The Infonomics *Letter*
Plain Language about Digital Leadership and Governance of Information Technology
July 2013 Edition

Back in Harness

Hello and welcome to The Infonomics Letter on Digital Leadership and Governance of IT for July 2013.

Did you miss the May and June editions? So did I! As happens from time to time, pressure of effort required for some activities results in other activities – typically those that don't directly generate revenue – being set aside temporarily. This is the longest break since 2008, and I sincerely hope, the longest break that we will see for some time. If you're not sure why you have suddenly (re) appeared on the mailing list, you might find The Great Contact Cleanup useful.

Early in 2013, I began discussing the concept of Digital Leadership. It's a topic that seems to warrant substantial exploration, and that's where my attention is going for the immediate future. I'll be doing some research and perusing a lot of material, as well as further sorting the thoughts that are consuming much of my limited mental capacity. From the outset, I'd like to know your thoughts too. Unstructured input is welcome now, and there is sure to be a survey in the next few weeks.

As I explore Digital Leadership, I am coming to better understand the extraordinary dependence on IT that seems typical of organisations that are disrupting established markets and setting new standards for performance, service and competitiveness. The further I go in exploring this, the more I wonder at a paradox which is emerging. I call that paradox "Capability Stripping", and I'll explore it next month.

Just a few weeks ago, I participated in a global webinar event organised by itSMF in Spain. Rather than a prepared presentation, my part was set up as an interview, in which I responded to questions from a panel set up by the organisers. I've taken the questions raised and expanded on the verbal answers in The itSMF Interview.

Queensland Health's payroll system disaster is becoming increasingly well known. As the Commission of Inquiry draws to a close, it is being hailed as one of the most profound lessons available about the risk of IT. Next month, we'll tackle the big question it begs: can we learn from it?

The rest of 2013 is building to be a busy period in terms of talking about Digital Leadership and Governance of IT. Where in the world might I see you? Melbourne? Hobart? Johannesburg? Elsewhere?

Please enjoy exploring the discussion for this month, and consider sending some thoughts on Digital Leadership to mtoomey@infonomics.com.au.

Kind regards,
Mark Toomey 31 July 2013

Digital Leadership

In January, I said that Digital Leadership is now a core theme for Infonomics. The more that I read about the role of technology in modern business and government from press, industry and academic sources, the more I am convinced that Digital Leadership is a critical topic for attention at the highest levels of management and oversight of all organisations, including government.

I've begun compilation of my own library of recent publications that I hope will give a better understanding of what Digital Leadership involves to me and those who are interested in my work. Soon, I will begin a research program, in which I will ask leaders in Australia to share with me their thoughts on Digital Leadership. After that, I'll be seeking input from the Infonomics Community around the globe. I hope that, in addition to your own views, a number of you will also help me to engage your local business and government leaders, so that we can formulate a global perspective on what Digital Leadership actually entails. This knowledge should help us to understand if there is a need for work to build Digital Leadership capability, and how such work should be focused.

Having begun the scan for literature, I'm astounded by the extent of material that's relevant. However, the first impression I have in reading between the lines is that, while the topic is in its infancy, there are some very clear markers that will help us to not just learn, but to build understanding of just what is involved in effective Digital Leadership.

For this Infonomics Letter, I'm sharing four snapshots of my current thoughts on the issue. We start by positioning what is happening as a major technology paradigm shift. Then we put the proposition that Digital Leadership is an essential capability in navigating the paradigm shift. Finally there are two summaries I've made of literature I'm scanning.

The (Digital) Technology-Enabled Paradigm Shift

Technology paradigm changes have an observable impact on organisations operating in the space of the change: innovators seize the new opportunity and prosper; some follow the opportunity and survive; some reject the opportunity and are at best, sidelined. Many fail. Illustrative paradigm shifts include:

- Development of the Quartz Watch – the Swiss watch industry did not seize the advantage and surrendered its market to new Japanese entrants.
- Development of Digital Photography – Kodak, the major global film company invented digital photography, but bet on the old world, and lost.

- The motor car – displaced and replaced the horse and carriage, and many associated support industries.

