



More about Elephants

Hello, and welcome to The Infonomics Letter. Yes, once again, we're going to discuss Elephants – first the ones in the public sector, and then the book!

Six weeks on from its launch, ***Waltzing with the Elephant*** is steaming out the door and into the hands of readers all over the world! Purchasers have come from government, business leadership, academic and IT specialist circles. Early feedback is that the buyers are pleased with their purchase. One wrote: "I've had a scan through and ***really*** like what I see". CIO Magazine in Australia thought the book sufficiently important that they asked for an interview, which they subsequently posted as a [podcast](#). Shortly, Fiona Balfour, who was CIO for Telstra and before that, Qantas, will publish her own review of the book in her column in MIS Magazine. Fiona's review will also then be available along with comments from Chris Gillies, Julie Garland McLellan, Keith Frampton and other reviewers, on the [Infonomics front page](#).

Now, to the Elephant in the Room – that fundamental issue of business leaders understanding that they must be engaged in directing and controlling their organisation's use of IT. Regular readers of The Infonomics Letter will remember the enthusiastic welcome we gave to the report by Sir Peter Gershon on the Australian Government's use of information and communication technology. In that report, Sir Peter expressed the need for "a major program of both administrative reform and cultural change", which included establishment of new top level ministerial and department head committees to provide the overall direction and control needed.

Recently, Gershon addressed the ISACA Oceania conference in Canberra, looking at the question: "Is world class IT governance in the public sector an impossible dream?" This was closely related to some of the issues canvassed in the report on the Australian Government, and coincided with my own discussion at the same conference on "ISO/IEC 38500: How to effectively implement top level agency governance of IT so that AS 8015 is satisfied". While he didn't refer to it in the same terms, Sir Peter clearly identified the Elephant in the Room in the context of public sector governance of IT, when he said that realising the dream of world class governance of IT in the public sector largely depends on the behaviour of those at the top.

As always, I hope that you find The September Infonomics Letter stimulating and worthy.

Kind regards,
Mark Toomey
30 September 2009.

Public Sector Governance of IT

All over the world, the public sector faces the same daunting question as the private sector: how do we ensure effective, efficient and acceptable use of information technology in support of the broader goal of effective, efficient and acceptable delivery of government service?

In many nations, there are ongoing efforts to deploy information technology in support of major branches of government activity, including health, transport, taxation, welfare and so on. Further, in response to changing political demands and sophisticated expectation of citizens, many governments are exploring the opportunity for "Joined-Up Government" and "e-Government". But many such efforts are experiencing difficulty – and the problems are not unique. Britain's National Health Service is reported to have spent £26bn to date without having achieved its core goals. Here in my home state of Victoria, the HealthSmart initiative – a miniature version of the NHS project – has also experienced considerable difficulty. These are not isolated incidents, and no doubt readers everywhere will recognise cases where efforts to use IT in government are not as successful as we would wish.

Government reviews of their approach to IT are producing different outcomes. In the Australian government, an early focus on reining in the "business as usual" cost is intended to produce a dividend that can be invested, at least in part, back into new initiatives that should, we would hope, be directed to improving the machinery of government. In New South Wales, a top level review seems poised to merely slash the spending on IT. In Victoria, the focus has been on establishing a shared services utility called Cenitex, which will standardise much of the infrastructure services, and in Queensland, the rhetoric seems focused on dramatic long term change enabled by a new emphasis on IT as an enabler of new ways of delivering government services. The Queensland five year plan focuses on: accessible government; efficient government; effective government; and strong industry/government partnerships. Interestingly, where Victoria has eschewed the notion of a state CIO, Queensland has given its CIO the power of veto over agency initiatives.

Regardless of which approach government is using, the core challenge that government faces remains the same, and it is consistent with the core problem faced in every other sector: *In the early 21st century, information technology is a primary enabler of radical change to the way we do business, and broadly speaking, we are not very good at using it in this way.*

We need to think carefully about the implications of this. IT is an enabler of radical change. But, the mere act of buying or building an IT solution does not of itself deliver the change – a reality that has been proven again and again through the failures of projects where there seems to have been a delightfully naïve expectation that this would indeed be the case.

