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# Governance

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Good strategy through good decision making

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**Six munce ago I couldn't. even spell  
~~eddytor~~, and now I are one.**

*governance*

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# Agenda

- What is governance?
- Why is good governance important?
- What does governance need to address?
- How do we apply this to strategy & project mgt?
  
- *I can share my thoughts. But...*
- *... answers need to be tailored for your organisation*

# Governance can seem very abstract

- It addresses abstract things
  - “decision rights”
  - “due process”
  - ...
  
- It attracts people with a unique mindset
  - Auditors
  - Constitutional lawyers
  
- It gets very tied up in regulation and compliance



# But poor governance is very tangible

- Many websites and intranets show:
  - Divergent design and navigation structures
  - Conflicting information across different sections
  - User flows that capture the same information many times
  - ...

**These all appear to be problems of site design / integration. Yet most of them can easily be solved by current IA & CMS practices.**

**They don't get solved because of weak governance: different units are acting at odds with each other.**

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# What is governance?

- Governance isn't:

- Compliance
- A bunch of tools and technologies
- A fancy word for management

- Institute on Governance (Canada):

*“Governance is the process whereby societies or organizations make decisions, determine whom they involve and how they render account”*

# What is governance?

- Governance isn't:

- Compliance
- A bunch of tools and technologies
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**The right people are involved in decisions**

- Institute on Governance (Canada):

*“Governance is the process whereby societies or organizations make decisions, determine whom they involve and how they render account”*

**They follow an acceptable process (“due process”)**

**They are held to account for the outcomes**

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# We need to make a lot of decisions...

- Strategy - budgets, priorities, trade-offs, ...
- Infrastructure - systems, vendors, hosting, ...
- Information Architecture - navigation, layout, ...
- Content & Editorial - content, processes, approvals, ...
- Design - site, branding, imagery, ...
- Development - data, integration, applications, site, ...
- Operations - systems, applications, admin, ...
- Project management - plan, estimates, risk identification, ...

# ... but isn't this just management?

*“Decisions are the essence of management.  
They're what managers do.”*

(Harvard Business Review, Jan 2006)

- Good governance lets us get on with decision making
  - We know which decisions have biggest effect on our objectives
  - We know who to involve – no need to rethink it for each decision
  - We've agreed who to involve – no boundary disputes
  - We've agreed who to involve – don't get derailed at last minute
  - We've agreed the process – no politicking and arguing
  - We've agreed how we'll track outcomes

**Well-defined governance allows us to focus our energy on the decision, not the decision making process**

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# Why is good governance important?

- Focuses energy on the decision, not the process
- Separates complex concerns
- People care about decision rights
- Gives clarity about roles and remits
- Ensures visibility & accountability of outcomes

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# And if we don't get it right?

- Inefficient & ineffective decision-making
  - Energy invested in politicking and boundary disputes
  - People undermine “illegitimate” decisions
  - Decision paralysis
- Poor decisions
  - Driven by power bases, not organisational objectives
  - Conflicting and unclear decisions

