



Governance Model: Defined

Executive Summary

A CIO may command universal agreement on the need for a strong governance model, but among program managers, there is little shared ground on just what a governance model is. It is not that the intent of a governance model is elusive. On the contrary, there is industry-wide consensus that a governance model enables an organization to achieve a desired, and potentially mission-critical, objective.

This white paper explores pragmatic thinking on the components of a governance model. Once defined, the governance model will deliver the control, alignment, accountability, transparency and compliance results desired by organization leaders.

Impact of Governance Model Ambiguity

With industry watch groups citing success rates in the 30% or lower range for IT projects,¹ the downside of ambiguity in the definition of a governance model is undeniable.

It may be true that a lack of executive support or waning user involvement both undermine great initiatives. Yet the absence of a well-defined governance model that harnesses executive mindshare and user enthusiasm may be a more unifying observation.

To establish a baseline on the divergent views held by professionals on the definition of a governance model, we conducted a simple survey. A group of

program managers representing perspectives from North America, the UK, continental Europe, India and Asia Pacific were identified. All the program managers were from the senior levels of their organizations, with an average of 20 years of IT experience. They were given a simple exercise: Write down in two to three sentences your response to the question, "What is your definition of a governance model?" A sampling of the responses follows:

- "Program governance is a structured, temporary set of processes, escalation/communication and organization structures that steer and guide the program during its lifecycle while reaching the agreed end state."
- "Software project governance is the art of using processes across the project to assure that a finished quality project gets delivered on-time and on-budget."
- "Program governance is a working set of processes and management structures that allow key decisions to be made during the lifecycle of the program to ensure that the benefits and outcomes of the program are achievable."

Vendors contribute to the lack of consensus among program managers with their eagerness to insert a branded point of view on governance into the marketplace, along with their products, certifications and training programs.

It need not be so complicated.

Consider the basic governing needs of any endeavor. Regardless of size, scope or complexity, all endeavors require that decisions be made, things be done and people interact with other people. Whether it's "arrange surprise party for spouse" or "implement SAP across the enterprise," the effort requires the orchestration of decision-making supported by a set of recognized protocols so individuals can anticipate one another's actions, enabled by some type of collaboration mechanism.

Components of a Governance Model

In its most elementary form, then, a governance model is the coordinated interaction of three components:

- Decisioning structures
- Operating procedures
- Collaboration enablers

Decisioning Structures

Experience has shown that decisioning structures are frequently, if not solely, defined by organization charts. Three-tier governance models depicting descending authoritative control – from steering committee to program management office to project workstreams – provide excellent clarity in the hierarchical flow of control. The big, macro decisions are precisely allocated to executives, stakeholders and other decision-makers listed on the organization chart.

The issue with casting the decisioning component of the governance model solely on an organization model is that most decisioning takes place not at the macro level, but at the micro level.

It is the accumulated impact of small micro decisions, made by team members laboring toward their individual targets, that maintains an initiative's momentum. The daily grind of declaring an issue closed, deciding if a risk is worth mitigating or tuning a design change is performed by a myriad of invisible players on the organization chart. More significantly, as team sizes expand and co-location diminishes, the decisioning prerogative becomes more widely distributed.

Pre-defined roles and responsibility matrices extend the clarity of governance model organization charts by providing more precision in the allocation of decisions to authorized staff.

Governance Model Overview



Figure 1

The Potential for Good or Chaos

There is good and bad news regarding ever-expanding distributed decision-making. The good news is that the distance between decisioning need and disposition narrows, progress-to-plan is maintained, and costs are optimized. The bad news is that utter chaos could be just one invisible decision away.

Pre-defined roles and responsibility matrices extend the clarity of governance model organization charts by providing more precision in the allocation of decisions to authorized staff. The real world, however, is filled with an enormity of unknowns that challenge even the most thoughtful RACI (responsible, accountable, consulted, informed) chart.

How can governance model decisioning structures adaptively manage in our reliably unpredictable world?

