IT Governance: Finding Common Ground Using the COBIT Framework

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Session Description

Whether it’s in audit, assurance, security, project management, or managing services, we all try to do our best at work. But in focusing on our areas of expertise, we often miss the interdependencies, and those interdependencies are the key to improving the integration and alignment of activities. This presentation provides insight into why enterprise-wide IT governance is necessary and how to begin your journey towards implementing one of the more widely used frameworks, COBIT.

Participants will learn about:

- The increasing importance of reliance on technology and the effect on the organization when technology fail
- How an IT governance framework can improve business outcomes, reduce risk, and help the organization spend wisely
- How IT governance is used across the globe
- The different roles within an organization (i.e., audit, risk management, project management, information security, etc.) and how they work within IT governance, especially to bridge the many gaps that exist between departments
- Ways to initiate and support the creation of a culture that embraces IT governance.

Speaker Background

Leslie Landry is an ITIL v3 Expert, instructor, and partner development manager at ITpreneurs, where she works with organizations to develop ITSM education paths for both individuals and organizations. Leslie began her career in ITSM as an ITIL instructor and has delivered numerous classes to both public and private organizations, including ITIL v2 and v3 and COBIT Foundations.

Prior to joining the service management industry, Leslie cultivated an extensive background in organizational development and corporate education, in both the telecommunications and software industries. She has developed and delivered courseware on a variety of subjects, including communications, creative problem-solving, work/life balance, managing organizational change, and negotiating to win. Leslie brings a solid business and organizational perspective to both her classroom and her partner relationships.
Session 806: IT Governance: Finding Common Ground Using the COBIT Framework

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RECOGNIZE THE DRIVERS FOR CHANGE

• Let’s build a list of issues / pains that need to be addressed by improved IT governance, based on your own experiences

What’s our attitude toward risk?

I believe it’s a great board game. Why do you ask?
Pain Points

- Failed IT initiatives
- Rising costs
- Perception of low business value for IT investments
- Significant incidents related to IT risk (e.g. data loss)
- Service Delivery Problems
- Failure to meet regulatory or contractual requirements
- Audit findings for poor IT performance or low service levels
- Hidden and/or rogue IT spending
- ...
External Drivers and Events

- Let’s build a list of external drivers and events that cause greater focus on IT governance based on your own experiences.
External Drivers and Events – Cont’d

• Merger, acquisition or divestiture
• Shift in the market, economy or competitive position
• New regulatory or compliance requirements
• Significant technology change or paradigm shift
• An enterprise-wide governance focus or project
• A new CIO, CFO, COO or CEO
• A new business strategy or priority
Addressing Pain Points and Events with COBIT

First, let’s see what COBIT is NOT!

- IT Governance or GRC Software
- A framework that makes other frameworks (such as ISO 27001, ITIL, COSO) obsolete
- An IT Audit plan
- A one size fits all solution that can be implemented overnight

Now, let’s see what COBIT is!

- An IT Governance Framework and tool set that can be used by an organization to get control over IT during implementation, review, administration and monitoring
- A high level framework that is complementary to many other major frameworks
- The comprehensive intelligence for a roadmap for continuous improvement

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Addressing Pain Points and Events – Cont’d

COBIT:

- Is based on and accommodates major international standards
- Is increasingly recognized as the de facto framework for IT governance
- Is focused on what is required to achieve governance and control at a high level
- Is aligned with other best practices
  - Can be used as the “integrator” of different guidance materials, such as ISO/IEC 27002 and ITIL
History of the COBIT Framework
History of the COBIT Framework
The COBIT Cube

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Mapping COBIT and ITIL

COBIT processes addressed by IT Infrastructure Library v3

Source: COBIT® Mapping: Mapping of ITIL® V3 With COBIT® 4.1 ©2008 ITGI. All rights reserved. www.itgi.com
# Mapping Example of ITIL and COBIT

<table>
<thead>
<tr>
<th>ITIL V3 Service Design</th>
<th>COBIT 4.1</th>
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<tbody>
<tr>
<td>Catalogue Management</td>
<td>DS1</td>
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<td>Service Level Management</td>
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<td>Capacity Management</td>
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<td>Service Continuity Management</td>
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<td>Information Security Management</td>
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<td>Supplier Management</td>
<td>AI5, DS2</td>
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### Business Goals for IT

<table>
<thead>
<tr>
<th><strong>BUSINESS GOALS</strong></th>
<th><strong>Financial Perspective</strong></th>
<th><strong>Customer Perspective</strong></th>
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<th><strong>Learning and Growth Perspective</strong></th>
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<tr>
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<td>Improve customer orientation and service.</td>
<td>Manage product and business innovation.</td>
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<td>Acquire and maintain skilled and motivated personnel.</td>
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<td>Improve and maintain operational and staff productivity.</td>
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<td>Improve agility in responding to changing business requirements.</td>
<td>Achieve the cost optimization of service delivery.</td>
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<td>Obtain reliable and useful information for strategic decision making.</td>
<td>Improve and maintain business process functionality.</td>
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<td>Lower process costs.</td>
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<td>Manage business change.</td>
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**Learning and Growth Perspective**: Manage product and business innovation.