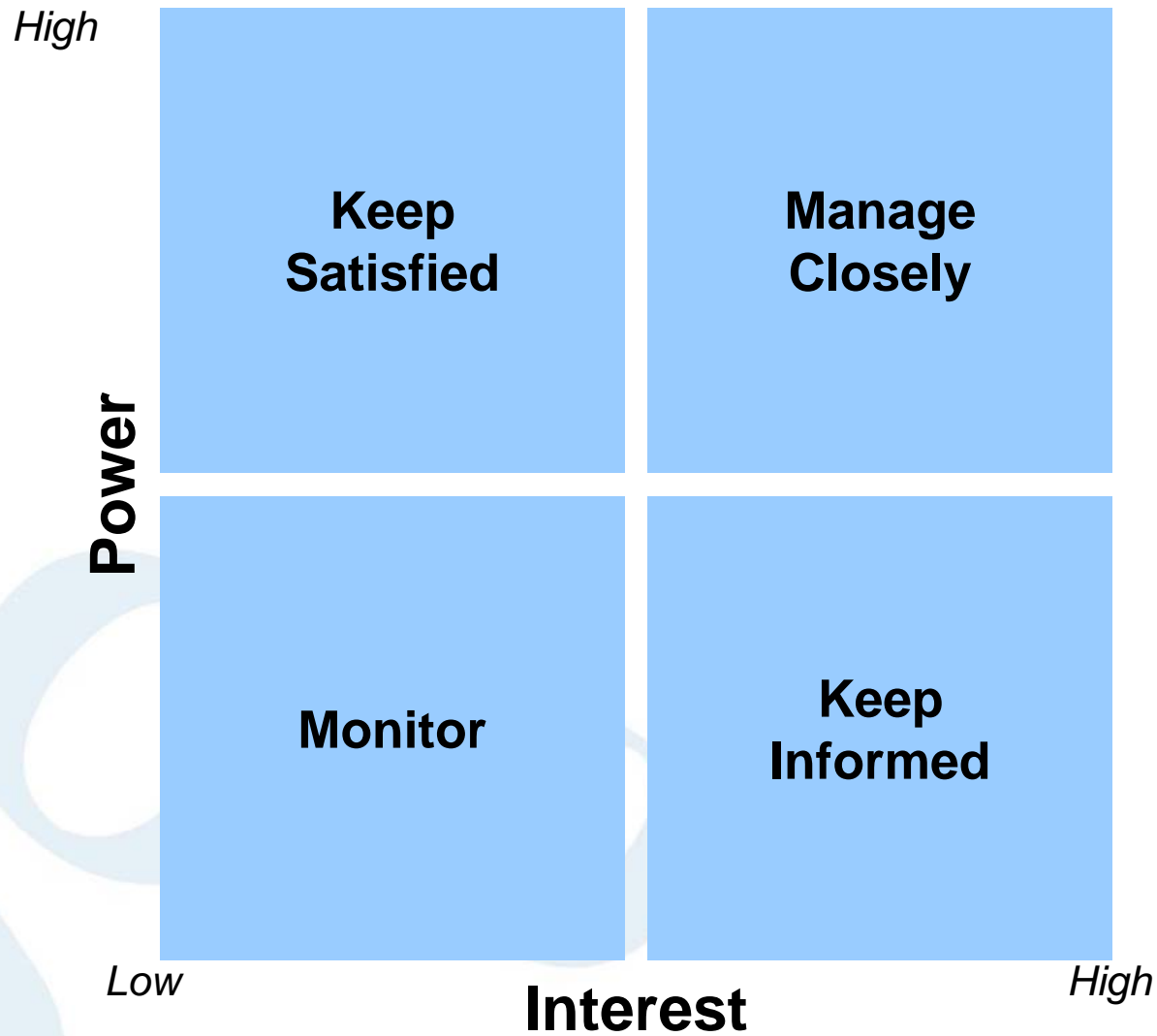
**Organisations which avoid discussing governance end up addressing it over and over again, for each decision**

