



## Eye to the Future

Welcome to the final Infonomics Letter for 2013, and the close of another year.

Before I do anything else, I want to wish each and every one of my 2,500 plus readers in more than 50 nations all the joy and peace of the Christmas season, and a most happy and prosperous New Year.

I will be taking a break for about three weeks during which time I will rejuvenate, enjoy time with friends and family, and do much-needed work on our house, getting it ready for sale so that we can move to our small farm, where Infonomics will continue to serve the world from a wholly rural setting. I will also, as you will read below, have some clear time to wrap up a new book.

There are six significant items in this Infonomics Letter:

- Announcement of my forthcoming new book: Digital Leadership Manifesto
- Announcement of an education program with the Australian Computer Society in 1Q14
- New research and guidance on competencies for governance of IT by company directors
- New research and a university course on governance of IT in Uruguay.
- Publication of a new Australia / New Zealand Standard for governance of IT Enabled Projects.
- Recognition of those who help.

## Digital Leadership Manifesto

Many readers will remember how I began 2013 with a new header and a broader focus for The Infonomics Letter – covering Digital Leadership as well as Governance of IT. Learning and thinking about Digital Leadership has consumed a great deal of my time in the intervening months, and I am now more convinced than ever that the guidance in ISO 38500 is even more relevant as the global economy undergoes digital transformation than it was when first published.

Work on Digital Leadership Manifesto commenced a few weeks ago. I expect to publish late in January. In line with trends of the digital era, Digital Leadership Manifesto will be first published in electronic format. Print editions may come – it will depend on demand.

I'm setting the price for the new book at AU\$40, plus GST for buyers in Australia. However, to give it the best possible launch, I am offering [a pre-release purchase option for \\$30 plus GST](#). To take advantage of the offer, go to the Digital Leadership Manifesto page on the Infonomics website. And since we're dropping prices, once again I'm going to **reduce the price of [Waltzing with the Elephant](#) to AU\$50 (plus GST if applicable) for the holiday season** – until 31 January 2014!

To give you an idea of what the new book is about, I'm releasing here the draft preface.

## Preface to Digital Leadership Manifesto

Looking back from the end of 2013, it's clear that something major has changed in the way our society operates. There is no clear marker for precisely when that change took place, and there probably never will be one. The change is the product of numerous related but independent changes in the capability and use of digital technology for capture, transmission, processing and presentation of information. The digital era has arrived – not as a thunderclap, but as a creeping osmosis that forever changes rules that may have previously seemed static. And while the change clearly began some years ago, it is far from done – we are in reality still in the early days, because we have only barely scratched the surface of what is possible through innovative, effective, efficient and acceptable use of new technology.

There are many technological threads to the change: ubiquitous high speed fixed and wireless broadband communications; unremitting miniaturisation of devices combined with equally unremitting improvement in capacity and performance of those devices; the Internet; cloud computing as an overarching concept that is underpinned by increasingly mature technologies which allow massive farms of data storage and processing systems to be seen and utilised on a seamless basis; and our ability to incorporate low cost digital sensors and control devices into just about anything.

But these technological threads, while fundamentally important, pale into insignificance as enablers of the digital era, when considered in the light of the core change that has taken place. That core change is the way that individuals and organisations in all corners of society are using technology to change the way that they operate, and to change the world around them.

No longer is what we once called information technology being used merely to automate and extend things we always did. Now, the evolved versions of that information technology are being used to enable us to do things that we could not, practically, do in the past. Digital automation has progressively given way to digital disruption and digital transformation. Existing enterprises strive to reinvent themselves while new enterprises continue to emerge, both seeking to serve markets and communities in ways that were previously conceived only in fiction. It is becoming abundantly clear that digital technologies are a pervasive and defining enabler of change – but it is also becoming increasingly clear that focusing on the digital technologies alone does not deliver successful change.

Through the last decade of the 20<sup>th</sup> century, concern emerged regarding the propensity of major IT projects to fail. The pattern of failure has continued and may indeed have grown well into the 21<sup>st</sup> century. Many organisations have become operationally dependent on their IT systems, to the extent that failure of a system for even a few moments can have serious consequences.

In parallel, we have seen emergence of concern and real issues regarding information security and privacy – challenges where society has encountered a real need to review and upgrade its rule books. For the first time, we are seeing organisations being disadvantaged, losing market and ceasing to exist because they failed to adapt to a marketplace that is changing through digital disruption.

