



Corporate Governance of Information Technology

ISO 38500 Foundation Class

How do we ensure that Information Technology is successful?

Many commentators on information technology have noted that organizations of all types and sizes are vulnerable to problems that arise in their IT projects and in their day to day operational use of IT. Many organizations that depend heavily on IT have taken a wide range of measures to reduce the risk of failures, but often with little impact. Projects still run into trouble, going over budget, taking too long and failing to deliver the intended business results. Operational systems and controls break down, creating inconvenience at best and exposing organizations to serious financial and reputational damage consequences at worst.

While investment in tools and frameworks under the label of "IT Governance" has resulted in some improvement, it has become clear that the improvement is insufficient – organizations need a different approach to ensuring that they make effective, efficient and acceptable use of information technology.

The international standard ISO/IEC 38500 is a milestone in the evolution of concepts and practice for governance of IT. ISO/IEC 38500 positions Corporate Governance of IT as being key to the effective, efficient and acceptable use of IT by any organisation. It also establishes the role of the board and executive management in the system of governance, where the business has clear responsibility for how it uses IT and the IT organisation has responsibility for the supply of relevant IT capabilities.

This two day class is designed to build a foundation level understanding of the key concepts in ISO/IEC 38500, equipping participants with the understanding necessary to begin applying the standard in all aspects of planning and controlling the use and delivery of IT. It explains in detail the concepts presented in the Introduction, the governance model and the six principles for good governance of IT. Participants will see how to apply ISO/IEC 38500 in each of the key stages of the IT cycle – where organizations develop strategy, prepare plans, implement new capabilities and conduct business activities that depend on IT.

Gain New Insight

Participants will gain new insight to help them:

- Allocate responsibility for IT
- Align IT to business strategy
- Ensure success of IT investments
- Ensure that IT performs well
- Conform with formal rules
- Human Behaviour – a key success factor
- The board's role in governing IT
- Governing without technical detail
- Integrate governance and management.

Who should attend

- Business and IT leaders, from top executives to line managers including CEO, CFO, CIO, COO
- Members of corporate and project steering committees and IT boards
- Senior planners, project directors and senior operations managers (business and IT)
- Consultants, Auditors and Researchers
- This class can also be useful for board directors and members of board audit, risk and IT committees

This program is relevant to small, medium and large organizations in private, not-for-profit and government sectors.

Learn from a leading international expert

Mark Toomey is a leading international expert in top level governance of information technology and ISO/IEC 38500. He is a long-standing and key member of the committee responsible for Australian standards on governance and management of IT, and is Australia's lead representative to the corresponding international committee.

Mark writes and speaks extensively about how business leaders can govern IT. His publications include *"The Director's IT Compass"* and *"Waltzing with the Elephant – a comprehensive guide to Corporate Governance of Information Technology"*. His company, Infonomics, helps leaders understand and improve their organization's Governance of IT, and expands the skills of consultants who help their clients improve Governance of IT.

Infonomics

Plain language about Governance
of IT for executives and directors.

To learn more about ISO 38500 and Governance of IT, or to gain a clearer view of what is happening with your organisation's IT, please contact Infonomics now.

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The Foundation Class covers:

- Business Impact of IT problems
- Human Behaviour associated with many IT problems
- Positioning governance of IT in corporate governance
- How management of IT is different from governance of IT
- Integrating the systems for governance and management of IT
- Using top level policies to guide behaviour in making IT decisions
- Why business leaders must take responsibility for IT outcomes
- Balancing the demand and supply equations for IT
- Progressive improvement of arrangements for Governance of IT

Eight interactive sessions:

Session 1 - Setting the scene

- Introductions, Experience and Objectives;
- The Gimli Glider Case Study: A metaphor for governance of IT;
- Experiences of failure in Governance of IT: the Australian Customs Service Case Study;

The scene-setting discussion establishes the problem that needs to be resolved by effective governance of IT, and establishes focus on the key issues that result in IT problems.

Participants begin by describing their own experience of IT failures and the consequences for business. They then explore the background to two very different, but significant disasters – one of which had little to do with IT, but is immensely instructive on the factors that lead to failure.

Session 2: Base Concepts

- The difference between “IT Governance” and “Corporate Governance of IT”;
- Base concepts for corporate governance of IT;
- Business systems and technology enabled change
- Key messages in ISO/IEC 38500;

“IT Governance” has become a very confused concept – with diverse definitions and meanings sometimes based in academic rigour but often focused more on vendor product. This session builds a common and

consistent understanding of the definition provided in ISO/IEC 38500, and establishes the foundations for an effective approach to governing IT

This session draws from a series of authoritative academic sources to establish a clear perspective on the role of IT in business and the fundamental distinction between governance and management. It builds on these concepts to clearly position the role for corporate governance of IT and to relate this to the management tasks that are well defined in frameworks like CobiT and ITIL.