**Acquire and maintain skilled and motivated personnel.**
## IT Goals (1 of 2)

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<tbody>
<tr>
<td>1. Respond to business requirements in alignment with the business strategy.</td>
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<td>2. Respond to governance requirements in line with board directives.</td>
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<td>3. Ensure end-user satisfaction with service offerings and service levels.</td>
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<td>4. Optimize the use of information.</td>
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<td>5. Create IT agility.</td>
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<td>6. Define how business, functional and control requirements are translated into effective and efficient automated solutions.</td>
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<td>7. Acquire and maintain integrated and standardized application systems.</td>
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<td>8. Acquire and maintain an integrated and standardized IT infrastructure.</td>
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<td>9. Acquire and maintain IT skills that respond to the IT strategy.</td>
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<td>10. Ensure the mutual satisfaction of third-party relationships.</td>
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<td>11. Ensure the seamless integration of applications into business processes.</td>
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<tr>
<td>12. Ensure the transparency and understanding of IT cost, benefits, strategy, policies and service levels.</td>
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<tr>
<td>13. Ensure the proper use and performance of the applications and technology solutions.</td>
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<td>14. Account for and protect all IT assets.</td>
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## IT Goals (2 of 2)

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<tr>
<td>15. Optimize the IT infrastructure, resources and capabilities.</td>
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<td>16. Reduce solution and service delivery defects and rework.</td>
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<tr>
<td>17. Protect the achievement of IT objectives.</td>
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<td>18. Establish clarity on the business impact of risks to IT objectives and resources.</td>
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<tr>
<td>19. Ensure that critical and confidential information is withheld from those who should not have access to it.</td>
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<tr>
<td>20. Ensure that automated business transactions and information exchanges can be trusted.</td>
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<tr>
<td>21. Ensure that IT services and infrastructure can properly resist and recover from failures due to errors, deliberate attacks or disasters.</td>
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<tr>
<td>22. Ensure minimal business impact in the event of an IT service disruption or change.</td>
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<tr>
<td>23. Make sure that IT services are available, as required.</td>
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<tr>
<td>24. Improve IT’s cost efficiency and its contribution to business profitability.</td>
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<tr>
<td>25. Deliver projects on time and within budget, meeting quality standards.</td>
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<tr>
<td>26. Maintain the integrity of information and processing infrastructure.</td>
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<td>27. Ensure IT compliance with laws, regulations and contracts.</td>
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<tr>
<td>28. Ensure that IT demonstrates cost-efficient service quality, continuous improvement and readiness for future change.</td>
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Example: Manage Product and Business Innovation

Business Goal Nr. 16: Manage product and business innovation.

IT Goal Nr. 5: Create Agility.
Processes: PO2 PO4 PO7 AI3

IT Goal Nr. 25: Deliver projects on time and within budget, meeting quality standards.
Processes: PO8 PO10

IT Goal Nr. 28: Ensure that IT demonstrates cost-efficient service quality, continuous improvement, and readiness for future change.
Processes: PO5 DS6 ME1 ME3

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IT Governance – Real World Connects
Roles and Responsibilities

• Class Activity – Allocating roles and responsibilities:
  – Let’s consider who are stakeholders with regard to IT governance. As a class activity let’s build a list of possible internal stakeholders and their responsibilities.
  – Let’s also build a list of external stakeholders and why they would have an interest.
Adopting a Lifecycle Approach

Implementing IT Governance
Adopting a Lifecycle Approach

• IT Governance is not implemented in one step, or as a “big bang” approach
• It is an ongoing activity continually aligned with current business needs:
  – Focused on current priorities
  – Developed a step at a time
  – Building on existing strengths
  – Based on continual improvement

“The use of business language and plain English is better than the use of “techno speak.” Benefits and impacts should also be expressed in business and not technical terms.” Source – ITpreneurs Courseware on IT Governance, Copyright @ ITpreneurs

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Adopting a Lifecycle Approach

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Adopt a Lifecycle Approach

• Implementing improved governance practices will involve significant change e.g.:
  – Culture
  – Management style
  – Organization structures
  – New roles and responsibilities
  – New working practices
• The lifecycle also needs to be managed as a program to ensure benefits are realized
Adopt a Lifecycle Approach

- The seven phases of the implementation life cycle are:
  1. What are the drivers?
  2. Where are we now?
  3. Where do we want to be?
  4. What needs to be done?
  5. How do we get there?
  6. Did we get there?
  7. How do we keep the momentum going?

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Keep the Momentum Going
Roadblocks and how to overcome them

- Lack of senior management buy-in
- Cost (and effort) of improvement outweighs (perceived) benefits
- Various levels of complexity
- Resistance to change
- ...

*What are your roadblocks?*
Overcome Challenges
All of them are listed in the guide!

Challenge  Root Causes  Success Factors
Overcome Challenges
All of them are listed in the guide!

Resistance to Change

• Reluctance
• Misunderstanding
• Perception
• Not invented here
• Entrenched thinking

Reflect

Focus on pains
• Raise Awareness
• Quick wins
• Follow up
• Adapt Frameworks
Create the Right Environment for Change

- Creating the right environment for change
  - Role of executive management
  - Establishing a committee
- Managing change (enablement)
  - Implement the right change
  - Implement the change the right way
Conclusion

• There are many drivers for change – find the right ones
• IT is crucial to business success – connect with the business
• Address different roles and responsibilities
• Use a lifecycle approach to implementation
• Start with creating the right environment for change first
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