

You hear about it, you know it's out there, but what exactly does it mean?

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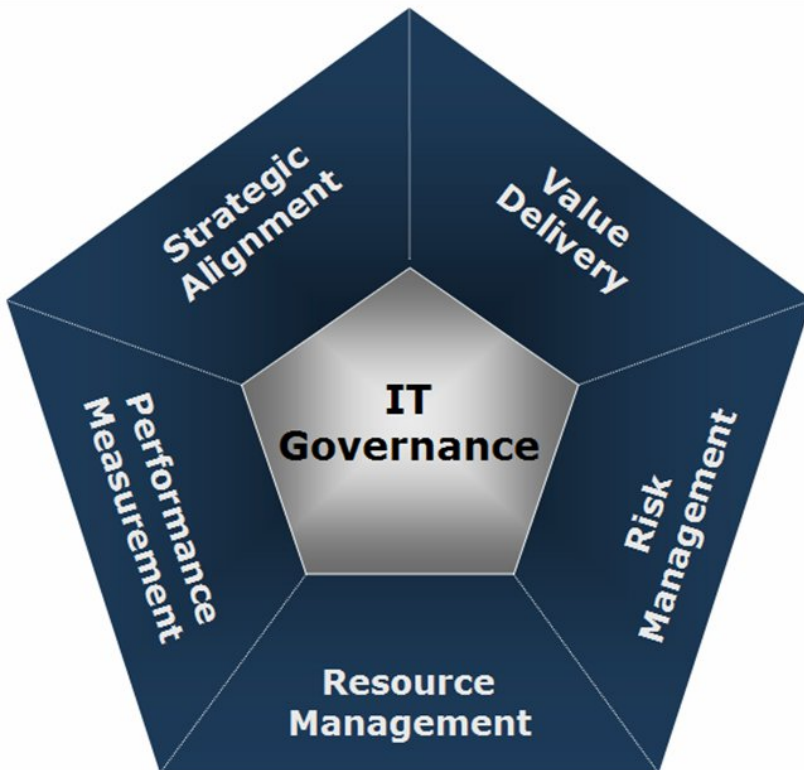
Companies are facing challenges today that we never imagined they would. The issues, opportunities, and challenges of controlling an organization and its IT investments is paramount, and subsequently on the top ten of executive management 'to do' checklists. Since we've become so dependent on a broad array of new technology solutions, senior leadership, particularly in IT has become more involved as a critical fulcrum between a companies processes and the governance frameworks that underpin them. In the past, management and corporate boards, lacking deep IT expertise, simply left many decisions to IT. But today, company presidents, CEOs, and boards increasingly have more to say about some IT decisions. They're finding that with all of these increased pressures, governance must be an integral part of corporate strategy, and IT should be included.

In most organizations today, governance is a knee-jerk reaction to compliance, which has become a significant operational concern for enterprises of all sizes. Pressures such as Sarbanes-Oxley (SOX), the Patriot Act, Freedom of Information Act (FOIA) and HIPPA to name just a few have largely driven this effort at heart, and senior leadership is learning that there's more to compliance than just following the checklists – they must have a coherent strategy towards overall corporate governance. In addition to these external forces, companies also have internal requirements that IT must comply to as well. This is where having good foundations in place can ease some of the pressures of having to jump through hoops to stay compliant with the latest and greatest trends.

Using some of the most innovative governance models and frameworks today can address a broad range of governance issues at their hearts, and can provide solutions in a planned and coordinated manner. Just like the books say. Companies can benefit from implementing frameworks and control objectives for governance, compliance, and enhanced security.

Processes are the lifeblood of every enterprise, and the above mentioned external compliance influencers, coupled with an array of internal pressures are forcing an emerging panic of process maturity importance. There must be processes in place where business objectives and IT align, where IT supports meet business goals, and where these entities evaluate and report the success of meeting those goals. This is where IT governance is playing a larger role. Corporate Governance connects IT with internal customers. The key objectives of developing IT governance includes:

- *Improve IT organizational performance, maturity, staff development and internal/external compliance and utilization of resources and assets.*



IT Governance is an alignment of business and IT.

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# Leveraging technology is key to a successful compliance and governance program.

You must provide the correct tools to support compliance initiatives.

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- *Align IT investments, priorities, processes and procedures with the business while reducing risk exposure.*
- *Improve IT customer service and overall responsiveness to core business needs.*
- *Measure and monitor requests for IT services and their results in a more consistent and repeatable manner.*
- *Clearly define roles and decision authority by establishing and clarifying accountability and decision rights.*

IT governance establishes decision making and control processes. Having solid processes enables companies to make decisions based on facts, and having the proper technology supporting those processes assists in tackling the compliance question. Governance is a collection of processes, reporting tools and decision rights that establish controls and performance metrics over key investments, services and operations. It formalizes and clarifies oversight, accountability and decision rights.

In order to fully understand governance, it's best to use the proven paradigm of People, Processes, and Technology. These three critical ingredients allow for the effective implementation of any governance program.

People. If you're human resources aren't bought in, your initiatives have failed before they start, after all, without owners to processes, the processes will not exist. A key point in this area is having the right people in the right roles, who have the right tools, responsibility, and authority to run their processes.

Processes. Processes must be flexible and scaleable enough to allow for continuous improvement. They should be well defined, documented, and measured.

Technology. With the first two key ingredients well designed and thought out, leveraging technology can be a major factor in supporting compliance and governance

components through automating and streamlining processes, workflows, and providing key information for decision support.

