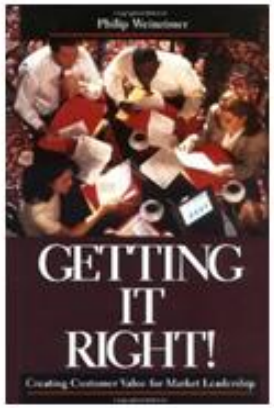
Strategic IT Governance

Why IT Managers Need to Understand the Importance of Strategic IT Governance

Phil Weinzimer
Strategere Consulting

©2018 Strategere Consulting

Phil Weinzimer



bmc UNISYS Sapient Strategere Consulting

pweinzimer@gmail.com

www.strategere.com

Project Failure Statistics

- The failure of IT costs the U.S. economy about $50-$150 billion annually. [Harvard Business Review]
- 17 percent of IT projects go so badly, they threaten the existence of the company. [McKinsey & Company in conjunction with the University of Oxford]
- Three-quarters of projects fail because senior management doesn't get involved. [Capterra]
- Just 40 percent of projects at IBM meet the company's three key goals (schedule, budget, and quality). [IBM]
- 57 percent of projects fail due to communications breakdown. [IT Cortex]
- The failure rate of projects with budgets over $1M is 50 percent higher than the failure rate of projects with budgets below $350,000. [Gartner]

http://blog.mavenlink.com/21-shocking-project-management-statistics-that-explain-why-projects-continue-to-fail

©2018 Strategere Consulting

Questions?

What is the Objective of IT Governance?

©2018 Strategere Consulting

Strategic IT Governance
Key Objectives

- Prevent unnecessary risk
- Ensures selection/execution of projects and technology investment decisions align with Enterprise strategy
- Enables achievement of strategic goals

"The foundation to an effective governance program is effective risk management"… Deloitte

https://deloitte.wsj.com/riskandcompliance/2013/05/24/the-role-and-benefits-of-a-corporate-governance-framework/

©2018 Strategere Consulting

Digital Transformation Study

The MIT Center for Digital Business

Capgemini Consulting

- **3- Year Study**
- **1500 IT/Business Executives**
- **Increase in Number of Transformation Projects Focus on 3 Key Areas**

Customer Experience	Operational Processes	Business Models
• Understanding Customer	•Process Digitization	•Digitally Modified Businesses
• Top Line Growth	•Worker Enablement	•New Digital Businesses
• Customer Touch Points	•Performance Management	•Digital Globalization

… Identified GOVERNANCE as a Major Obstacles to Success

©2018 Strategere Consulting

Transformation Projects Focus Areas

Customer Experience

- Understanding Customer
- Top Line Growth
- Customer Touch Points

Operational Processes

- Process Digitization
- Worker Enablement
- Performance Management

Business Models

- Digitally Modified Businesses
- New Digital Businesses
- Digital Globalization

GTA

Putnam INVESTMENTS

The Walt Disney Company

Anthem BlueCross BlueShield

Sprint

jetBlue

intuit

Build-A-Bear Workshop

©2018 Strategere Consulting

Georgia 2025 Vision

Calvin Rhodes
State of Georgia CIO

By 2025 Georgia agencies will LEVERAGE DATA TO PROVIDE DIGITAL SERVICES FOR A BROAD RANGE OF CITIZENS' NEEDS and work closely with private sector under a mature strategy

