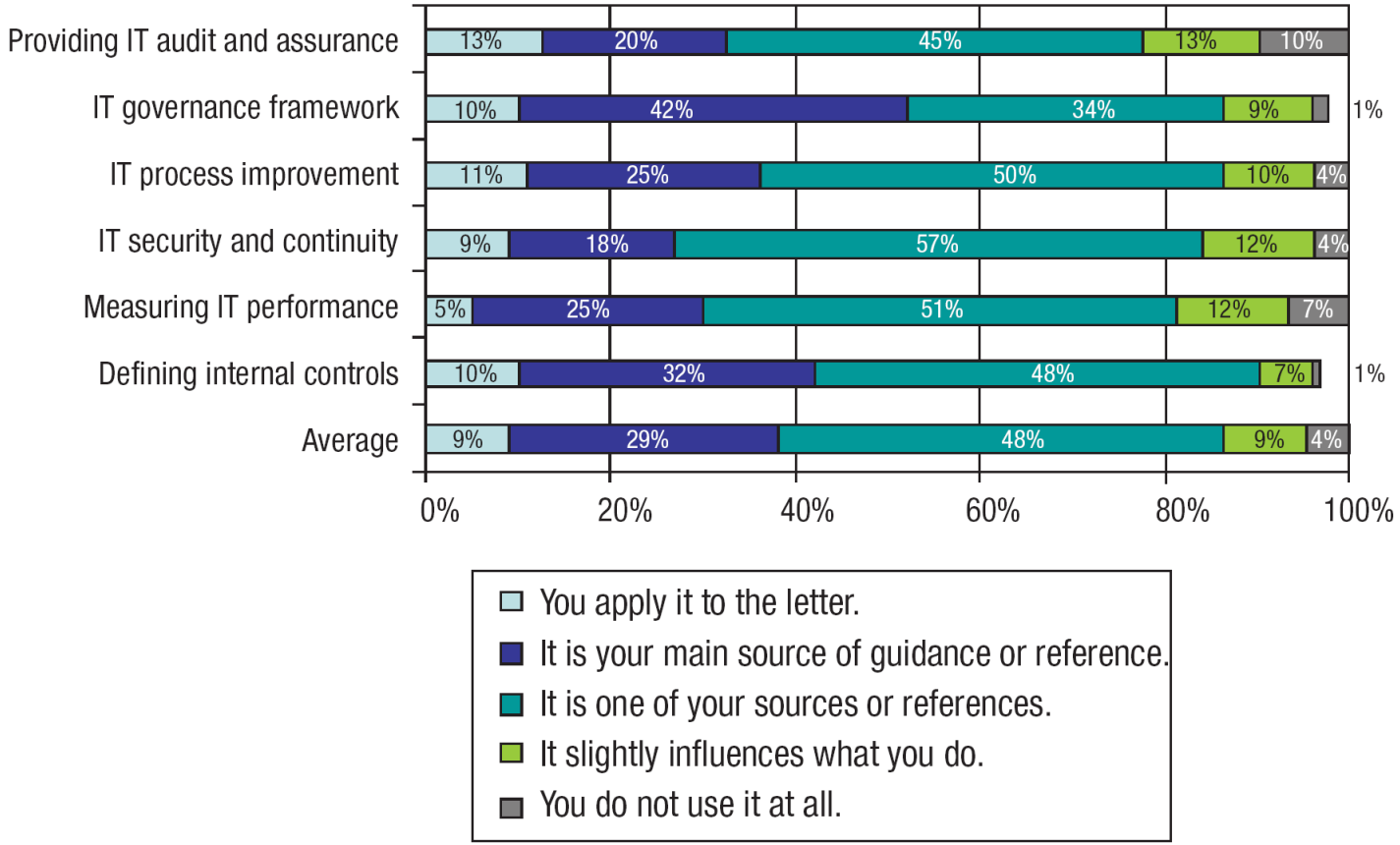
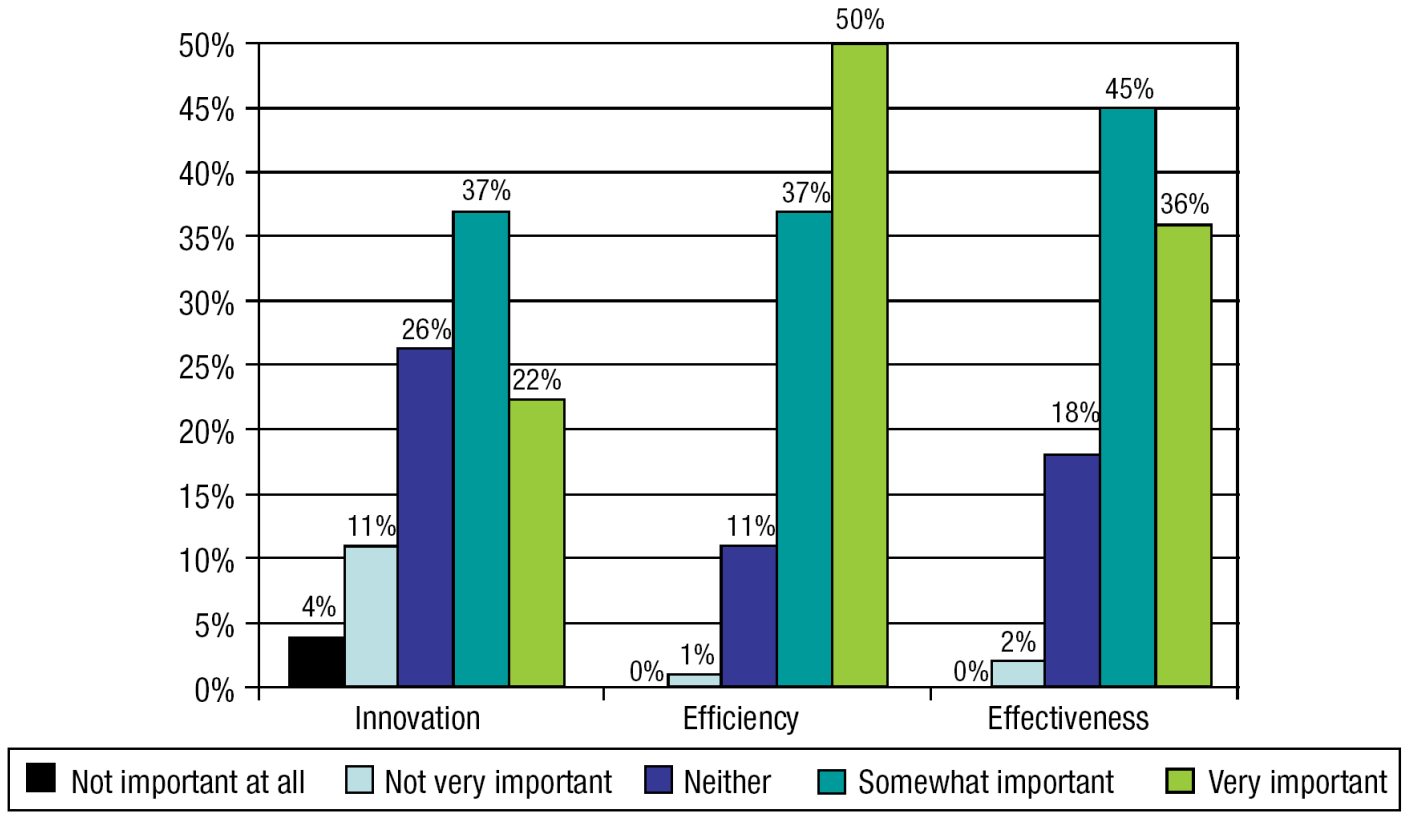
Figure 47—Use of Portions of COBIT, With COBIT Respondents



