



Why Governance is so important.

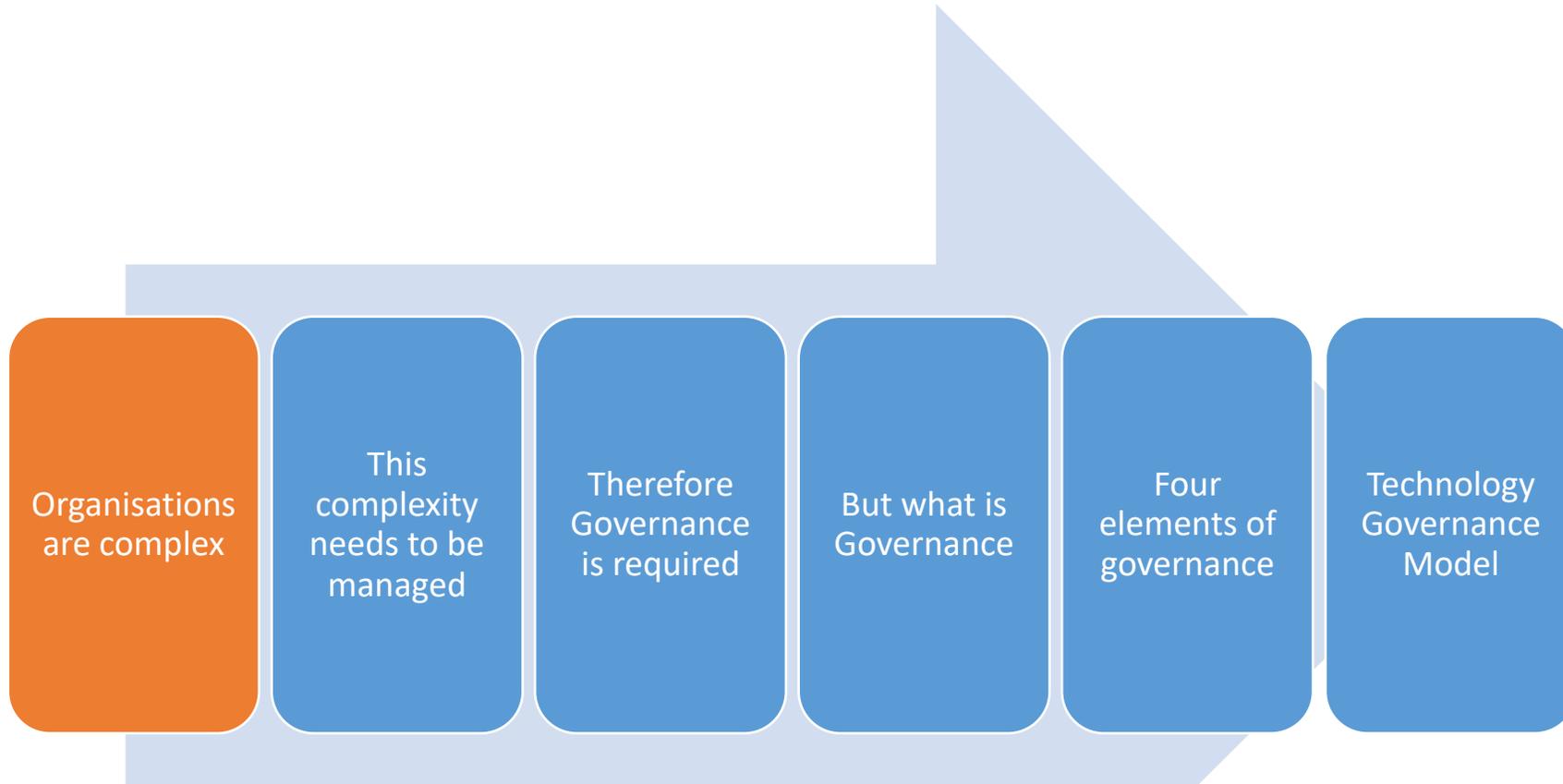
Paul Taylor
MBA, MBCS, FRSA, CMgr, FCMl

Thursday 2nd December 2021 – 1830 to 2000

About me – Paul Taylor

- Consultant with over 30 years experience of implementing change across the financial services, oil/gas, charities and professional bodies.
- Author and speaker on a variety of subjects
 - Change , freelancing, technology, financial services, research approaches, etc
- Published a books called
 - “So you want to go contacting”
 - “So you want successful change”
- Chair and NED for a variety of industry and social enterprises
 - Gambling Addiction awareness CIC
 - Performing Arts for BAME population CIC
 - Online learning
- Mentor to various people on areas on career planning, career changes, etc.
- An Associate Lecturer for the Open University STEM school teaching Technology Management.
- Obtained an MBA from the Open University. Studying for a PhD at Middlesex University.

Why Governance is so important.



Organisations are getting more and more complex.

- Organisations are complex
 - Technology infrastructures – hardware, software, packages, version control, integration, security, etc.
 - Processes – some automated, some manual, spreadsheets, paper bases, emails, etc
 - Skills – a wide range of skill sets required, single points of failures, etc
 - Different locations – different floors, different buildings, different locations, international, etc
 - Differing jurisdictions – different laws and regulations to be followed
 - (Not nice) surprises – COVID-19, SARS, etc
 - Going green
 - This means that there are many things that could go wrong
 - Strategic direction
 - Technology
 - Change Management
 - People
 - Supplier
 - Ethic
 - Plus others
- | |
|-----------------|
| Business growth |
| Operational |
| Financial |
| Client |
| Moral |
| Going green |