- Citizen Access to Service
- Mobility
- Innovation
- Technology as a service

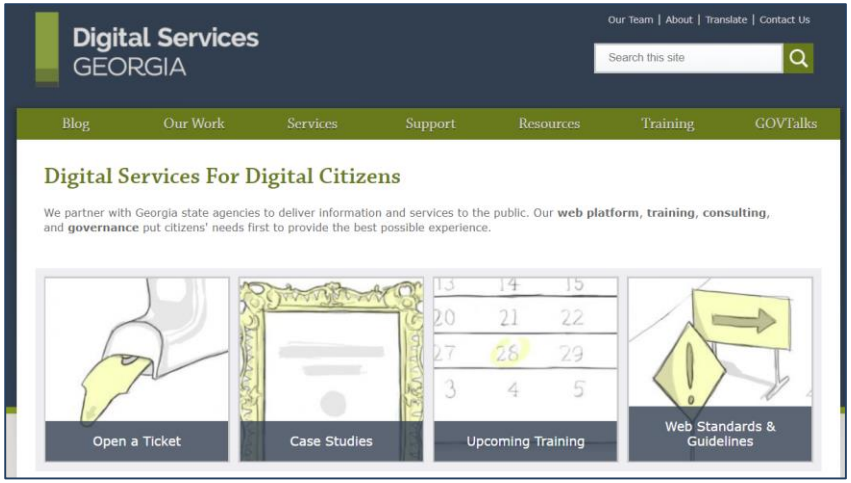
©2018 Strategere Consulting

Georgia Technology Authority

Technology enabling the business of government

Nikhil Deshpande
Chief Digital Office – GTA

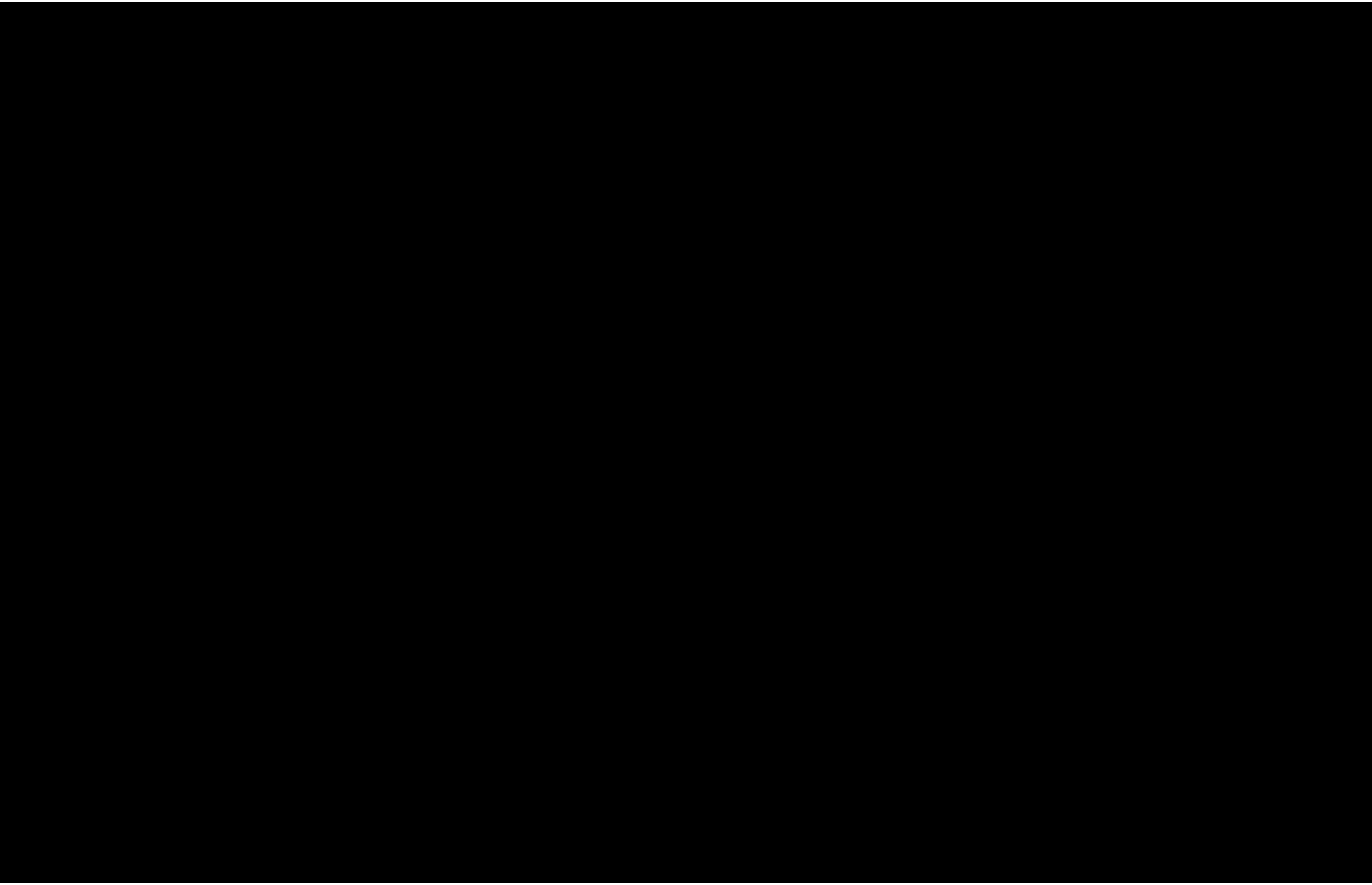
- Our mission is to make **government services and information available to *all citizens***
- Help agencies provide a **frictionless** citizen experience through all their digital touchpoints.
- Provides opportunity for **state agencies to analyze and enhance how they deliver information and services**



https://digitalservices.georgia.gov/

Ask Alexa

https://youtu.be/tGvDRLMB_GE

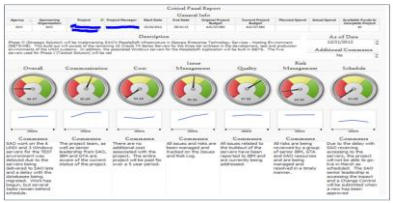


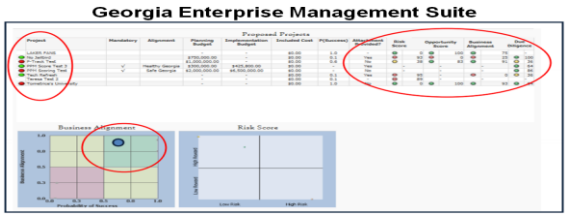
Improve Value to Georgia Citizens

***As the stewards of taxpayer dollars, we need to ensure project success through a well-defined and proven governance process…*Calvin Rhodes, CIO-State of Georgia**

- Identifies the **Key Predictors for Project Success**
- **Proactive** versus Reactive Solution
- **Promotes Teaming** through Active Communication /Training via Assessment Process

Multi Million Dollars Savings to Reinvest in Innovative Projects





©2018 Strategere Consulting

State of GA – Additional Info

Computer Aid, Inc.'s
Accelerating IT Success 1
THE ART OF PROJECT GOVERNANCE

The Georgia Technology Authority saves taxpayer money across 119 state agencies by implementing a process for project evaluation, review, governance, and tracking.

The Art of Project Governance

BY PHIL WEINZIMER

I am certain you have read about the 25-35% failure rate for IT projects. One could logically ask: how can this be when there are dozens of project management solutions in the marketplace, used by thousands of companies that focus

terprise Governance and Planning. "We are the stewards of taxpayer dollars and need to manage project risk," says Rhodes. Fruman's team provides governance for the 200-450 million dollars of critical projects executed each year by the 119

CIO
FROM IDG

IDG CONTRIBUTOR NETWORK Want to Join?