Benchmark your IT Governance.

An Executive View of IT Governance – 2009, ITGI

IT's Contribution to Innovation, Efficiency and Effectiveness



-**Top NON IT Executives**
-250 Interviews
-Asia-Pacific, Europe, North America and South America
-May / August 2008

Size of enterprises:
- Half from small firms (defined as having 100-500 employees)
- Half from large firms (more than 500 employees)
-Firms smaller than 100 employees were not deemed suitable targets for this research.

Sector of activity:
- Nearly half in manufacturing
- 14 percent in professional services
-The remaining split approximately equally amongst IT/telecoms, financial services, retail, transportation and other.

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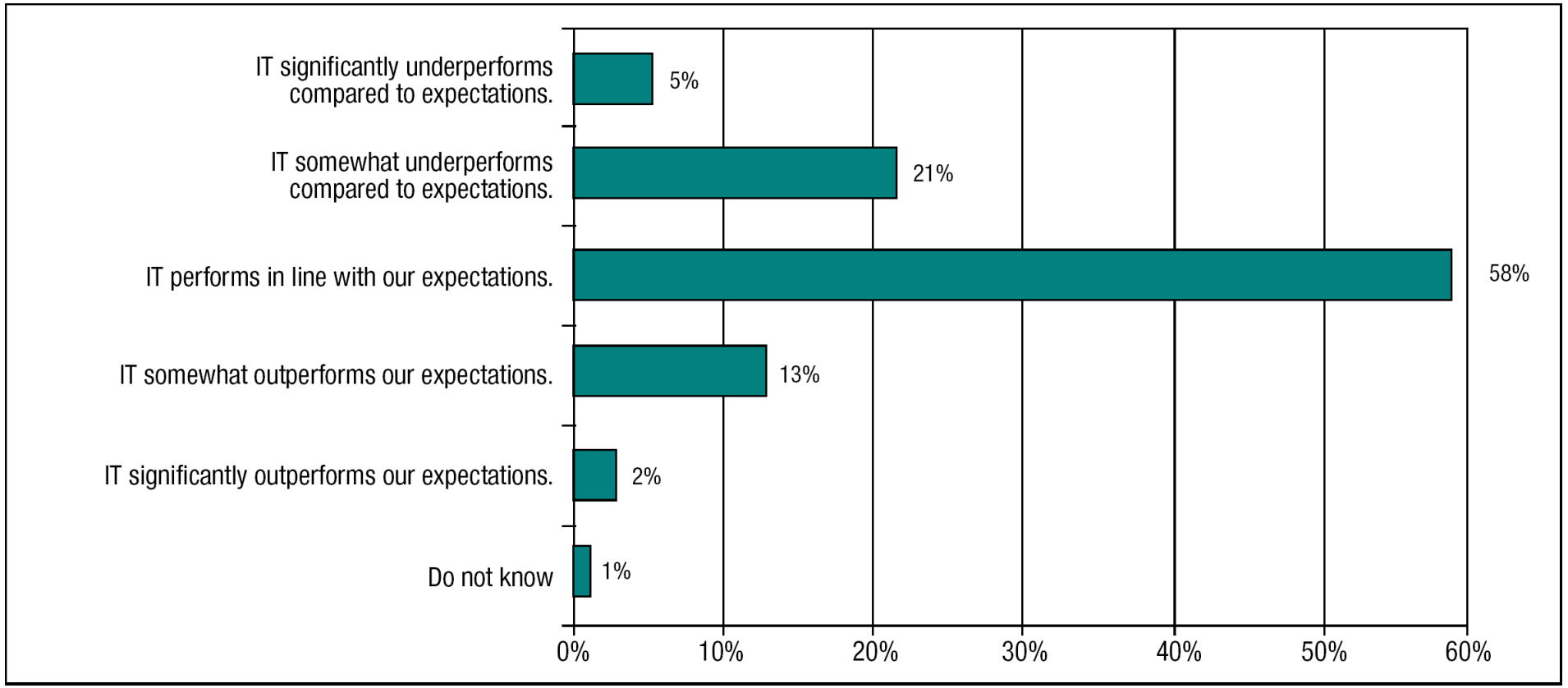
Perception of IT Performance