Examination of a wide spectrum of issues associated with information technology reveals that, while there remain some aspects of technology that are not yet as stable as might be desired, the greater portion of issues that arise are due to matters that have little to do with the technology itself. Rather, the problems that we experience arise from unrealistic expectations of technology and insufficient consideration of the broader business and societal context in which the technology plays a significant, if not defining role.

Just over ten years ago, in 2003, Standards Australia commenced work on what should now be seen as a visionary project – to independently develop an advisory standard that would guide corporate leaders in their oversight of the use their organisations make of information technology. The resulting guidance, aimed to resolve the problem of business disruption arising from problems with information technology, was published in January 2005, as AS 8015:2005. Following substantial international interest, AS 8015 was fast-tracked to international standard status and republished with slightly revised wording as ISO/IEC 38500:2008.

The preface to ISO/IEC 38500:2008 states: *"Most organizations use IT as a fundamental business tool and few can function effectively without it. IT is also a significant factor in the future business plans of many organizations."*

*Expenditure on IT can represent a significant proportion of an organization's expenditure of financial and human resources. However, a return on this investment is often not realized fully and the adverse effects on organizations can be significant.*

*The main reasons for these negative outcomes are the emphasis on the technical, financial and scheduling aspects of IT activities rather than emphasis on the whole business context of IT use."*

It should be clear from the ISO 38500 preface that to be successful with their use of IT, organisations must address IT from a business perspective. Some organisations that have successfully adopted ISO/IEC 38500 frequently refuse to disclose any detail of how they have done so, because it has given them a competitive advantage. In many organisations that has successfully adopted ISO/IEC 38500, there is one clear theme – that information technology is regarded as an enabling resource for the business and that responsibility for its use lies with the business managers, not with the technology specialists.

The same theme is emerging in research that explores the behaviour of organisations that are successful in establishing or repositioning themselves for success in the digital era. Typically emerging from joint research venture between leading academic and consulting organisations, there is a very clear message that while digital (information) technology is enabling massive and disruptive change in virtually every field of human endeavour, the primary responsibility for planning, building and running the digital era business still lies firmly with the business leaders. Increasingly, we are referring to these business leaders as digital leaders, because they are the ones who have overall responsibility for the safe passage of their organisations through their digital emergence and/or digital transformation.

Thus, the guidance in ISO/IEC 38500 is totally relevant to organisations that are being affected by, or are involved in, digital disruption and digital transformation.

ISO/IEC 38500 is extremely compact and abstract. It requires those who use it to think hard and apply it to their circumstances. It doesn't prescribe any specific implementation model, but it certainly guides the development of a model in which organisations make effective use of information technology.

There is an emerging issue with ISO/IEC 38500: the language and framing of the standard is arguably too narrow for the Digital Era. It was designed to guide directors in their oversight of information technology.

While deeper thinkers can expand on the core guidance to also find relevant guidance for managers, there is now a clear need for a more broadly based re-presentation of ISO/IEC 38500 that addresses the needs of all who are involved in planning, building and running the future of any enterprise – be it long-established or completely new, private, public or government, profit oriented or not, small, medium or large.

The aim of Digital Leadership Manifesto is to bring ISO/IEC 38500 to life for everybody involved in the governance and management of organisations in the Digital Era, and in doing so, to provide guidance that will help them deal with the tension between the tasks of building a digital era business and managing digital era technology.

Those who are familiar with ISO/IEC 38500 will see immediately that this book follows the form of the original standard. It carries the same fundamental messages, but now spelled out more clearly in the context of digital transformation and digital leadership. It provides a broader context, focusing on what the organisation and its leaders should be doing, rather than just on the role of the governing body. Finally, it extends the model for governance of IT by connecting it more explicitly to the business context and landscape in which digital transformation is taking place for individuals, organisations, markets and whole economies.

### More information about Digital Leadership Manifesto

Click through for [more information](#) and to take advantage of the [pre-release special price](#) for Digital Leadership Manifesto.

### Education program with the Australian Computer Society in 1Q14

EdXN is the Australian Computer Society's [Education Across the Nation](#) program. Having been a presenter in 2009, I'm delighted to be returning to EdXN in the first quarter of 2014, with an extended program on Digital Leadership and Governance of IT.

The primary element of this EdXN program is a briefing for ACS members and guests on the very topical issues in Digital Leadership and Digital Transformation. The briefing will run for an hour, followed by time for questions, and is complemented by opportunities for networking.