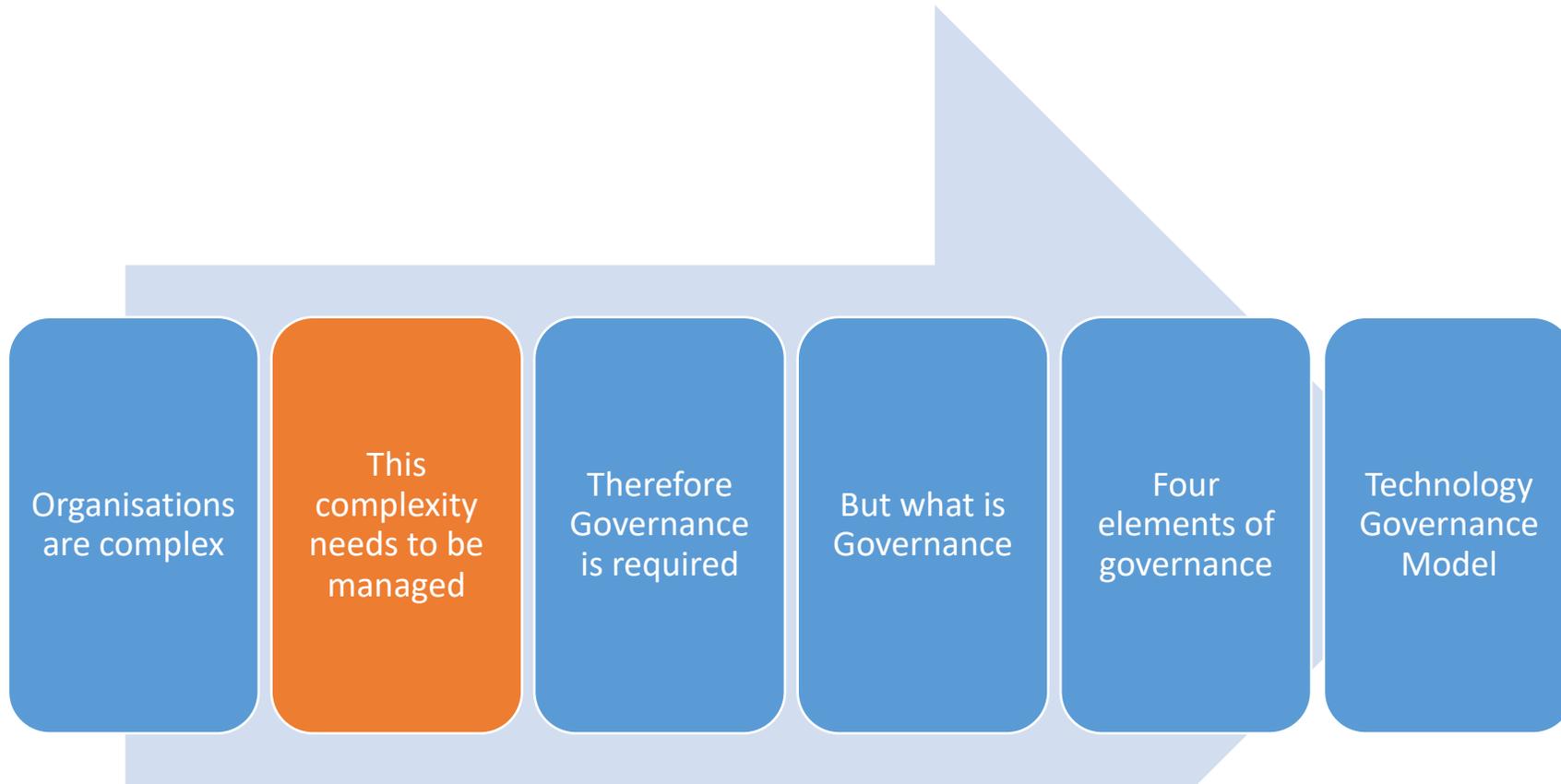
Organisations are getting more and more complex.

- Organisations' (and society in general) complexity will continue to increase
- Also legislation and regulation becoming increasingly demanding and intrusive
 - Health and safety
 - Financial Services (and Senior Mgmt and Certification Regime)
 - Accounting standards
 - External audits required by law
- Shareholders are taking a more active interest
 - Taking an active interest in running of organisations
 - Appoint external directors and advisors
- Additionally customers are now taking more of an interest in their suppliers
 - What to understand what issues or problems their suppliers have?
 - How are the suppliers managing them?
 - Are these issues causing issues at the present moment?
 - Will these issues cause future problems?

Organisations are getting more and more complex.

- Various other stakeholders also taking an interest
 - Staff
 - Suppliers
 - Local environment
 - Industry peers

