

Business Benefits Possible with Governance

The Four “Are’s” of Governance

by Ron Boulanger

WARNING: Adding technology in the absence of an overarching IT/Business strategy, proper business case, and formal operational oversight could lead to needless waste of capital and erosion of operating profit.

If we could place this warning label on the foreheads of every technology vendor in the marketplace, it just might instill improved buying decisions and return on investment. Technology vendors aren’t at fault. At fault are the lack of processes and accountability for results of the buyer.

The issue of gaining business benefits from technology can be overcome in time with solid governance processes. The book entitled “The Information Paradox” by John Thorpe illustrates a good structure for improving governance in the workplace using the four “Are’s” approach.

1. Are we doing the right things?
2. Are we achieving the benefits?
3. Are we getting them done well?
4. Are we doing them the right way?

Asking these four questions in relation to capital investments in technology will lead you down the right path as you endeavor to supply the answers. Putting together the right people, processes, and (where warranted) technology will formulate a solid governance structure while minimizing project failures. This governance structure, when deployed well, will work to reject as many or more misaligned projects than are approved. And that’s a good thing! Let’s examine these four “are’s” more closely.

Are we doing the right things?

What are the right projects to undertake? Conversely, which ones need to be filtered and rejected? What’s the decision making process and who is involved?

It helps to categorize project demand. You typically have the discretionary, non-discretionary, and “keep the lights on” projects. Within those you have low to high price tag projects. When posing the question “Are we doing the right things?” or “Is this project the right thing to undertake?” it is likely that the processes and people to answer these questions will vary between project categories. Otherwise you could find yourself in a meeting with high priced executives deciding whether to replace a problematic router. Reserve such meetings for reviewing your 5 year technology roadmap while embellishing on the first few years.

Are we achieving the benefits?

For new projects on the table, what are the anticipated benefits of deploying this technology? Think broadly when answering this question. Few technology projects can stand on their own to deliver tangible benefits. Try to couple technology initiatives with other supporting initiatives such as supporting process development, training, etc. that jointly deliver the targeted business result.

For projects in flight, use steering committees to provide business oversight. When necessary, the steering committee may stop a project if it is not going to deliver on its promises (as stated in the business case).

Are we getting them done well?

Do we know all the associated risks in this project? Are these risks documented, assigned, eliminated, or remediated? Are there proverbial “dead bodies” in the wake of a ruthless project manager? Are the right people consulted and involved on this project? What metrics are tracked that demonstrate project management effectiveness?

These are some of the questions and issues involved in getting your projects done well. A PMO, if in place, have the responsibility to address these issues and instill best practices for the organization.

Are we doing them the right way?

Project management methodology has the largest influence on this area of good governance. Instilling efficient, non-bureaucratic PM processes supported by good tools and skilled people are key factors. Many organizations have people who “manage” projects but aren’t really Project Managers as recognized through training and certification. Train your people or hire people who are already trained and experienced. Use elastic resources by contracting through third parties to address peaks and valleys in project activity.

Where to start?

Ideally, there would be two thrusts to delivery on this.

The first two “Are’s” that relate to “doing the right things” and “attaining the benefits”, relate to Business & IT alignment. Here, business and IT partner to deliver processes such as project prioritization and approval and steering committees.

The last two “Are’s” – “are we getting them (projects) done well” and “are we doing them the right way”, are about the effectiveness of IT processes. Here, the CIO has full responsibility to develop these governance areas.

When developing a governance model, the best advice is to chip away at it. At least 80% of the total effort should be focused on people and process with the balance on tools. It’s a mistake to invest too heavily on tools until you’ve reached a reasonable maturity capability level. Small steps make good walking!

Conclusion

The four “are’s” form a good structure from which to build a good governance model for your organization. It enforces accountability for results, solid and inclusive decision making, proven project management approaches, and consistent, effective processes. Done right, your organization will consistently get all the benefits from technology investment and leave nothing on the table!

Ron Boulanger is Principal Consultant at Connect2Speed specializing in IT governance, planning, and process improvement. See Ron’s blog at <http://rpboulan.wordpress.com>.

Ron Boulanger

Website: <http://www.connect2speed.com>

LinkedIn: <http://www.linkedin.com/in/rpboulan>

Blog: <http://www.connect2speed.com/blog/wordpress/>

Twitter: Ron Boulanger (rboulanger) on Twitter