

Ecomnets IT Governance Whitepaper

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The phrase 'IT Governance' has become increasingly important in the past few years. Also termed as administration, management or control, IT Governance can be defined as a structure of relationships and processes to direct and control the enterprise in order to achieve the enterprise's goals by adding value while balancing risk versus return over IT and its processes. According to the Board Briefing on IT Governance, 2nd edition, "IT Governance is the responsibility of the board of directors and executive management. It is an integral part of enterprise governance and consists of the leadership and organizational structures and processes that ensure that the organization's IT sustains and extends the organization's strategies and objectives."

Although IT is one of the most valuable assets for an organization, it is often the least understood. While business units formulate strategies to increase profits, the IT Function simply follows instructions from business units to deliver automated solutions to satisfy business requirements. To put it in a similar phrase, IT has always been reacting to business needs rather than proactively working with business needs.

The key business units in an enterprise are marketing, finance, operations, product development, personnel or human resources and sales. These business units interact with IT resources – applications, hardware, systems, data, people, processes and technology to increase profits. A considerable amount of time, money and effort is wasted in ensuring that IT resources deliver the required results to business units. Figure 1 shows the relationship between business units and associated IT resources.

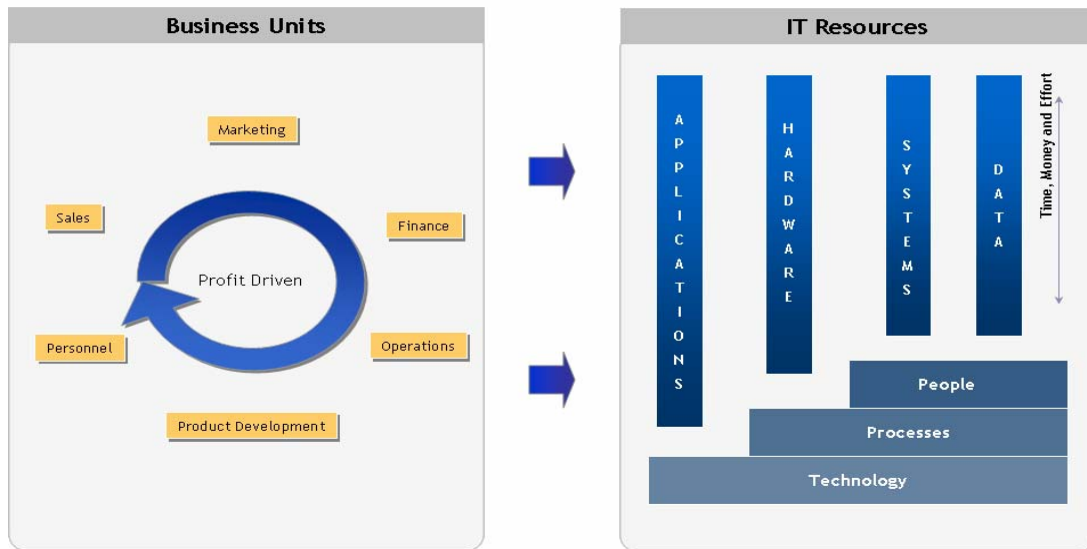
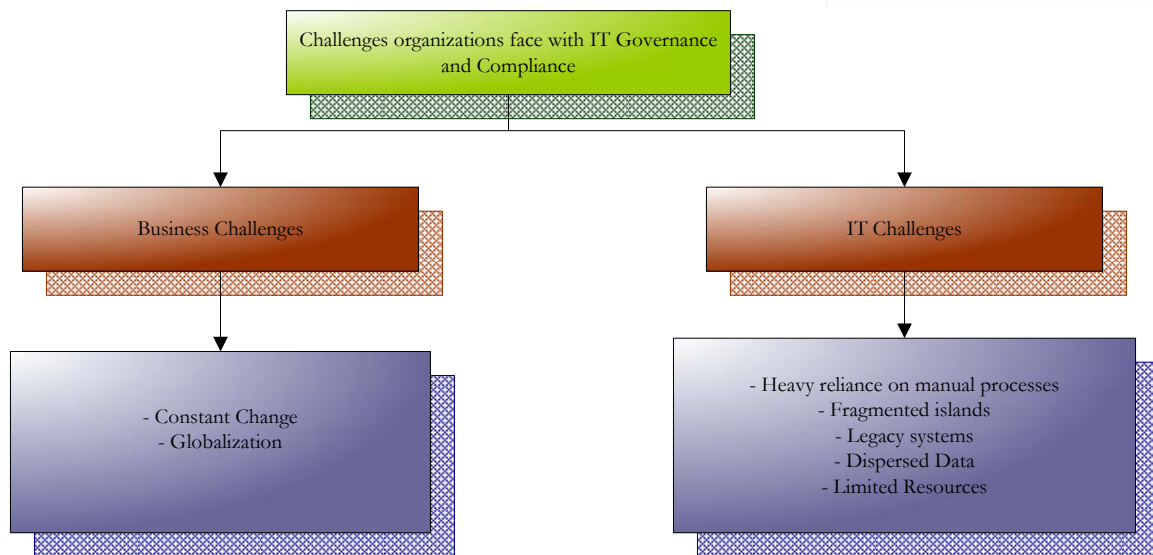