Ubiquitous broadband communications and widespread availability of cheap information technology across the entire marketplace is creating what may be the most widespread and intense paradigm shift that the world has ever seen. For the time being, and in line with some of the available material on the subject, we will refer to this paradigm shift as the "Digital Revolution" event. Diverse market research, including "e-commerce in a multichannel world" (by Financial Review Business Intelligence and Frost & Sullivan; sponsored by technology provider NetSuite) and "A snapshot of Australia's digital future to 2050" (by IBISWorld; sponsored by IBM), confirms that technology is disrupting and threatening to disrupt a wide range of markets, including:

- Entertainment, news and related media
- Payments, banking, finance and insurance
- Retail
- Education
- Mining and Energy
- Agriculture
- Manufacturing
- Medicine
- Transport

Within each of these sectors, we see (and some of them are already very well known) innovative new entrants already making significant advances on the leading edge of the paradigm shift. We also see some established players reinventing themselves with new business models underpinned by investment in new technology. We also see government (slowly) reinventing itself.

Much of the advice generated by the IT industry and IT press suggests that the CIO is key to the capability of organisations to advance into the brave new world enabled by this ubiquitous technology. But look more closely at organisations across the success spectrum in the paradigm shift thus far:

- Amazon, eBay and the majority of the new entrants have not depended on their CIO for transformational leadership – they have enjoyed the leadership of IT-savvy business innovators;
- Commonwealth Bank, while it has a high profile CIO, embarked on its transformation under the guidance of Ralph Norris, an IT-savvy CEO;
- Fairfax is, according to available commentary from people involved in the situation, suffering a decline in fortune because its board rejected the notion that its "river of gold" advertising revenue would be displaced by online markets;
- HMV (UK) failed because its CEO rejected advice about how its market would change as a result of the changing paradigm.

It would seem that the CIO may be part of the equation, but that success or failure is also highly dependent on the qualities of the organisation's top level business leadership – that provided by its executive management and governing body. These qualities are what I think are the core of "Digital Leadership".

Proposition: Digital (Business) Leadership is Essential

Organisations which thrive through the Digital Revolution will do so because they have adequate levels of Digital Leadership. Digital Leadership is the capability of business leaders to identify and realise opportunity for business improvement and value through effective, efficient and acceptable use of IT. Digital Leadership, or the lack thereof, trumps Technology Leadership. There are many cases where technology leaders have provided the right advice to the business leaders, but the advice has not been used wisely, and the organisations have suffered damage as a result. Examples include Kodak as mentioned above and more recent cases, such as Fairfax Media and HMV.

Within this proposition, Digital Leaders do not necessarily have a deep technical knowledge of IT. Rather, they have ability to conceive new models of business that exploit new capabilities in IT and new ways of using IT. They appreciate the speed and imagination of the market and respond to it. They orchestrate and deliver organisational change at a speed and of a scope previously unimagined. They engage and inspire IT specialists as they engage and inspire professionals in other disciplines, and they bring these disciplines together to create new products, services, markets, operating models, opportunity and value. They create, nurture and adopt new disciplines through which people and organisations create value (we have already seen emergence of such disciplines in Social Media and Search Engine Optimisation). Digital Leaders do all this in a constantly-changing environment where ideas and initiatives morph in ways never imagined, and where another organisation's new idea can render a carefully developed plan useless or, just as significantly, open a seam of rich opportunity that demands immediate attention.

For organisations to successfully navigate this paradigm shift, Digital Leadership capability is essential at the top executive levels of management and in the boardroom or other governing body. Many organisations will need to develop the Digital Leadership capability of their current managers and future leaders.

Input: "A snapshot of Australia's digital future to 2050"

This report was prepared by IBISWorld and sponsored by IBM. It was published in June 2012.

The report provides a substantial and rather daunting exposition of how all sectors of the economy will be impacted by the digital technology paradigm shift through to 2050. It makes frequent references to "transformation". However, it provides no insight at all as to how the transformation will be brought about. We are seeing the impact already – this report is not about what might happen in the future – it is about what is happening now, and will continue to happen for quite some time to come. Its value is as a broad reference point for the impacts that will occur. It's likely that within each identified sector, some organisations will be better able to manage their own responses, so that the broad sector consequences will be reflected at different levels for different organisations. This begs the question – what management capabilities are required to maximise the success of each organisation through the change?

Input: "The Digital Advantage: How digital leaders outperform their peers in every industry"

Prepared by CapGemini Consulting and the MIT Center for Digital Business, November 2012.

