

Developing a successful IT governance Strategy

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IT governance is a broad concept that is centered on the IT environment delivering *business value* to the enterprise. It is a set of rules, regulations, and policies that define and ensure the effective, controlled and valuable operation of an IT function. It also provides methods to identify and evaluate the performance of IT and how it relates to business growth and comply with regulatory requirements. Governance brings all stakeholders' interests together and tries to harmonize them so that the organization moves forward. There are four main objectives of IT Governance, which are to deliver value, set IT Strategy, to manage risk and to manage performance.

Deliver Value to Stakeholders

Providing *stakeholder value* is at the heart of governance in general and in particular of IT governance. Delivering value drives everything else in IT governance. Generally, IT assets deliver value by increasing the company's performance through automation. Driving more value out of IT assets requires a clear understanding of how your company creates and delivers value. This knowledge will drive your *IT strategy*.

To set IT Strategy

Once your company understands how it can provide value from IT assets, you can form a strategy for creating that value through making new investments or using current assets more efficiently. Creating an IT strategy has to do with determining a vision and direction of current and future investments in IT activities. Whether it is buying new software or servicing new IT hardware, all *IT investments* have to have a clear direction.

To Manage Risks

Where does risk come in when IT systems are involved? Yes, there is the risk of being hacked, product failure and the risk of leaking customer data. However, different stakeholders can create risks because they have conflicting interests. For example, IT systems employees who care about security risks often conflict with software developers who simply want to get software out the door to customers. Both interests must be included in an IT governance framework so that when conflicts arise, a clear path forward exists.

To Measure Performance

Managers often say, "If you can't measure it, it doesn't exist." That sounds simplistic. However, for large enterprises, it is impossible to have operational visibility in every aspect of the business, including

IT. Therefore, board members and executives rely on measuring key performance indicators (KPI) in order to know how IT assets are performing. If IT performance cannot be measured, then IT assets cannot be governed.

How to develop a good IT Governance Strategy?

To realize the benefits of IT governance, it is best practice to establish an IT governance model. A framework can help you to implement policies and procedures and maintain their program year after year. There are five common IT governance frameworks examples that organizations can refer to.

COBIT: Control Objectives for Information and Related Technologies. This framework was created by ISACA, which helps align business goals with IT goals by establishing links between the two and creating a process that can help bridge a gap between IT or IT silos and outside departments.

ITIL: Information Technology Infrastructure Library. This framework considers how IT service strategy, design, transition, operations, and service improvement can support core business practices.

COSO: The Committee of Sponsoring Organizations of the Treadway Commission focuses on internal controls, rather than on IT-specific functions, integrating other frameworks like risk management and fraud prevention.

CMMI: The Capability Maturity Model Integration framework is primarily concerned with performance improvement, using a scale to evaluate an organization's performance, quality, and profitability.

FAIR: The last and newest framework is Factor Analysis of Information Risk, a tool that helps organizations quantify their level of risk.

Having an IT governance framework in place will force you to think about IT assets across your organization. When you are able to quantify IT value creation, measure it, and deliver it efficiently to your organization, then you can say your IT governance works. If you can also increase IT value generation, you are rocking.

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