



A Question of Leadership

Welcome to The Infonomics Letter for July 2010.

Australia goes to the polls at the end of August, to elect a new government. We face a stark choice of political ideologies that seem bereft of any real strategy and insight regarding information technology. The incumbent Labor government has during the past three years stumbled its way to a plan for a national broadband network that is promoted as giving vastly higher performance than the third-rate systems provided by the nation's substantially dysfunctional telecommunications industry today, and which is touted as the enabler of future new industries that we know should be there but few seem able to describe. The Liberal opposition wants to tear up plans for the broadband network, but has not clearly and unambiguously articulated its alternative. The Labor government acted early in its term to gain insight to the poor governance and low effectiveness of government's own use of IT, which it inherited from the prior Liberal regime, but has then utterly failed to understand and implement the most important recommendations in the report. Neither of the major parties has any clear strategy for the IT industry, let alone for the nation's growth and development as an effective and efficient user of information technology. But both have long and remarkably consistent track records of failure, at federal and state levels, in the entire management cycle of information technology – from establishing a clear and relevant vision, to developing coherent strategy aligned to that vision, for planning and delivering specific implementation initiatives and for running an IT-enabled nation.

Thus, this edition of The Infonomics Letter offers a proposal to government for how it can use ISO 38500 to guide it in setting and implementing an achievable, relevant strategy for use of IT as a key enabler of the nation's future health and prosperity.

While government is yet to understand, it is extremely pleasing to know that some organisations are becoming much stronger in their awareness of the value and potential in information technology. The Royal New Zealand Foundation of the Blind has embraced my book, "*Waltzing with the Elephant*", converting it to Braille for use by its visually impaired leaders as it develops its future strategy. And I am delighted to announce that Infonomics is working with Attaché Software to develop important guidance to help small and medium enterprise leaders gain real business value from effective use of IT.

There's also a new review of *Waltzing with the Elephant* from Geoff Harmer in the UK.

Mark Toomey
31 July 2010

A National Vision and Strategy

In business, the governing body has ultimate responsibility for setting the strategy of the organisation, and for delivering on that strategy. Management works on behalf of the governing body to help develop strategy, and to do the legwork in its implementation, as well as running the continuing operations of the business. With information technology now pervasive in business, and with the future of business increasingly dependent on effective, efficient and acceptable use of information technology, we are understanding more and more that the strategic perspective on the use of IT must be integral with the business plans of the organisation and that the top management must play a significant part in implementing the IT-enabled change that delivers the strategy. Management must also ensure that the requisite capabilities are in place to enable the organisation to be an effective user of IT.

Now think about a nation. There can be no doubt that information technology is a vital consideration in the development of each and every nation, as effective use of IT contributes to wealth through enabling better government, better business, better health, better recreation and so on.

The strategy for a nation's use of IT is an integral part of the responsibility of government just as is its strategy for health, welfare, security and so on. Taking this perspective, we can see an application of ISO 38500 in guiding government on the critically important issues in developing a national strategy for information technology.

Responsibility

ISO 38500 advises that individuals and groups should clearly understand and accept their responsibilities for both the supply and demand aspects of IT. It follows that responsibility for IT should be clearly and appropriately allocated.

Considering the nation as an organisation, the government of the nation must recognise the role of IT in the ongoing development of the nation and then understand the role it must play to ensure that the nation is appropriately positioned to gain the full spectrum of benefits that accrue to those who truly understand the two sides of the IT equation – demand and supply.

The government has an inalienable obligation to establish the foundation strategy for the nation's growth and development. With information technology playing a profound role in the machinery of government and the fabric of business, it cannot be clearer that government has an obligation to establish strategy addressing three fundamental issues:

- Effective, efficient and acceptable use of IT in the ongoing development of the machinery of government and delivery of government services
- Efficient, effective and acceptable use of IT in the ongoing development and operation of business;
- Efficient, effective and acceptable supply of information technology products and services addressing the needs of the nation, and perhaps the needs of other nations through appropriate export arrangements.

As defined in the strategy, government then has an obligation to take action as necessary to ensure that its strategy is implemented, and to make detailed adjustments to the strategy and its implementation as circumstances evolve. In terms of the machinery of government, if IT is to be used to strengthen and improve the machinery of government there is a fundamental responsibility of government to instruct the bureaucracy to act and behave in an appropriate manner, to take responsibility for delivering whatever efficiencies and new services are required. If IT is to be used to improve the performance of industry, government should encourage and facilitate adoption of the strategy, driving business and industry to take on appropriate responsibility in its own right for effective use of IT as part of developing and maintaining competitive and effective industries.

Effective, efficient and acceptable use of IT demands an effective IT industry capable of supplying IT products, services and skills that will be needed by all sectors of the economy. Government carries a responsibility for ensuring that there is such an effective industry, just as the IT industry carries a responsibility for ensuring that it has the capacity and capability to service the nation's demand, and to directly earn wealth for the nation through export of the same products, services and expertise to other nations that are also building their future enabled by information technology.