Session 3: The Governance Model

- The Evaluate-Direct-Monitor Model
- Using ISO/IEC 38500 to assess and improve corporate governance of IT
- Preliminary self-assessment

ISO/IEC 38500 is only 15 pages long, but contains a wealth of advice. Participants will discover how to use the standard to assess and improve their own organization’s approach to governing IT.

The session begins with discussion of the design and structure of the standard, and an in-depth exploration of the governance model. The participants then undertake, and discuss the results of a 12 point preliminary assessment.

Session 4: Introducing the Principles

- The concept of Principles;
- The Responsibility Principle;

Principles guide behaviour and decision making. ISO/IEC 38500 defines six principles. In this session, participants will discover that responsibility for IT cannot be narrowly defined – and that success with IT depends on proper allocation and discharge of responsibility.

Following a brief discussion of the concepts behind a principles based standard, workshop participants will discuss the first two principles in depth. They will undertake a 12 point self-assessment of their organization’s conformance with each principle, and discuss the results of that assessment.

Session five: Principles 2 & 3

- Reflections on Day 1 – The Australian Customs Case Study;
- The Strategy Principle;
- The Acquisition Principle;

Exploration of the Strategy Principle will reveal the many dimensions of strategy and planning that must be



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addressed to ensure that IT is truly aligned to business need.

Participants will explore how organizations make decisions to spend on IT, and will discover opportunities to resolve many gaps that commonly exist in this area.

Workshop participants continue to build their understanding of the six principles for effective governance of IT, by discussing the next two principles in depth. They will undertake a 12 point self-assessment of their organization's conformance with each principle, and discuss the results of that assessment.

Session 6: Principles 4, 5 & 6

- The Performance Principle;
- The Conformance Principle;
- The Human Behaviour Principle;

Workshop participants will look at the numerous dimensions of performance that may be required, with strong emphasis on the business dimensions of performance.

This session completes the in-depth review of the principles, exploring the types of formal rules that are the target of the conformance principle, and the approaches that organizations might use to achieve its intent. The Human Behaviour discussion focuses on understanding the role that people and their behavioural traits play in determining the level of success that organizations have with information technology.

Workshop participants continue to build their understanding of the six principles for effective governance of IT, by discussing the next two principles in depth. They will complete the final parts of their overall 84 point self-assessment of their organization's conformance with each principle, and discuss the results of that assessment.

Session 7: Applying ISO/IEC 38500

- Case Study: Practical application of ISO/IEC 38500 in Tertiary Education;
- Using Policy to implement principles.

Principles are intended to guide behaviour. This session also builds insight on how the principles can be brought to life within individual organization.

This session looks at how a tertiary education institution has employed ISO/IEC 38500 as the guide to a major overhaul of its approach to directing and controlling its use of information technology.

Workshop participants will follow the transformation project from inception to completion. They will see and discuss the results of the initial assessment, the key policies established to drive new behaviours, and the organizational structures that were established to put the business leaders firmly in control of the IT agenda while empowering the IT department for maximum performance. They will see the major challenges and the approaches that were used to solve them,

Session 8: Action Planning

- Building on the self-assessment:
- Sponsorship for change:
- Easy steps to adoption:
- Making fundamental change;

Those who attend this workshop may wish to begin adopting ISO/IEC 38500 in their own organizations. This final session draws together the knowledge gleaned from the overall workshop, to help participants prioritise and focus their efforts.

After reviewing their individual self-assessment results, participants will identify key areas where they think that conformance to ISO/IEC 38500 should improve their own organization's performance. They will begin framing a program of change by identifying the key sponsors and stakeholders and defining the significant issues to be addressed. They will consider how small steps can create immediate benefit and build momentum for more substantial change, and will consider the implications of making significant change to how IT is currently controlled.

Infonomics Customers Say:

"What Infonomics (Mark Toomey) offers is an opportunity to move to a new way of thinking about IT which is placed firmly in the future rather than referenced to the past. The latter was our previous approach and is, I think, fairly typical of TAFE institutes at this time. I think Infonomics has a lot to offer institutes that are seriously looking to optimise IT investment and to embed IT capability more deeply into Institute operations and into teaching and learning".

"First of all, let me congratulate you all on great session... ..unique in many ways:

- We exposed our teams to Governance of IT in a way they found it comfortable to understand.
- Almost all people changed their existing perception that Governance of IT is a business issue and not a product or solution from HP".