The Leadership Culture

To preserve the good and keep the bad at bay, governance model decisioning structures need the crisp lines of authority derived from organization and RACI charts, supplemented by a more amorphous authority derived from a leadership culture – a leadership culture that rewards, supports and encourages decision makers, yet holds them to the same absolute accountability as organization chart decision makers.

Defining a leadership culture can be as problematic as defining a governance model. We believe

that culture is defined by the rules and lessons deemed valuable enough to be passed down from generation to generation. Projects assume their own cultures, adopting rules and lessons that drive behavior.

Some elements of a leadership culture can be engineered through the following types of measures:

- Recruit leaders with savvy instincts committed to leadership mentoring and training.
- Require frequent communications.
- Understand team dynamics by employing group dynamics models, such as the Tuckman Model of Group Development (e.g., forming, storming, norming, performing) or Cog's Ladder (e.g., the polite, why we're here, power, cooperation and esprit stages).
- Set clear behavior expectations, evaluate, improve and move forward.

Yet despite all the psychology of building a leadership culture, success comes down to the following: Creating an environment where people feel good about rolling up their sleeves and just doing the right thing.

Operating Procedures

"What's the process for that?" Every program manager has heard this question, most likely multiple times. The adoption of regularized expectations defining how things are done is elementary to converting random work efforts into collective results. Nearly 90% of the program managers who responded to the challenge of defining a governance model included processes as a model component.

Several entities provide a wide selection of thoughtful process models and protocol definitions, including the Project Management Institute (PMI), Projects In Controlled Environments (PRINCE2), Control Objectives for Information and Related Technology (COBIT), Information Technology Infrastructure Library (ITIL) and others. Navigating this sea of processes is its own challenge.

Which Processes are Best?

Ferretting out the best processes for a particular endeavor is not made any easier by experts and advisors touting their collection of processes as world-class or best-of-breed. The answer to what is really world-class or best-of-breed is an unfortunate and very unsatisfying "that depends."

There simply is no pre-set collection of processes with a single-size-fits-all profile.

An argument can be advanced that there is, at least, an essential set of required processes. A project with defined start/end dates commissioned to deliver a specific product requires a minimal set of processes, such as:

- Have a plan to achieve results (plan management).
- Work with other teams (interdependency management).
- Remove obstacles that impede progress to the plan (issue management).
- Avoid risks (risk management).
- Manage scope boundaries (scope management).
- Communicate to stakeholders (communication management).

Legitimate arguments could be made equally well for an alternate list of processes. The first step in determining which processes are required is developing an astute understanding of the behaviors that will best support your initiative in achieving its goal.

With the end in mind, processes can be selected from the rich pool of industry thought leaders. Purists may demand, "PMI or the highway." It is advisable, however, to consider industry processes as baseline definitions that can be re-tuned and mixed-and-matched to meet your initiative's particular needs.

Process Relevance

People gravitate toward what works and shun what is perceived as bureaucratic overhead. When process compliance atrophies, then the overall effectiveness of the governance model is proportionally diminished. Unfortunately, process abandonment is not an "if" but a "when" event.

Two factors drive diminishing process relevance. The first is the nature of a process. Process efficiency is based on a prescriptive definition of data, authorization and event sequencing. A by-product of any repeated activity is an inventory of process improvements. Periodically refreshing processes demonstrates the governance model's

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responsive agility to adapt to changing business needs and user preferences.

The second factor driving diminished process relevance occurs as initiatives move through their phase lifecycle. For example, early in a project's lifecycle, plan management and interdependency

management significantly consume a project's process focus. These processes become less relevant as the project transitions to operational mode. In that phase, process relevance shifts to service level management, incident and other service support procedures.

The takeaway is to conduct – well in advance of a project lifecycle phase change – a process review to validate process relevancy for the upcoming project phase.

Collaboration Enablers

When engaging in discussions on governance model definition, the mention of collaboration enablers as a model component typically solicits the response, “Hmm,” followed by silence. Even allowing for liberal interpretation, fewer than 30% of the program manager respondents in our informal survey mentioned collaboration tools in their governance model definition (see Figure 2).

