Learning the New Dance: A Change in Leadership

What a month! As foreshadowed in last month's Infonomics Letter, Waltzing with the Elephant made its debut on August 17th at a cocktail party preceding the itSMF Australia National Conference at the Sydney Convention Centre. This was just one part of a kaleidoscope of travel, in which I was delighted to share thoughts about governance of IT in Kuala Lumpur, Sydney, Brisbane, Townsville and Adelaide. August saw 28 people complete the masterclass and more than 100 more took in an introductory briefing.

Conversation with those who attended the August classes and briefings indicate that there is change in the air at the leadership level, at least in Australia. It seems that chief executives are becoming "Partners in the Dance", taking interest in IT and marshalling the executive team to a deeper level of engagement in setting the IT agenda. If this is a sustained pattern, it may indicate that we are turning the corner to an era where there is more effective, efficient and acceptable use of IT. Those who understand that information technology is nothing more and nothing less than a vital tool of business will also understand that top level business leadership is a critically important factor in successful use of IT in all sectors of the economy.

Initial sales of Waltzing with the Elephant have tracked nicely to the low key promotional plan. The first short print run is all gone just a fortnight after the launch, and quite a few PDF copies have made their way across the ether as well. Two great reviews are in and I'm looking forward to further feedback from those early buyers – as further promotion depends in part on positive feedback.

One sale of Waltzing with the Elephant deserves special comment. To mark the occasion of the book's launch, the board of itSMF Australia agreed with my suggestion that book number one of the specially numbered initial print run should be auctioned for charity at the conference dinner, two days after the launch. The auction proved to be a runaway success, with the highest bid of $2,500 submitted by Mr Andros Symeonides of Axios Systems. The proceeds of the auction have gone to the Australian National Breast Cancer Foundation. Congratulations are due to Andros who, according to reports from the dinner, demonstrated determination and tenacity in his quest to win the book against spirited competition.

As always, I hope that you find The August Infonomics Letter stimulating and worthy.

Kind regards,
Mark Toomey
31 August 2009.

Waltzing with the Elephant: The International Launch

A diverse group of around fifty itSMF Australia members and guests enjoyed cocktails at the Sydney Exhibition and Convention Centre. Thanks go to Kelly McLeod and the team at itSMF Australia for organising the event, John Mero for introducing the speakers, Peter Cross for his introduction and our international guest, Mark Smalley from the ASL-BiSL Foundation in The Netherlands for his endorsement of the messages in Waltzing with the Elephant.

At the launch: Mark Smalley, Ian Wightwick, Mark Toomey, John Mero.

The Melbourne Business Launch

Alistair Urquhart and his team at Affairs of State have expressed their confidence in the importance of the messages in Waltzing with the Elephant by offering to host an exclusive business and government launch in Melbourne in the evening of Monday September 14.

Julie Garland McLellan Comments

From time to time every board will have to make a decision on a topic that none of the individual directors knows much about. These decisions are stressful; no director likes to be totally reliant upon management or consultants. There is often insufficient time for a proper education process and, apart from getting alternative quotes and seeking information about how comparable companies are dealing with the issue, directors often take the line of least resistance and accept management's recommendation.

IT is one of the most frequent topics where this problem seems to occur. Directors feel pressure to follow the crowd, buy the software everyone else is buying and keep the IT department happy. Purchase decisions, once made, are often then reviewed in

terms of achievement of budget expectations, implementation within the planned time frame and ability to do what the software vendor claimed it would do. There is little to guide boards on how to manage their IT demand and thus they fall back upon managing IT supply.

This book puts the board firmly in control of the demand side of the IT equation.

Effective governance will never be achieved by applying a generic framework. This is as true of whole corporations as it is of the IT investments that they make. Effective governance requires an investment in understanding the issues then making proper risk reward decisions to optimise the outcomes. This book helps boards to understand the crucial issues affecting their use of information technology and provides a mechanism for evaluating potential courses of action.

It is written by an expert with a deep appreciation of IT and a thorough understanding of standards based governance. The language is precise, and hence quite dense, but very amenable to non-techno-savvy readers. The ideas are pure gold. This book should help to put readers back in command of their IT strategies. It will also be of some help to IT professionals who sell in the boardroom or who are required to brief the board on IT related issues.

The book introduces the concepts of IT demand and supply and demonstrates how each is affected by organisational change. A rational framework for identifying the type of business need is postulated and this, alone, would simplify strategic IT investment decision-making. Coupled with the standards driven and strategic insights, the framework brings clarity to a needlessly arcane science. This book will help boards to move from grappling with IT to confidently waltzing with IT.

* Julie Garland McLellan is a governance and board consultant. She is a professional non-executive director and an AICD NSW Councillor. She is the author of "All Above Board: Great Governance for the Government Sector" and is currently working on her second book "All Above Board: Great Governance of Strategy and Risk". Her newsletter "The Directors' Dilemma" is read in 23 countries and her training manual "Presenting to Boards" has recently been released in eBook format.

