



Establishing a Governance Structure

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Agenda

- Review some concepts of IT Governance
- Share Results of statistical survey
- Describe 3 different models for Governance
- Share experiences



IT Governance

- “Specifying the decision rights and accountability framework to encourage desirable behavior in using IT.”
 - IT Governance, Peter Weill and Jeanne W. Ross, Harvard Business School Press, 2004



IT Governance vs. IT Management

- Governance determines who makes the decisions
- Management is the process of making and implementing the decisions



IT Governance Concepts

■ IT Principles

- What is the enterprise's operating model?
- What is the role of IT in the business?
- What are IT-desirable behaviors?
- How will IT be funded?



IT Governance Concepts

■ IT Architecture

- What are the core business processes?
- What information drives these core processes?
- What technical capabilities should be standardized enterprise-wide to support IT efficiencies and facilitate process standardization and integration?



IT Governance Concepts

■ IT Architecture

- What activities must be standardized enterprise-wide to support data integration?
- What technology choices will guide the enterprise's approach to IT initiatives?



IT Governance Concepts

■ IT Infrastructure

- What infrastructure services are most critical to achieving the enterprise's strategic objectives?
- For each capability cluster, what infrastructure services should be implemented enterprise-wide and what are the service-level requirements of those services?
- What is the plan for keeping underlying technologies up to date?
- What infrastructure services should be outsourced?



IT Governance Concepts

■ Business Application Needs

- What are the market and business process opportunities for new business applications?
- How are experiments designed to assess whether they are successful?
- How can business needs be addressed within architectural standards? When does a business need justify an exception to standard?
- Who will own the outcomes of each project and institute organizational changes to ensure the value?



IT Governance Concepts

■ IT Investment and Prioritization

- What process changes or enhancements are strategically most important to the enterprise?
- What are the distributions in the current and proposed IT portfolios? Are these portfolios consistent with the enterprise's strategic objectives?
- What is the relative importance of enterprise-wide versus business unit investments? Do actual investment practices reflect their relative importance?



Governance Archetypes

- Business Monarcy
 - Top managers
- IT Monarchy
 - IT Specialists
- Feudal
 - Each business unit making independent decisions



Governance Archetypes

- Federal

- Combination of the corporate center and the business units with or without IT people involved

- IT Duopoly

- IT group and one other group (i.e., top management)

- Anarchy

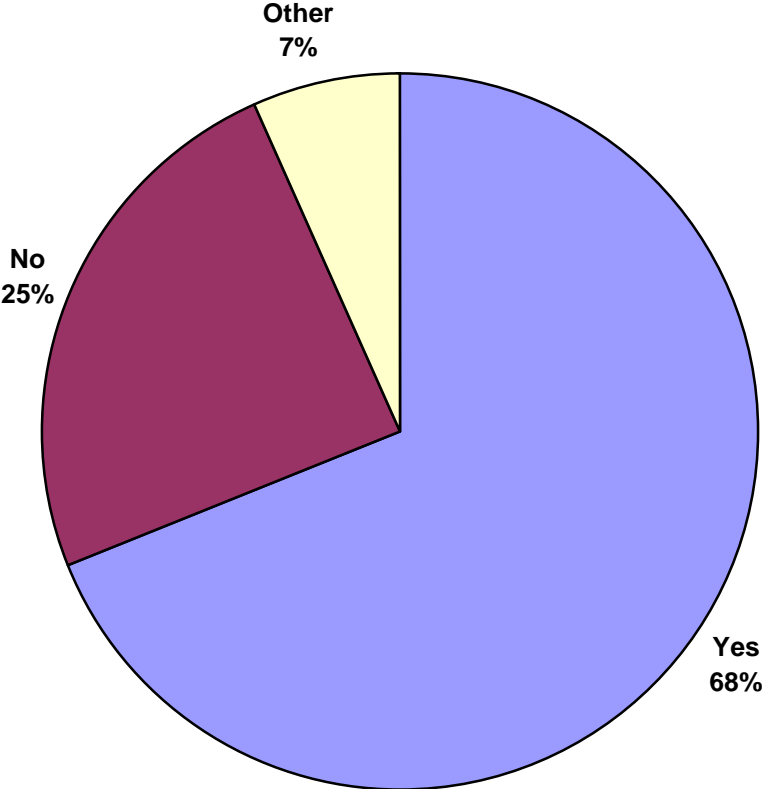
- Isolated individual or small group decisionmaking