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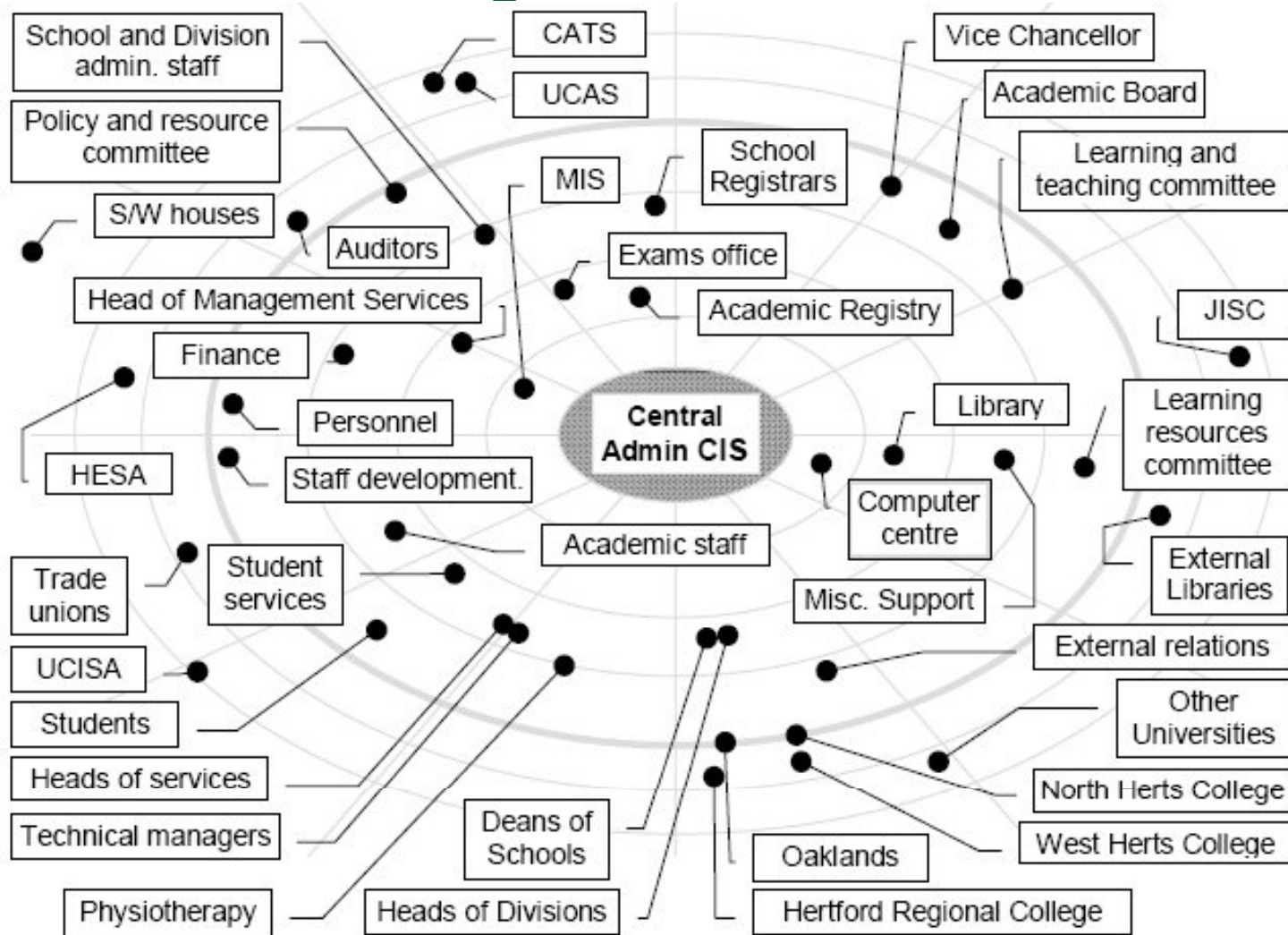
# What does governance need to address?

- Governance is abstract – decision rights & responsibilities
- Some tools to help think about it include
  - Stakeholder maps
  - RACI models
  - Roles & responsibilities matrix
  - Weill & Ross
  - Governance matrix
  - Key questions

# Stakeholder maps



# Stakeholder maps



*from Coakes & Elliman 1999*

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# RACI models

- Responsible - who makes the decision?
- Accountable - who is accountable (e.g. signs off)?
- Consulted - who needs to be consulted?
- Informed - who needs to be informed?