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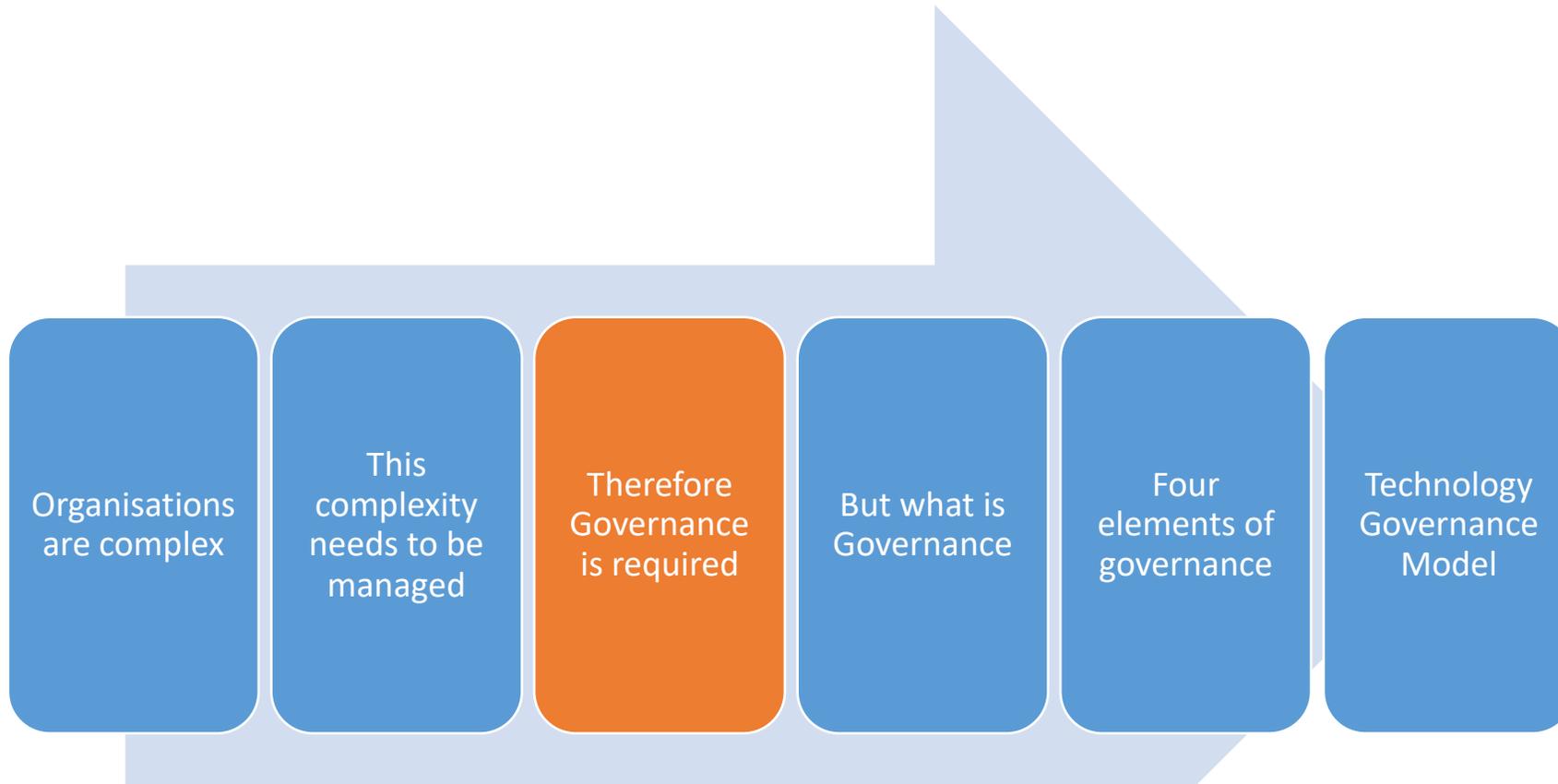
Organisations need to proactively manage this complexity

- Does not impact strategic direction
 - Is the organisation meeting (or going to meet) its strategic objectives?
- Does not impact the day-to-day running of an organisation
 - Identify problems, risk and issues
 - Assess their impact, their likelihood and impact
 - Mitigate or risk accept
- ‘Sober’ decision making
 - What is the decision required?
 - What data is required to make the decisions? (also what data is missing)
 - Have all parties been consulted, involved, etc
 - Who can make the decision? Are there different levels of decision making?
 - Is there a clear audit of decision making?

Organisations need to proactively manage this complexity

- Need to ensure that despite all this complexity organisations being run for the advantage of stakeholders?
 - Shareholders
 - Staff
 - Suppliers
 - Customers
 - Local environment
 - Industry Peers
 - Regulators
 - Plus others
- OR IN OTHER WORDS -> do what they are supposed to be doing?

Why Governance is so important.



A governance structure therefore needs to be place

- Governance often receives a large amount of bad press
 - Busy bodies
 - Job worth's
 - Long and complex pointless form
 - Even long and more pointless meetings