Governance Arrangements Matrix

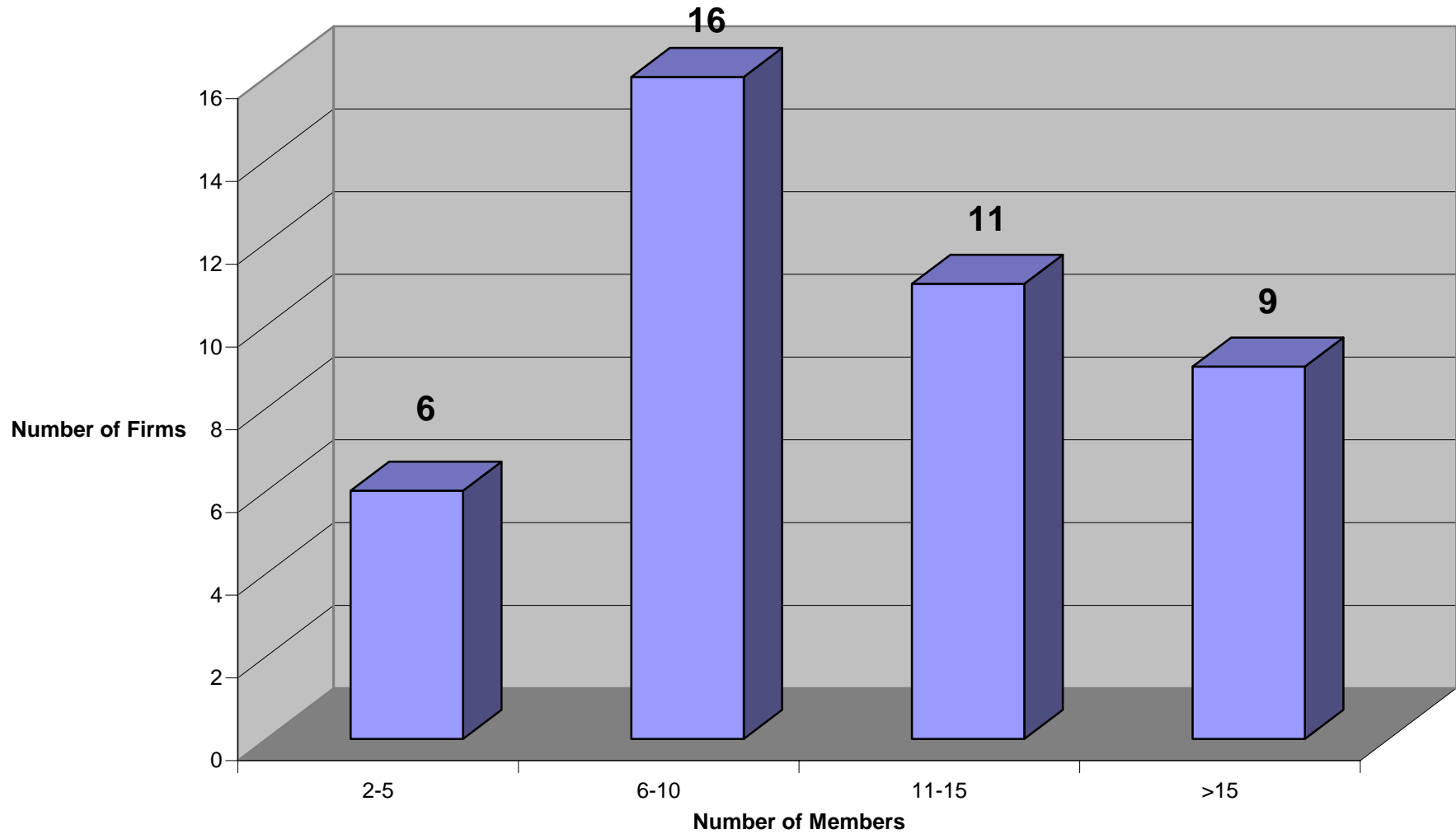
Decision Archetype	IT Principles	IT Architecture	IT Infrastructure Strategies	Business Application Needs	IT Investment
Business Monarchy					
IT Monopoly					
Feudal					
Federal					
Duopoly					
Anarchy					
Don't Know					

