IT Governance -
The Future of Control
The past ten years have seen dramatic growth in IT development within organisations. Over enthusiastic clients, buoyed by enthusiastic suppliers, lost sight of the need to balance IT investment against business performance.

The economic slowdown of 2001 has emphasised the need to control IT. According to Gartner Dataquest, “2002 will see service providers leverage their industry-specific application and business process expertise to offer industry-specific sourcing solutions that will help clients drive real business value and maximise success”.

There have been attempts to control IT with a range of different models during the past decade yet none has emerged as a clear winner. Now that the emphasis is on return on investment and optimising resource utilisation, IT Governance is top of the agenda. This paper looks at the increasing need to control IT, how IT Governance can be introduced, the challenges faced by the business and defines the role of external service providers in introducing and delivering the benefits of IT Governance.

Introduction
The dawn of the new Millennium witnessed a significant change in the economics of the IT world. For the first time, the people element of IT became more costly than the technology itself and businesses that had experienced the year on year decline of IT provision costs, were faced with a new scenario. Today’s business planners are seeing raw technology doubling in power and halving in cost every two years, but on the flip side, the people costs continue to spiral. To maximise the return on investment, the people part of the business also has to develop - it is no longer enough to upgrade technology and watch business performance improve.

Efficient, successful businesses recognise that continual improvement is dependent upon the introduction, extension and management of formal processes to measure, understand and control IT. They also recognise that this will require both management commitment and investment. All businesses will need to follow the same route, recognising that cost savings may well result, thus helping to cover the investment costs.

In either case, businesses must decide between developing homegrown processes or importing ‘best of breed’ from the market place. These processes and the IT infrastructure will be in support of business processes that are strategic to the organisation - delivering the competitive edge that differentiates the business from the rest of the market place. So, even if investment is necessary, the investment in process is justified, although the level and the expected returns need to be defined and measured.

It is not enough to measure and control IT development on cost alone. The key performance indicators should be closely related to the overall business plan and control mechanisms need to revolve around a set of processes that are understood by everyone within the business. Otherwise, the organisation risks weakened performance because of an inability to react to market pressures.
The IT Governance Institute has developed the Control Objectives for Information and related Technology (COBIT) framework that defines 34 processes that will control an IT operation, from the development of a strategic plan to managing operations. But the processes do not offer an immediate solution. Applying the principles and developing processes takes time and commitment and will be a significant challenge for the future.

One of the key issues is the complexity of IT Infrastructures, arising from the integration of products and services from a variety of suppliers. To control these infrastructures requires the processing of large amounts of data and increasingly businesses are turning to Infrastructure Dashboards. These allow support teams to pinpoint problem areas quickly and identify trends that may cause problems. That takes care of the technology, but the future demands a higher level of integration and control, and for this the Business Dashboard provides the solution. It allows a business to manage its entire process including the IT, and to relate IT infrastructure issues and trends to the impact on the business.

This higher level of control will demand better business process, management. Software developments in this area are looking promising. Developed as part of the Business Process Management Initiative (BPMI), the Business Process Management Language (BPML) promises to become a tool that will allow the introduction of the more easily manageable business processes that are needed.

The Business Dashboard presents information that may require the involvement of technical and business people. Where in the past, the decisions involved in that process may have been taken by a technician focused on his or her element of the operation, the Business Dashboard will allow the business process owners to make that decision with all the benefits that their experience will bring.
The first and most important hurdle for a business to overcome, is the issue of commitment to change. It is not enough to claim that IT control will be achieved through IT Governance. Like the ISO 9000 quality accreditation and Investors in People, IT Governance requires total commitment across the business.

The implementation of IT Governance should be seen as an evolution of the business with regular measurement of progress. The change should also harness the flexibility which allows the control to be implemented whilst the organisation is in motion. Control should not be gained at the expense of the business itself.

The business also needs to be mindful of new technology, which may further challenge control within the organisation. Mobile Computing, Collaborative Commerce and the extension of the Infrastructure to third parties, both known and unknown, are already presenting new challenges and opportunities for businesses.