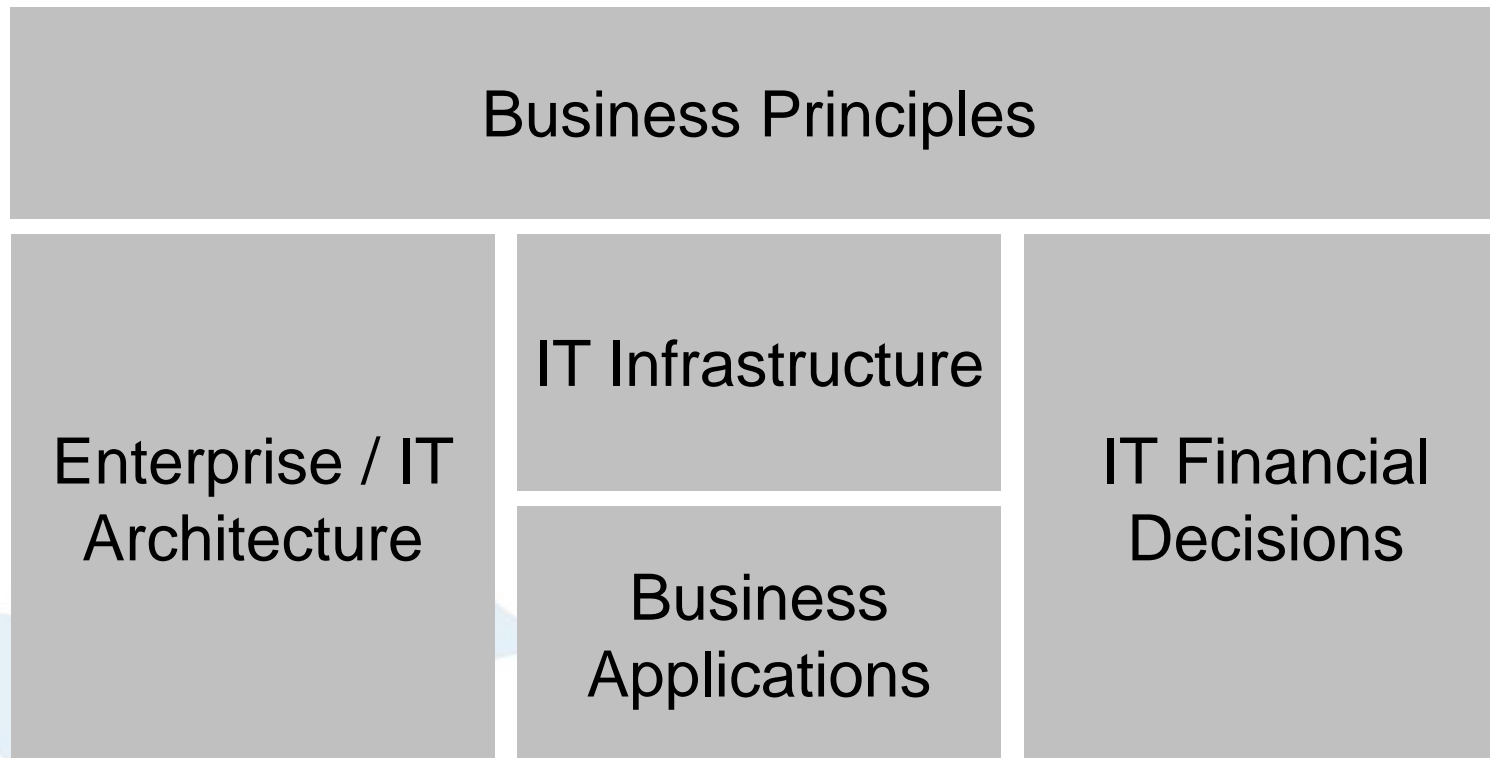
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# Roles & Responsibilities matrix