TRANSFORMING IT FOR BUSINESS SUCCESS

By Phil Weinzimer, Advisor, President, CIO | OCT 13, 2014 8:37 AM PT

Opinions expressed by ICN authors are their own.

OPINION

How to Succeed at Project Governance

The State of Georgia saved millions of dollars in project costs by implementing processes and a tool that enables the Project Management Office (PMO) to manage projects proactively, identify key predictors for project success, and create an effective team environment among key stakeholders.

Why can't IT organizations figure out how to avoid the high project-failure rate experienced by so many companies? You would think that with all the project portfolio management (PPM) solutions available today, companies would be able to successfully deliver projects on time, within budgeted cost, and achieve the desired business results.

https://www.cio.com/article/2693222/project-management/how-to-succeed-at-project-governance.html

©2018 Strategere Consulting

STATE OF GA NEW PROJECT GOVERNANCE PROCESS

Critical Project Review Panel

PMO
Project Management Office

Provides Oversight For Complex/Critical Projects

129 STATE AGENCIES

- **400-600 projects/yr**

CRITERIA

- **Projects -> $1M**
- **Or with significant business risk** that would impact the citizens of the state; regardless of project cost.

- **Projects -> $10 Million**
  -Project Assessments through project lifecycle
  -PMO attends Status Meetings

PARTICIPANTS

- The State CIO-Chair
- PMO Director
- State Agency Project Manager,
- Business Owner/ Vendor Project Manager
- Governor's Office Representative

©2018 Strategere Consulting

Customer Experience

Anthem BlueCross BlueShield

Tom Miller-CIO, Anthem

- Started Anthem Innovation Studio in May of 2016
- Created User-Friendly Personalized Welcome Video.
- Technology enables us to merge the information about new member into “Welcome to Anthem” video

https://sundaysky.com/customers/anthem-plan-welcome/

Operational Processes

Sprint

Scott Rice-CIO Sprint

“IT organization is right in the middle of every transformation project …Scott Rice

- **Transforming all aspects** of the business
- **Utilizing agile development** conducted in small, self-directed teams to improve software delivery
- "It's about **building a breadth of information** about you and your relationship with us,”

Business Models

jetBlue

"to bring humanity back to air travel"

"the core of the customer experience starts with the mission of being personal, helpful, and simple..with pride in innovation and a culture of hospitality."

https://www.youtube.com/watch?v=CdPH6rHT_dc

https://www.youtube.com/watch?v=TOdjlOS6PtI

Eash Sundaram
CIO Jet Blue

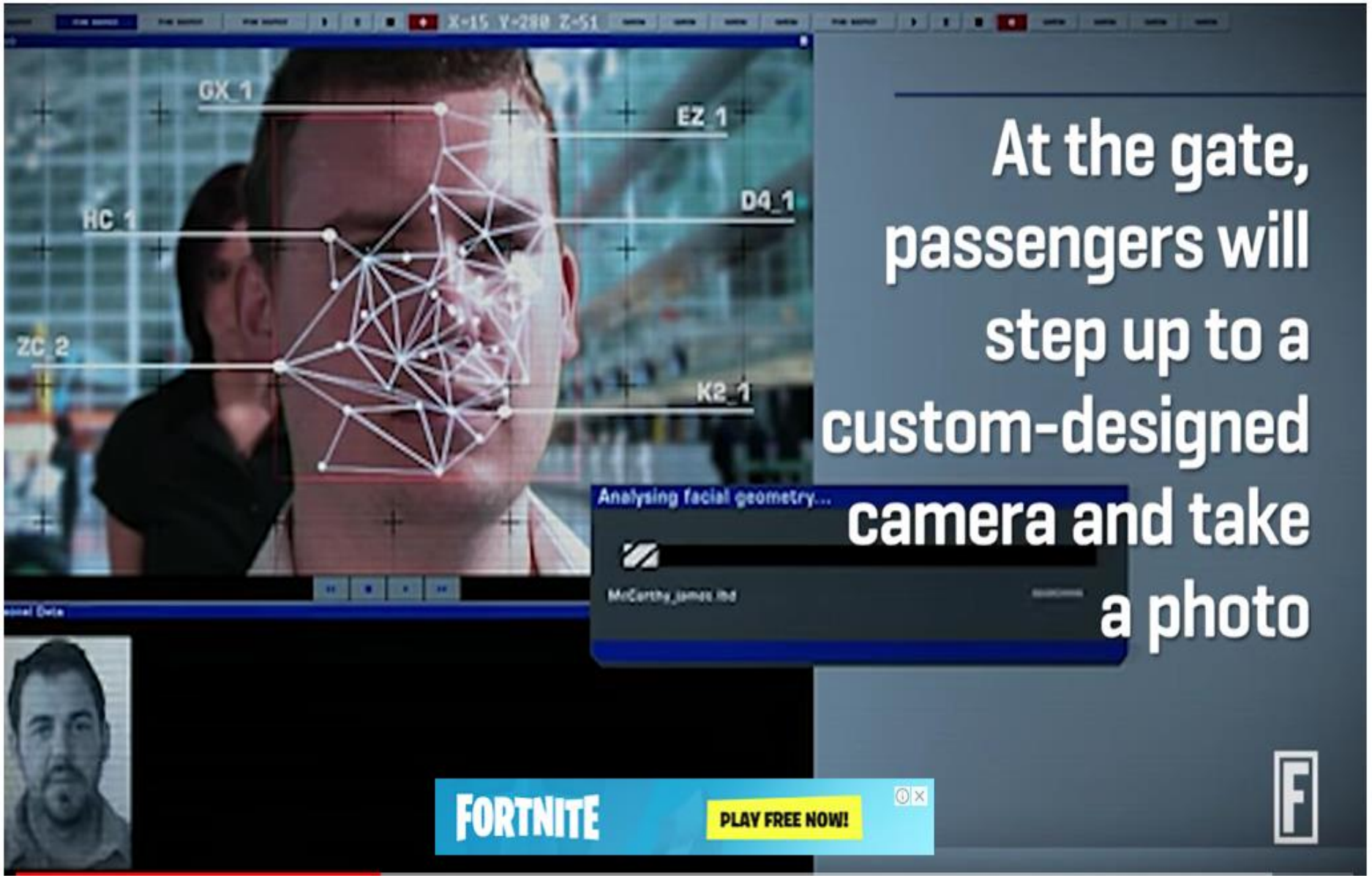
- **Biometric boarding process** for select international flights at Boston Logan International Airport
- **Improve Passenger Experience** (high-speed Internet, mobile payments)
- JetBlue Technology Ventures allows us to **fast track innovation**…invests in travel, hospitality, and transportation verticals that will enable, through technology, the next chapter of JetBlue's innovation.