The use of information technology is no longer about automating business – it is about changing business, and the extent of change that is expected in many cases is profound. The skills required to implement IT enabled business change are no longer limited to the technically specialised skills of the IT project managers, software developers and user trainers. They now include skills for fundamental redesign of business process, of business rules and structure, and of how the business engages with its customers and other stakeholders. In government, it is the same as in the non-government sectors, except that in many aspects the task is made more complex by the scale and scope of impact.

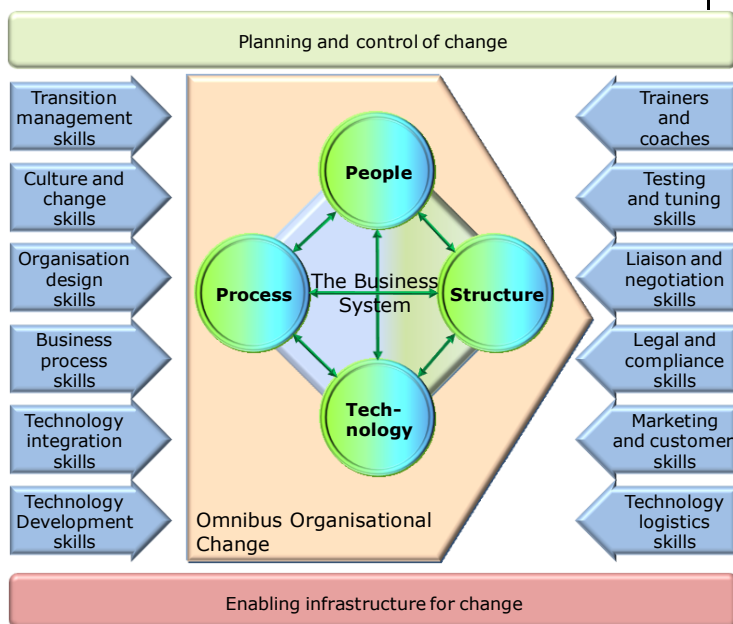
installs the software package, there is an immediate requirement to adopt the process and structural models inherent in the software (give or take any configuration options that may be included), adjust the entire organisation to these new models, and train the people accordingly. But many organisations do not want to adopt the model in its entirety, and so in order to retain some elements of their own process and structure models, they embark on changing the software to suit – potentially negating the benefits of the package selection over custom development.

In government circles, the intensive requirements for probity, accountability and transparency mean that changing the business model – especially process and structure – is much more complex and resource intensive than in the private sector. Accordingly, there is a greater than ever incentive to avoid change in this regard – and to adapt software as a result. Understanding this can give some insight to why an outwardly similar project, such as implementing a financial control system, can take on quite different shape in different government agencies, each of which will have inherited different business models from their pre-IT enabled days.

As if it's not already difficult to change a single government agency to use information technology as an effective enabler of new ways of doing business, the expectations of joined-up government go beyond merely changing a single agency. The new reality for government is that joined-up government involves co-ordinated change to business systems across multiple agencies, using information technology as an enabler. Such change requires not an IT solution that fits the needs of all participating agencies, but a much more profound effort to design a single seamless system of business that spans all of the agencies. Certainly, such a business system does require a suitable IT solution as an enabler, but the IT solution alone will do little other than disrupt the existing activities of the involved agencies. Along with the IT solution, it is

essential that there is a major focus on designing and establishing the process model, structures, rules, skills and human resources required for the job.

The extent of change required to achieve joined-up government cannot be achieved by assigning responsibility for the projects to relatively junior officers – even if they are given clear instructions to work together. The changes that must be made in many cases are going to create considerable disruption and tension, requiring substantial attention at the most senior levels. Matters of inter-departmental or inter-agency responsibility and accountability linked to trans-agency processes probably cannot be delegated to lower levels – they will often, and necessarily, require negotiation, deep insight and trust at the top of the organisation hierarchies.



A very useful model for understanding change was developed in 1965 by H J Leavitt, who essentially said that the system of the business could be described as the interaction of people, the tasks or processes they perform, the rules and structure within which they operate, and the tools or technology that assists them in their work. Critically, Leavitt emphasised that in order to change the business system, it is necessary to attend to each of these elements, and the relationships between them.