From the press release: George Westerman, the Research Scientist who led the research for MIT, said: "*Achieving a digital advantage requires more than sheer digital investment. It requires building the leadership frameworks to envision and drive transformation. Digital transformation is as much about leadership and organizational change as it is about implementing new technologies. It is therefore a top-down exercise requiring skills and influence that only senior leaders possess. Although there is no 'one size fits all' for digital transformation, we have identified common patterns for how successful companies have built their digital advantage. All leaders can use this Digital DNA to help their businesses gain a digital advantage. However, both leaders and laggards need to recognise that this is a process of constant reinvention.*"

"Executives in every industry – from media to electronics to paint manufacturing – face a bewildering array of new digital opportunities. They are paying attention, but they have few signposts to guide them. Most stories in the business media focus on fast-moving startups like Zynga and Pinterest, or on a few large high-tech firms like Apple, Google, or Amazon. Unfortunately, to many leaders, stories of these nimble and innovative firms just do not make sense for traditional companies that are older, larger, and burdened with inflexible legacies."

Two years of research covering 400 firms found that most are acting to some degree but few are positioned to reap real rewards.

Some companies are "Digerati" – with the capability to build digital innovations and drive enterprise-wide transformation that delivers substantially higher performance than non-digerati which would otherwise be peers.

Digital maturity has two dimensions – digital intensity links to investment in technology enabled capability; transformation management intensity links to leadership capabilities required to deliver digital transformation. It comprises vision, governance, engagement and IT/business relationships. The two dimensions define four levels of digital maturity. The extent of transformation management intensity links strongly to performance, and digital intensity amplifies performance.

Transformation Management Capability is described in terms of transformative vision – a picture of the future; digital governance – mechanisms to ensure that digital efforts are moving in the right direction; engagement – gaining interest and participation of employees (and other stakeholders – these are not mentioned); and IT-Business Relationships – redefining the business and delivering the initiatives – sometimes under CIO control and sometimes driven by business or combined business/IT teams.

In addition to transformation management capability, digerati (the leaders) have a strong focus on excellence in "domains" where digital transformation may occur, with an ability to target effort across complementary domains. They tend to define journeys of progressive transformation.

The report provides advice on "Conducting your own digital transformation", comprising four elements. First, frame the digital challenge: understand why change is required (threats and opportunities) together with the organisation's capability to deliver change; and establish a transformative digital vision which is held consistently across the entire senior team. Then, focus investment: work out where to excel and drive change, and minimise expenditure in other areas (their turn will come); determine your future business model and change required to deliver it at the appropriate pace; and ensure that you have governance arrangements in place that promote realisation of the digital vision in a disciplined manner. The third element is to engage the organisation at scale: mobilising the organisation on the change journey (an unequivocal, consistent signal that intrinsically demonstrates commitment to the changes from the CEO and the top line of management is a good idea); continuous two-way communication that maintains the message and acts on the feedback; and encouraging employees (and perhaps others?) to identify new practices and opportunities. Finally, organisations need to sustain the transformation:

identifying and maintaining essential core skills and capabilities and filling gaps (through hiring AND training, including skills-transfer from partners and vendors) and, perhaps, acquisition; Quantifying and monitoring progress using tools that go beyond measurement, to drive accountability and cooperation; and ongoing iteration and improvement.

The report concludes by presenting seven myths and realities of digital transformation, the bottom lines of which can be restated as:

- Digital Transformation opportunities exist across the full range of business activity;
- Digital Transformation opportunities exist across all industries;
- Digital Transformation must be led from the top;
- Intensity and focus are more important than scale and extent of initiatives;
- Digital Transformation requires tight integration of business and IT;
- There is common DNA across organisations that excel in Digital Transformation;
- Successful digital transformation delivers superior business performance.

The itSMF Interview

On 11 June 2013, I had the pleasure of participating in a global webinar organised by itSMF Spain. As part of the wonder of modern technology, it's preserved here, for all to enjoy. The session consisted of an interview conducted by Manuel Cano in Spain and Carlos Francavilla in Argentina. Fortunately for me, my interviewers are much more fluent in English than I am in Spanish, so the session was completed entirely in English. For those who prefer to read, here's a reprise of the questions and my responses. The interviewers comments are in italics.

There is a number of paradoxes that CEOs and CIOs currently are not able to clarify: Here we are some sentences. Can you help us to clarify them?

First: "The business itself will be the IT department. Technologists will simply be the enabler," said Brandon Porco, chief technologist & solutions architect at Northrop Grumman.