1 2 3

https://www.sita.aero/

https://www.forbes.com/sites/peterhigh/2017/09/05/jetblues-head-of-technology-and-digital-also-runs-the-companys-venture-arm/#5972a1ef6e48

©2018 Strategere Consulting



©2018 Strategere Consulting

©2018 Strategere Consulting

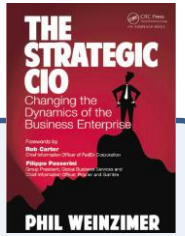
©2018 Strategere Consulting

Once cleared, a display above the camera will let the passenger know to board
Chicago

An Example of A Strategic IT Governance Framework

©2018 Strategere Consulting

GOVERNANCE FRAMEWORK – Example



Guiding Principles

Visible Leadership **Defined Tactics** **Effective Communication**

⟵ Project Excellence Governance Processes and Metrics ⟶

Project Demand

Project Supply

Project Portfolio

Sustain	***Operational***	***Strategic***
Maintain the Business	*Run the Business*	*Innovate the Business*

Project Portfolio Management Tool

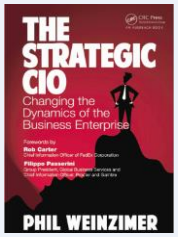
Managing Risk, Key Metrics, Activities, Schedule, Cost, Resources

©2018 Strategere Consulting

GOVERNANCE FRAMEWORK – Example

Guiding Principles

Visible Leadership	Defined Tactics	Effective Communication
•Vision	• Scope	• Constant
•Executive Sponsor	•Plan	• 360 Degrees Perspective
•Business Owner/IT Owner	•Change Management	•.Factual