Does your firm have a Technology Committee in place?



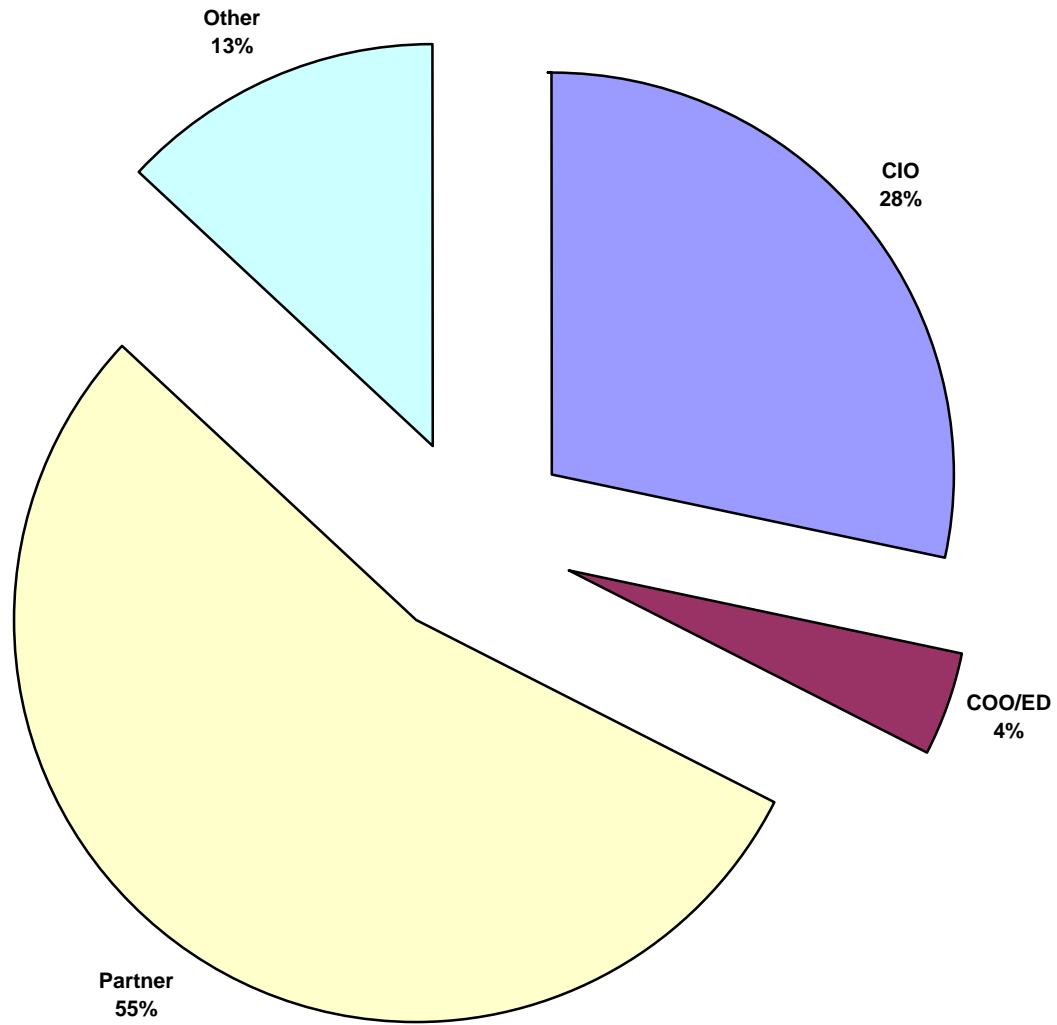


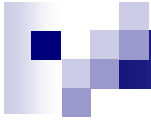
How many members are on your Technology Committee?