This is very true. A useful analogy to help understand this is the motor car. When cars were first invented they were the domain of engineers and enthusiasts, while people stayed clear of those noisy, smelly and sometimes frightening monsters. But now engineers and enthusiasts are in the background, while everybody knows what a car is for and most people (in the developed world at least) know how to drive and use cars with hardly a second thought.

The same thing has happened with IT – the focus has moved from engineers and enthusiasts to end users. People no longer need to know how IT works in order to use IT, whether in business or in their personal and social contexts. It's a short step from there to the scenario where people who run the business are taking the lead roles in determining how, and why, and when IT is used to enable effective operation of the business.

Second: Cloud, Big Data, social network, BYOD, mobile, Internet of Things, and the CIO worried with the operation of existing systems.

This is a very interesting situation. The words mentioned – cloud, social networking and so on are the IT industry's words. They are really technologists' babble that confuses users. For the normal business and social user cloud simply means that they can access IT services when and wherever they want. Big Data means they can discover many new things about their customers and market. Social Networking means people can connect to anybody anywhere any time. These activities are the things that business leaders, managers and the community are thinking about – not the underlying technology which the IT industry identifies with these words. In a lot of cases the CIO hasn't in realised that the CIO is no longer in control. Notwithstanding, the CIO must understand the business perspective on new technologies and put in place measures that enable their use while ensuring that the essential underlying systems on which the new capabilities depend are still working correctly. Overall, the CIO has much more to deal with, but has much less overall control.

How can we maintain current systems costs down and encourage innovation: Do you see as necessary the emergence of the CDO –Chief Digital Officer?

There are going to be attempts to shift the role of IT into something new. We see references to Chief Digital Officer, Chief Innovation Officer and Chief Marketing Officer, but I think that they are all likely to be transitional roles. The reality is that most current and future decisions about IT are whole of business decisions focused on the use of IT, and they are made by people in their normal management roles.

If we think about human resources in the same way, we have heads of HR in most medium and large companies, but the head of HR doesn't prepare any work assignments or performance appraisals. Rather, they ensure that people have work assignments prepared by their managers and that they complete performance appraisals on time.

Rather than a Chief Digital Officer, we will see the role of CIO progressively evolve to one that is an important part of the organisation's overall governance system. It will become more like the Head of HR and CFO roles, such that the CIO enforces the organisation's rules about IT while other people make significant decisions about the use of IT. The CIO of the future doesn't necessarily dream up all the IT related strategies of the organization, but will certainly contribute to them.

Only in Europe 950,000 people with IT skills are needed in the next 5 years, but every year universities are seeing how the number of students is falling.

This is happening in Australia as well. It is a great concern that some universities have closed IT courses. It's quite astonishing because we all understand that IT is fundamental to our future but the message going to youth is that they won't have a valuable career in the IT space. There are several factors contributing to this. I have heard from young people that the prevalence of outsourcing means that if you start a career in IT you will lose your job as you become more experienced and therefore more expensive. Why would anybody want to start a job that has no future? That is a wake up call for business leaders: they need to recognise that capable IT people are an essential part of the future and they need to give young people the message that they will be both needed and valued.

A second element contributing to the problem is that often the picture painted of a career in IT is one of very deep technical specialisation. That's a silly picture these days: everybody who takes a job in business will need IT skills – skills like graphic arts; skills in tools to design and develop business. The range of skills that will be needed is exploding but we are not seeing universities offering learning in the sort of skills needed for the future. It seems that the university curriculum is often designed by people who are still living in the 1970's, 80's and 90's rather than people living in the first half of the 21st century.

Over the years since publication of ISO 38500, have we improved present and future use of information technology by organizations? Or, do you think that we still are feeding the statistics of the Standish Group Chaos Report about failed IT projects?

The timing of this question is perfect. I recently received a report for the Australian Government entitled "a review of project governance effectiveness in Australia". It says that on average 48% of projects failed to meet their baseline time, cost and quality objectives. That is the same basis of measurement used by Standish and Standish has found that roughly 50% of projects fail on those criteria for the past 20 years. So it would appear that we haven't improved a great deal at all. The report goes on to say that only 10% improvement has been achieved in the past 10 years.

We presented very useful guidance in ISO 38500 but we are not seeing any improvement in performance and the reason is that while the problem behind IT going wrong is in poor governance all the effort to fix the problem goes to the next level down and focuses on management techniques. All the studies I have done, and the report to the Australian Government, shows that most failures are in fact governance failures.