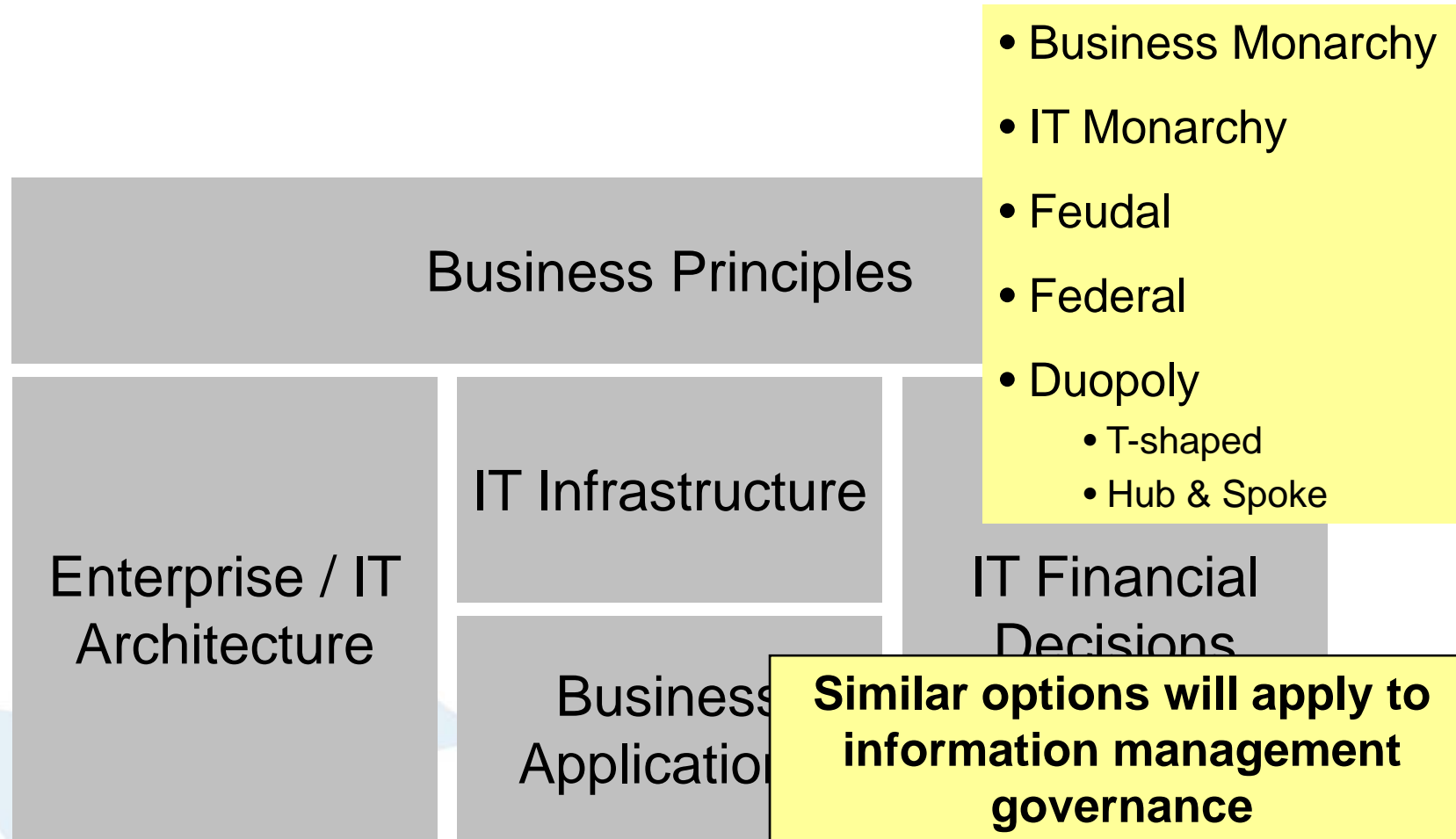
## Technical operations matrix

# IT governance covers:



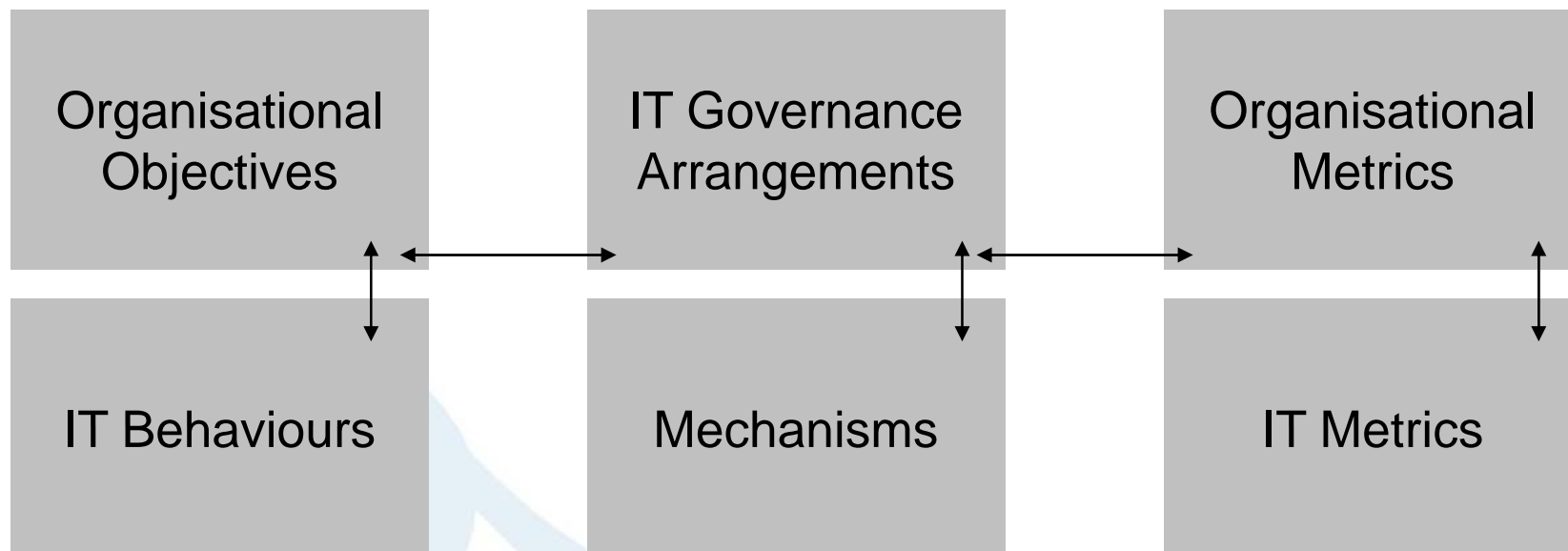
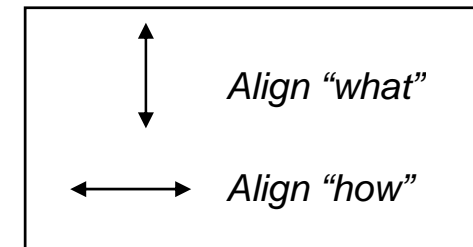
*After Weill & Ross 2004*