Figure 1: Business Units and IT Resources

Over the past few years, increasing market competition, more demanding customers, regulatory laws and cutting edge technologies have forced enterprises to sit back and assess the role of IT. Enterprises are now increasingly involving IT in strategic planning and to determine the direction of the company. Business units are getting more involved in the regular functioning of IT and vice-versa to help the organization leverage all benefits technology offers. IT Governance integrates and institutionalizes good practices to ensure that the enterprise's IT supports the business objectives.

In particular, top management needs to know if information is being managed by the enterprise so that it is likely to achieve its objectives, resilient enough to learn and adapt, judiciously managing the risks it encounters and appropriately recognizing opportunities and acting upon them.

Organizations often face many challenges in order to make possible an effective controlled environment. Some of these challenges have been listed below in Figure 2.



Source: TowerGroup

Figure 2: Challenges organizations face with IT Governance and Compliance

Enterprises cannot deliver effectively against business and governance requirements without adopting and implementing a governance and control framework for IT to:

- Make a link to the business requirements
- Make performance against these requirements transparent
- Organize its activities into a generally accepted process model
- Identify the major resources to be leveraged
- Define the management control objectives to be considered

A good IT Governance Framework therefore helps in reducing the time, money and effort in managing IT resources.

Some of the best practices for IT Governance and Compliance in the industry as given by Forrester Research are –

1. Focus on tracking KPIs
2. Providing information in near real time
3. Leveraging Business Intelligence Tools
4. Federating enterprise risk and governance into a single portal by using dashboards.
5. Rolling up the enterprise with special abilities to drill down into business units.

The Ecomnets IT Governance Solution incorporates the best practices in the industry into its framework.

Ecomnets IT Governance Framework

Ecomnets has developed an IT Governance framework to enable maximum returns from investment in the Information Technology Division.

The IT Governance Framework created by Ecomnets achieves the following objectives-

- Provides a pre-configured solution that enables rapid implementation at client site
- Aligns business and IT Goals
- Creates an IT Process Framework
- Harvests existing resources in an enterprise
- Increases efficiency with use of emerging technologies like business rules, business processes and dashboards
- Ensures compliance with the Sarbanes Oxley Act
- Decreases time, money and effort spent to maintain a controlled environment.
- Supplies a common language with a set of terms and definitions that are generally understandable and accepted by all stakeholders.

This is achieved by adopting a 5 Phase Implementation Methodology and integrating BPM (Business Process Management), Business Rules, Business Processes, Business Intelligence, Process Intelligence and Executive Dashboards. IT resources are not only managed and optimized but also aligned with the business strategy. The Framework has been depicted in Figure 4 below.