Understanding this picture makes it very easy to understand what happens in many IT initiatives. For example, organisations that purchase a “commercial off the shelf (CotS)” software package are essentially purchasing a predefined business model which is based on a presumption of process, structure and people skills and capability. If the organisation merely

In his recommendations for the Australian Government, Sir Peter Gershon recommended "Strengthen Agency Governance". One of the key purposes of agency governance is to ensure that change initiatives are conducted in a manner that will ensure their success – which in the majority of cases means running the initiatives as omnibus organisational change within the agency, ensuring that there is appropriate responsibility and accountability for achieving the intended result, along with all of the skills required to do all of the necessary work in respect of people, process, structure and technology. Clearly, omnibus organisational change is far more than mere IT change, and it is entirely inappropriate to expect IT specialists to shoulder the responsibility for every aspect of the omnibus activity. The responsibility and accountability for the change must rest at a more senior level, where there is both the scope of oversight and the breadth of authority to enact the entire change as required. In most government agencies, as in the private sector, the extent of oversight and authority required is generally vested only in the most senior officers, and it is for this reason, if no other, that the senior officers must become deeply engaged in the governance of information technology.

At this point, it is important to consider the linkage presented in some quarters between "Agency Governance" and "Program and Portfolio Management (PPM)". As we have expressed above, agency governance must include top level engagement of senior officers who should be held accountable for successful achievement of intended outcomes in projects that are being undertaken. Such engagement goes well beyond the notions of prioritisation and tracking that are often the primary focus of PPM. It is insufficient to merely implement an effective prioritisation, approval and tracking regime when the major issues for the approved projects will be diligent attention to assuring complete, effective business transformation.

Going beyond agency governance, Gershon also recommended strengthening PAN-Government Governance in the Australian Government. What does this mean? In the detail of his report, Sir Peter proposed a ministerial committee and a "Secretaries Board" that would together set and co-ordinate the agenda for "whole of government ICT". At the simplistic level, whole of government ICT could be viewed as standardisation of infrastructure, standardisation of software and applications, and rationalisation of supply arrangements. But while these are important, they are relatively bland and innocuous when compared to the issues associated with efficient effective and acceptable government service delivery, as already identified under the banner of joined-up government.

Achieving true joined-up government involves massive re-engineering of the machinery of government –

redesign of processes, development of new policies, rules and structures, reskilling and potentially redeployment of people, and the introduction of new information technology (and potentially other aspects of infrastructure) in support of these changes. There can be no doubt that the planning and implementation of such new approaches to government service delivery will require bold vision, brave innovation, commitment to the long term objective, and sacrifice of autonomy and authority in the interests of the greater good. The choices that will have to be made will often not be choices that can be made by a single agency – rather they will need to be made from a whole-of-government perspective, and rigorously enforced through the affected agencies. Indeed, in some cases, the decisions that will be required may transcend government itself, and may require engagement and negotiation between the top echelons of government and the various stakeholders with which government engages on an ongoing basis.

Considering these factors, it should be clear that world class governance of IT in the public sector involves a great deal more than merely appointing top level review groups. Governance of IT, as defined in ISO 38500, is all about directing and controlling the use of IT as part of the much bigger picture of directing and controlling the business, and when IT is being used as an enabler for fundamental change, governing the use of IT necessarily involves governing the full spectrum of omnibus organisational change across the whole of government, from determination of how government is intended to operate in the 21st century, to establishment of the initiatives that will deliver that operational model, and the effective completion of those initiatives, with a clear and constant focus on demonstrable, practical realisation of the objectives that were set at the outset.

Public sector governance of information technology demands nothing more, and nothing less than government heads, both elected and appointed, becoming consummate exponents of Waltzing with the Elephant!

Waltzing with the Elephant: The Melbourne Business Launch

Alistair Urquhart and his team at [Affairs of State](#) were the most convivial hosts for the exclusive business and government launch of Waltzing with the Elephant at their Melbourne offices on September 14. Around 60 invited guests including leading company directors, senior government officials and top level IT specialists heard Christina Gillies introduce the book, and Paul O'Connor from the Victorian Auditor General's Office speak on the importance of governing IT in the public sector.