# Consultation and decision-making may be:



*After Weill & Ross 2004*

# Governance design



# Governance matrix

|  | <b>Three Key Types of Decision</b>  |  |
|--|---|--|
|  | Who decides what we're going to do?                                       |  |
|  | Who decides how we're going to do it?                                     |  |
|  | How do we know whether we're doing what we (claim to have) set out to do? |  |

# Governance matrix

|  | Set Direction  | Implement | Assure |
|--|--|-----------|--------|
|  | <b>Three Key Types of Decision</b>   |           |        |
|  | Who decides what we're going to do?  |           |        |
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# Governance matrix

|  | Set Direction                          | Implement   | Assure |
|--|--|---|--------|
|  | <b>Three Levels of Decision Making</b> |   |        |
|  | <b>Executive</b>                       | – organisational objectives / strategy                  |        |
|  | <b>Management</b>                      | – departmental execution of strategy                    |        |
|  | <b>Day-to-day</b>                      | – people make hundreds of decisions in their daily work |        |

# Governance matrix

|  | Set Direction   | Implement | Assure |
|--|---|-----------|--------|
| Steer  | <b>Three Levels of Decision Making</b>                                    |           |        |
| <ul style="list-style-type: none"><li>- Set priorities</li><li>- Set resources</li></ul>   |   |           |        |
| Manage   |   |           |        |
| <ul style="list-style-type: none"><li>- Align resources, goals &amp; standards</li><li>- Manage people, risks &amp; events</li></ul> | <b>Management</b> – departmental execution of strategy                    |           |        |
| Execute  | <b>Day-to-day</b> – people make hundreds of decisions in their daily work |           |        |
| <ul style="list-style-type: none"><li>- Build processes &amp; systems</li></ul>  |   |           |        |

# Governance matrix

|   | Set Direction                        | Implement                            | Assure                                       |
|---|--------------------------------------|--------------------------------------|--|
| Steer<br>- Set priorities<br>- Set resources                                      | <b><i>Overall objectives</i></b>     | <b><i>Strategy</i></b>               | <b><i>Audit &amp; assurance policies</i></b> |
| Manage<br>- Align resources, goals & standards<br>- Manage people, risks & events | <b><i>Policies and standards</i></b> | <b><i>Planning and execution</i></b> | <b><i>Peer review</i></b>                    |
| Execute<br>- Build processes & systems  | <b><i>Admin and status</i></b>       | <b><i>Hands-on execution</i></b>     | <b><i>Technical verification</i></b>         |

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# How do we apply this?

- Strategy - budgets, priorities, trade-offs, ...
- Infrastructure - systems, vendors, hosting, ...
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## But the key questions are:

- Who **defines** policies and standards?
- Who **approves** policies and standards?
- Who **enforces** policies and standards?
- Who **implements** policies and standards?

# Governance Options

## ■ Who **defines** policies and standards?

- Ad hoc – individual units define their own standards
- Council – members of individual units come together to decide
- Central – central unit defines standards

## ■ Who **approves** policies and standards?

- Devolved – whoever defines them is also empowered to approve them
- Executive – executive body oversees and approves