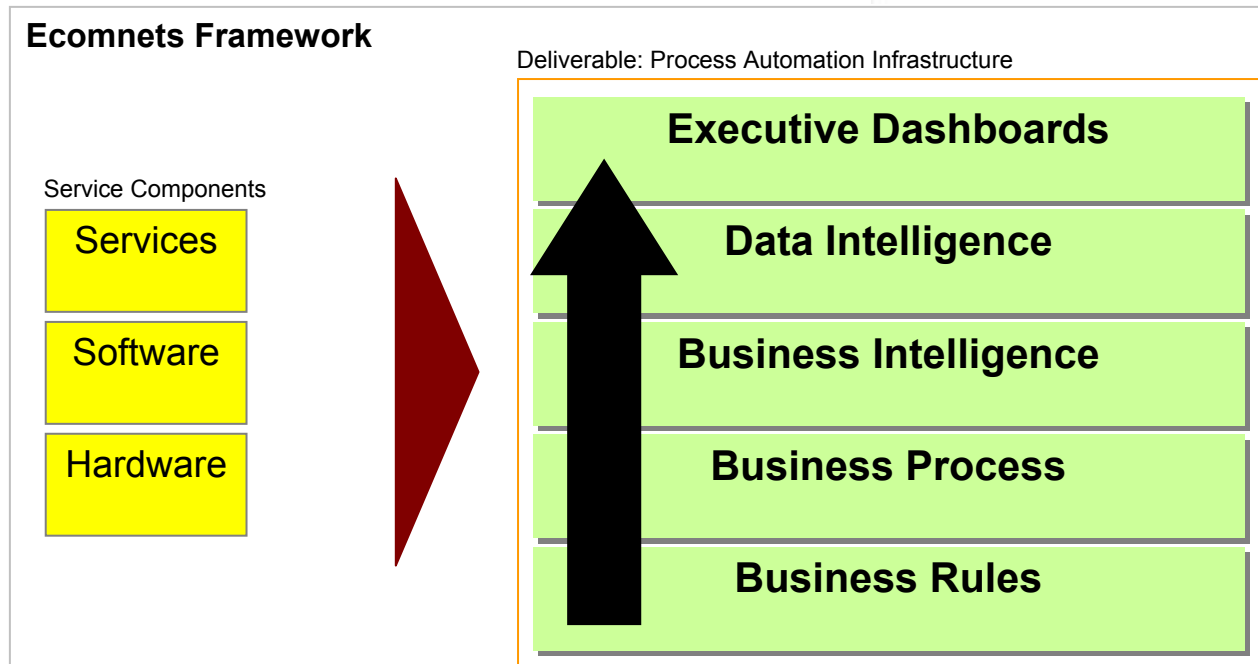


Figure 3: Ecomnets IT Governance Framework

Advantages of the Ecomnets IT Governance Framework

- Supports the COBIT Framework
- Ensures ongoing optimization
- Reduces risks
- Real time monitoring
- Modular approach
- Measurement driven

Ecomnets IT Governance Methodology

The 5 Phase Methodology adopted by Ecomnets identifies key functional areas within the IT Division at every phase and creates a process framework for each of the identified areas.

Figure 5 shows the IT Governance Methodology adopted by Ecomnets. The solution is built and deployed to cater exclusively to client needs. In the progress versus maturity graph, as the coordinates increase along both axes, a robust IT Governance solution with the advantage of

being Sarbanes Oxley compliant is deployed at the client enterprise.