It's interesting to look at South Africa where the government is now adopting a new approach to governance and management of IT. The report that describes why they are doing this begins by saying that the government of South Africa has made a number of past attempts to improve success with IT but every attempt has failed because the changes necessary at the top level of governance and management have not happened. This time the government says that before doing anything at the management level, it is going to fix the problem at the governance level. This is the key message that everybody needs to understand – that fixing governance is the way to fix the statistics that Standish report.

Changes in technology, its evolution, adoption, they are so fast and so disruptive that many organizations will probably not be able to keep the disruption pace.

In what way do you think that ISO 38500 can help these organizations that are seeing their business models die act on the need to TRANSFORM themselves with new digital skills and competences to survive?

I think that ISO 38500 has very specific and relevant messages for these organisations – basically tied up in the first 2 principles. Looking at responsibility: if an organisation is in a market that is being disrupted by new entrants and competitors, the organisation can't wait for the IT function to realise that there is a problem – that's the job of business leaders to realise that there is a business problem and a business opportunity. ISO 38500 provides the impetus for an organisation to plan ahead and change assignments of responsibility so that business leaders are clearly responsible and clearly taking control when there is a disruptive change or opportunity. The second principle goes to strategy and planning: organisations need to think about the role of IT in their business strategy. Rather than developing a business plan that is agnostic to IT, the leaders need to develop a business plan that understands how IT is now changing the rules of the market. They need to ask what other players might do with IT to change the market and attack their business. They need to explore how to exploit IT, to take an advantage, to redefine the market and to attack competitors in ways that they won't be able to respond to quickly.

ISO 3850 essentially says to stop looking at IT from the supply side and instead to look at IT from the business demand and business use side. Organisations need to get assignment of responsibility right so they can drive out a strategy that is effective in positioning IT as a tool for competitive advantage.

Standard ISO 38500: Can you help us to identify what changes will be consolidated and what changes will be ignored in relation to disruptive changes in IT?

I think this question is about changes in the marketplace. ISO 38500 stands aloof from the detail

of IT such that the principles it presents apply as much today as when they were first developed in Australia in 2003 and 2004. I think they will apply just as effectively in 2023. They are like the proverbs, and Ten Commandments. They guide the way that organisations behave rather than prescribing any of the methods, techniques, structures or tools needed to implement any particular management method. I see ISO 38500 as very stable and useful because it can be adopted as a guiding light on how to make decisions about IT with confidence that it won't change dramatically. There is in fact a review of ISO 38500 under way that in a year or so may lead to a minor revision being published. I know that the team working on it is focused on very fine tuning, refinement and clarification rather than any significant change to the basic messages in the standard.

Entrepreneurs (startups) are in vogue, or are a must. Do you think that the ISO 38500 can help them, since most startups have a very big dependence on IT?

I do – in fact a lot of the startups are unconsciously doing what ISO 38500 wants us to do. We see in startups leaders who clearly understand their role and lead the organisation. We see strategy established with a clear understanding of what IT is all about and we see the other four principles actually being lived out. It's interesting that we can look at startups and the behaviours of entrepreneurs and see that they are doing exactly what the standard says they should do and yet it seems so difficult for long established organisations to adopt the same behaviours.

For startups and freelancers …. Do you think that IKEA concept and its furniture DIY (Do It Yourself) management can be applied in a near feature to IT?

I think that it's happening now. I don't think it's a near future thing – it's a current day thing. And it's happening in exactly the model that Ikea would suggest. It's the people at the coal face – the people who use the IT who are actually doing it themselves to access and integrate the IT capability that they need. There is so much available now on the web with software as a service that if somebody wants to set up a mailing list and send a news bulletin to customers, for example, they can log onto the web and put a credit card number in and get access to Mail Chimp or Constant Contact or any one of a dozen other providers and they are doing for themselves! The message here for the IT department is that they have lost control and they are never ever going to get that control back. So the IT function and the whole organisation need to reset their thinking on who makes decisions about IT and how they make decisions about IT. Instead of trying to control everything and making all the IT decisions itself, the IT function needs to be helping people who now make decisions to make good decisions. This means that the IT function must be educating, informing, helping, guiding the new decision makers, and just being there as part of their journey. The Ikea concept for it is a reality today.