## ■ Who **enforces** policies and standards?

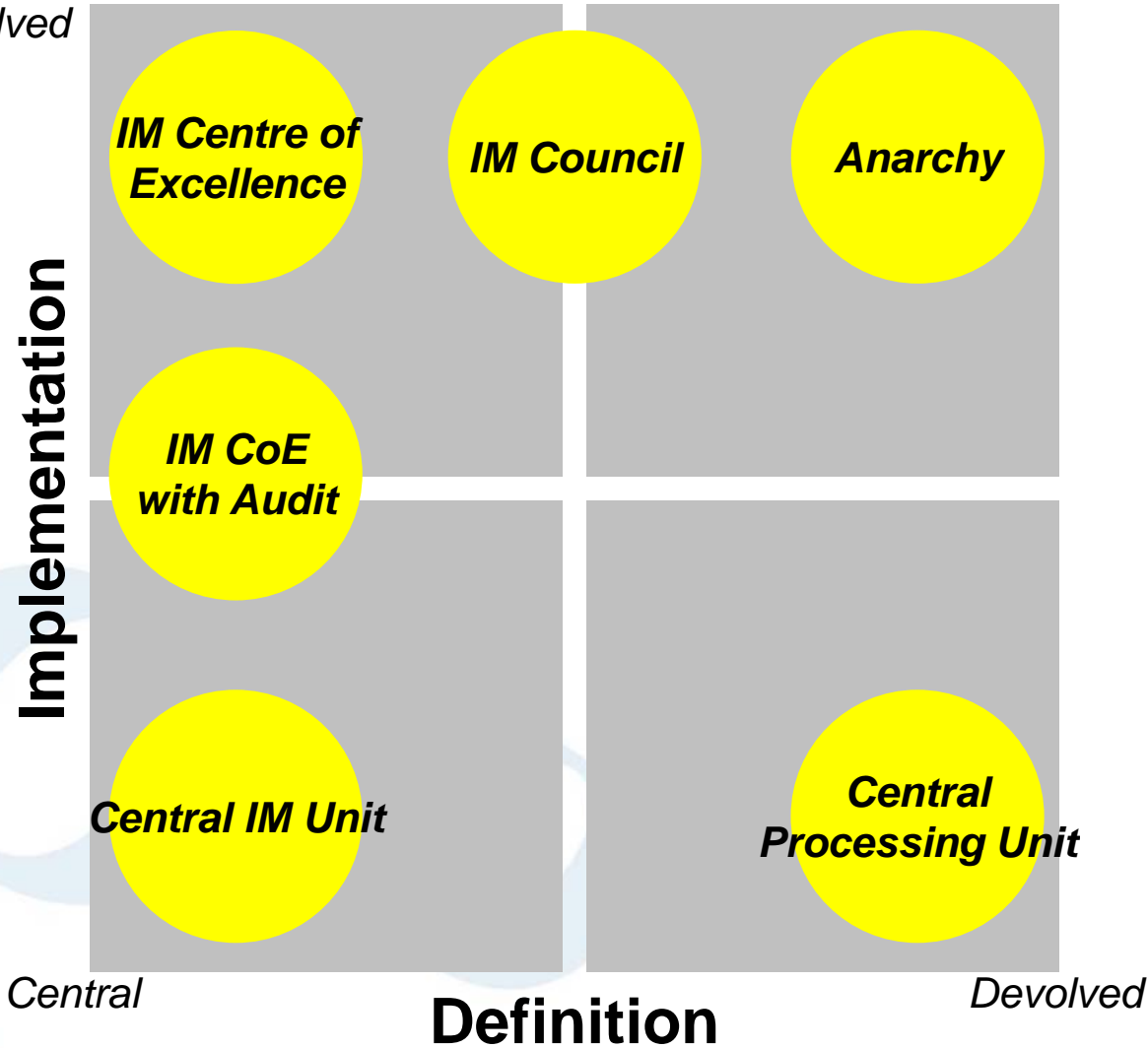
- Self – people/units are assumed to follow them (really guidelines)
- Audit – audit function identifies breaches, for executive to deal with
- Police – central unit audits and enforces

## ■ Who **implements** policies and standards?

- Self – people/units implement
- Central – central support function implements stds (e.g. archivists)