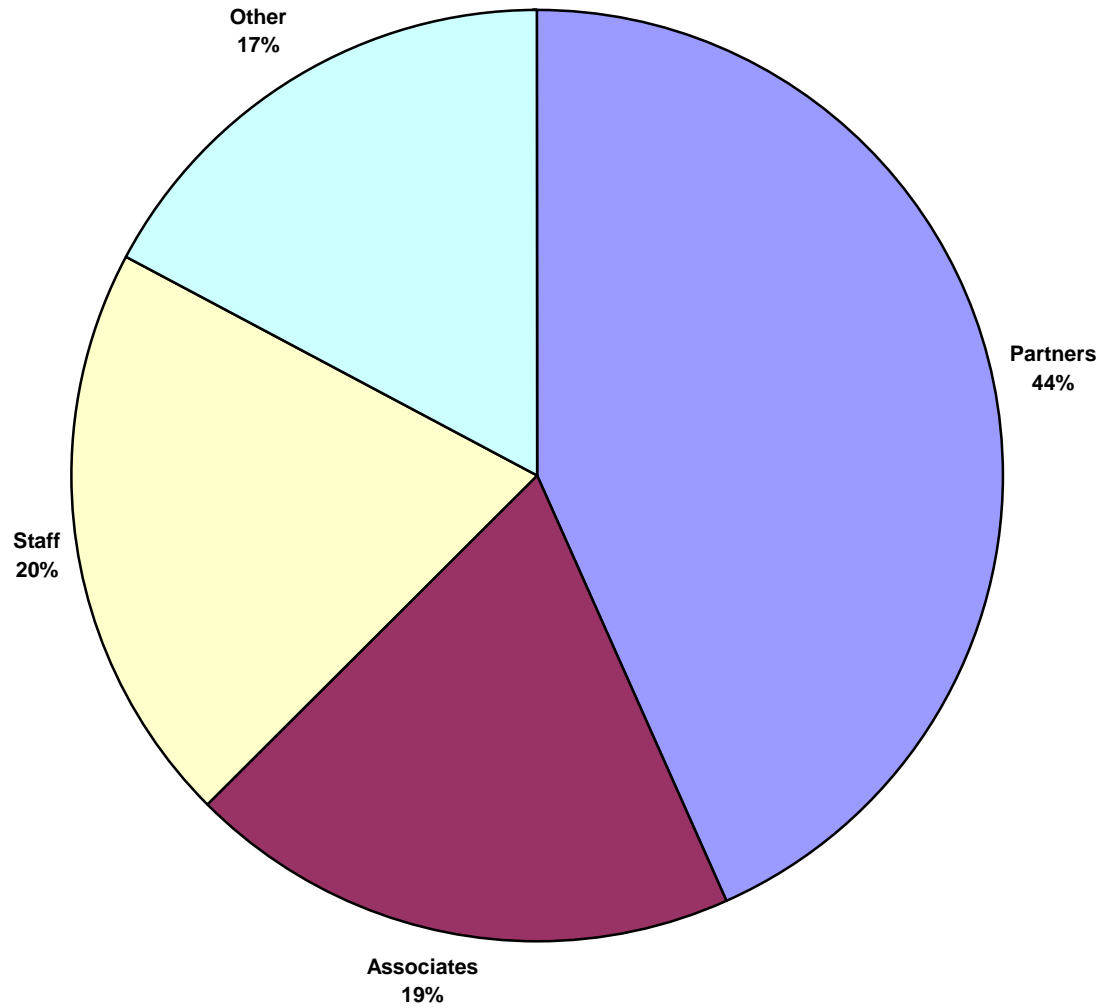


Who chairs your Technology Committee?



