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The Role of ECM in IT Governance

The value of ECM and how to communicate it to Executive Management

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Goals
Corporate Governance
IT Governance
The Role of ECM
Recommendations

Agenda

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Goals of this Session

- Show the contents and Importance of Corporate Governance (CG)
- Show how to use the Investors perspective as a driving force for CG and IT Governance (ITG)
- Explain a new integrated IT Governance model
- Show the relation between ITG and ECM
- Give some recommendations on how to communicate ECM topics to management.

Steve Francis, Houston Rockets

AIIMexpo
CONFERENCE & EXPOSITION

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Corporate Governance (CG)

„What is Corporate Governance and why is it important?"

AIIMexpo
CONFERENCE & EXPOSITION

Conformance
Risk optimization

Position 1

Value · Cost

Position 2

Performance
Strategic Alignment

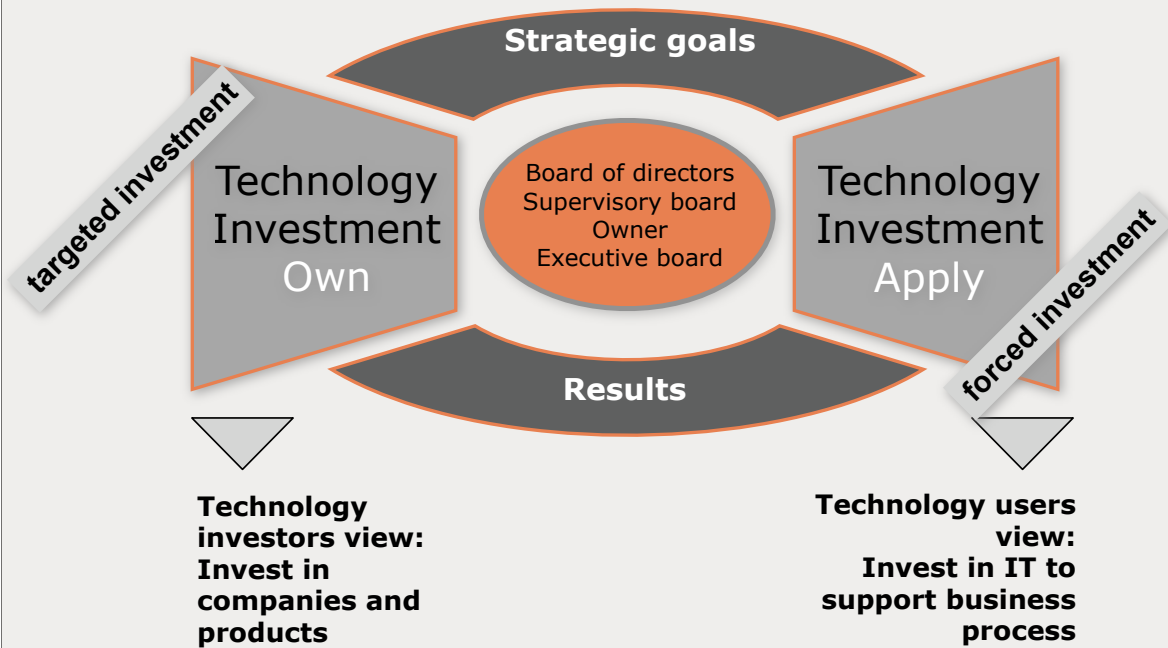© Forte Advisors AG, Zurich 2007
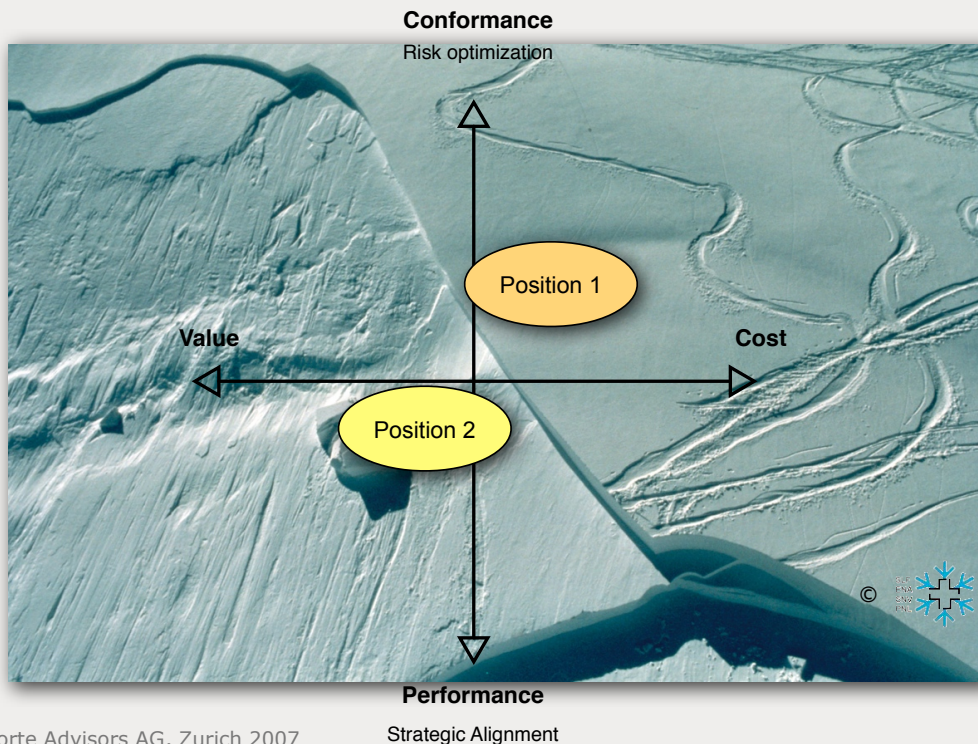
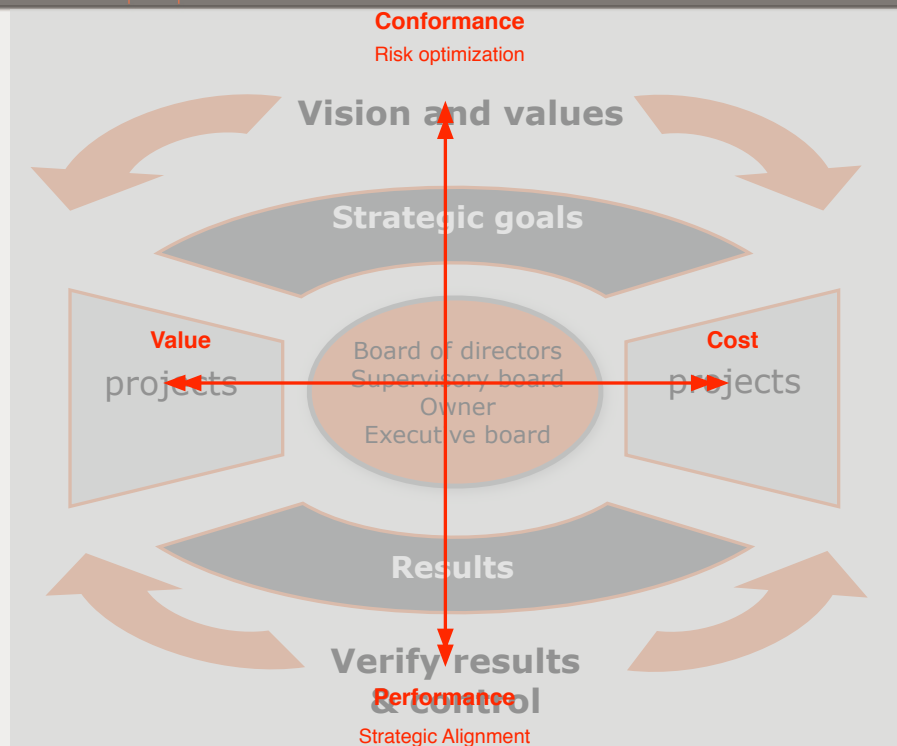**strategic** **integrated**

.. A system, by which companies are **strategically directed**, **integratively managed** and holisticaly **controlled** in an entrepreneurial and **ethical** way in accordance with a particular context…..

