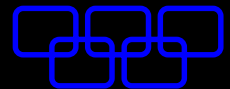# The Role of ITIL in IT Governance

Leveraging IT Governance around IT Service Management

Presented By: Rick Leopoldi
RL Information Consulting LLC

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Organization • Integration

- Why Focus on IT Governance
- An IT Governance Definition, Model, and Roles
- IT Service Management Focal Points
- Process and Service Definitions
- IT Service Management Objectives and Focus
- Basis for the IT Governance Model
- Key Components for Effective IT Governance
- Leveraging Key IT Service Management Areas
- Benefits of IT Governance
- What are the Critical Success Factors

Source: IT Governance, Harvard Business School Press

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Why Focus on IT Governance?

Based on Observations and Studies, this should prove to be a Primary Critical Success Factor in the Implementation and Benefits Realization of ITIL based Service Management Best Practices.

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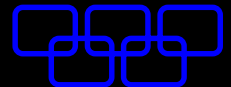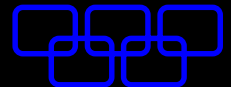
What is IT Governance?

IT Governance - specifying the decision _rights_ and the decision making _mechanics_ to foster the _desired behavior_ in the use of IT.

To help understand, design, and communicate effective IT Governance a decision rights and accountability framework can be constructed that answers these questions:

- What decisions must be made?
- Who will be making the decision?
- What information will the person possess?
- Who is accountable for the decision made?
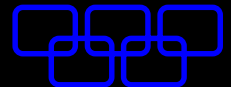- How is the decision outcome measured?

Source: IT Governance, Harvard Business School Press

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IT Governance Model

- Directing
  - Direction for IT and how to steer it
  - What are the Strategies, Architectures and Plans?
  - What is the Vision, Mission, Goals and Objectives?
- Controlling
  - Process Design and Service Ownership
  - Process Effectiveness, Efficiency, Adaptability and Continuous Improvement
- Executing
  - Process Implementation and Execution
  - Identify areas for continuous process improvement
- Communicating
  - Provide Communication both Horizontal and Vertical
  - Identify who, what and when
- Guiding Principals
  - Executive Direction and representation
  - Policies and Principles to guide decision making
 - Determine best approach alternative

IT Governance Roles

- Directing
  - ➢ Steering Committees with Chair and Advisors
- Controlling
  - ➢ Architecture Boards and Planning Committees
  - ➢ Process Owners required to provide organizational oversight
- Executing
  - ➢ Execution roles by Managers depending workload demand
  - ➢ Automation as required and where possible
- Communicating
  - ➢ Reporting roles
  - ➢ Automation as required and where possible
- Guiding Principals
  - ➢ Steering Committee and Process Owners

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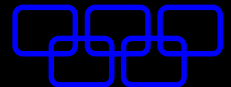Organization • Integration
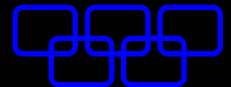
IT Service Management Focal Points

- **People:**
  - ➤ How people are grouped within the organization, what is their expertise and where do they fit into that group?
- **Process:**
  - ➤ How are activities performed? Are they done effectively and efficiently?
- **Technology:**
  - ➤ What technology and tools are used to mange the infrastructure?
- **Information:**
  - ➤ What measurements, metrics and reports are required, collected, and managed? Is there success criteria?
- **Services:**
  - ➤ What are they, what is the cost, how are they aligned to business requirements and how are they delivered?
- **Customer:**
  - ➤ What is the level of service, cost and perceived value of the services provided? How does this help satisfy business requirements?

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Definitions: Process and Service

- Process is:
  - ➤ A measurable, repeatable series of activities that produces a planned result
  - ➤ Independent of roles and responsibilities, technology tools and infrastructure, how the infrastructure is managed and what measurements, metrics and reports are collected and distributed
- Service is:
  - ➤ How business is done with the customer to meet their requirements
  - ➤ A measurable set of what is delivered and at what cost
  - ➤ A holistic combination of people, process, technology and information applied to meet customer service levels, cost effectively
 - ➤ What can meet the customer perceived requirements

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IT Service Management Objective