Project Excellence Governance Processes and Metrics

Project Demand

•Rigorous Processes and Oversight to Ensure Successful Governance of Projects

• Focused Metrics to Measure Project Governance and Project Execution

Project Supply

PROJECT PORTFOLIO

Sustain – Maintain the Business

•Help Desk •Email

•Infrastructure •Data Center

•Telephony •Network

Operational –Run the Business

•Sales /Marketing •Customer Support

•Product Development •Logistics

•Engineering •Manufacturing

Strategic –Innovate the Business

New Products / New Markets

Creative Customer Service

Innovative Supply Chain

Project Portfolio Management Tool

Managing Risk, Key Metrics, Activities, Schedule, Cost, Resources

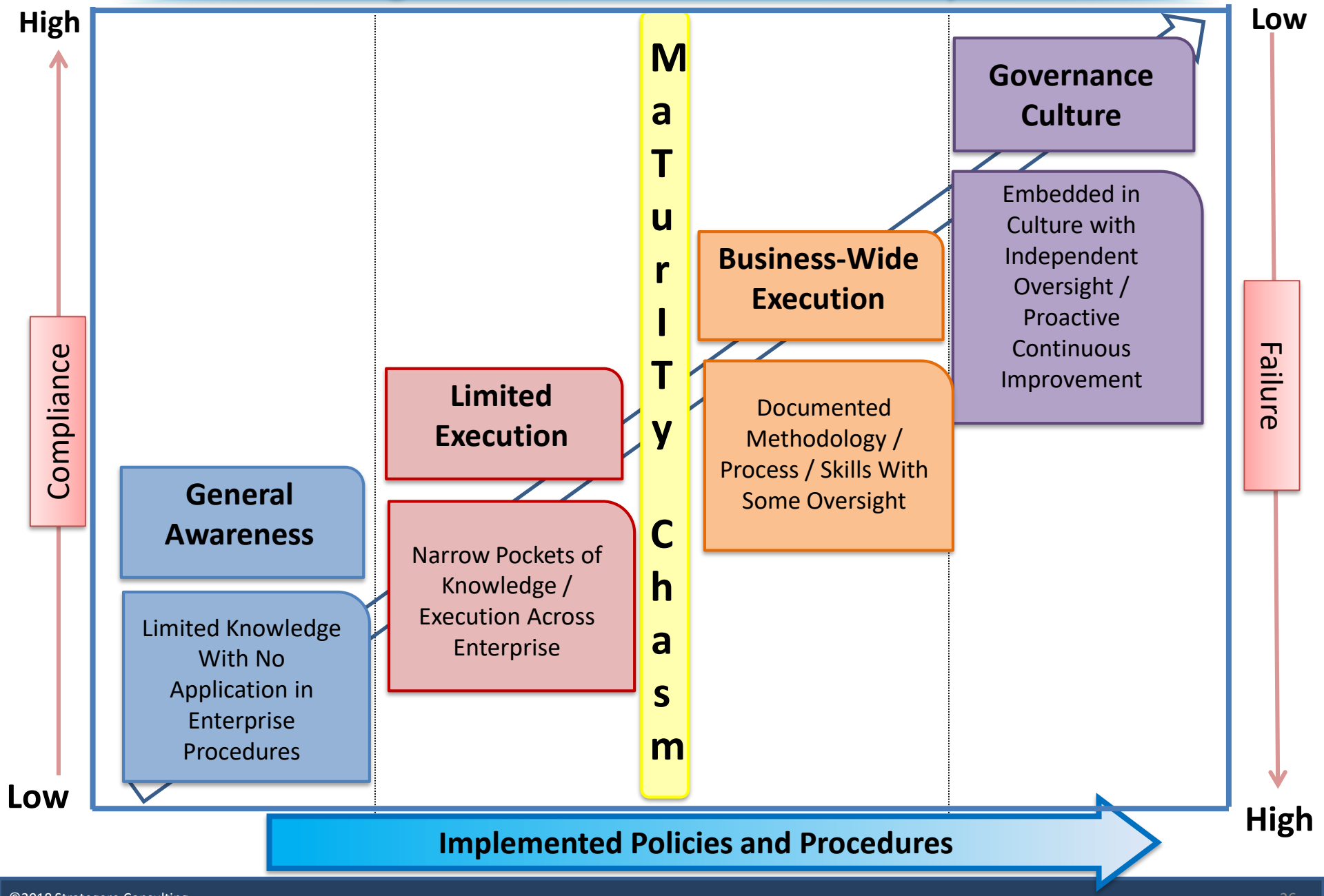
The Strategic CIO: Changing the Dynamics of the Business Enterprise

©2018 Strategere Consulting

How To Assess and Improve the Maturity of Your Strategic IT Governance Competency?

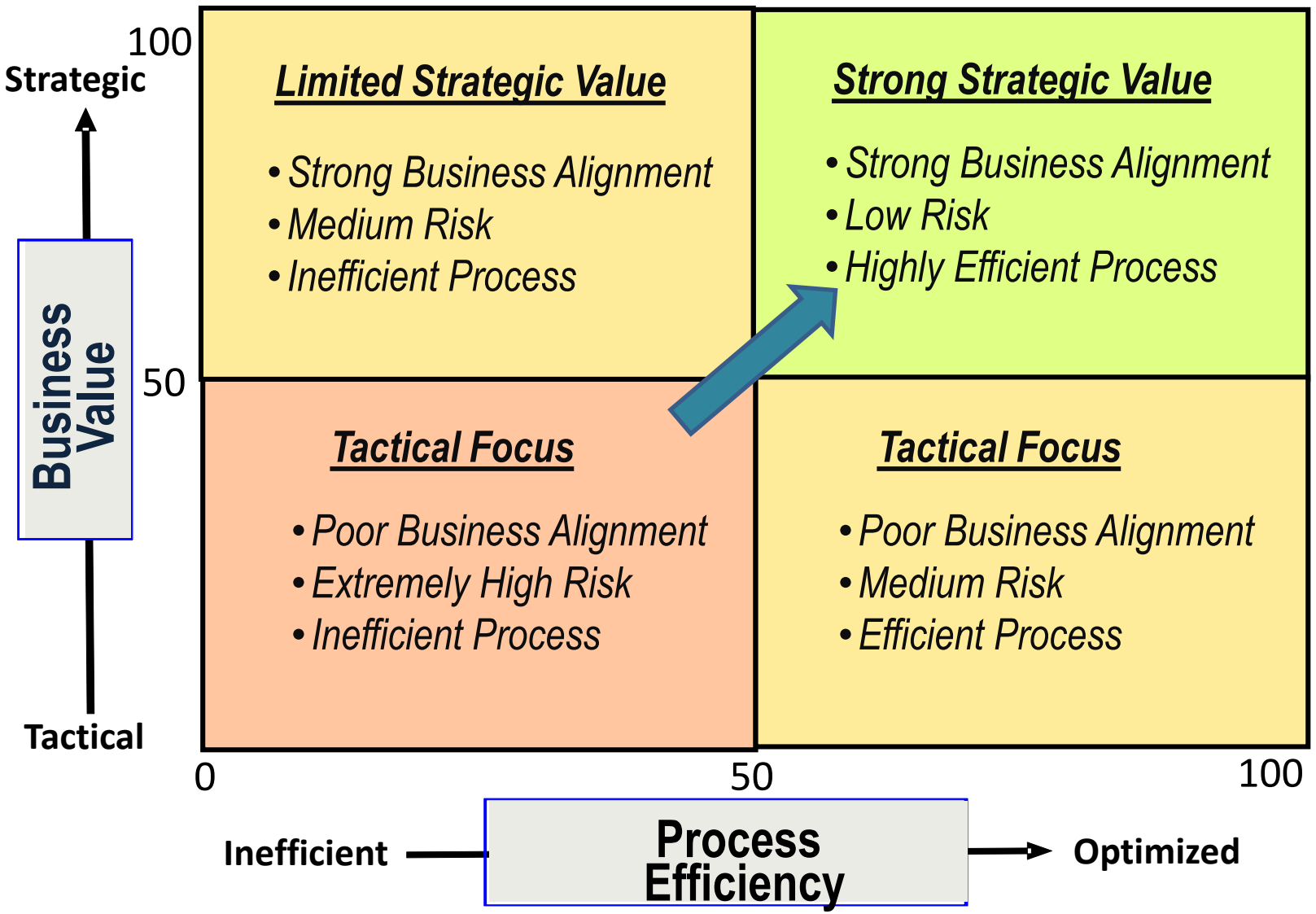
©2018 Strategere Consulting

Strategic IT Governance Maturity Path



©2018 Strategere Consulting

How Strategic is Your IT Governance ?