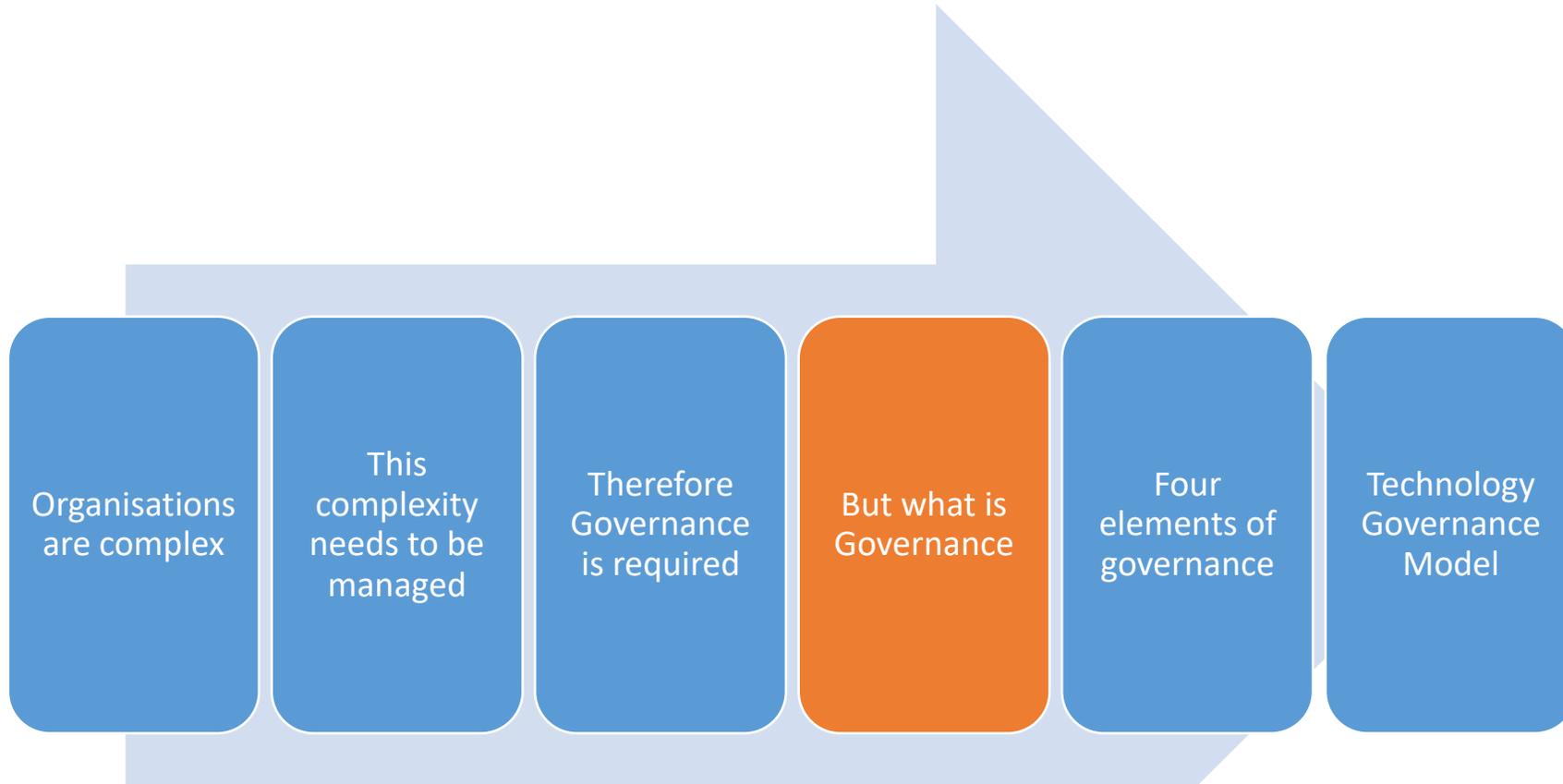


Red tape is fun

Red tape holds the country together

Administration saves the nation

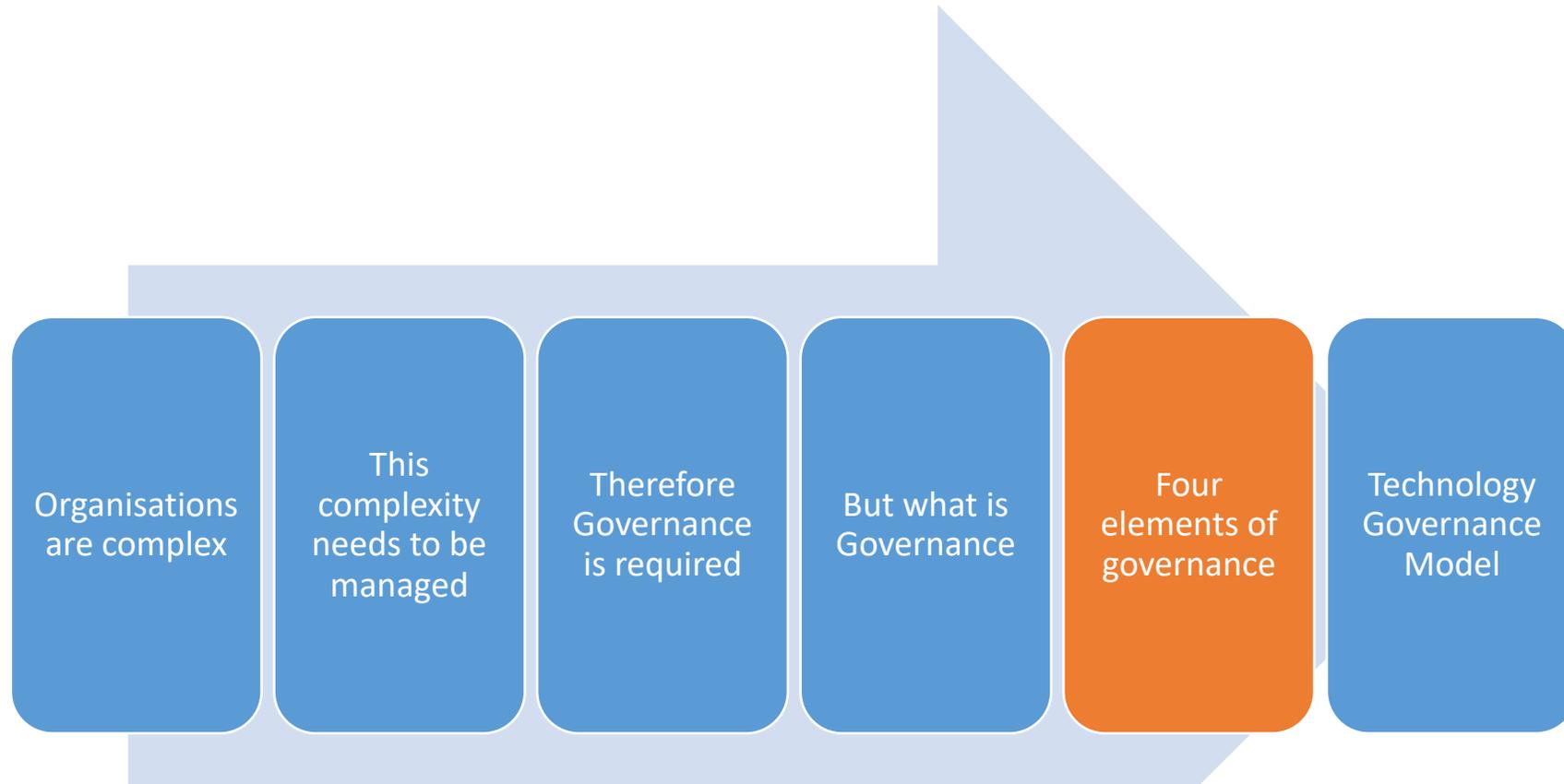
Why Governance is so important.