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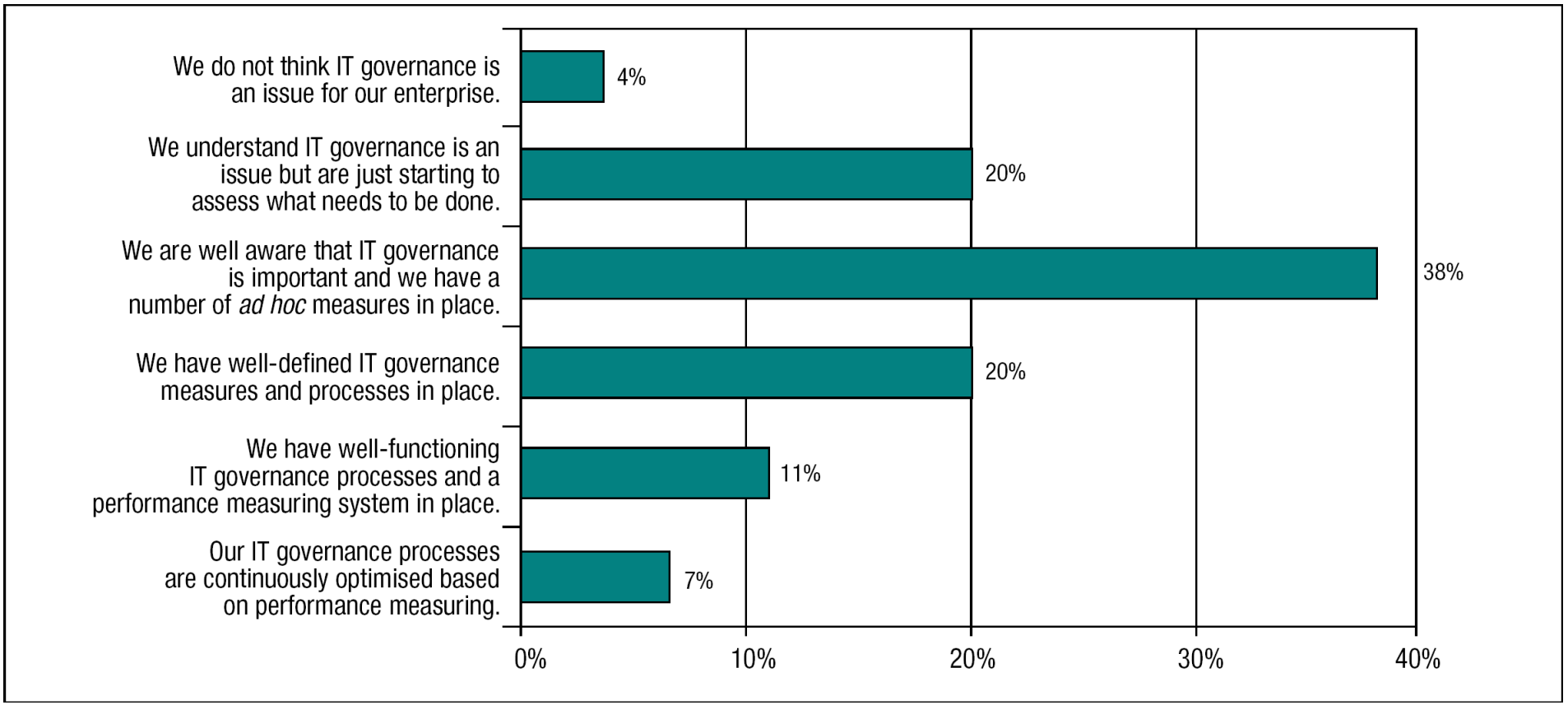
Perception of IT Governance Maturity