For those seeking a deeper insight to the issues and how to deal with them, the EdXN briefing is supported by an upgraded two day class on Digital Leadership and Governance of ICT using ISO 38500. Based on the established and proven Infonomics ISO 38500 Foundation class, this upgraded event adds new perspective focused on what is happening today, and will happen for some time to come, as organisations and whole economies undergo digital transformation.

Both the briefing and the upgraded class draw on Digital Leadership Manifesto – my new book scheduled for release at the end of January 2014.

Logistics of travel in Australia dictate that in some cities, the class will be presented before the briefing – but this does not detract from the opportunity for ICT professionals and their business leadership colleagues to gain new insight to what is happening and how to manage the increasingly rapid digital transformation of the world.

The program is locked in and ACS branches around the nation will, soon after re-opening for the new year, begin promotion and registration for their local events. The full programme is:

City	Class	Briefing
Perth (WA)	24 – 25 February	25 February
Darwin (NT)	27 – 28 February	26 February
Canberra (ACT)	3 – 4 March	4 March
Adelaide (SA)	5 March	6 – 7 March
Brisbane (Qld)	17-18 March	18 March
Toowoomba (Qld)	Refer to Brisbane	19 March
Hobart (Tas)	27 - 28 March	26 March
Sydney (NSW)	31 March – 1 April	31 March
Melbourne (Vic)	3 – 4 April	2 April

Click through to the [Infonomics Events pages](#) for a detailed description of the briefing and class. These descriptions will also soon be available on the [ACS Events pages](#), along with registration and pricing details.

I must emphasise that these events are not just for ICT professionals. Digital Transformation effects everybody – a fact perhaps best exemplified by the penetration of smart phones into the general population and by the turmoil in several sectors of the economy as some organisations adjust, and others fail to adjust, to the new realities of life in the digital era. These events are entirely relevant to everybody who works in a technology-enabled or technology-dependent organisation, and I know that the ACS will welcome participation from people in many occupations.

## New guidance on competencies for governance of IT by company directors

It's been a great pleasure to work through 2013 with academic researchers from across the globe as they seek new understanding of how to govern and manage ICT effectively.

[Elizabeth Valentine](#) is one such researcher. An experienced company director and chief executive officer, [Elizabeth's quest](#) is to understand and provide guidance on how company directors can best fulfil their obligations in governance of IT.

On 6 December, Elizabeth, with support from her PhD Supervisor Professor Glenn Stewart, presented a substantial paper on [Board competencies for effective enterprise technology governance - a new competency set](#). The full paper is also [accessible here](#).

Elizabeth identifies three broad competencies that directors should develop and exhibit:

- Competency 1: Govern technology for competitive advantage and business performance.
- Competency 2: Make quality judgments and decisions in relation to business technology and data use, and oversee technology risk.
- Competency 3: Oversee technology use to achieve returns and demonstrate value.

In the website article and in the formal paper, Elizabeth goes on to explain these competencies in terms of a definition, an organisational capability statement and a set of descriptors.

An important element of Elizabeth's guidance is that she focuses on the use of technology to create value and advantage. Consistent with my own long-standing advice, governing technology requires no specific knowledge of how technology works – rather it requires ability to understand and conceive how technology can be used. It also requires understanding of how technology is deployed and managed.

Elizabeth's website includes a feedback facility. The competencies have also been raised on several LinkedIn groups, where discussion is also encouraged.

## New research and a university course on governance of IT in Uruguay.

As a person who is pushing the envelope of thinking about topics where the mainstream approach is on incremental improvement, it is always encouraging to discover that one's work is being picked up and used by serious players in the market.

There is now a solid cohort of independent consultants – people who are not bound to a bland corporate standard – who are using *Waltzing with the Elephant* to help them formulate advice and solutions for their customers.

Now those consultants are being joined by leading academics around the globe.

Just a few days ago, I was delighted to learn that ORT University in Montevideo, Uruguay, will in 2014 offer as part of its ["Degree in Systems"](#) (link is in Spanish) a class designed to give students an understanding of Governance of IT centered on the ISO/IEC 38500 standard and drawing from the industry frameworks like COBIT and Risk IT. The significant point is that the university is **going to use "Waltzing with the elephant" as the text book for the course.**

The person behind this initiative is [Helena Garbarino](#), who is also conducting research on governance of IT in the SME arena. Her PhD work is the result of a survey of Uruguayan SMEs with focus on IT Governance maturity and best practices use. These results and a systematic review of the literature, show the need for a specific framework. The survey engaged almost 400 Uruguayan SMEs and the results are used as an input to develop the framework. The main reasons because small and medium enterprises not adopting frameworks and sets of good practice are enterprise structure and company size, followed by a lack of training and knowledge relative to this topic.