If we offer the following hypothesis: The ISO 38500 is the standard that any CEO should have in mind to direct, manage and operate his business, what actions can any CEO take to validate this hypothesis?

This is something I have experienced with my customers. In a very recent example, I was talking with a gentleman on a flight, who was a non-executive director temporarily acting as the interim CEO of a significant company. I explained my specialty in governance of IT and he said that he has no knowledge of IT – he has a technology department to look after that for him. I suggested that this is a problem – executives and directors turn away when confronted by IT when the problem they need to address is not the detailed inner workings of IT but how the organisation plans and manages its use of IT.

The tool I have developed for use with my customers is an 84 point diagnostic derived directly from ISO 38500. It describes a lot of behaviours that are the good management and boardroom behaviours of organisations and the capabilities and performance of organisations that are very good at governing IT. I run the CEO through those statements, asking them to think about how closely the organisation matches the statements. Invariably the CEO finds that the organisation doesn't match the statements particularly well at all – but while we do this the CEO is also being exposed to a new way of thinking about IT, in which they understand that directing and controlling IT is nothing to do with decisions about what database manager or what CPU or how much memory. Rather they are decisions about how the organisation will actually operate itself and make its decisions and build its capability to compete in the 21st century. A CEO can use this tool to first become familiar with the messages that are in the standard and build a solid understanding of what good governance of IT is all about. Then the CEO can use the same tool to go to everybody else in the organisation to find out how everybody else is thinking about IT. That gives a baseline or start point for working out how to improve the business control of IT.

Audience question: Some time I posted the following question to Professor van Grembergen "What are MBA students taught about all this – are we preaching to the Choir"

That's a wonderful question. Everybody needs to go to UPM (Polytechnic University of Madrid) where José Carrillo is teaching ISO 38500 to his MBA students. Unfortunately I think a lot of universities are still teaching outdated thinking that is based in the idea that the IT department is in control and making all decisions about IT. I think this is going to change but we are only seeing the leading thinkers in universities making that change at the moment. It's going to be

another perhaps 2 to 5 years before the mainstream universities actually wake up to make the change.

Audience question: Do you agree that it (the topic) is corporate governance of IT rather than IT governance?

Yes. The terminology is a real challenge and I would like to think that we can actually find a new way of discussing the decision making frameworks around IT. I don't have an answer to that problem yet. Certainly what I think is imperative is that we understand that the directing and controlling of IT is now a business leadership responsibility rather than something that lives inside the IT department. We also need to be very clear that governance of IT is about policy, strategy and responsibility, and not about the detailed management activities which are what some parts of the IT industry still tend to call "IT Governance".

IT apparently is lowering prices, but it is becoming more and more necessary. What is the evolution that you think IT may have from now?

- IT will be competitive and expensive

- IT will remain as a commodity and affordable for all and will not represent any competitive advantage.

- IT will be a mix of commodity for trivial uses of technology and a tool of competitiveness through innovation in products, services and management?

I think that the mix is inevitable. I think that there will be a lot more of the routine IT that becomes a commodity and we see that today with tablets and mobile phones and PCs and so on. There's no question that a lot of new business capability is enabled by IT and the innovation that is necessary is going to continue to drive demand for some new technology and new creation. I think we've still got a lot of new technology development to happen and we are going to see organisations still investing heavily in IT even though the price of the commodity components is getting cheaper and cheaper.

10 years ago Nicholas Carr published his famous article in the HBR: "IT doesn't matter". And five years ago, the ISO 38500 and your book "Waltzing with the Elephant" were published and saying: "IT is at the heart of the business, IT is the business and almost no business can survive without IT".

How can we solve this apparent paradox?

It's a really great paradox. I think that the key to it is the analogy that Nicholas Carr used. He said that IT is like electricity and it just doesn't matter any more. Now if we think about electricity and we say that electricity doesn't matter, and we stop inventing around the electricity space then we wouldn't have most of the technology we have today. Electricity became a commodity many years ago, but we continued to develop things that USE electricity.

If we think about IT as the physical goods the equipment, then yes, it's a commodity and it doesn't matter. But if we think about IT as the things we do in the business that exploit those physical goods, that's not a commodity! That's the product of business vision and innovation and dreaming, and that is still incredibly important. We no longer need to worry about how we create the technology but we do need to worry about what we do with the technology.

Please Mark, tell us in a few short sentences what should be the cycle of adoption of the ISO 38500 standard in an normal organization. (if such a thing exists).