Keith Frampton's Perspective

Waltzing with the Elephant! This evocative phrase is the title of the first book that I have seen that explains what IT governance is, why it matters, who is responsible and how you can pragmatically implement appropriate Technology for Information Technology governance. The book is refreshingly free from jargon and is directly applicable and valuable

to any organisation that uses or is impacted by information technology whether they are multi-national companies with hundreds of thousands of staff, government departments, small businesses, or community groups staffed by a few committed volunteers. The author successfully communicates his extensive experience in assisting companies in understanding and implementing IT governance and has provided a very usable and valuable resource for understanding and implementing effective IT governance.

The book is based on and expends on the recent ISO/IEC 38500 standard on Corporate Governance of Information Technology. The book is organised into four main sections. The first section puts IT governance into context and very clearly explains the importance of such governance and that it is the responsibility of the business. The second explains ISO/IEC 38500, the background and key drivers for the standard, and the management and control model that underpins the standard. The third section then proposes, justifies and illustrates the real life applicability of an integrated system for governance and management of IT. The fourth, and final section, takes each major principle of ISO/IEC 38500, explains the business reasons and importance of the principle, provides realistic guidance as to how to implement it, and also how to both communicate the importance of the principles and how to monitor compliance with any organisations adoption of the principle.

A feature of the book is the extensive use of real examples from organisations of many different sizes from across the world. As well as examples, Mark presents many scenarios to shed light on important areas of IT governance and both the examples and similar scenarios are presented in a clear style with even familiar ones shown in a new and insightful manner. As well as the examples and scenarios there are numerous diagrams and models illustrating and effectively communicating the key concepts. The overall tone is clear, supportive, thoroughly pragmatic, grounded in reality. The book is available in two forms, (1) watermarked PDF, and (2) hard copy.

I recommend the book to anyone who has to understand, manage, govern, and direct information technology.

* Keith Frampton is a Senior Research Associate at RMIT University and Principal Consultant with The Marlo Group.

Partners in the Dance

Waltzing with the Elephant confirms the view presented in ISO/IEC 38500 that successful use of information technology is the clear and specific responsibility of the organisation's business leaders, and that the governing body (the board) should ensure, through giving appropriate direction and asking appropriate questions, that the business leaders are doing the job, properly.

The new dance for business leaders and through them, for the board, goes far beyond recognising that information technology is the elephant in the room. It demands embracing the information technology elephant at close quarters, as the lead in a relationship where each has a clear role and for the best result, must play its part to perfection. Consider the elegance of competition dancing, where the partners know and play their parts impeccably, each having clearly defined roles, sometimes acting independently but mostly engaged in fast paced precision manoeuvres where a mistake on the part of one partner often results in both stumbling, and a well-conditioned response is required to bring the routine back into order. So it is with information technology use in contemporary business today. The business leaders have the job of planning and running the business and this carries the inherent requirement that, along with human and financial resources, they determine the use of current and future information technology resources. Hand-in-hand with their obligation to plan the business and thus determine how information technology will be used, the same business leaders are accountable for the performance of the business and its investments, and therefore are necessarily responsible for realising the benefits that arise from investment in new technology.

For some, these assertions may seem akin to heresy. Some genuinely believe that information technology plans should be prepared by IT specialists and that only IT specialists can be accountable for delivering results. For these people, the use of an analogy may be beneficial. Consider an individual who owns a motor car and wishes to take a holiday in a distant location. The individual is the business, while the service garage is the IT department and the car manufacturer is the IT supplier. The manufacturer designs and builds the range of motor cars for a particular purpose or range of purposes from a wide range of possibilities (sports car, people mover, SUV and so on). The service department provides maintenance and repair functions. The owner of the car is responsible for selecting an appropriate type of vehicle to suit his or her needs, for having it serviced at appropriate intervals, for filling it with fuel and driving it properly – within its capabilities and within the requirements of the law. If the car owner is planning a holiday, there would be no expectation that the service department would determine the route to be taken, the duration of the holiday or the

accommodation arrangements – these aspects of how the car would be used are clearly part of the owner's responsibility. The service department would have no accountability for any problems with the holiday related to the choice of accommodation, scheduling of refuel stops and time taken to make the journey.

The analogy can be extended in several directions. If the owner wants to undertake an outback adventure but currently owns a small city car, proceeding without a change of infrastructure (a more suitable car) is likely to result in anxiety at best, and disaster at worse. In selecting a suitable car for the outback adventure, the owner might consult with representatives of several different vehicle makers (software vendors), outback specialists (consultants) and others who have made similar journeys in a range of vehicles and circumstances (prior projects). Taking into account the information gathered, the owner then makes a decision about whether to proceed with the adventure, whether to buy a more appropriate vehicle, and whether to take any special precautions prior to and during the adventure.