But what really is Governance ?

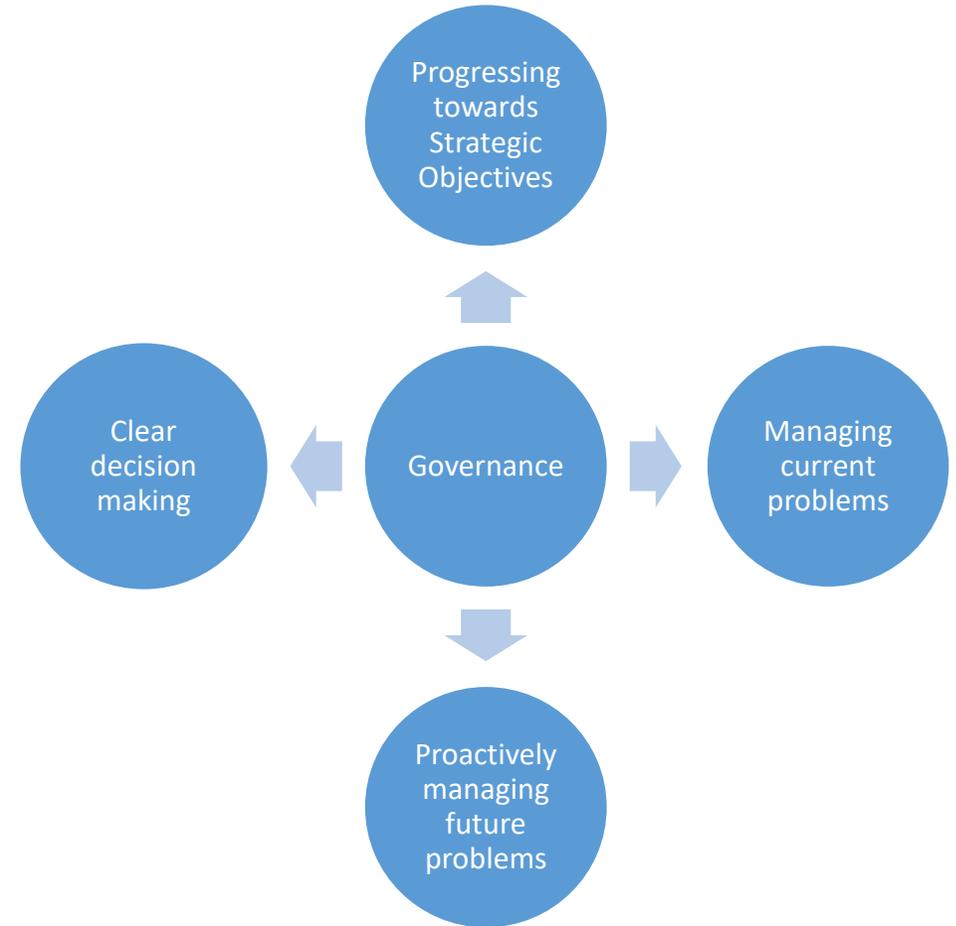
- In short → Ensuring that the organisations are being run for the advantage of stakeholders OR doing what they are supposed to be doing
 - Shareholders
 - Staff
 - Suppliers
 - Customers
 - Local environment
 - Industry Peers
 - Regulators
 - Plus others
- Ensure suitable controls, structures, committees, etc in place to manage complexity
 - Strategic direction
 - Current problems
 - Future planning
 - Decision making

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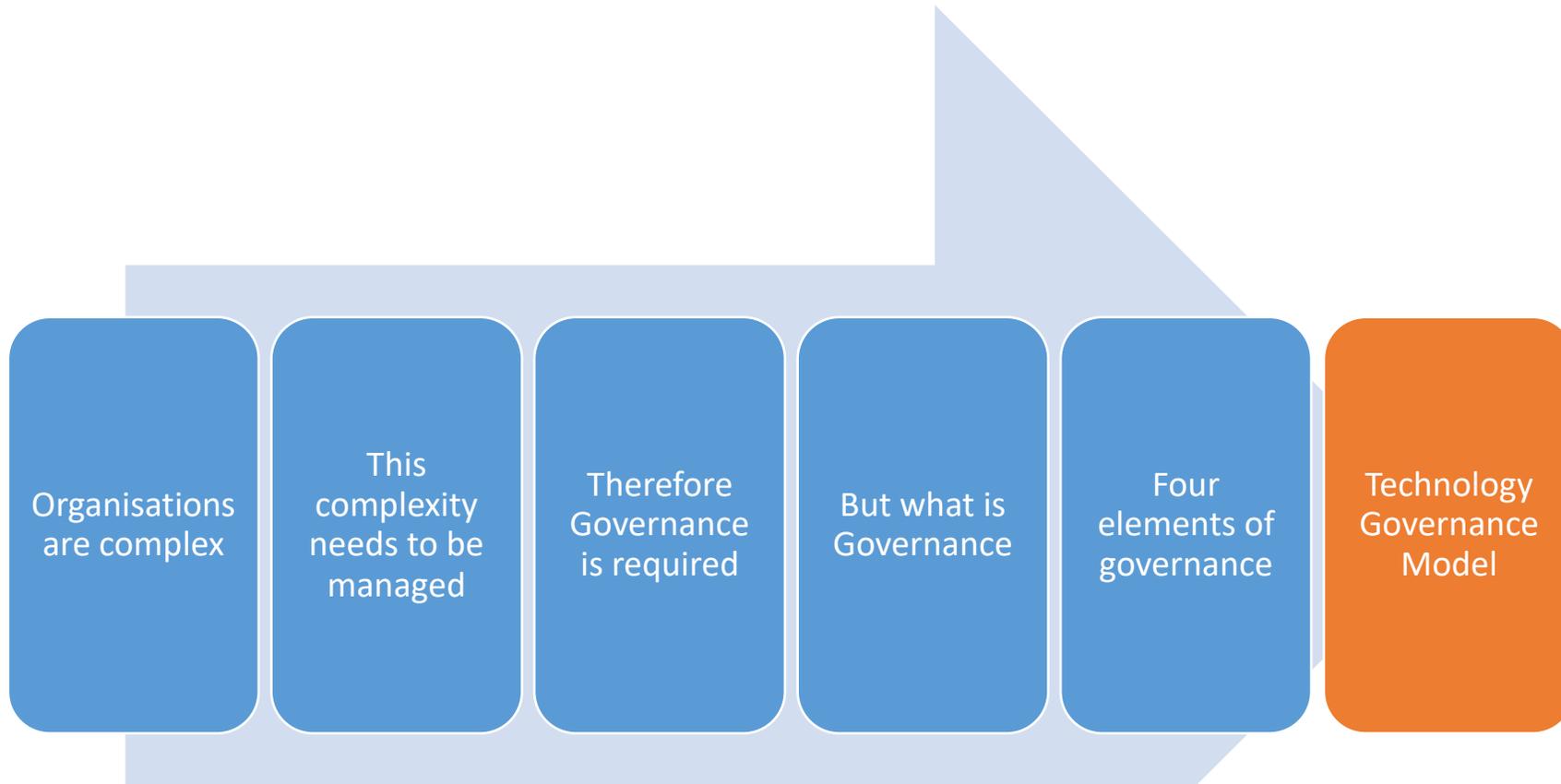