The ability to share interactive processes with stakeholders via email, extranets and the Internet, will provide the means of gaining future business advantage. For example, shareholders will be able to access information from a number of financial analysts by requesting it from their mobile phone.

Analysts who open their networks to such information requests will be able to include the billing and payment processes within a single transaction, thus opening new markets and attracting new customers.

Organisations will benefit from shared business process intelligence. Control will be key to the success of this sharing and we will quickly reach a stage where an organisation will need to understand the business impact of a problem within another company’s infrastructure.

That most valuable asset, information, will no longer be contained within a company’s own environment. The corporation will have to control and manage a Virtual Private Infrastructure (VPI).

As the implementation of IT controls within a real infrastructure is proving to be a challenge, the task of IT Governance for a VPI will be even more difficult.

What is certain, is that it cannot be achieved by an organisation working on its own or demanding conformance from stakeholders. It will evolve when all parties embrace IT Governance and a desire to share processes becomes a reality.
Fujitsu’s Role as a Service Provider

Fujitsu understands the importance of process within IT delivery and, taking the standards set by the IT Governance Institute, is looking to the future to implement and develop the IT Governance that will deliver business benefit.

Work is already underway on the development of controls for the emerging VPIs. The first step was the commitment of the Board to focus on the core business of infrastructure management, and then to share that vision with clients to understand what will be important to them and the implementation priorities.

The first stage is nearing completion and Fujitsu has identified the framework that manages the conflicting domains within complex VPIs. They are:

- **Data** - to map and manage the information
- **Technology** - to understand the limits
- **Operational** - to be the most efficient
- **Security** - to meet the complex needs of different organisations
- **Enterprise Management** - to monitor and control the environment
- **Commercial** - to support users that are demanding value

The next stage will be to build the Dashboards that will draw information from the infrastructure. The dashboards will provide a clear view of issues to management and allow for full understanding of the business problems.

Sharing this kind of information with affected clients will play a significant role in controlling the Infrastructure. Business dashboards need to be built in tandem with the organisation’s business processes and will raise the short, medium and long-term issues to be addressed.

Fujitsu is already taking the first steps towards the implementation of shared processes. Starting with the delivery and support domain, processes will be increasingly shared between Fujitsu and its clients. In real terms, that means the process of assisting and advising customers will be electronic and the benefits of ongoing improvements within the process will be shared between Fujitsu and its customers.

Fujitsu’s strategic focus is firmly on operational efficiency. Investments are directed towards improving the processes that govern IT, making them the best in the industry. Fujitsu’s strength rests in its ability to understand an organisation’s business strategy, and to develop a correlated IT strategy that incorporates an infrastructure that delivers optimum commercial value.

The next ten years will see a complete shift to measurable value within the IT arena. Fujitsu has the tools, framework and vision to deliver a future based on IT Governance.
Glossary

**IT Governance**
Linking Business Objectives and Information Technology
http://www.itgovernance.org/index2.htm

**COBIT**
Control Objectives for Information and related Technology
http://www.isaca.org/cobit.htm

**VPI**
A Fujitsu term for an IT Infrastructure that comprises assets owned by two or more organisations but managed as a single entity

**ESP**
"External Service Providers loom large today for enterprises that want to derive the most business value from their IT but do not have enough staff and skills in-house to accomplish this. The term ESP encompasses consultancy, systems integration and outsourcing."

http://www.gartner.com/Init

**BPMI**
The Business Process Management Initiative (BPMI.org) will standardise the management of business processes that span multiple applications, corporate departments and business partners, behind firewall and over the Internet.
http://www.bpmi.org/index.esp

**IIP (Investors In People)**
Investors in People UK was established in 1993 to provide national ownership of the Investors in People National Standard and is responsible for its promotion, quality assurance and development. This role now encompasses establishing the Standard internationally.
http://www.iipuk.co.uk/

**ISO9000**
The ISO 9000 series of quality management standards is synonymous with quality and good business practice. Now, 20 years after its introduction, and with 350,000 users worldwide, ISO 9000 is being reborn - in a new, clearer and more accessible form.
http://www.iso.ch/iso/en/ISOOnline.frontpage