Of course, the discussion in this analogy harks directly back to IT related decision making, but emphasises one crucial point – the individual organising the holiday or the adventure is the business leader, and the business leader carries substantial responsibility for the care and planning that goes to a successful holiday. Taking the wrong type of vehicle into a situation cannot be blamed on the manufacturer. An early breakdown resulting not from onerous conditions but instead a failure to have the vehicle serviced and prepared cannot be blamed on the service department. And even when there is the ideal vehicle there are many other factors unrelated to the choice of transport that influence the success of the overall holiday or adventure.

The role of the business in the contemporary waltz with the elephant is to lead the dance. Accordingly, business leaders must acquire the know-how to perform in this role: they must learn about how IT can be used and the limitations it carries; they must learn about the role of IT in the ongoing evolution and development of business systems that also involve people, process and structure. They must establish their own systems for planning the intended use of IT in a business context and for maximising the value of the investment in IT-enabled business systems.

Perhaps the most profound realisation required of business leaders is that IT is only an enabler of change, and that the benefits of investing in IT come in most cases only when there has been significant concurrent attention to the other elements of the business system – the people who do the work, the way the work is done, and the way that policy and organisation are set up to ensure that people work effectively, with confidence, having a clear

understanding of how to make decisions that fall within their purview and how to efficiently obtain decisions that are the responsibility of others.

Along with this realisation goes the need for business leaders to organise themselves so that they are best able to perform these roles – some of which are new and others of which are evolved versions of established practice.

In this regard, there is a clear trend to organisations establishing a CEO-level IT committee. These committees are often established to make prioritisation and related decisions around the sequence of, and funding for the IT projects that the organisation undertakes. While this is an important consideration, the scope of these committees needs to be much broader. They should not worry specifically about the information technology, but rather they should focus on the bigger picture – how information technology is used in the pursuit of the overall goals. And they should address the implications of IT use – the business change and ongoing business operations that are fundamental to overall performance.

An effective top management committee should operate with a clearly defined and relevant charter that focuses it and its members on making effective, efficient and acceptable use of IT in the current operations and future development of the business. The committee should contribute to or be responsible for development of business strategy, which is the primary determinant of how IT will be used. It should make the major choices about sequence and priority of investment, focusing on the big picture of the evolving business, taking into account risk and reward factors including the capacity of the organisation to absorb change. It should ensure that appropriate resources are deployed in respect of ongoing and new initiatives; especially in areas where IT enabled change is frequently under-resourced. It should ensure also that ongoing business operations include appropriate oversight and stewardship of the enabling IT systems, so that the value derived accords with the cost and risk incurred.

In government too, as in commerce, it is increasingly important for business leaders to establish appropriate structures as key enablers of change and effective use of IT. The Gershon Report on the Australian Government's use of IT specifically recommends creation of two top level committees, one of ministers and one of department heads, for the purpose of focusing and driving the more effective use of IT, where effective use should involve standardisation of the basic machinery of government complemented by innovative use of IT to improve the range and effectiveness of service delivery to the populace. In Singapore, government agency heads have specific performance objectives for such standardisation and forward-looking use of IT, demonstrating that they

are expected to learn, lead and demonstrate their prowess in the new dance: Waltzing with the Elephant!

To Buy Waltzing with the Elephant

Waltzing with the Elephant will be available in hard copy and as a downloadable, watermarked PDF. The price is $100 plus GST and shipping where applicable for the hard copy, and $60 plus GST where applicable for the PDF.

Purchases can be made via:
- The Infonomics Shop;
- itSMF Australia Bookstore (hard copy); and
- direct from Infonomics.

As negotiations are finalised, we will announce additional sales channels.

Learning about ISO/IEC 38500

The Infonomics ISO/IEC 38500 education program continues to deliver around Australia and around the world. Details of the program are on the Infonomics web site.

Continuing the successful ACS Education Across the Nation (EdXN) series, briefings and masterclasses are planned for:
- Canberra, September 15 (EdXN)/16(Masterclass)
- Darwin, October 8 (EdXN)/9(Masterclass)
- Melbourne, October 21 (EdXN)/22(Masterclass)
- Sydney, October 26 (Masterclass and EdXN)
- NSW South Coast, October 26 (EdXN)
- Perth, November 17 (Masterclass and EdXN)
- Bunbury, November 18 (EdXN)

See the ACS website for details and registration. Non-ACS members are welcome at these sessions too.

Mark Toomey will deliver a addressing "How to effectively implement top level agency governance of IT so that AS8015 is satisfied" at the ISACA Oceania CACS conference in Canberra in September.

A two day masterclass is being planned for Frankfurt, Germany in late November, with our colleagues at Serview. See the September edition of The Infonomics Letter for details.

We are in the process of finalising arrangements for additional masterclasses in all parts of the world. See the Infonomics Site to see more details on forthcoming education events.

Infonomics literature can be purchased for immediate download at The Infonomics Shop.