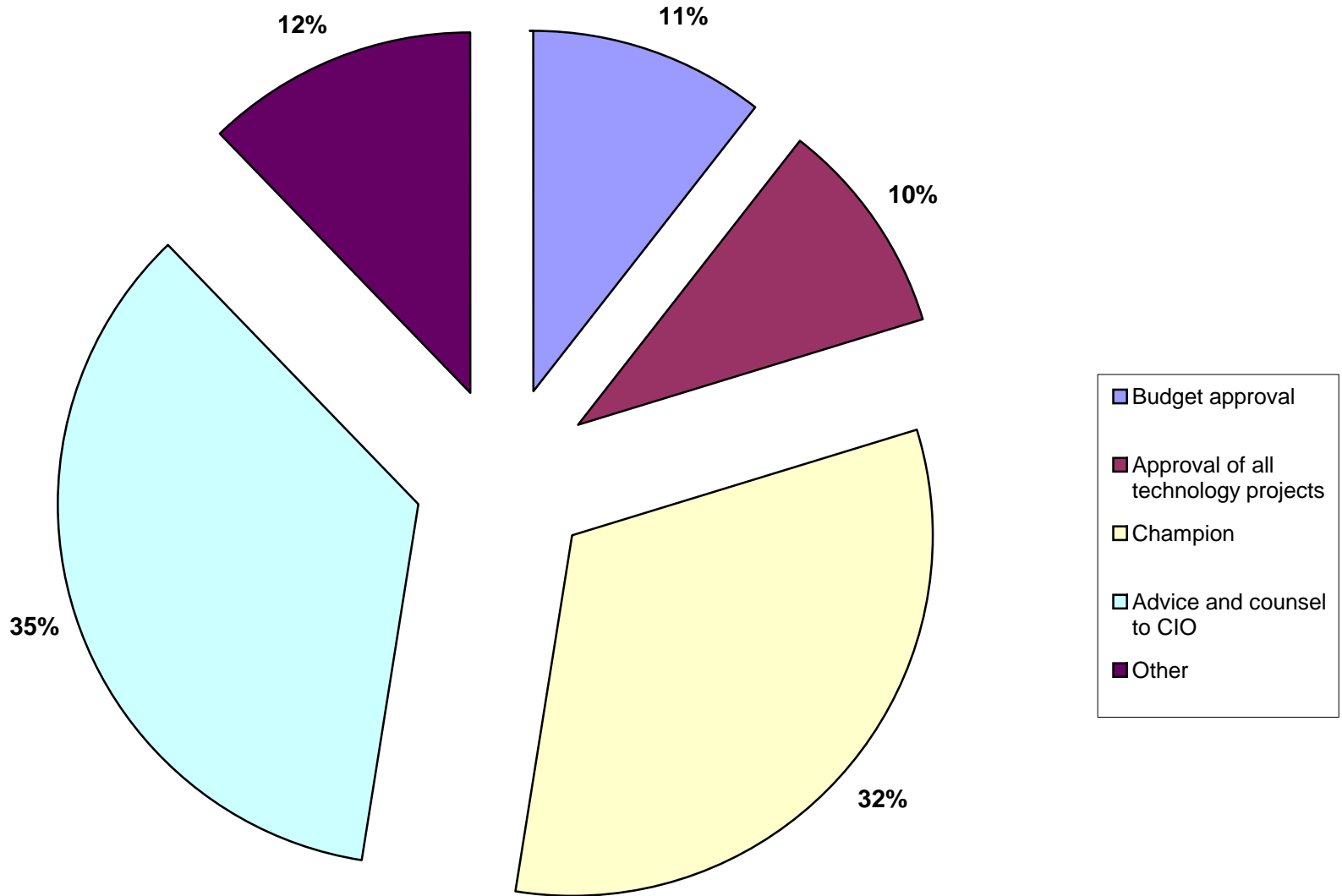


Who sits on your Technology Committee?