That's actually very easy. The first thing is for the senior executive management and board to understand what the standard is saying.

The next step is to measure how well the organisation currently performs.

Then on the back of the measurement to begin a program of change and out of that program of change I would expect the organisation to have an overarching charter for governance of IT and six policies for governance of IT that align to the principles in ISO 38500.

Finally, I would expect the organisation to fine tune its management systems so that they conform to the charter and policies for governance of IT.

And it's as simple as that

The world of physical products is now colliding with the world of digital services and from this collision will arise a new order where everything that can be digitized, will be. Should the board include a director with extensive experience in IT and frameworks?

Can the board fulfil its role Direct, Evaluate and Monitor IT without specific digital competences for the digital world?

I think that boards that don't have some understanding of IT are at risk – very, very seriously at risk. As a short term measure boards should bring in somebody who has a good understanding of IT from a business leadership and governance perspective. For the longer term, boards should invest in developing their own skills so that they can understand more broadly in the boardroom, again not from a technology detail perspective, but from a perspective of how to use technology effectively to create and maintain business advantage and business performance.

People and technology buyers increasingly are in a rapid change in their tastes and behaviours, causing market leaders from now to disappear from the minds of consumers in a period of three years. On the other hand standards and frameworks have a maturity period of not less than 3-4 years. Do you think that the world of good practices and rules has sufficient capacity to react to social and economic changes?

I think this is something we touched on before when we said that ISO 38500 in particular stands higher

with principles and broad guidance that really are immune to the impact of change at the detail level. And I think that if we see that same philosophy adopted by more standards then they are going to remain quite relevant as the market changes underneath them.

The horizon of strategic planning for enterprises has decreased from five years to three years and even this already seems a very distant future. Can we keep making plans and technology projects with such a horizon of three years?

The answer to that is yes, we can; and no, we cannot. The reason that I say both is that IT should be working to a vision of the future which is highly adaptable to the changes that are going around the organisation. The old idea was that we stepped IT forward in 5 year chunks: we had a vision for 5 years and we didn't change from it even though the world changed around us. Now we have a business vision and the business vision might be one year; two years; or three years out, and IT needs to work to the same vision and the same timetable. If the business is adapting and changing dynamically then the IT needs to adapt and change just as dynamically. The big challenge in here is not so much for the IT function to learn new behaviour but for the business leadership to understand that different rules are required for engagement and funding of IT that is highly flexible compared to IT that is operates on very fixed plans.

Many Thanks Mark for your replies and your willingness to do this interview

One last question: When are you going back to Buenos Aires? and to Madrid?

Both of those opportunities just need a business plan don't they. The Australian Dollar is reducing in value now so perhaps the opportunity is emerging for us to make the business case. Top

Where in the World: Events

After a quiet first half, 2013 seems to be again exploding with event activity. Here's my current list.

8 August: Australia 3.0 Forum and the iAwards.

For the third year I've participated in the Australia 3.0 lead-up online debates and will now join the live debate that looks at how Australia can benefit from effective use of information technology.

Then at the iAwards presentation ceremony and dinner I hand over the baton and welcome the new 2013 Australian IT Professional of the Year and, of course, congratulate all the other award winners.

14 August 2013: ACS Victoria Branch Forum.

Special panel event: the IT Scorecard

Cameron Clark will introduce the topic and outline his reasons for scoring the IT card at a 36% FAIL.

The panel comprising Paul Cooper (SMS Management & Technology) and Mark Toomey (Infonomics) will expand or collapse the discussion as they see fit, and the audience will get involved to agree or disagree with reflection and views.

If you're in Melbourne, why not join the fun?

26 – 27 August 2013: ISACA South Africa IT Governance, Information Security, IT Assurance and Risk Management Conference at Emperors Palace, Johannesburg.

I'm doing three sessions:

- Session 1 is on Digital Leadership. Digital Leaders are using IT to redefine not just their own business, but the markets and competitive landscapes in which they operate. What is required to create Digital Leaders, rather than Digital Disasters?
- Session two looks at Behaviour vs Process – the underpinning power of ISO 38500. We look at illustrations of how inappropriate behaviour has undermined what should have been effective process, while excellent behaviour has made up for weak and non-existent process. Then we discuss how the ISO 38500 principles can be used to drive appropriate behaviour in any organisation.
- Session 3 is a 90 minute practical workshop in which participants will self-assess their organisations against ISO 38500, using a 30 point diagnostic. Critical examination of scoring patterns provides insight to performance in respect of the ISO 38500 model and principles, and suggests areas where improvement might be sought.