It only takes a few minutes searching on the internet to find multiple flavors of frameworks that support IT in its quest for governance. While there's no silver bullet that tackles every governance and compliance need, there are some very solid frameworks out there that will provide benefits from implementing control objectives for IT governance, compliance, and improved security. Although each of these frameworks offers significant benefits in some areas, not one can encompass all governance requirements. That's why you should be aware that you have to use parts of each one that is applicable to your unique compliance requirements. These frameworks essentially provide guidelines and tools for enhancing process improvements.

There are so many different types with so many different attributes that it would take volumes to explain them here. Therefore, above is an explanation of some of the more common you'll find, particularly for the IT space.

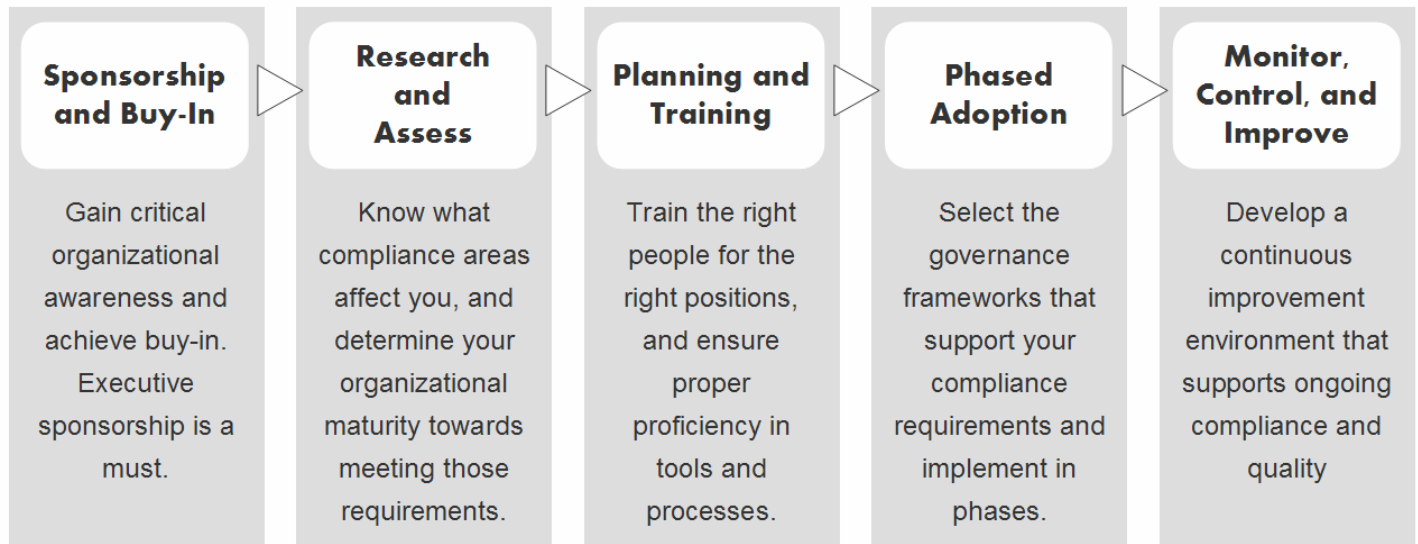
Talking about governance and actually implementing it are two different things. A key challenge faced by companies

Framework or Solution	Short Description
<b>ITIL</b>	ITIL is the most widely accepted approach to IT service management in the world. Providing a cohesive set of best practice guidance drawn from the public and private sectors across the world, it has recently undergone a major and important refresh project.
<b>CobIT</b>	According to the Information Systems Audit and Control Association (ISACA) – the organization that sets IT audit standards, COBIT is “an IT governance framework and supporting toolset that allows managers to bridge the gap between control requirements, technical issues and business risks.” It enables policy development, emphasizes regulatory compliance, enables business / IT alignment, and most importantly helps increase IT's value to the business.
<b>CMMI</b>	The SEI (Software Engineering Institute) is the organization that has designed the Capability Maturing Model (CMM) Product Suite. This model helps organizations to improve the software delivery process execution and process control.
<b>ISO/IEC 17799</b>	The Code of Practice for Information Security Management is an international standard based on BS 7799-1. It is presented as the best practice for implementing information security management.
<b>COSO</b>	The COSO Framework is an effective standard and an accepted framework for establishing internal controls and determining their effectiveness.

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There have been several very good governance frameworks that have evolved over the last several years. Below is a snapshot of some more popular models.

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today is how to determine exactly how much governance is required? Understanding the following seven factors is key to determining the answer:

- *Regulatory, compliance, and audit and control and documentation requirements.*
- *Degree of accountability and security required and desired by company leadership and stakeholders.*
- *Business investment in technology (new or updated applications, infrastructure upgrades).*
- *Management philosophy and policies regarding risk.*
- *Complexity, scope and duration of initiatives (enterprise wide or single locations)*
- *Number of interfaces and integration points between the business and technology systems.*
- *Customer and/or sponsor requirements, involvement and desired visibility.*

It's easy to say you're implementing a governance model, until you actually try to do it. Most frameworks out there

were not designed to be a end-all be-all panacea for governance and compliance, that's why, according to Edward Sirkel, Director of Business Development for Escoute says "you have to know what compliance requirements are applicable to you before you can determine a governance model." Improving the business of IT is a continuous process.

A key point to remember is that just implementing a governance framework does not automatically ensure proper compliance. Says Jimmy Standaert, President of the Aixon Group, a Kansas City based professional services firm: "A governance model is an enabler, but not a guarantee. The purpose behind the model is that it enables better decision-making. It is a tool to ensure that the IT department or project is aligned with business goals and is it meeting business needs."

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