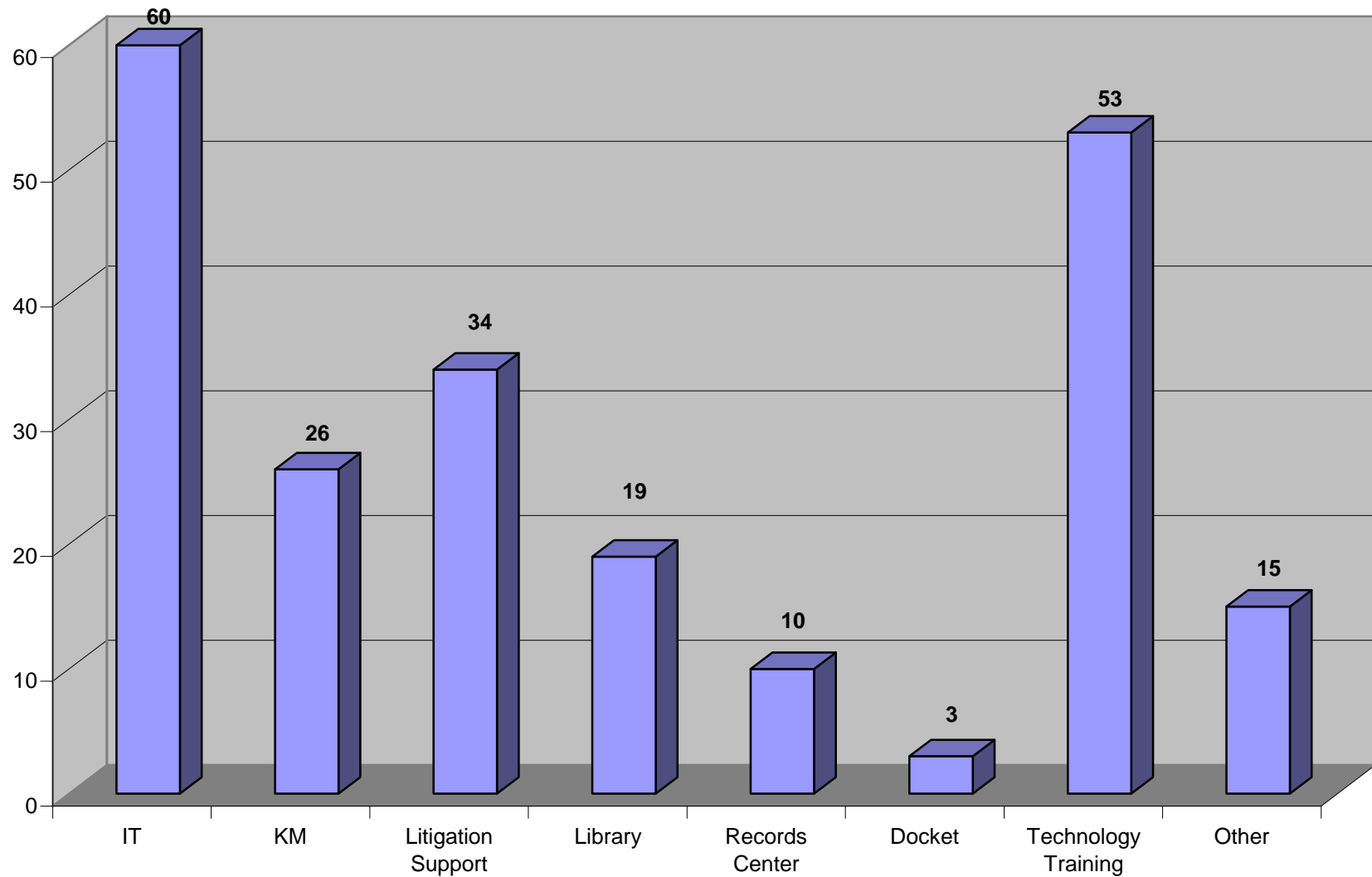


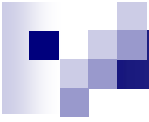


What is the role of your Technology Committee?