©2018 Strategere Consulting

Strategic IT Governance
Major Maturity Components

BUSINESS VALUE

- Strategic Imperative
- C-Suite Sponsorship
- VP/Director/Manager Sponsorship
- Business/IT Governance Board
- Business/IT Partnership Collaboration
- Business/IT Sponsor and Owner for Projects
- Enterprise-Wide Communication Program
- Business/IT Technology Plan
- Project Selection/Alignment Process
- Business Outcome Metrics

PROCESS EFFICIENCY

- Project Implementation Review Panel
- Defined, Process, Roles, Resp. Matrix
- Real-Time Project Monitoring
- Efficiency Metrics to Measure Success
- Stakeholder Involvement
- Project Risk Indicators *(provide predictive risk scores in Dashboard format)*
- Defined Project Success Criteria
- Proactive Project Management/Status Predictors for Project Success
- Collaborative Project Status Process *(Business Owner/IT Owner/ Critical Panel Review)*
- Continuous Improvement Process *(Process/Skills/Metrics/etc.)*

©2018 Strategere Consulting

Strategic IT Governance Maturity Assessment

Business Value

BUSINESS VALUE	BEST PRACTICE	SCORE (1-Low: 10-High)
Strategic Imperative	The business enterprise recognizes IT Governance is a strategic imperative	
C-Suite Sponsorship	The entire C-Suite publicly endorses and sponsors the need for strategic IT Governance as a critical success factor in achieving its business goals and objectives	
VP/Director/Manager Sponsorship	VPs, Directors, and Managers across the business enterprise publicly endorse and sponsor the need for strategic IT Governance as a critical success factor in achieving its business goals and objectives	
Business/IT Governance Board	A Business/IT Governance Board comprised of key stakeholders provides oversight, coaching, and mentoring to organizations involved in IT Governance and receive regular updates on project status, metrics, and risk management issues	
Business Unit/IT Partnership-Collaboration	Business Unit and IT Leaders recognize the need for and form collaborative partnerships to identify, develop, and implement the portfolio of IT and technology projects	
Business/IT Sponsor and Owner for Projects	A business and IT sponsor are jointly accountable and responsible for achieving the successful implementation for projects	
Business/IT Technology Plan	Business and IT Leadership jointly develop a business/technology plan that enables achieving the business enterprise business goals and objectives	
Enterprise-Wide Communication Program	An enterprise-wide communication plan is in place to engage all personnel in the need for and active participation in understanding the importance of Governance as a critical success factor for business success	
Project Selection/Alignment Process	All projects are screened and approved by the Business/IT Governance Board to ensure that they align strategically to enterprise business plan in achieving the business goals and objectives	
Business Metrics & Success Criteria	Key business metrics identifying business outcomes and success criteria are established for each project to measure business outcome success	
TOTAL SCORE		