Prof. Dr. Martin Hilb, University of St. Gallen, Switzerland

controlled **situational**

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Strategic goals

Technology Investment Own

Board of directors
Supervisory board
Owner
Executive board

Technology Investment Apply

targeted investment

forced investment

Results

Technology investors view: Invest in companies and products

Technology users view: Invest in IT to support business process

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Vision and values

Strategic goals

develop strategy

Board of directors
Supervisory board
Owner
Executive board

develop strategy

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Conformance
Risk optimization

Vision and values

Strategic goals

Value
projects

Board of directors
Supervisory board
Owner
Executive board

Cost
projects

Results

Verify results
& control

Performance
Strategic Alignment

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IT Governance (ITG)

„What are the goals of ITG?"
„What does ITG consist of?"
„How can IT Governance be built on CG?"

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Source ITGI; www.itgi.org

Information Management

normative

I-Technology

strategic

operational

IT

Values

Methods

Objects
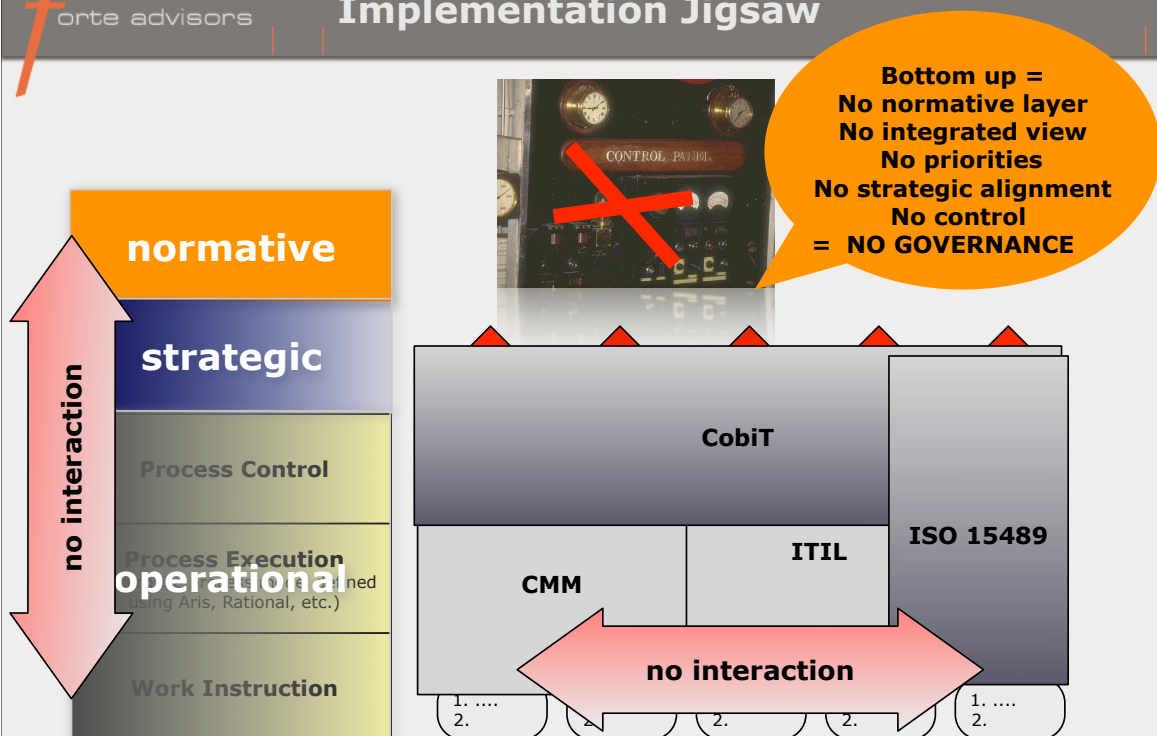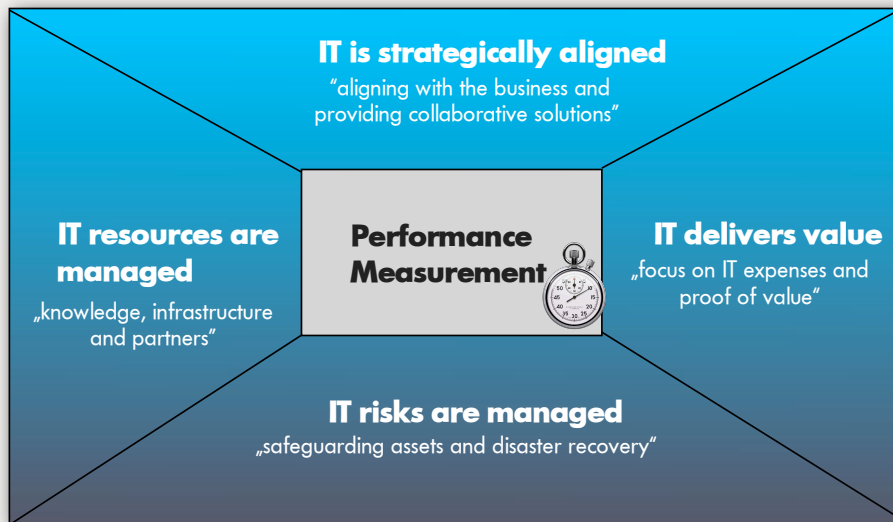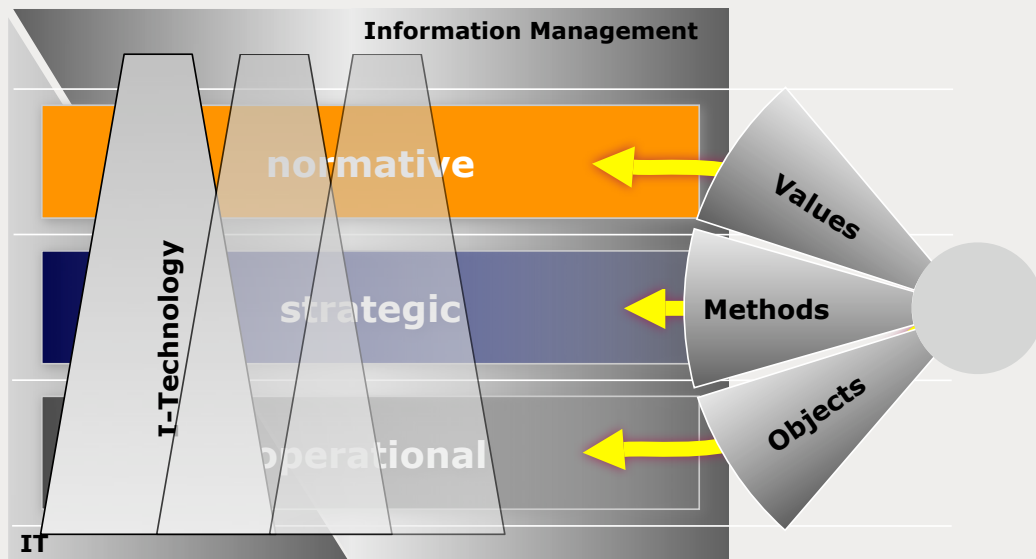
Typical „Stovepipe" situation