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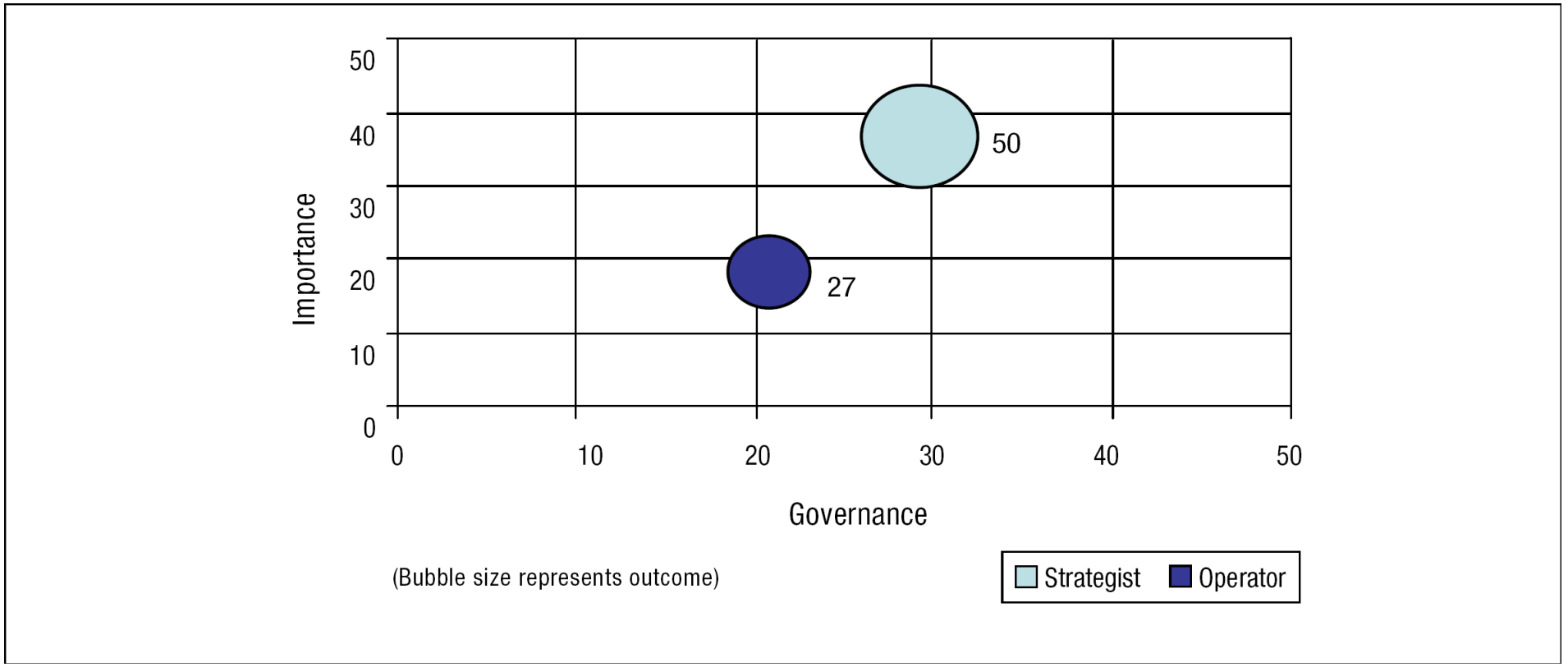
Impact of IT Importance and IT Governance on Outcome. Clustering.



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Profiles and Behaviours of Strategists and Operators

	Strategist	Operator
Who are they?		
Size of company	Size not a factor	Size not a factor
Region	More likely to be based in Europe	More likely to be based in North America and Asia
What defines them?		
Perception of IT governance maturity	More likely to have implemented IT governance	Tend to still be at the initial stage
Appearance of IT on board agenda	Twice as likely to have IT routinely on board agenda	Not as likely to have IT routinely on board agenda
Focus of board discussions on IT	Twice as likely to be concerned about risk	Not as likely to appreciate the risk involved with IT
Champions for IT governance	More likely to have board or C-suite championing IT governance	Less likely to have board or C-suite championing IT governance
Accountability for IT investments	More likely to have executive management identifying investment opportunities and selecting investments	Not as likely to have executive management identifying investment opportunities and selecting investments
Barriers to realising full value from IT investments	Less likely to have difficulty in implementing applications	More likely to have difficulty in implementing applications
Inclusion of CIO on executive team	CIO more likely to be on executive team	CIO is less likely to be on executive team
Awareness of IT governance frameworks or standards	More likely to be aware of frameworks for IT governance	Less likely to be aware of frameworks for IT governance
Source of IT governance advice and solutions	More likely to look outside the enterprise for IT governance advice and solutions	More inclined to be inward-looking for IT governance solutions

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