Four elements of governance

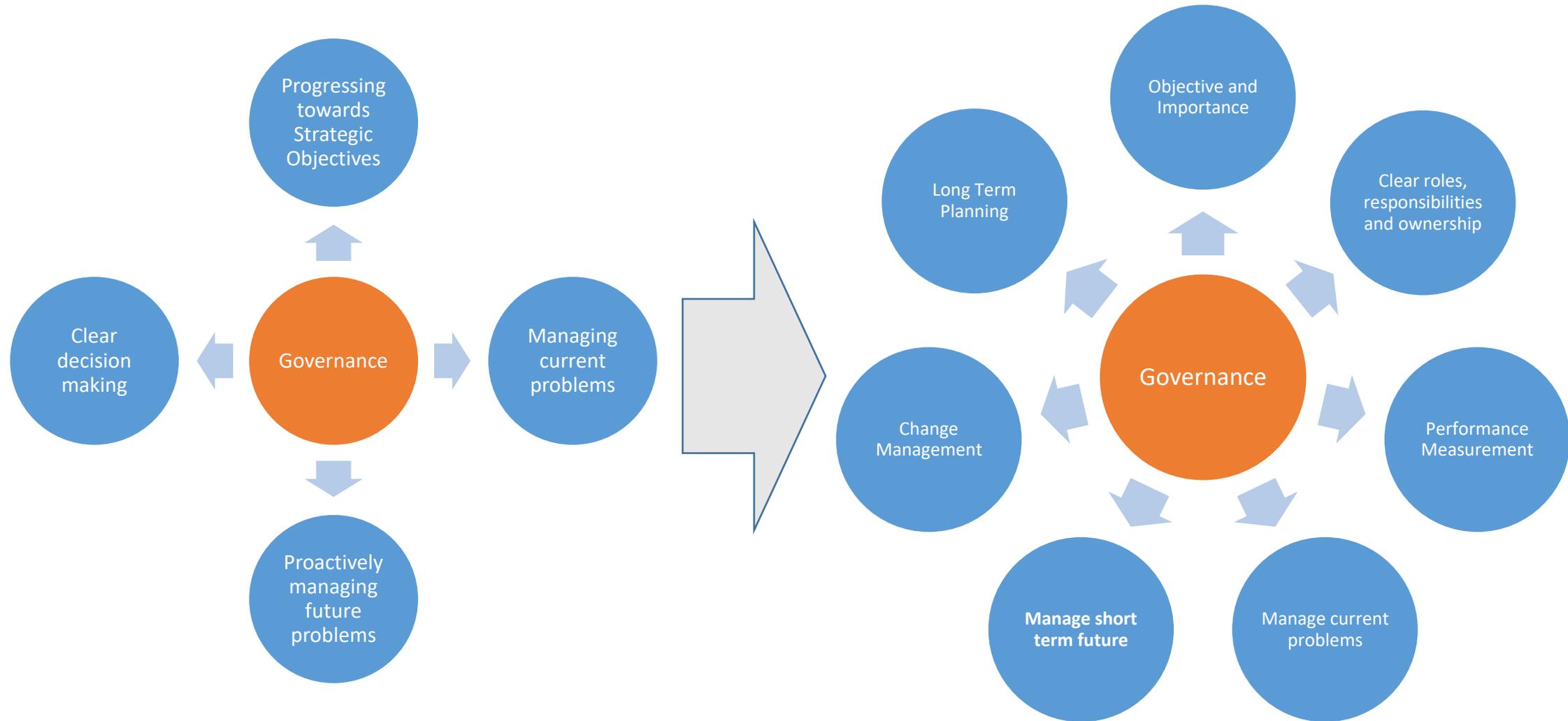
- Remember your strategic direction
 - Support business growth
 - Underpin day-to-day running
 - Change management
- Managing current problems
- Proactively management future problems
 - Future planning
 - Change management
- Clear Decision making
 - Within Technology Group
 - Also as part of the wider business / organisations
- Too little vs too much



Why Governance is so important.