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strategic

integrated

IT Decision Making

IT Performance & Control

IT Leadership & Principles

IT Governance

Portfolio Mgmt. / IT Architecture / Risk Management / Compliance

Projects & Routines

Enabling Processes & Tools

controlled

situational
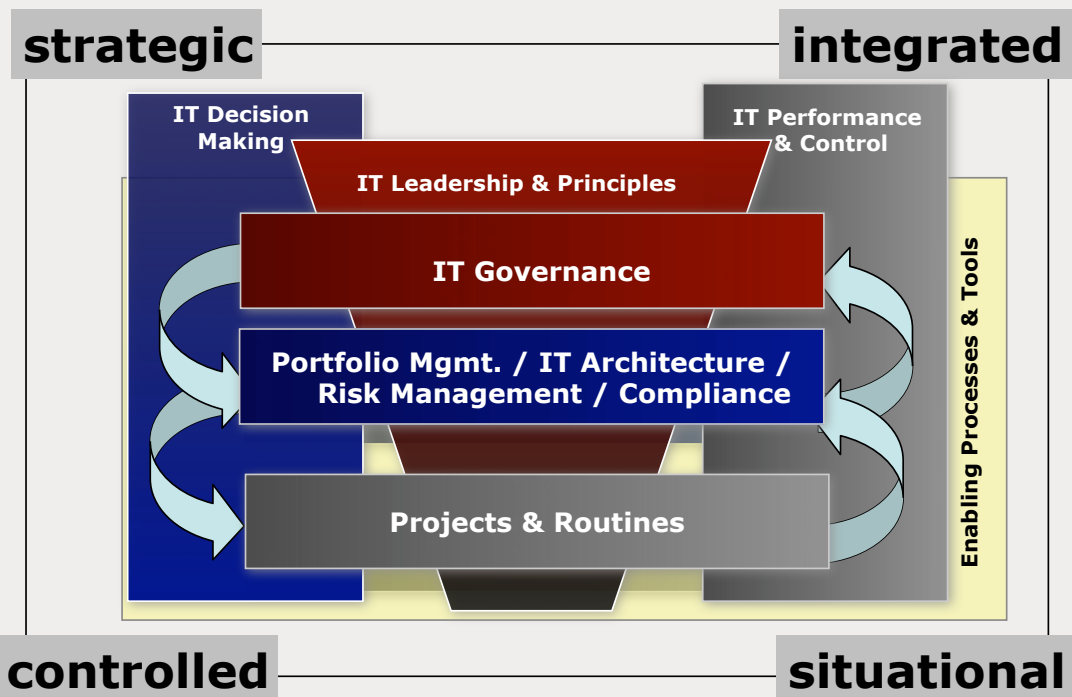
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○ IT Decision Making
  ◉ Defined and transparent decision making processes
  ◉ Define decision making „style"

○ IT Leadership & Principles
  ◉ Define the role of information and IT
  ◉ Define methods to evaluate projects and investments
    • Portfolio Management & Architecture
    • Example: Work with time boxes
  ◉ Define a method to align business requirements and architecture
  ◉ Establish Risk Management & Compliance procedures

○ IT Performance & Controls
  ◉ Establish measurement systems
    • Establish maturity models to „neutralize" views on individual situation
    • Define goals and make them measurable (KPI)
  ◉ „Nose in - Hands out"