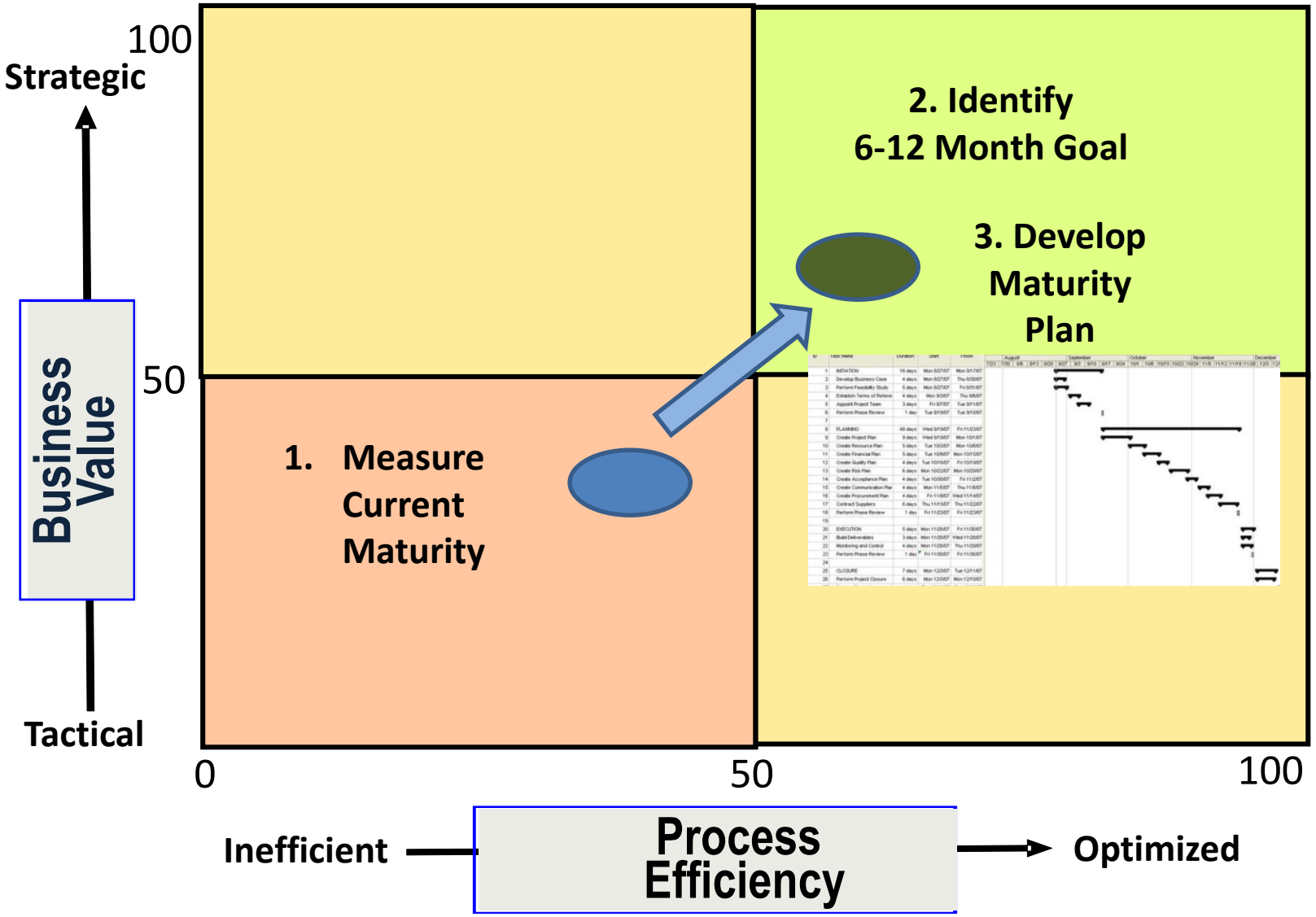
IT Efficiency

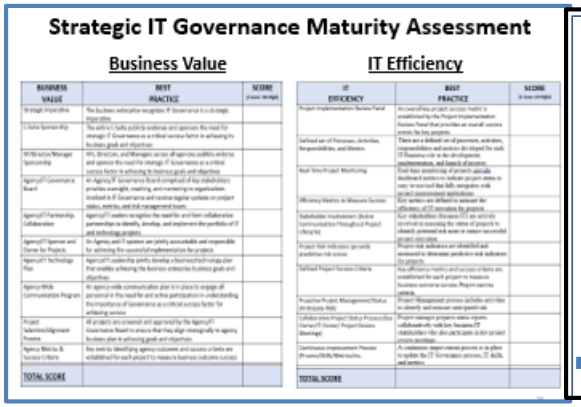
IT EFFICIENCY	BEST PRACTICE	SCORE (1-Low: 10-High)
Project Implementation Review Panel	An overall key project success metric is established by the Project Implementation Review Panel that provides an overall success metric for key projects	
Defined set of Processes, Activities, Responsibilities, and Metrics	There are a defined set of processes, activities, responsibilities and metrics developed for each IT/Business role in the development, implementation, and launch of projects	
Real-Time Project Monitoring	Real-time monitoring of projects provide dashboard metrics to indicate project status in easy-to-use tool that fully integrates with project measurement applications	
Efficiency Metrics to Measure Success	Key metrics are defined to measure the efficiency of IT execution for projects	
Stakeholder Involvement (Active Communication Throughout Project Lifecycle)	Key stakeholders (business/IT) are actively involved in assessing the status of projects to identify potential risk areas to ensure successful project execution	
Project Risk Indicators (provide predictive risk scores	Project risk indicators are identified and measured to determine predictive risk indicators for projects	
Defined Project Success Criteria	Key efficiency metrics and success criteria are established for each project to measure business outcome success Project success criteria	
Proactive Project Management/Status (Anticipate Risk)	Project Management process includes activities to identify and measure anticipated risk	
Collaborative Project Status Process (Bus Owner/IT Owner/ Project Review Meetings)	Project manager prepares status reports collaboratively with key business/IT stakeholders who also participate in key project review meetings	
Continuous Improvement Process (Process/Skills/Metrics/etc.	A continuous improvement process is in place to update the IT Governance process, IT skills, and metrics	
TOTAL SCORE		

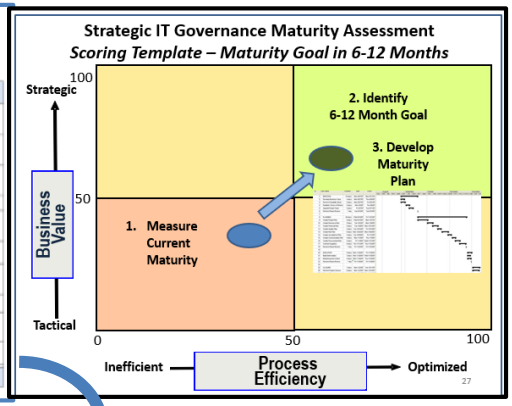
©2018 Strategere Consulting

Strategic IT Governance Maturity Assessment

Scoring Template – Maturity Goal in 6-12 Months







Implementation Work Streams

	Business Value	Process Efficiency
Leadership Initiative	X	
Process Enhancement/Development	X	X
Training/Coaching/Mentoring	X	X
Technology Enablement		X

©2018 Strategere Consulting

BUSINESS VALUE

Leadership Initiative

- Strategic Imperative
- C-Suite Sponsorship
- VP/Director/Manager Sponsorship
- IT Governance Board
- IT Partnership / Collaboration
- Business/IT Sponsor and Owner for Projects