Strategy

ISO 38500 recommends that the organisations business strategy should take into account the current and future capabilities of IT, while the strategic plans for IT should satisfy the current and ongoing needs of the business strategy. In practice, this principle extends deeply into the planning arrangements for current and future use of IT.

At a national planning level, there is patently no expectation of intricately detailed strategies. However, IT does play a major part in the machinery of government and business in many nations, and there is no doubt that its effective use can deliver enormous benefits, so there must be some significant focus on defining where and how the IT is to be used.

Government strategy does not and must not focus only on the use of IT in the machinery of government.

As a key part of its purpose, government should be striving to secure the wealth and well-being of the nation, through development of business, cultural and security strategies. As information technology is now a key element of these topics, so must government understand and develop strategy for the effective use of IT in each.

In many fields of business, information technology is a key determinant of performance. Indeed, many current day industries would not exist at all if it were not for advances in the capability and use of IT. To develop and maintain international competitiveness, government strategy must encourage established industry to improve itself through better use of IT, while also providing the right conditions for development of entire new industries and lines of business made possible by advances in IT.

Equally, government strategy must recognise the vital and expanding role that the core IT industry – those companies that develop products and those that deliver services – plays in the ongoing advances of the nation. It must address in its strategic thinking the question of whether the nation is to be dependent on other nations for essential IT products and services or a specialised supplier of these products and services in its own right. In developing these strategies, government must take into account the essential difference between core innovation and the bland delivery of product – understanding that it is innovation that creates wealth, but only when supported by an appropriate and effective delivery environment.

From a well-being perspective, we are now well aware that information technology has become a channel for crime and social malaise as it has become a channel for wealth and social engagement. Government strategy must ensure that law and regulation (including investigation, enforcement and where necessary, punishment), education and culture development are up to date and evolving at a pace that at least matches the evolution of how technology itself is used.

Acquisition

ISO 38500 essentially regards acquisition as the decision to expend resources – financial and human – on information technology. It suggests that the decisions should be made for valid reasons, on the basis of appropriate and ongoing analysis, with clear and transparent decision making, and appropriate balance between benefits, opportunities, costs and risks in both the short and long term.

Setting a national strategy is only the first step in the process for a government. It must then move forward to establish supporting programmes for its strategies. In terms of machinery of government it is straight forward – government can do the research and detailed planning in its own right to develop the

business case and confirm the feasibility of each initiative, taking into account the competing priorities, capabilities and benefits that should accrue.

Outside the machinery of government, though, there will also be a need to develop detailed plans for expenditure of resources, not just by individual organisations, but sometimes by entire industries and economic sectors. In this context, government must support development of roadmaps and plans that are outcomes focused, providing clear evidence of measurable benefits that will enable stakeholders to justify their own engagement and investment in the initiatives.

Performance

ISO 38500 recommends that IT should be fit for purpose, providing the services, levels of service and service quality required to meet current and future business needs.

While measurable goals and performance indicators are an essential aspect of ensuring that a government strategy for the nation's use of IT is delivered, such tools are only part of the performance equation. To make good and effective use of IT, the nation must have highly developed capabilities in government and in business to plan and implement IT enabled change. This demands development of skill in the leadership ranks, as well as development of the technical skills and infrastructure required to deliver.

Looking at an industry which is core to the future of just about everything, government must ensure that the education system produces skilled workforce that is capable of planning implementing and operating an IT enabled future. And if IT is a significant part of the nation's economic base, the government must also ensure that the education system produces people who are capable of conceiving, designing, building and using information technology.

An effective IT industry is essential – without it organisations will be constrained in their ability to access and implement the kinds of effective information technology that will enable their own future visions, as well as the vision of the nation.

Key infrastructure is an essential in performance. Just as roads and rail systems are essential to land transport, an effective national data communications network is critical to the future development of high performance government and industry. And as fuel supplies are also critical to industry, so too are secure supplies of electricity and other consumables to the ongoing use of information technology.

Conformance

ISO 38500 expects organisations to understand and apply relevant rules regardless of source, and to make clear and follow their own rules as necessary.

Government policy should be a key guide to bureaucrats, business leaders and the IT industry overall regarding the entire lifecycle of IT use – from planning organisational (and national) strategy, to planning and implementing change, and delivering the beneficial outcomes that are the desired result of change.

There should be mechanisms to promulgate and encourage conformance to policy. If the government aims to improve machinery of government it should recognise and reward achievement in this regard, and censure failure. If the aim includes advancing industry performance and competitiveness, leaders must be identified and praised, while laggards should equally be encouraged to improve their performance.