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Goals
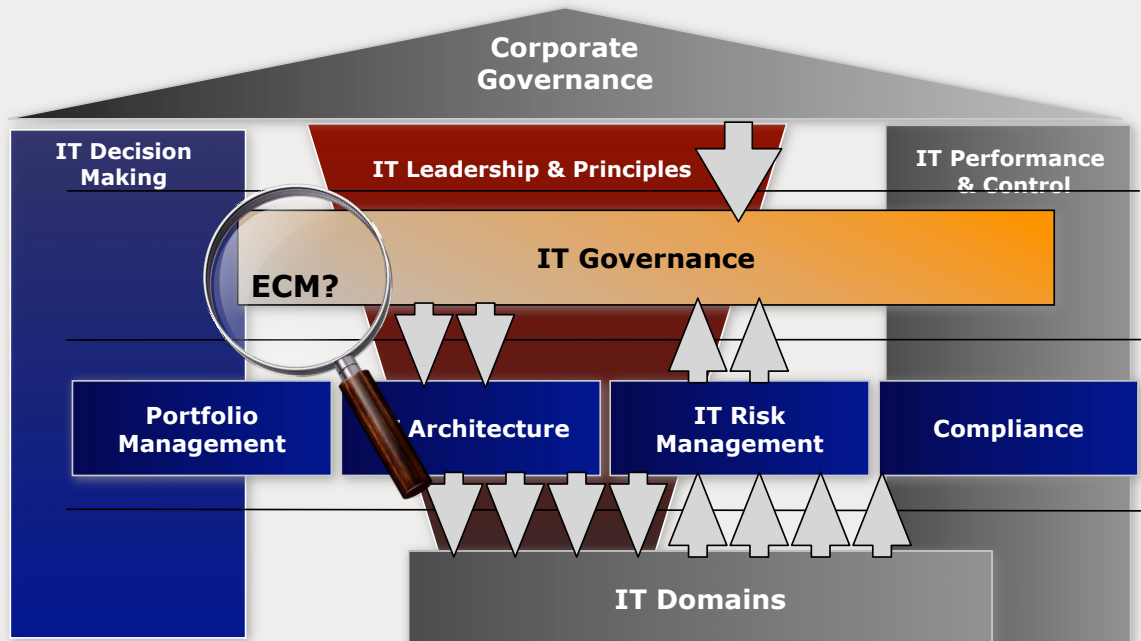**Corporate Governance**
IT Governance
The Role of ECM
Recommendations

The Role of ECM

**„What is the role of Information Management in the ITG context?"
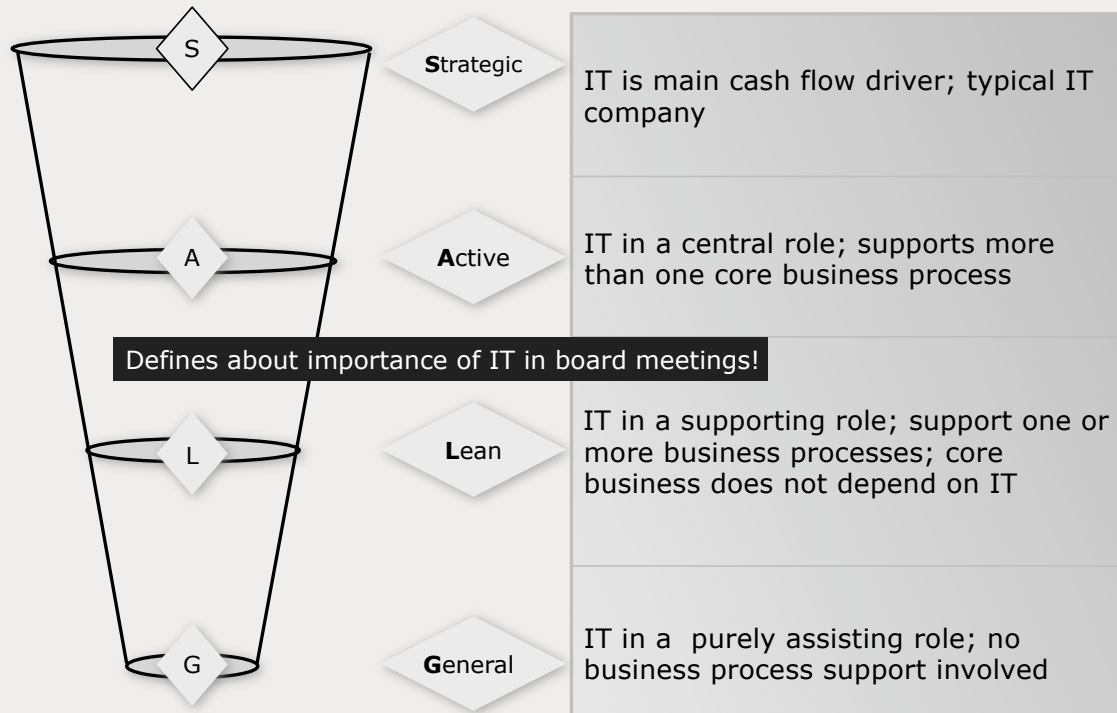„How to communicate the value of ECM to executive management?"**

Corporate Governance

IT Decision Making

IT Leadership & Principles

IT Performance & Control

ECM?