A model for Technology Governance



Need to ensure that technology is supporting the business OR doing what it is supposed to do

A model for Technology Governance - Objectives

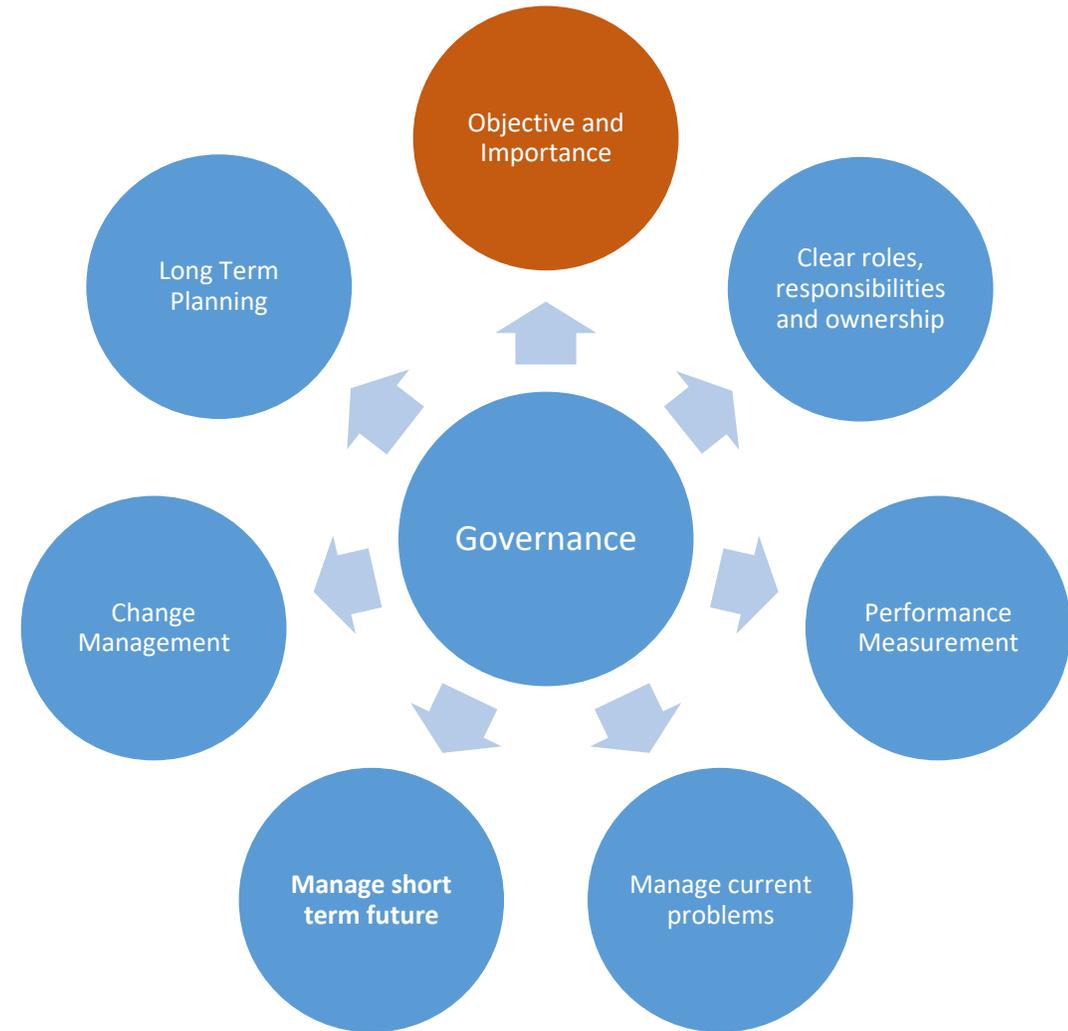
It is important to understand what the purpose of the technology is and what the implications are if there are issues or problems – i.e. how does it link with the organisation's overall strategy.

This is key because it will shape what performance monitoring is required.

Critical functions will require much tighter controls than less critical functions.

Ensure there is a set of oversight forums; e.g.

- Senior management forum
- Change Board
- Release planning
- Operational support
- Green computing



A model for Technology Governance – Clears R+Rs

A clear owner (with executive power) needs to be allocated to each element to ensure it managed.

- Technology Owner
- Business Owner

Again this is particularly important if there is legalisation in place where named owners are required.

Typically most organisations will split this ownership model into two levels.

- At a senior level, there will be a forum that owns the elements at an executive or Board level.
- Under this there will be a number of working groups and owners who own the elements at an operational level.



A model for Technology Governance – Current problems.

Regardless of how thorough people are, problems will happen. Therefore processes need to be put in place to identify, managed and eventually close problems.

Once a problem has been raised then its impact needs to be understood.

- If the problem is critical then processes need to be in place to manage it urgently.
- This could cover areas such as implementing work arounds, installing emergency fixes or other contingencies.
- Likewise for non-critical issues then a similar set of procedures are required but they tend to be less instant.



A model for Technology Governance – Short Term Future

It is important but challenging because it is hard to predict future problems . However a common approach is to look at the risks through internal and external lenses.

- The internal assessment involves reviewing all parts of infrastructure to determine whether any problems are likely. Once risks have been identified then their impact can be assessed so mitigations can implemented
- Assessing external risks is more challenging and most organisations will either miss them or discover them late.
- All risks identified need to be monitored on a regular basis because their criticality could change as time progresses.



A model for Technology Governance – Change Management

Processes need to be in place to allow changes to be made to the technology infrastructure with as minimal risk and impact as possible.

Actual changes can range from immediate changes (to fix critical problems) to large complex changes requiring weekends to implement (such as a major hardware upgrade).

