

IS GOVERNANCE

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A TRANSFORMATION TOWARDS plurality has begun in the domain called Information Services. Many of our corporations already have an international workforce. Many of our data centers already have diffuse architectures based upon Open Source and shared resources. Many of our engineering departments are addressing globalization/localization at the library and metadata levels. Even some of our user interface specialists are addressing the realization that their prime “user” may not speak English.

Yet for these organizational examples, current models of governance may be wholly inadequate.

Imagine the following scenario:

A meeting of the IS governance committee, modeled after the traditional Gartner framework that proposes a composite executive membership from all internal business units, is called to order.

The senior vice president of Worldwide Sales and Operations delivers a colorful Powerpoint presentation on the benefit (potential profits) to be gained by opening offices in the EMEA region (Europe, Middle East, Asia) and delivering their product/service tailored specifically for that new audience. There will be bonuses, value to shareholders, and business growth.

Their discussion is predictable. Marketing staff remind everyone that there may be some additional design

issues, and customer support requests more training programs. The CIO quietly envisions additional funding to (finally) implement a global ERP system, perhaps even adding some regional desktop support personnel. In a mature organization, there might be a prioritization discussion, to realign corporate priorities that have shifted as a result of the new project.

The design phase of a project to support an EMEA office is approved, and an expensive consulting firm (the Big 5, someone who has done this before) is approved to generate specific requirements and a roadmap in time for review at the next meeting. This is traditional IS governance in action.

Yet, there are (at least) five missing elements from the scenario, and their absence ensures that the company will spend far too much time and money on the early stages of the project, therefore reducing the time to reach “Return on Investment.” In other words, the IS governance process, by itself, did not ensure success but, rather, set the stage for failure.

Let us review the scenario, and enumerate the number of missed opportunities for harvesting the existing knowledge assets already within the company’s reach.

1. The original Powerpoint presentation had not been reviewed in advance by any of the participants, missing the chance for background investigation by the other committee members.
2. Each representative considered his or her own vested interest first, looking for ways to take advantage of the new project to expand his or her own operations. Therefore, there was no “critical thinking”

about the overall proposal, or any missing elements outside of each representative’s chartered role.

3. There was no discussion about competitive efforts (because the sales team did not want to directly address the thorny issue until after the project was approved). No one wants the competition to find out about their cool new idea anyway.
4. No one questioned the need to bring in one of the Big 5 — overlooking several smaller firms, approved vendors of the company, who already have direct experience in those regions, even offices there. Perhaps one of those smaller firms already had a clause in their existing contract to assist in such efforts at a future time.
5. No one raised the issue of partnerships and alliances — whether any of the existing vendor partners had offices/programs/services that could be of assistance, and might even be distressed to be excluded from the efforts. Business development can be included after the basic decisions are made, it is assumed.

In other words, the existing IS governance model did not ensure the correct outcome. Everyone attended the meeting. Everyone listened to the presentation. Everyone fulfilled his or her role-based obligations.

But the existing knowledge in the company was not used.

That knowledge is captured in the shape of review cycles, existing contract databases, competitive research already on file in a marketing database, alliance data already reported in monthly newsletters delivered via

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e-mail and filtered into obscure folders because no one has the time to read everything, and in the white papers published on public Web sites by our alliance partners — knowledge containing an immense amount of useful information that could easily be reviewed as part of a complete decision-making cycle. Instead, partners with significant skills in the region will remain in the dark until the project is launched months later. Existing IT vendors under contract in the region will have no chance to contribute “lessons learned” until those mistakes are made for a second time.

Such standard IS governance models only ensure a modest method to minimize interdepartmental disputes and budget conflicts. Those governance models, based upon the notion that resolving the “Federal vs. State”

tension is important, must give way to a broader ecosystem of participatory decisionmaking by moving beyond the boundaries of the institution. Instead, a “Global vs. Personal” model expands “governance” to include anyone who might have important contributions.

We are not isolated companies in an isolated economy. We are an ecosystem of complex organisms with extended enterprise knowledge already stored in a variety of repositories and warehouses. Someone, somewhere in our ecosystem already knows the answers to most of the questions being confronted by our executives.

As individuals serving as representatives for a business unit or function, we must shift our behavior. We must do more than attend meetings and protect our own (modest) interests.

We must become more actively engaged in this pluralistic, multi-dimensional model, where IT governance expands to include partners, service providers, and communities of practice within and beyond the boundaries of our corporations.

At an IT conference in St. Petersburg, I was recently asked why I was such a strong proponent of collaboration and cooperative technology alliances. The answer was not practiced or prewritten; it was an intuitive response:

I am not thinking of very real profit margins and efficiently leveraged assets when I promote cross-institutional knowledge sharing. I am thinking about the world my son will inherit. ▲