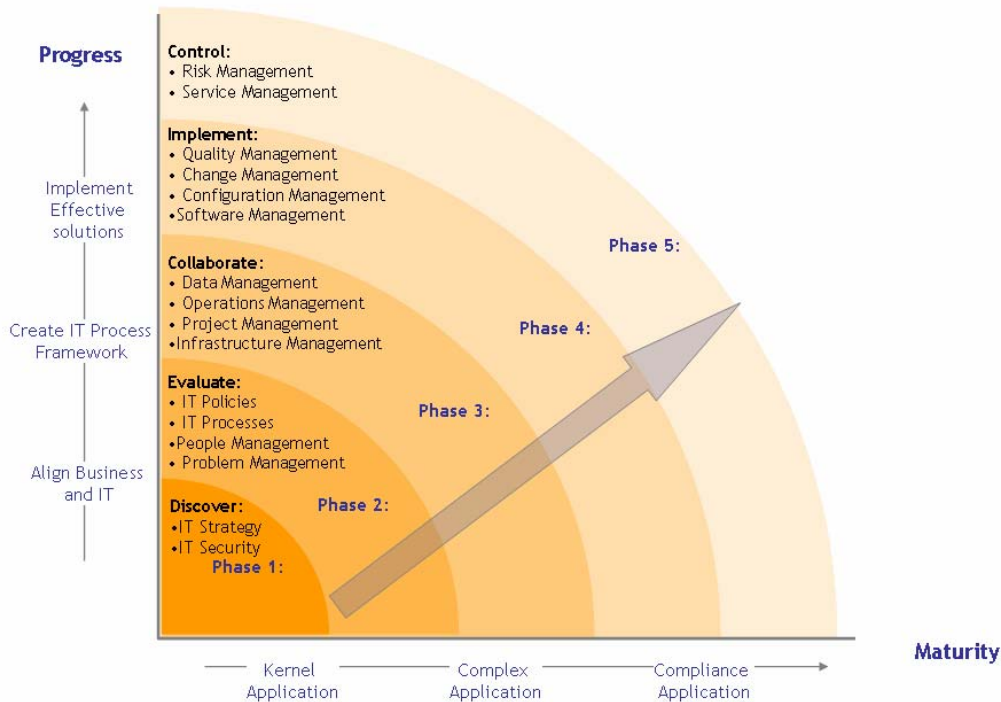


Figure 4: Ecomnets IT Governance Methodology – Progress versus Maturity Graph

The application is iteratively developed from the Discover Phase up to the Control Phase. Resources are optimized at every stage and affiliations are made between the module being implemented and all prior modules implemented. This ensures a cohesive governance solution rather than disjointed segments of an application. For example, any change to the Operations Management gets reflected in all other modules implemented.

The most visible benefits of this solution come with the use of business processes, business rules and a Business Process Management application. These three technologies form the core of the IT Governance application. A business rule is defined as “a rule that constrains one aspect of your business that is intended to assert business structure or influence the behavior of your business.”

Since every process is dictated by its inputs, the output it generates is largely dependent on the input it takes. In today's competitive markets where quick decisions have to be made, not allowing large gestation periods for a process to change, business rules come to the rescue. Business Rules designed by the business units of the organization, dictate the output of the processes.

A process framework is built for each functional management area – People, Problem, Infrastructure, Project, Data, Operations, Software, Configuration, Change, Quality, Service and Risk. Business rules make the process framework nimble and easy to change.

A primary advantage of the Ecomnets IT Governance solution is that it is measurement driven. A client can rely on quantitative analysis to measure his success with respect to IT Governance. For example, performance of the Problem Management System that handles problems and queries in the IT Division can be judged through the following indicators-

- % of incidents reported and logged
- Number of days of training per service desk staff per year
- Number of calls handled per service desk staff per year
- Average speed to respond to telephone, email and web requests.
- % of incidents resolved within agreed/acceptable period of time

Real time monitoring ensures continuous compilation of metrics which are presented to appropriate managers using enterprise dashboards.

The following is a brief description of what Ecomnets helps the clients accomplish at every phase.