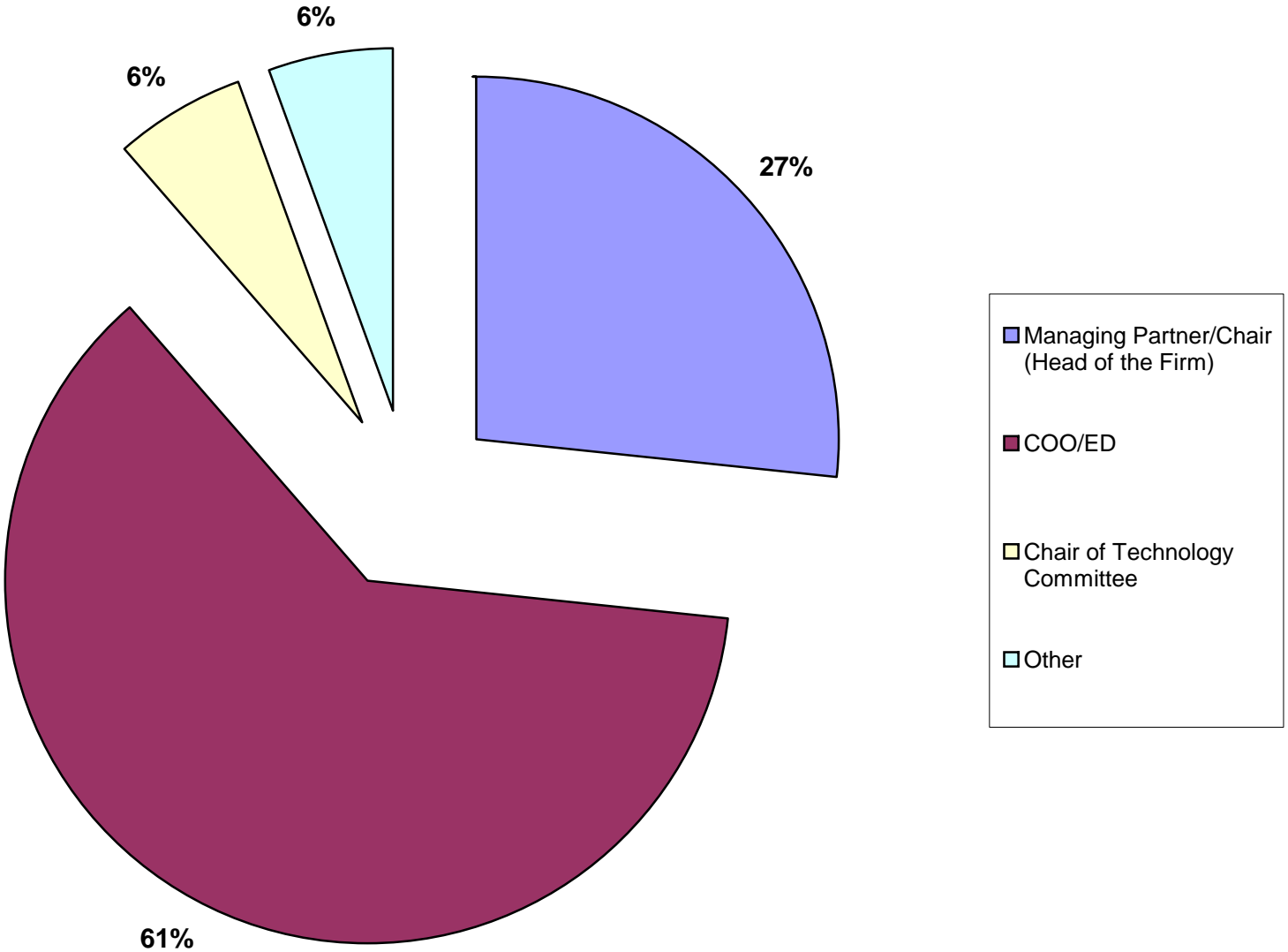


Which of the following functions are your responsibility?