Chris Gillies explained why Waltzing with the Elephant is important:

- *"It deals with [governance of IT] comprehensively from boardroom to basement dealing with both Business and IT;*
- *It deals very well with getting the reader to understand why IT governance is critical, but more importantly it sets out the how to do it;*
- *It focuses on the part that many publications miss – showing the governance of the full picture - implementing business change not merely an IT system. It takes a business applications view of IT governance and covers the people, process and change aspects that make up the overall systems on which the business operates;*
- *It highlights well the roles and accountability of the Business leaders – specifically the CEO and the executive team responsible and accountable for setting the agenda for use of IT – for deciding how it will be used to enable the business; for making the hard decisions about priority and allocation of resources; for ensuring that the initiatives are successful; for realising the benefits from investment in IT; and for effective ongoing operation of the business when the implementation steps are complete – the full Boardroom to basement framework.*
- *And finally (this is one of my favourites) – it shows how Boards can and should have effective oversight of IT not by understanding the technological ins and outs, but by understanding the job that management should be doing in respect of IT and asking pertinent questions to ensure that management is doing that job properly.*

Those that feel trampled on by the Elephant should read this book. The book is in English – it has good stories and examples that bring the subject to life and you don't have to be an IT person to understand it.

It's a book worth reading and using".

Learning the new dance (or understanding ISO 38500)

The Infonomics ISO/IEC 38500 education program continues to deliver around Australia and around the world. Details of the program are on the [Infonomics web site](#).

During August and September we moved strongly into the Australian Computer Society ACS Education Across the Nation (EdXN) series, with briefings and masterclasses in Brisbane, Townsville, Adelaide and Canberra. The next sessions are set for:

- Darwin, October 8 (EdXN)/9(Masterclass)
- Melbourne, October 21 (EdXN)/22(Masterclass)
- Sydney, October 26 (Masterclass and EdXN)

- NSW South Coast, October 26 (EdXN)
- Perth, November 17 (Masterclass and EdXN)
- Bunbury, November 18 (EdXN)

See the [ACS website](#) for details and registration. Non-ACS members are welcome at these sessions too.

Interest in governance of IT and ISO 38500 is expanding rapidly. In addition to the ACS events, readers of The Infonomics Letter may be interested in the following events:

- 13 October: [Innofuture Momentum](#) panel discussion on "The Future of Innovation - What Are You Going to Do About it!". Mark Toomey is a panellist (Melbourne).
- 14-15 October: [AICD Public Sector Governance Conference](#). Mark Toomey will speak on public sector governance of IT (Canberra).
- 20 November: Introduction to Governance of IT and ISO 38500, presented by Mark Toomey, in conjunction with [Itilics Pte Ltd](#). Further details TBA. (Singapore).
- 23-24 November: Half day seminar on governance of IT and ISO 38500 with Spanish Metrics Association, presented by Mark Toomey. Details TBA (Madrid).
- 26-27 November: Two day masterclass on governance of IT and ISO 38500, in conjunction with [Servview GmbH](#). Details TBA (Frankfurt).
- 1 December: National University of Singapore conference on governance of IT including presentation by Mark Toomey. Details TBA (Singapore).
- 7-8 December: Two day masterclass on governance of IT and ISO 38500, in conjunction with [Itilics Pte Ltd](#). Details TBA (Singapore).

The Infonomics educational program continues to evolve, with events to be delivered globally during 2010 and beyond. Keep a watch on the [Infonomics Site](#) for details of forthcoming education events.

Joining the Global Waltz

What do Australia, Belgium, Canada, France, Germany, Ireland, Italy, Malaysia, Netherlands, New Zealand, Spain, United Arab Emirates and the United Kingdom have in common? Yes – every one of these nations has one or more copies of *Waltzing with the Elephant*. As the reviewers note, it's a relevant and accessible read for everybody. *Waltzing with the Elephant* is available in hard copy (paperback) for \$100 plus GST and shipping where applicable and as a downloadable, watermarked PDF for \$60 plus GST where applicable. Purchases can be made via:

- [The Infonomics Shop](#);
- [itSMF Australia](#) Bookstore (hard copy); and
- Bulk orders by [emailing Infonomics](#).

As negotiations are finalised, we will announce additional sales channels. Details of these channels will be available on the [Infonomics web site](#).