



IT GOVERNANCE: EFFECTIVE MANAGEMENT OF RESOURCES AND INFORMATION

Meeting citizen expectations when budgets are tight requires precision and alignment between governments' business goals and IT.

GROWING COST PRESSURES and citizens' demands for integrated services are pushing CIOs to gain greater business value from technology investments. As a result, CIOs are focusing on projects that improve the organization's efficiency and agility, such as centralizing and consolidating enterprise resources and integrating infrastructure and services. In fact, according to the National Association of State Chief Information Officers, consolidation and shared services topped the list of management priorities among its members. Budget and cost control also were in the top three. IT governance not only made the list at No. 10, it's also fundamental to meeting CIOs' other top objectives.

Effective IT governance helps CIOs keep IT initiatives in line with

the organization's mission. With proper IT governance processes in place, CIOs involve agency executives in decision-making and executing plans for future technology projects. Involving the business side is especially important with such projects as data center consolidation, where the benefit to business may not be immediately clear to nontechnical executives. Project and portfolio management (PPM) software can be used to keep executives informed throughout the project life cycle, so IT projects meet executive expectations. It also helps business managers understand how changes in resource allocation will affect their projects and how new project demands will affect timelines, staffing and funding requirements.

Aligning IT With Business Objectives

Technology managers and business managers often see projects from different perspectives. It's incumbent on CIOs to involve agency managers in the IT planning and decision-making process. CIOs typically fail to gain support from business units for two reasons: They don't effectively communicate the business benefits of their projects, or they don't fully understand business units' needs and therefore don't deliver what's needed.

IT directors and CIOs must stay in regular contact with department managers to recognize and foresee how technology can improve the way they carry out daily business. However, it's tough to discuss IT's applicability to the agency mission if you end up talking about mainframes, servers, routers and the like. IT directors must view and



California Department of Food and Agriculture Uses CA Clarity™ Project and Portfolio Management Software to Align Projects With Business Goals

CA Clarity Project and Portfolio Management (PPM) software helps the California Department of Food and Agriculture (CDFA) contain costs and align IT activities with agency business goals.

The CDFA works to assure food products are safe for California citizens. It also protects against pests and diseases, promotes best agriculture practices and supports the state's huge agricultural industry.

The CA Clarity PPM product is configured to make sure that each project supports the agency's objectives.

"That's how the tool is configured, from a portfolio perspective," said Chris Cruz, CIO of the CDFA. Each project has a business objective assigned to it within the system, and that business objective is closely aligned with the CDFA's mission and goals.

CA Clarity PPM software also helps keep IT staff and executives on the same page and informed about projects.

Executives want to avoid issues within the projects they oversee. They want projects to succeed, and they want to know about risks in advance. "This tool allows us to make projections on projects or see risks that may be coming so you mitigate those appropriately," Cruz said.

Project managers and executives can configure their own views and can easily change them when presenting information to others.

Managers can quickly determine how each project is doing in regard to its budget, scope and schedule. If a project is 10 percent off the mark in a key area, reassessments are done. The CDFA sets thresholds within the CA Clarity PPM offering to help managers keep projects on track.

The CDFA envisions that their PPM software will drive future cost efficiencies. "This tool will serve us as a cost-containment strategy, to help us manage and mitigate risk, and save costs wherever applicable," Cruz noted. Cost containment is one of the chief reasons PPM is becoming more popular.

Armed with the right information and software, CIOs and IT directors can manage IT projects and infrastructure with precision, earn the respect of agency managers and end-users, and successfully transform government services during a tight fiscal climate.

manage all IT projects and initiatives in terms of the services they provide or make possible, and conversations with agency management should be about the agency's business goals and services. The Information Technology Infrastructure Library (ITIL®) provides CIOs with a standard approach for services-based management.

As projects progress, CIOs should keep agency managers and decision-makers in the loop and discuss projects on a functional level, providing agency leaders with hard facts on the things they care about: costs, benefits, risks, project status and so on.

This is especially important when budget constraints are present. Using this data, business managers can make logical decisions about which IT initiatives can be cut and which ones are essential. It also helps determine where it's cost-effective to invest in IT in order to reduce costs in other areas. And it helps business managers understand costs associated with IT programs. When business managers are educated about these costs, they are less likely to be surprised and resist further IT investments.

Knowledge Is Power

Unfortunately, CIOs often can't pinpoint costs, resource allocation requirements, benefits and risks because they lack the software necessary to provide detailed information on these factors. So it's important for technology leaders to have dashboards and other mechanisms that help quantify these things for any endeavor — no matter how complicated — and easily communicate them to agency management. In addition, having PPM software that helps IT management assess, plan and execute IT projects with preci-

sion helps IT directors and CIOs earn the respect of agency management and end-users, which helps gain support for future projects.

CIOs should utilize software that helps them understand all of an organization's moving parts so they appreciate how IT systems interact — or should interact — across business functions and seize opportunities to improve efficiency and control costs. IT directors not only need to know the business of each department or division, they also must know what information and technology assets those divisions own. Armed with this information, IT directors can help agency leadership find ways to cut costs, improve efficiency and better serve citizens through the use of technology.

In an economic downturn, agency managers are likely to be more attuned to discussions on working across business functions to control costs or improve efficiency. CIOs should be equipped to show business managers and policymakers how a move will help them achieve their goals. CIOs and IT directors should also be able to assess how technology changes will affect resources and what risks are involved with IT undertakings.

It is imperative that CIOs and IT directors be able to measure the current risk situation as well as measure those associated with any future move they make, and then communicate them and their mitigation strategies to agency managers.

As governments face increasing budget challenges and citizen pressure for sophisticated service delivery, IT departments have a substantial role to play in meeting these demands. It's up to CIOs to show agency leadership how to accomplish these goals.



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