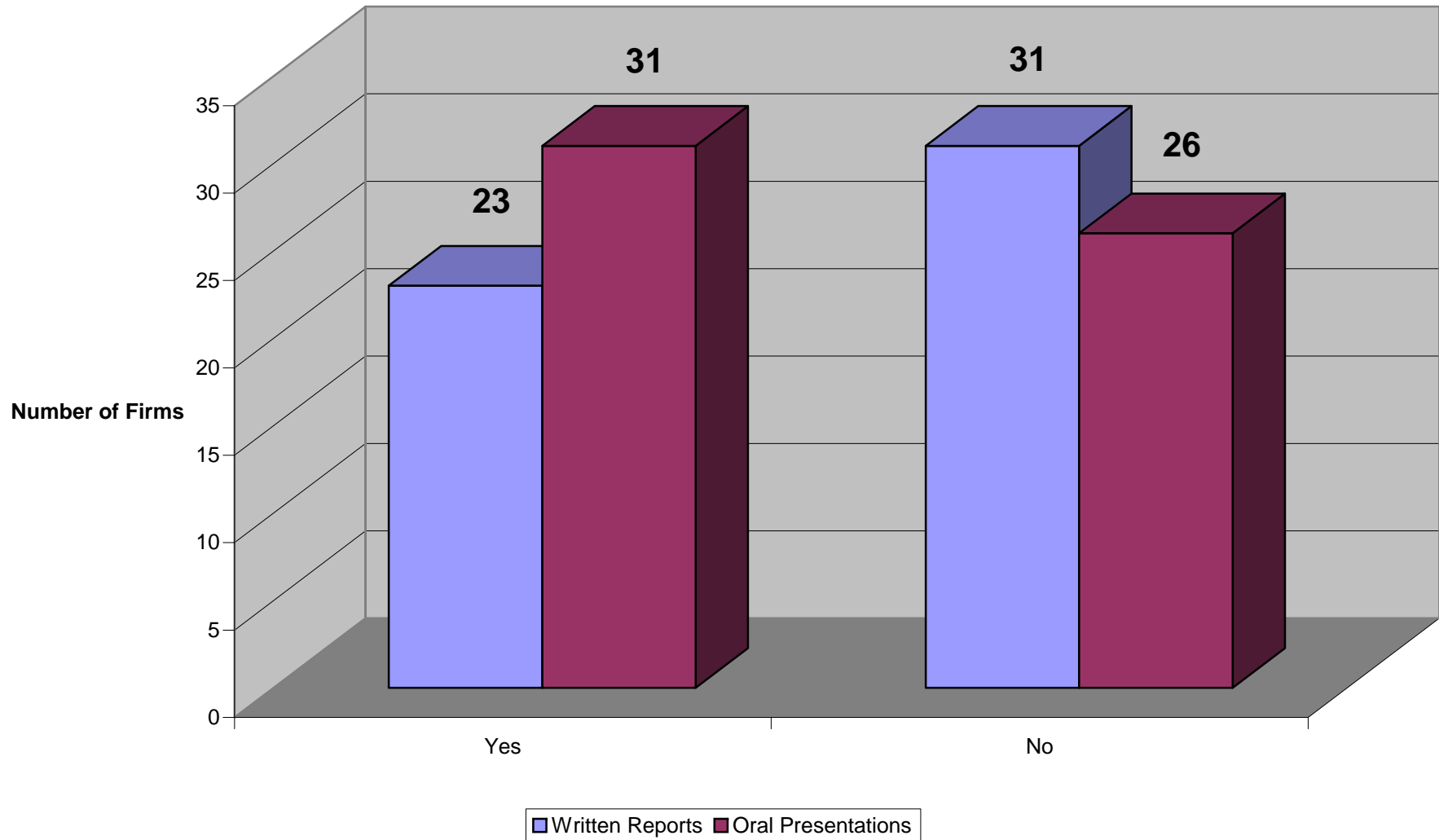


To whom does the CIO/IT Director/Other Titles report?





Do You Make Regular Reports to the Partnership?





Do you have regularly scheduled meetings with senior legal management?