To both encourage proper and effective use of IT and to discourage improper activity, government should establish a legislative agenda and consultative framework that enables timely and effective development of necessary laws and regulations regarding the use of IT.

Human Behaviour

ISO 38500 recommends that the use of information technology takes into account the many facets of human behaviour.

Effective use of information technology has long suffered from a range of poor human behaviours. Government must recognise these factors and act to promote more positive behaviours are inculcated in the nation. Business and government leaders must be encouraged to learn that effective use of IT is a supply and demand equation, and suppliers cannot be held solely accountable for failure of the demand side in the system. On the demand side, business and government leaders must recognise that IT is an integral but not exclusive part of their business system, and that successful use of IT demands that it be treated as an enabling tool complementing and complemented by the people, structure and design of the organisation itself.

In some nations, years of abuse of IT suppliers by government and industry have created the scenario where one of the most important skill-sets of the future is now held in disdain by school leavers. Universities struggle to fill IT courses while students believe that such skills will not be valued by employers, and students see their views confirmed regularly with more reports of IT work being moved offshore and redundancies of IT specialists. In some jurisdictions, IT has become in the past ten years a boom and bust business, where oscillating employment prospects are a string disincentive to students moving into the industry. Government must work with industry at all levels to ensure that there are attractive career prospects that encourage growth of an essential IT literate workforce.

Knowing the unseen Elephant

Neil Jarvis, Executive Director Access, Innovation & Enterprise at the Royal New Zealand Foundation of the Blind does not fear the (information technology) elephant in the room – and he is becoming more familiar with it on a daily basis as he works his way through nine volumes of Braille that explain to him how to direct and control the use of information technology. Neil and his colleagues know that information technology offers enormous potential benefit for the visually impaired, and they are vigorously consuming the advice in *Waltzing with the Elephant* as they prepare for a new planning cycle.

According to the Foundation's website, Neil has had an extensive career in the disability sector, both in New Zealand and the United Kingdom. He's worked in consulting and project management, established new businesses and has run his own business for a number of years providing consulting services around IT accessibility. A key part of his portfolio at the Foundation is to support members' independence by providing accessible information and creating innovative solutions that improve their environment.

As a result of a request from the Foundation's ICT Manager, Hazel Jennings, Infonomics has helped the Foundation by providing the electronic source copy of *Waltzing with the Elephant* for conversion into Braille, and later, the DAISY (Digital Accessible Information System) Standard. The DAISY digital format assists people who have challenges using regular printed media. DAISY digital talking books offer the benefits of regular audio books, but are superior because DAISY includes navigation – essential for business texts that are to be used as a reference. These special editions of *Waltzing with the Elephant* will, in time, become available to the visually impaired all over the world. If you have a visually impaired colleague who wants to learn about directing and controlling IT, please [contact Infonomics](#) for advice on how to access the accessible format versions.

A new review of the Waltz

Waltzing with the Elephant is Infonomics premier resource for board directors, executives and IT specialists who want to achieve effective top level governance of IT, maximising value and effectively controlling the risk of investment in IT.

Geoff Harmer, a UK based expert and trainer in governance and management of IT, recently posted [this review](#) of *Waltzing with the Elephant*. Other [reviews and a preview](#) of the book are available at the [Infonomics Website](#).

Waltzing with the Elephant is a publication of Infonomics Pty Ltd, and is available for purchase from [The Infonomics Shop](#) in paperback and downloadable e-book editions.

Attaché helps SME's extract value

Writing in the [Rust Report of March 19](#), Attaché Software Managing Director Michael Rich challenged the IT industry to get back in touch with reality, by focusing on operational and business benefits for its customers rather than talking technical jargon. Rich suggested that current industry behaviour causes many (especially small and medium) business owners to feel inadequate and to abdicate responsibility for IT decisions and implementation to people who aren't up to the task – like their neighbour or bookkeeper. He said: "The result is they miss out on the tremendous benefits IT can bring a business and often end up in an IT train smash".

Demonstrating his company's commitment to improving the success and performance of their customers, Attaché recently announced a [Business Improvement Guide](#) designed to help small and medium business owners and directors extract real value from their current investment in IT. The guide focuses not on IT savings, but on effective use of IT to identify and deliver real business performance improvement in seven key areas: Debtors, Stock, Expenses, Sales, Fraud, Carbon and Payroll.

Attaché's Business Improvement Guide is strongly aligned to the guidance provided in ISO 38500. It makes strong and consistent points about responsibility, planning a delivering, and about enabling staff to perform well. It presents in a compact and highly usable format more than 700 points of advice on how to gain more from a contemporary suite of software as would be used to manage many enterprises in the \$1 million to \$50 million size range.

As announced at a media launch on 20 July, Infonomics is delighted to be supporting this important initiative of Attaché, by developing a further module for the Business Improvement Guide. The new module will further help SME owners and directors extract value and manage risk associated with their use of IT, by guiding them in practical application of ISO 38500 in the SME context.