3 September 2013: ACS Tasmania Branch – Education across the Nation (EdXN) Lunch briefing.

The somewhat delayed EdXN program for 2013 begins in Hobart. This is the start of three days of activity, in which I'll be putting on the table my thoughts on Digital Leadership.

4 - 5 September 2013: ACS Tasmania Branch – ISO 38500 Foundation.

A recent visit to Hobart reveals that Tasmania is a hive of activity with both business and government investing in new IT-enabled capability. To help build Digital Leadership skills and maximise the success of new investments, I'm collaborating with the ACS Tasmania Branch to deliver a two day ISO 38500 Foundation class.

3 – 5 September 2013: ACS Tasmania Branch – Other Activities.

We're still working on arrangements to maximise the value of the time I will be in Hobart. There will be more detail in the next Infonomics Letter, and details should also soon appear on the ACS Events calendar.

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The Great Contact Cleanup

Managing a mailing list is no trivial task. The Infonomics Letter in September 2008 went to 1039 addresses. The most recent one in April 2013 went to 2449. There have been several hundred new self-subscribes, and many more have been added as a result of business activity, events and LinkedIn connections. But, over time, people move and change email addresses, resulting in bounces. Since September 2008, the list has lost nearly 1700 addresses.

It's nearly impossible for a solo operator to keep track of such an extensive list (remember, it's also a global list – The Infonomics Letter goes to 55 plus nations), but eventually there comes a point where a major cleanup is required. Hopefully, few would be surprised to know that the major source of contact updates nowadays is LinkedIn. The challenge, though, is – how to get updates from LinkedIn to the email system? I had hoped it would be easy – using my primary contact database (on MS Outlook) as the bridge. Hah! That was dumb wasn't it? The Outlook Social Connector will give access to LinkedIn connections from Outlook, but it keeps them in a separate place – with no tool for updating. Fortunately, a bit of searching unearthed the answer to the prayer – a SaaS tool called Scrubly. It required a couple of days' effort still, but far less than had I continued with the manual process. Scrubly uploads your nominated contacts list, helps you clean up any duplicates (yes, I had a few) and then searches out matches in your LinkedIn connections list, allowing you to control the application of updates. It's by no means a magic bullet, but it made the job a lot easier.

There's another step that I could try – uploading my full contact list to LinkedIn and sending invitations to everybody who's not yet connected there. Frankly, I don't think I'm ready for that yet – I just don't want something like LinkedIn bombarding my connections with such requests. Who knows how many of them may not be happy to have their email address known to LinkedIn. I think in reality this is something that needs to be done manually – a few at a time – but once done, it should be possible to regularly (using Scrubly) update the Outlook contacts with changes people have posted to LinkedIn.

Now there's a consequence to the updates that come in from LinkedIn. It means that some people who have new email addresses are back on the list, even though they have previously unsubscribed. I've filtered some who fit that category, but can't do so across the board because the email addresses are the matching key for the mailing system's unsubscribe option, and new or changed email addresses don't match previous unsubscribes.

So if you have previously unsubscribed, and are now back on the list, it's because your new address is accessible on LinkedIn (where you are a level 1 connection) and has been swept into my mailing list. I hope that you won't just unsubscribe again, but if you do, I'll just smile and accept that you don't have the time for this input.

Another reason for not seeking out and matching all past unsubscribes to prevent re-adding is that at least some unsubscribes are not triggered by the original addressee. Rather, they are a brutal approach sometimes used to turn off email to people who have left an organisation but not updated all their subscriptions. The "unsubscribe" might actually mean "I have a new job – find me if you can", or "this person has departed and we aren't telling you how to maintain contact". If that's happened to a few recipients this time – what can I say, but "Welcome Back"!

Finally, the updates may mean that I now have you on the list with multiple addresses – I know this happens because we accumulate email addresses like old shoes – they are just too comfortable to eliminate. By all means, please do cull the duplicates – and if you can spare the moment it takes, note the reason for unsubscribing as "duplicate address", so that I don't lose too much sleep over the number of unsubscribes.

And if you've made it this far – please spare one more thought – would somebody you know find The Infonomics Letter useful? How about suggesting that that person subscribe too?

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