IT Governance

Portfolio Management

Architecture

IT Risk Management

Compliance

IT Domains

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○ **Is Information Management (IM) a core competency or just a production factor?**

  ◉ What exactly is your IT competence: Design / Build / Operate?

  ◉ Is it really a core competency or just additional know-how?

  ◉ Do you need IT at all??

○ **As a production factor IT is a simple resource, thus**

  ◉ Positioning decides over IT importance

  ◉ Make or buy depends on strategic goals

  ◉ In most cases, IT functions can be outsourced

○ **... but**

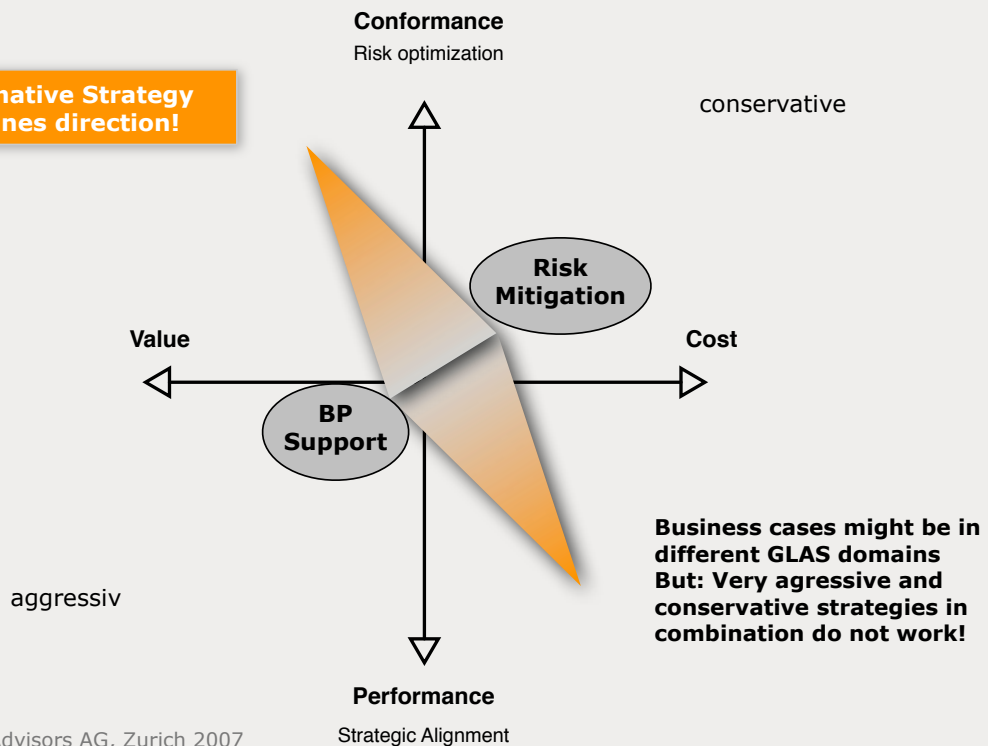 ◉ Check BP integration!   **How to find the right direction?**

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S

Strategic — IT is main cash flow driver; typical IT company

A

Active — IT in a central role; supports more than one core business process

Defines about importance of IT in board meetings!

L

Lean — IT in a supporting role; support one or more business processes; core business does not depend on IT

G

General — IT in a purely assisting role; no business process support involved

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Conformance
Risk optimization

conservative

Normative Strategy defines direction!

Risk Mitigation

Value   **Cost**

BP Support

aggressiv

Business cases might be in different GLAS domains But: Very agressive and conservative strategies in combination do not work!

Performance
Strategic Alignment

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luxury zone

diligence level

80%

20%

taboo zone

cost

How could they...?!

Recommendations

„How to implement ECM?"
„What is the role of Standards"
„How to communicate with top management?"