Building on the research, Helena has proposed a framework for Governance of IT in SMEs, complemented by a maturity model and an implementation guide. The framework was implemented in a pharmaceutical laboratory in Uruguay. Some results have been published quite recently in the [International Journal of Human Capital and Information Technology Professionals \(IJHCITP\)](#). The specific article written by Helena is [IT Governance and Human Resources Management: A Framework for SMEs](#).

Universidad ORT is the second university to independently adopt *Waltzing with the Elephant* (or more specifically, the Spanish version, *Bailando el Vals con el Elefante*, as a core text for serious instruction on governance of IT. The first was Universidad Politécnica Madrid – the Technology University of Madrid, or UPM, where the initiative was launched in 2011 by Professor Jose Carrillo.

Perhaps 2014 will see more universities around the globe recognising that governance of IT is different to management of IT, and thus exploiting the increasing body of knowledge on governance of IT as described in ISO 38500. That body of knowledge is being developed by an expanding group of specialists including Jose Carrillo, Helena Garbarino, Carlos Juiz at UIB in Barcelona, Elizabeth Valentine at QUT and Shafi Mohammed at Griffith University, to name just a few with whom I have a current and ongoing dialogue.

### **New Australian & New Zealand Standard for governance of IT Enabled Projects.**

[AS/NZS 8016:2013](#) was released for general adoption on 18 December 2013. This marks the climax of hard work dating back to 2003, when development of AS 8015 began.

I have been involved in development of AS/NZS 8016:2013 from the outset, and have seen the challenges involved in standing above the temptation to write yet more guidance on project management, and focus on the higher level issues which can enable good project management to succeed, and poor project management to flourish on its path to project failure. I congratulate Max Shanahan, who has persisted for more than four years as the lead author of this new standard. Where the interim document published in 2010 lacked, in my view, significant additional value over the ISO 38500 standard, Max and his helpers have now compiled a very useful resource that will help organisations be more successful when they invest in IT-enabled change.

The timing could not be better. Digital Transformation is the new name for IT-enabled change, and it's a topic at front of mind for many commentators on business today. Digital Transformation will involve many organisations undergoing IT-enabled change – sometimes in isolated areas, and sometimes on a whole-of-organisation basis.

No doubt, AS/NZS 8016 will be a useful additional resource for those who invest in my forthcoming Digital Leadership Manifesto.

### **Further Acknowledgments**

Throughout this Letter I have mentioned a number of people who are playing a part in building global understanding of the value embodied in ISO 38500, and the techniques for gaining value from its guidance. While I know I will miss many others who have helped, I want to acknowledge more of the people who help. They include:

- [Carlos Francavilla](#) in Buenos Aires, who tirelessly translates these tomes into Spanish;
- [Juan Pardo](#), in Madrid, who provides backup for Carlos and who, in collaboration with Jose Carrillo is working on exciting new developments for early in 2014;
- [Amrik Sohal](#) and [Carla Wilkin](#) from Monash University and [Paul Couchman](#) and [Ambika Zutshi](#) from Deakin University, who continue research into governance of IT and adoption of ISO 38500;
- Alistair Urquhart, at [Affairs of State](#), who has remained an unstinting supporter over many years and who endeavours to spread the word among his vast array of political, government and business connections;
- [Sofie Sandell](#), who is a new connection and a leading luminary in the Digital Leadership space, and another brilliant encourager of my work;
- The [Australian Computer Society](#) for believing in my work and helping me access ICT leadership communities throughout the nation;
- [ISACA's South Africa chapter](#), which whisked me across to Johannesburg late in August, to not only explain new ideas on Digital Leadership, but also to enable me to meet leading figures in the South African Government's whole-of-government adoption of ISO 38500;
- And far from last or least, my beloved partner Leonie, who allows me the space to work in my office under the house and encourages me to persist;
- There are many others – you know who you are, and I thank you.

And that's it for The Infonomics Letter, 20 December 2013.

Once again, I wish all of my readers and supporters a very merry Christmas and a safe, happy and prosperous New Year.

Mark Toomey.