Process Enhancement/ Development

- Enterprise-Wide Communication Program
- Enterprise Technology Plan
- Project Selection/ Alignment Process
- Business Outcome Metrics

©2018 Strategere Consulting

PROCESS EFFICIENCY

Process Enhancement/ Development

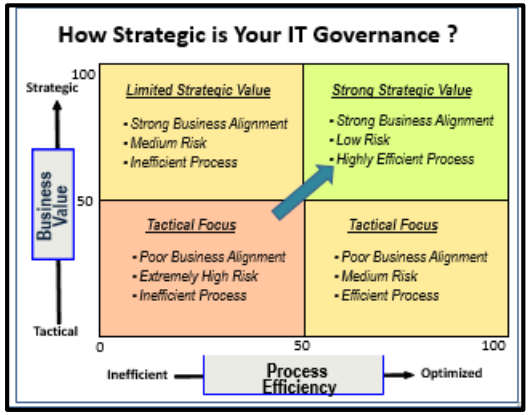
- Defined, Process, Roles, Resp. Matrix
- Stakeholder Involvement
- Defined Project Success Criteria
- Collaborative Project Status Process (Agency Owner/ IT Owner)
- Project Implementation Review Panel
- Continuous Improvement Process (Process/Skills/Metrics/etc.)

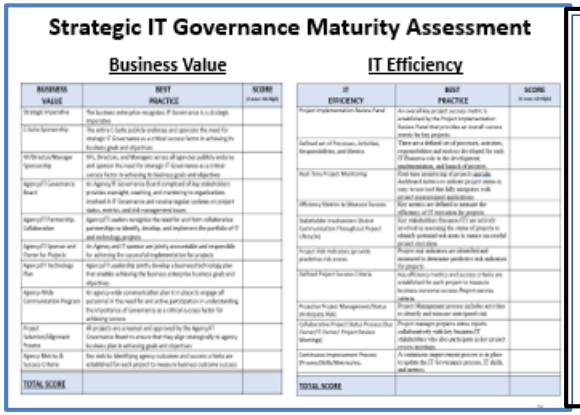
Technology Enablement

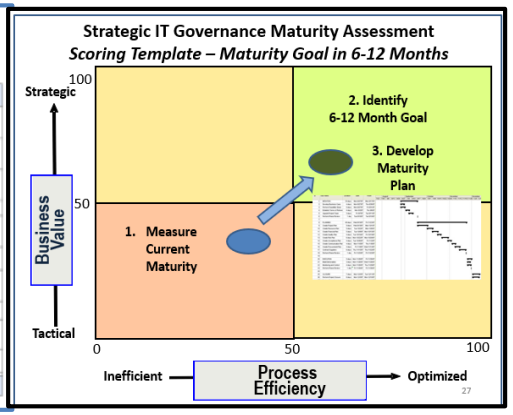
- Real-Time Project Monitoring
- Project Risk Indicators (provide predictive risk scores in Dashboard format)
- Proactive Project Management/Status
- Efficiency Metrics to Measure Success

©2018 Strategere Consulting

Summary







	Business Value	Process Efficiency
Leadership Initiative	X	
Process Enhancement/Development	X	X
Training/Coaching/Mentoring	X	X
Technology Enablement		X

©2018 Strategere Consulting

Strategic IT Governance- Day of Learning

The Strategic IT Organization
The Changing Role of PM's

PRESENTATION

Why Companies Leverage Technology for Competitive Advantage and It's Impact on Increased the Role and Skills Required By Project Managers

WORKSHOP

Assess the Maturity of Your Business Competencies/ Skills and Develop a Maturity Plan

DELIVERABLE

Business Competency/ Skills Improvement Plan

Strategic IT Governance
Case Study

PRESENTATION

Sanitized Case Study Overview of Multi-Division Business with Project Portfolio History of Excessive Risk/ Cost Overruns

WORKSHOP

Attendees Work in Teams to Analyze Case Study Material and Develop and Share Recommendations

DELIVERABLE

IT Governance Improvement Plan- Major Components

Strategic IT Governance
A Business Imperative

PRESENTATION

Market Drivers Requiring Strategic IT Governance Process/Critical Success Factors/Framework to Measure Maturity/APO Demo

WORKSHOP

Assess Strategic Maturity of Your Strategic IT Governance Competency/Develop Target Goal and Improvement Plan

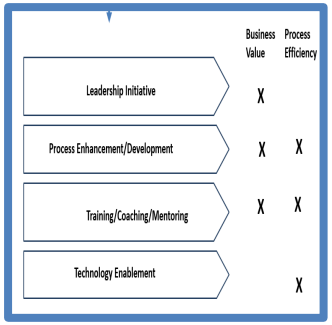
DELIVERABLE

Strategic IT Governance Maturity Plan

Closing Workshop
Tying it all Together

Work in Teams to Identify Value of Today's Learning Experience.

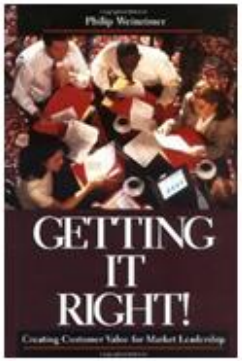
-Helping Your Business?
-Improving Your Skills?
-Enhancing Your Career?



©2018 Strategere Consulting

Thank You

Phil Weinzimer



bmc UNISYS Sapient Strategere Consulting

pweinzimer@gmail.com

www.strategere.com