These change processes also need include robust roll-back process in event of problems during the change implementation.



A model for Technology Governance – Future Planning

Technology needs to constantly perform long term planning

This is an area that is often overlooked

- Driven by business strategy – e.g. growth, cost management, etc
- Technology can help drive business strategy – e.g. can new technology help the business?
- Technology needs to have its own strategy – e.g. retiring/consolidation of applications, staffing, etc.



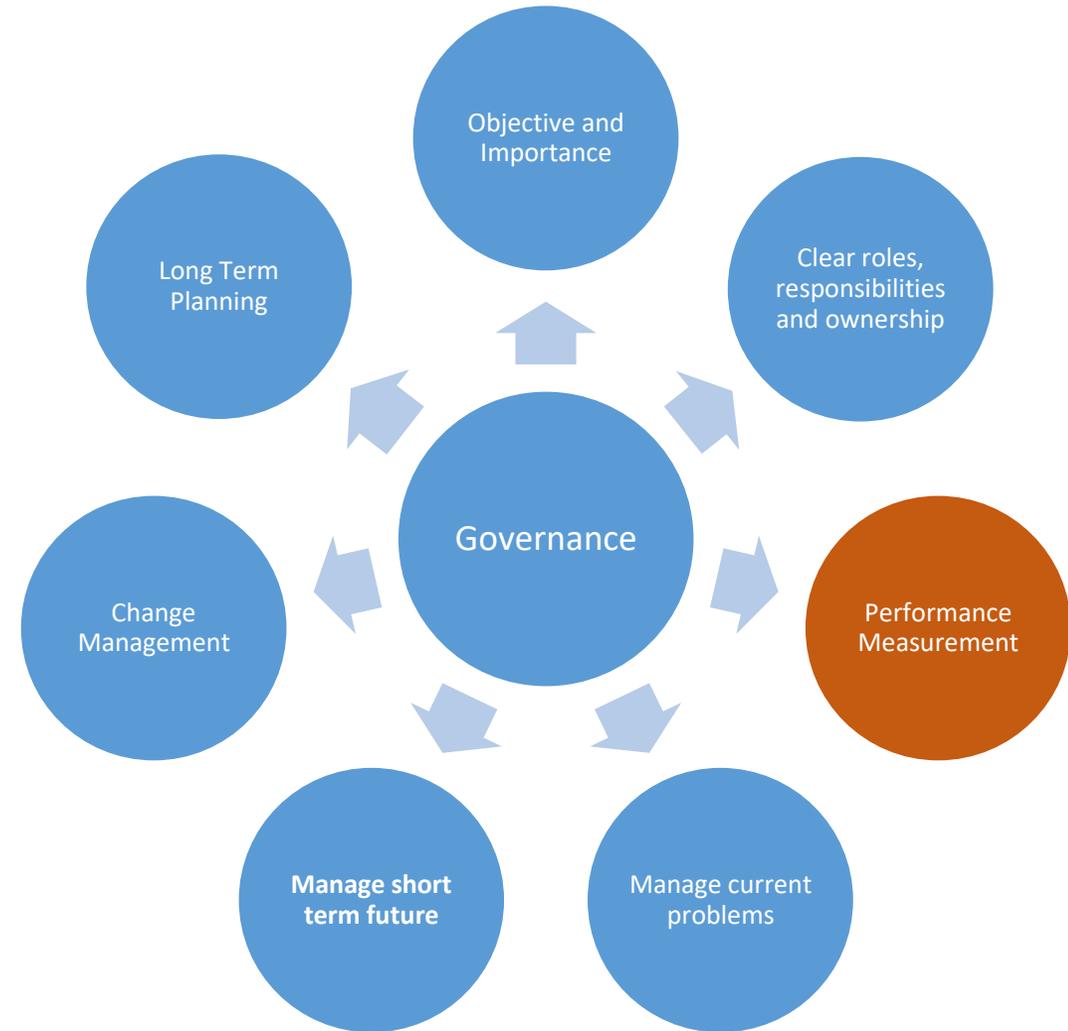
A model for Technology Governance – Performance Mgmt

When the objective is defined it will determine what that the implications are if there are issues with the technology. This will then allow a number of Key Performance Indicators (KPIs) to be defined to allow performance to be monitored.

KPIs themselves contain two parts

- The measure will focus on what needs to be tracked to ensure the objective is being met. Each measure will have alerts which if breached will trigger activity.
- The frequency determines how often the KPI needs measured and reported. A simple rule-of-thumb is that the more critical the KPI then the more frequent it needs measuring.

If there are issues then corrective actions can be undertaken



A model for Technology Governance – Communication

Timely and accurate data is required

- Support issues
- Changes due to be made
- Planning for future changes

Good communication is required. The message must match the 'ear' of the receiver

- Management – e.g. high level on issues
- Support staff – e.g. inflight issues



A model for Technology Governance – Too much vs too little

If the governance is 'too heavy' then

- Perceived as red-tape
- Ignored or not followed properly
- Therefore issues will not be trapped

If the governance is 'too light'

- Issue could be missed
- Small issues could escalate easily out of control
- Not fit for purpose and issues will be missed

Organisations change and therefore constantly review the governance in place



To summarise

- Governance is ensuring that the organisations are being run for the advantage of stakeholders
- OR ensuring organisations do what they are supposed to be doing

- Key elements of Technology Governance
 - Objective and Importance
 - Clear roles, responsibilities and ownership
 - Manage current problems
 - Manage short term future
 - Change Management
 - Long Term Planning
 - Performance Measurement
 - Plus effective communication

- Need to ensure suitable level of governance – i.e. not too much or too little

- Review governance structures in place as organisations grow and/or change

Thanks for listening

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