Attaché Software was founded in 1981 and today over 60,000 people in businesses across Australia, New Zealand, South-East Asia, the Pacific and South Africa depend on the company's software to record their transactions, manage their stock, run their payroll, and drive their business growth. Mike Rich has over 30 years experience in the business improvement strategies field, backed by accounting qualifications from both sides of the Tasman. In 2008, he co-authored *A Plain English Guide to Next Generation Software* which outlines the appropriate business systems based on the type and size of your business and more recently he has been involved in the new Standard Business Reporting that is being rolled out this month.

ISO 38500 Developments

As previewed last month, a new working draft of ISO 38500 has now been distributed for international review. Unfortunately, and contrary to the impression given in the last edition of The Infonomics Letter, the working draft cannot be made available for general public review and comment. According to ISO rules, working drafts are restricted to members of relevant groups in national standards bodies. To engage in the development process for the next version of the standard, individuals need to become part of their respective national standards organisation's team.

Recent Events

Five of the Waikato region's most senior IT leaders attended the July 26 [ISO 38500 Master Class](#) in Hamilton, New Zealand conjunction with Basil Wood of [BAZ IT Ltd.](#)

More than 50 local business and academic leaders attended the July 27 Institute of Directors Otago Branch and Otago School of Business [Board/Executive briefing on Governance of IT](#), in Dunedin, New Zealand.

More than 50 government and business leaders attended a briefing on governance of IT organised by Standards New Zealand on July 28 in Wellington New Zealand. Mark Toomey spoke on the governance issues highlighted in the recent audit review of the payroll system developed for the Queensland Department of Health.

Business and IT leaders from five major New Zealand Not for Profit organisations participated in the CIO Network briefing on ISO 38500 and governance of IT on July 29 in Auckland, New Zealand. Royal New Zealand Foundation of the Blind IT Manager Hazel Jennings said of the session: "Really inspirational and thought provoking. Better yet my directors agree".

Coming Events

One of the central pillars of Infonomics activity is building awareness, understanding and skills in governance of IT and ISO 38500, for directors, business leaders and IT specialists. The Infonomics education program is continually evolving, includes classroom, conference and open access events, and is frequently organised in conjunction with business partners operating around the world.

Australian Industry Group Seminars

The Australian Industry Group is one of Australia's leading industry associations, committed to helping Australian industry to meet the challenge of change. To meet the needs of business leaders who need to control risk and maximise the value of their investments in information technology, Ai Group and Infonomics are collaborating to deliver a series of [introductory seminars on governance and](#)

[management of IT](#). The seminars will be in Melbourne on September 2nd, Sydney on September 7th and Brisbane on September 8th.

Other Events

August 2 – 4: Melbourne, Australia: [ISACA Oceania CACS 2010](#): Briefing on Audit and Governance of IT in a Post-Recession World.

August 26 (TBC): Melbourne, Australia: University of Melbourne guest lecture – details TBA. Alternate date 7 October.

September 9-10: Perth, Australia. Expressions of interest are sought for a possible one or two day masterclass on ISO 38500 and governance of IT. If you would like to participate in such a class, please [contact Infonomics](#).

September 13-14: Johannesburg, South Africa. We are exploring the possibility of running a one or two day masterclass on ISO 38500 and governance of IT. If you would like to participate in such a class or assist in organising it, please [contact Infonomics](#).

September 15-17: Johannesburg, South Africa. ISO/IEC JTC1 WG6 meeting to continue work on revision of ISO 38500 and development of other resources for governance of information technology. This event is open only to accredited delegates of national standards organisations and other accredited stakeholder organisations.

September 22: Brisbane, Australia: World Computer Congress, [South East Asian Regional Computer Confederation \(SEARCC\) Conference](#) "ICT Leadership & Governance: Building a resilient organisation in a rapidly changing world".

We are continuing to work on plans to deliver an ISO 38500 masterclass in conjunction with this event. If you would like to be involved, please [contact Infonomics](#).

October 5: Melbourne, Australia: [ACOSM2010 - The Australian Conference on Software Measurement](#), in conjunction the International Software Benchmarking Standards Group's (ISBSG) Annual Workshop. This session will be tackling something different – "*Measuring the Unmeasurable: Governance of IT*".

October 22: Melbourne, Australia: Industry workshop with Monash University: "*Recognising the Elephant in the Room: Key ICT Governance Issues for Australian Organizations*". Further details to be advised.

October 25 - 29 (TBC): Madrid, Spain: ISO 38500 Two Day Foundation Class in conjunction with a leading university – details in a future issue.

November 1 – 5 (TBC): Europe or UK: ISO 38500 Two Day Foundation Class in conjunction with a leading industry partner – details in a future issue.