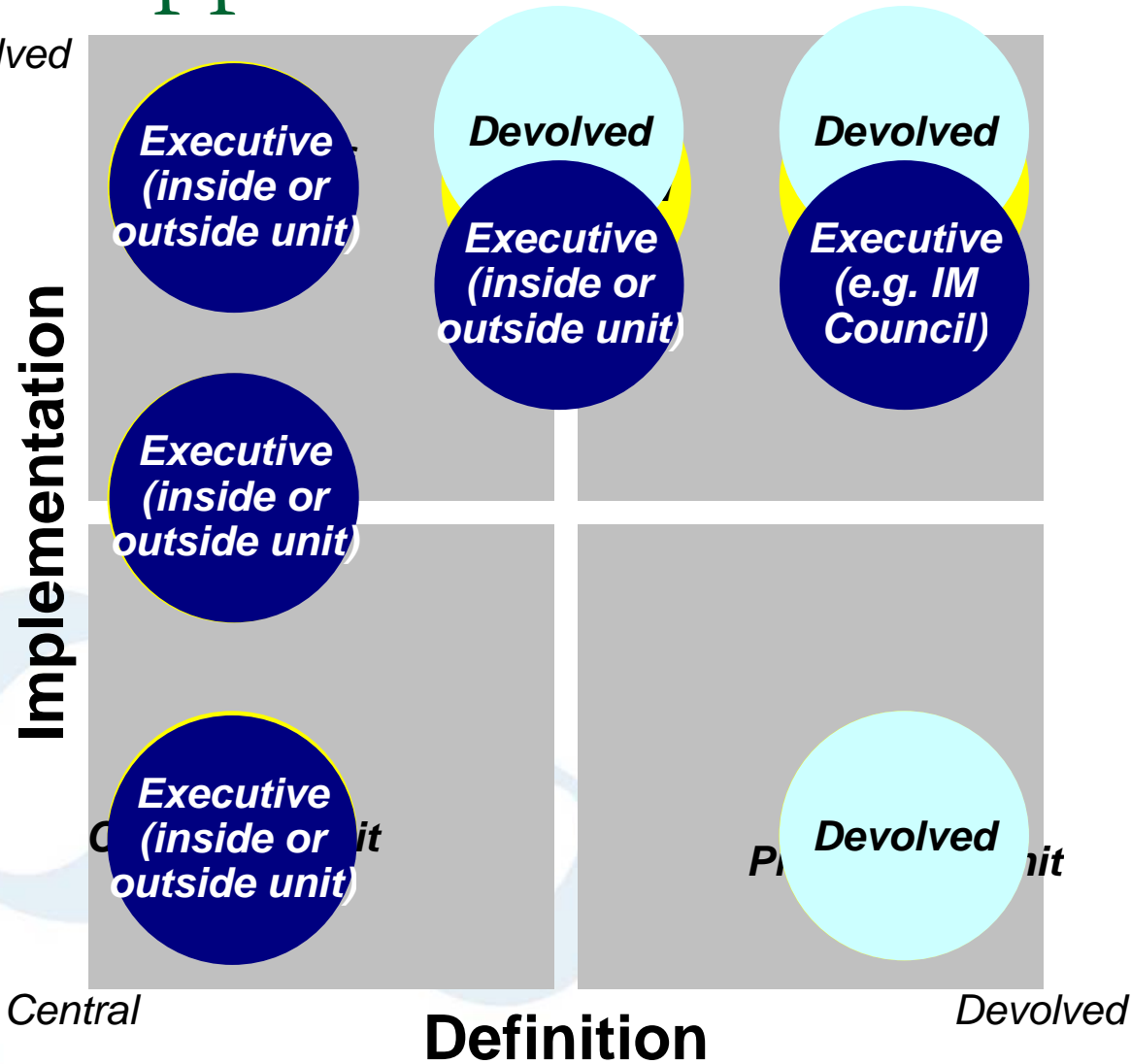
# Typical Defining Structures

*Devolved*



# Typical Approval Structures

*Devolved*



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# Final thoughts

governance

*He who forgets ~~history~~ is condemned to repeat it.*

- All systems / organisations / projects have governance
- All forms of governance (even anarchy and its polar opposite, extreme bureaucracy) are useful in the right context
- But if you don't actively address it, governance tends to decay into inappropriate forms

*The price of ~~liberty~~ is eternal vigilance.*

good decision making

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# Thank You

# Graham Oakes Ltd



## ■ ***Making sense of technology...***

- ❑ Many organisations are caught up in the complexity of technology and systems.
- ❑ This complexity may be inherent to the technology itself. It may be created by the pace of technology change. Or it may arise from the surrounding process, people and governance structures.
- ❑ We help untangle this complexity and define business strategies that both can be implemented and will be adopted by people throughout the organisation and its partner network. We then help assure delivery of implementation projects.

## ■ ***Clients...***

- ❑ **Cisco Worldwide Education** – Architecture and research for e-learning and educational systems
- ❑ **Council of Europe** – Systems for monitoring compliance with international treaties; e-learning systems
- ❑ **Dover Harbour Board** – Systems and architecture review
- ❑ **EUMETSAT** – ECM Roadmap
- ❑ **MessageLabs** – Architecture and assurance for partner management portal
- ❑ **National Savings & Investments** – Helped NS&I and BPO partner develop joint IS strategy
- ❑ **The Open University** – Enterprise architecture, CRM and product development strategies
- ❑ **Oxfam** – Strategy for content management, CRM, e-Commerce
- ❑ **Thames Valley Police** – Internet Consultancy
- ❑ **Sony Computer Entertainment** – Global process definition
- ❑ **Amnesty International, Endemol, tsoosayLabs, Vodafone, ...**