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- Look for the strategy behind a project
  - Identify business driven ECM needs
    - Look for business initiatives
- Identify project portfolios and check for positioning of your project
- Watch out for „Stovepipes"
  - Combine business requirements and technical architecture
- Communicate compliance as compliance requirements
  - Do not try to create a business case which does not make sense!
    - Refrain from concepts like ROSI („Return on Security Investment")
- Use Standards carefully
  - Do not try to certify if not absolutely necessary
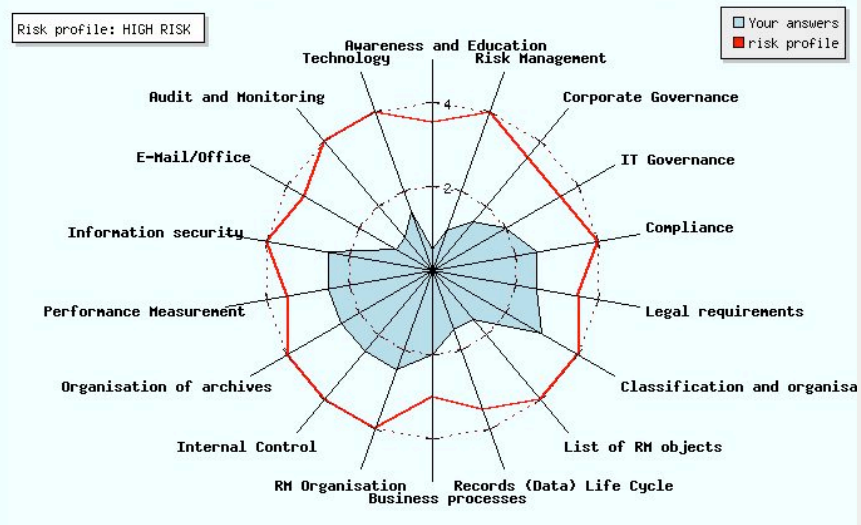 - Only optimized practice suits your strategic needs!

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Example: Records Management Self Assessment

Maturity Levels:
5 Optimized
4 Managed
3 Definde
2 Repeatable
1 Initial
0 Non existent

www.aufbewahrung.ch

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- Best Practice vs. Optimized Practice
  - Best Practice always come bottom up
  - Who defines "Best"?
- Standardization is big business
- The value of Best Practice
  - Best Practice can help you build a compliant enterprise
  - This is important to avoid certain Risk (e.g. Sarbanes-Oxley)
- Best Practice does not help you advancing the company, it is not strategic!

There is no best practice if you want to become a leading enterprise!

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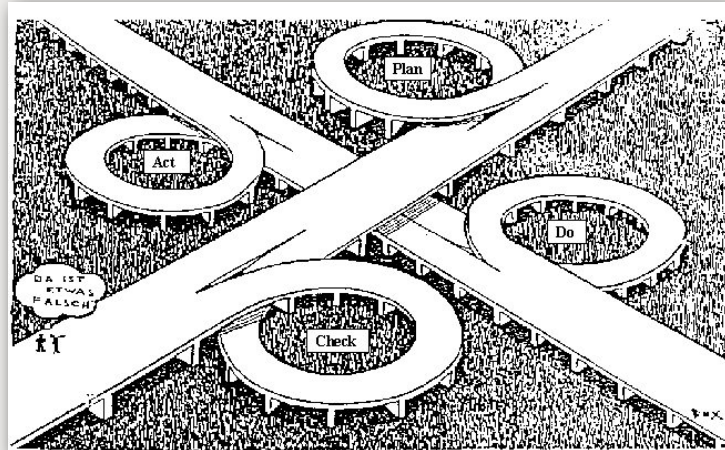
A group of bored Europeans had a few too many Heinekens and decided to play an elaborate prank on the big companies of the world. The prank became known as ISO 9000, so named because of the number of beers that were consumed that night (the phrase 'ISO' is either an unintelligible phrase or possibly one of the four hundred European slang words meaning 'is that my beer?')"

Scott Adams, The Dilbert Principle

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Thank You!

Bruno Wildhaber

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in telecommunication, information
and media

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