To Enable Effective, Efficient and Adaptable IT Services to the Business

```
        People
       /   |   \
      /    |    \
 Process—Services—Technology
      \    |    /
       \   |   /
       Information
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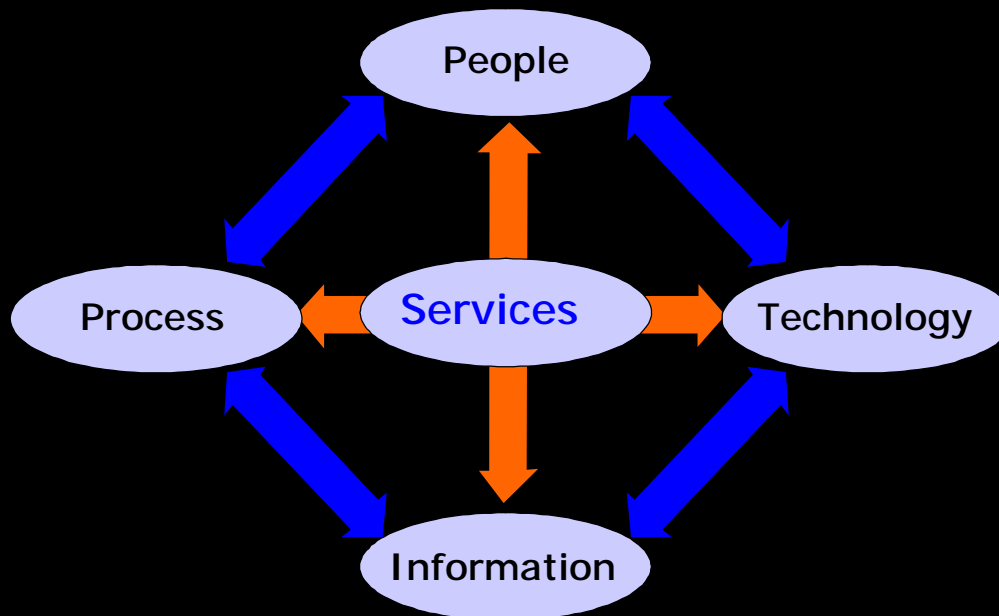
- Cooperation, coordination, communication and commitment

- Phased, planned implementation with minimal disruption to the business

- Agreed-to and realistic objectives that can achieved

- Utilizes effective project and knowledge management

People with the appropriate subject matter expertise, using the right information, executing technology enabled processes that are well defined in order to deliver high quality services that satisfy business requirements
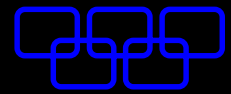
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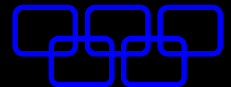
IT Service Management Focus

IT Service Management Maturity Path

GOALS

Shareholder value

Market share

Competitive advantage

Market Trends

Business Strategy

Service, Time to Value, Cost

People   **Process**   **Technology**   **Information**   **Customer Requirements**

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Basis for the IT Governance Model

Level of Partnership between Customer and Provider

Empowered Knowledge Worker

Innovator
IT manages technology with a goal on innovation and automation.

Partner/Enabler
IT plans based customer requirements to provide quality service at lower cost

Provider
Provider cuts costs and delivers high quality services.

Cost Leader
IT delivers highest quality services at lowest possible cost.

Value Added Service Provisioning

- Where are we now?
- What is the future desired state?
- What is the roadmap to get there?
- What activities are needed to execute the roadmap?
- What are the risks in executing the roadmap?

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Key Components for IT Governance

- Specify Decision-Making Authority and Accountability
- Provide a Framework to Align IT Decisions to the Business Mission, Strategy and Organization Culture
- Set Directions, Establish Standards, Principles and Prioritize Investments; Execution is Critical to Management Oversight
  - **Directing** –Who determines the direction and how is the direction set? Is this clearly defined and communicated?
  - **Controlling** – Who owns the processes and services? Who defines who, what, where, when and how of IT processes and services? Who defines and improves them? Who are the process owners? What level of authority do they have in the organization?
  - **Executing** – Who participates in the day to day execution of the processes and services? From the top down this includes managers and other execution roles.
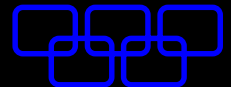 - **Communicating** – Who needs to know what and when across and down the organization?

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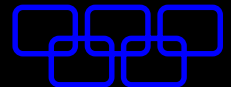
Control IT Service Management Architectures, Plans and Processes

- Process Control - Where Process Design and Policy Decisions Occur
  - ➢ Check, regulate, test, verify by counter or parallel evidence and comparison. To call to account, To exercise restraining influence over, to have power over
  - ➢ Authority, oversight, restraining, regulation, direction in use, definition and improvement of the process

- Points of Control
  - ➢ Single or Multiple Points of Control are Established

- Good People, Process, Technology and Information does not Ensure "Good" Process Implementation
  - ➢ Every process requires a process owner to own it which insures Continuous Service Improvement
  - ➢ If the owner lacks sufficient authority the process will not be followed by those with greater authority or those not under the authority

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Other Key IT Service Management Organization Principles

- Is every aspect of the IT mission assigned?

- Are there clear non-overlapping areas?

- Compare the need for specialization and integration/cross silo coordination to enable quality services

- Who is responsible for integration? Is it an executive? Is the customer managed at the integration point? Is service quality at risk with executive decision making becomes a bottleneck?

- Integration is the key to providing customer value

- A top down governance model works well and can be stable but can be too rigid for complex and changing situations

- With increasing complexity, dependence and requirements integration and cross functional management are required
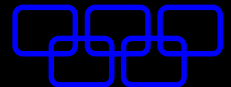
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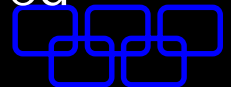
Potential Benefits of IT Governance

- Achieve Business Objectives by Ensuring that each Element of the Mission and Strategy are Assigned and Managed
- Defining and Encouraging Desirable Behavior in Using IT and in the Execution of Outsourcing Arrangements
- Implementing and Integrating the Desired Business Process into the Organization
- Providing Stability and Overcoming Limitations of Organizational Structure
- Improving Customer Relationships and Satisfaction
- Formally Integrating the Customers, Business Units, and External IT Providers into a "Holistic" IT Governance Framework

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Critical Success Factors

- Governance must be Defined Effectively
- Holistic around IT Service Management Perspectives of People, Process, Technology, Information
- Senior Management Commitment with an IT Steering Committee
- IT Governance Committee
- Evaluate IT Projects based on Alignment to Business Requirements using Agreed-to Success Criteria
- Effective Decision Making Processes
- Organizational Maturity that includes IT Governance, a Unique Strategy to illicit Desired Behavior, and Corporate Governance

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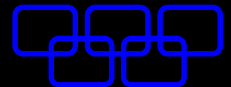
Acknowledgements

IT Governance: Book by Peter Weill and Jeanne W. Ross

IT Governance Important for ITSM Implementation: Article by Bill Powell, Service Management Strategy Leader, IBM Global Services

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