DISCOVER

- Align IT with Business Objectives
- Determine Technological Direction of the Company
- Create IT Security Framework
- Establish Identity Management Process in the IT Division
- Establish User Account Management Process in the IT Division

EVALUATE

- Create IT Process Framework

- Evaluate organizational placement of IT
- Identify operational dependency of business on IT
- Establish internal IT organizational structure
- Define roles and responsibilities
- Identify data and system owners
- Ensure segregation of duties
- Define policies to monitor activities of contract personnel
- Identify education and training needs of personnel
- Establish Service Desk to address user issues
- Establish Problem Management Process to route queries, track status and provide appropriate solution to problems

COLLABORATE

- Establish Project Management Framework
- Create Enterprise Information Architecture Model (data dictionary, data classification scheme, integrity management).
- Establish Data Management Process (disposal, backup and restoration, storage and retention)
- Establish Operations Management Process (job scheduling, sensitive data and output devices)
- Establish Infrastructure Management Process (physical access, physical security measures, site selection and layout, infrastructure resource protection and availability)

IMPLEMENT

- Establish Application Software Acquisition Process in the IT Division
- Create configuration items repository and baseline
- Establish Configuration Management Process in the IT Division
- Establish Change Management Process in the IT Division
- Establish Quality Management Process in the IT Division(IT standards and quality practices, quality measurement, monitoring and review)

CONTROL

- Perform event identification and risk assessment.
- Maintain a Risk Action Plan.
- Manage current and future capacity and performance and IT resource availability.
- Define and manage third party service levels
- Maintain supplier relationships, supplier performance monitoring and supplier risk management process.

To summarize, Ecomnets solution helps organizations in becoming more agile and creating good work ethics through good IT Governance. Our clients thus reap the benefits of increased efficiency and higher returns on IT investment.

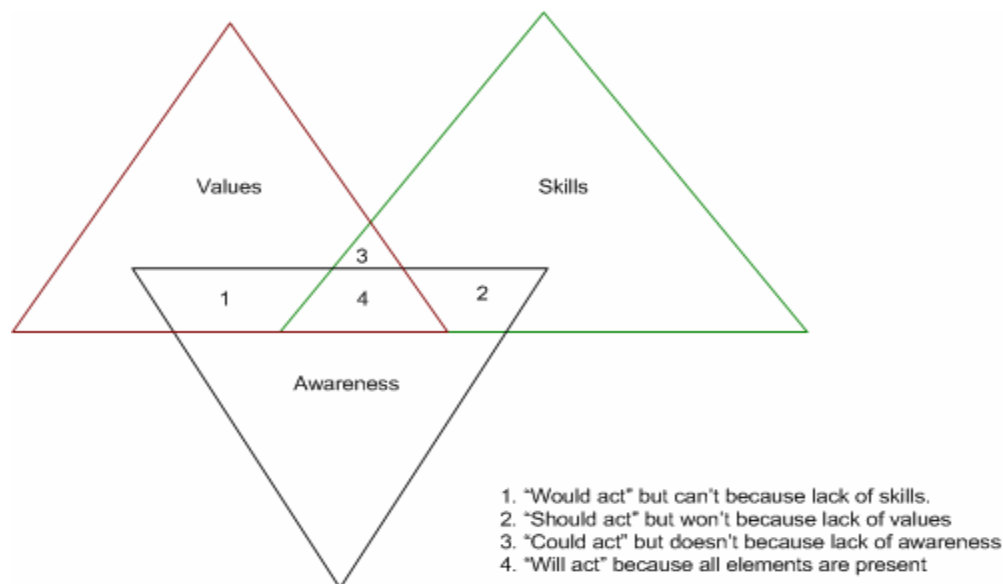


Figure 5: Good IT Governance creates good work ethics

For detailed information on the Ecomnets IT Governance Solution, please contact Ecomnets Inc at info@ecomnets.com

About Ecomnets

Ecomnets is recognized as a leading Business Rules Integration consulting company that develops highly-innovative, rapidly-implemented, and extremely cost effective enterprise integration solutions. These solutions are currently delivered to a wide range of Information Technology (IT) clients within the Fortune 2000 and government agencies. Ecomnets places

great emphasis on business rules and process management within the enterprise application integration process, reshaping business methods and positively affecting bottom lines. Ecomnets' mission is to assist its customers with comprehensive state-of-the-art solutions using advanced software development processes.

References

- COBIT 4.0 by the IT Governance Institute
- Sarbanes – Oxley Guide for Finance and Information Technology Professionals, 2nd edition by Sanjay Anand