Given that today's work world is flooded with unregulated flows of fast-moving data, a governance model lacking a collaboration enabler component is disconcerting. For decision makers and operating processes to have even a

minimal chance of success, a governance model must have capabilities equal to the challenge of receiving, aggregating, preserving and throttling these vast volumes of data. More importantly, the real value of the governance model collaboration component is providing people a mechanism to share, in real-time, their insights and observations. It is the cumulative impact of real-time shared insights and observations that transforms random, raw data into valuable information.

Globalized, Virtualized World

Clearly, grand endeavors have succeeded long before vast volumes of data flowed over cloud-enabled information portals and social collaboration platforms accessible via mobile devices. Egyptian pharaohs, after all, built pyramids using clay tablets.

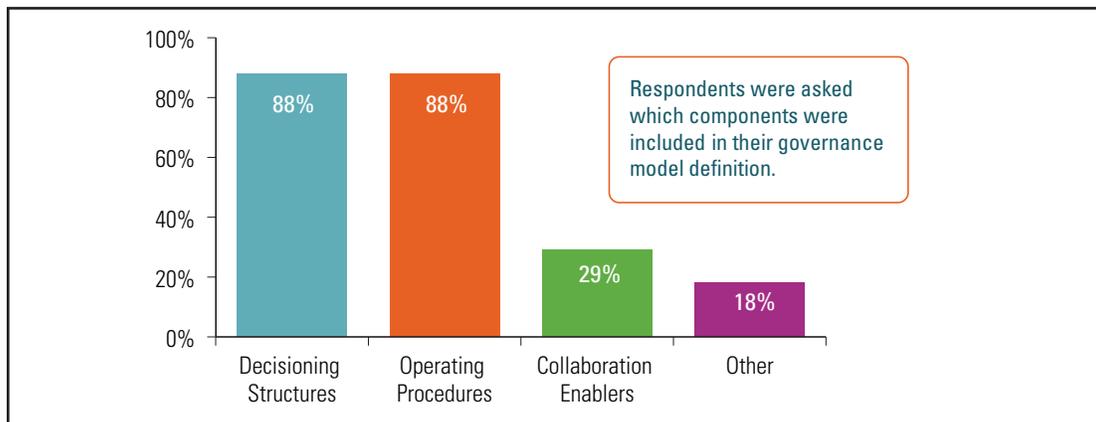
The world today is, of course, quite different. The irony is that we have not only been enabled by this infinitely connected world, but we have also been transformed by it. The workforce today is global. The workplace is increasingly a transient, virtualized environment, where an office can be defined by nothing more than a patch of ground with reliable mobile device reception. Given ubiquitous access to an abundance of information, governance model design may have some clay feet to shed.

At the Speed of Data

Consider the consequences of a two-legged governance model attempting to manage data that arrives quickly, frequently and with content value that diminishes over shorter and shorter time spans.

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Governance Model Survey Results



Source: Cognizant survey of program managers
Figure 2

When rescuing struggling projects, the issue management process is a high-priority review target. Issue management is the operating procedure designed to remove obstacles impeding progress to plan – a result highly desired by any struggling effort. Issue data also have the arrival speed and accelerated perishable date characteristics noted earlier.

Not surprisingly, projects in duress typically have two elements of the governance model in place. Decisioning structures are adequately defined, and operating procedures have adoption rates within acceptable norms. However, almost without fail, the diagnostic review reveals that the underlying collaboration tool for issues management is an Excel-based issue registry and a storm of e-mails flooding the in-boxes of decision makers. Absent a collaboration enabler to capture and knit disparate issue data together, decision makers and the issue process are victims rather than masters of their data.

Institutional Memory

The response to, “Why did we make that decision?” should not be, “We don’t know – the manager who made that decision left the project.” The response should have an auditable timeline that is accompanied by the data and attachments generated from decision inception to decision disposition.

It may be trite to cite the old adage, “Those who cannot remember the past are condemned to

repeat it.” But having an institutional memory that preserves not only the decisioning data but also the thought process revealing why a decision was made may well be the slim edge a project needs in order to hit its aggressive deadlines.

In our highly time-pressurized, time-is-money world, a three-legged governance model that integrates decision makers and operating procedures with high-value information will deliver the control, alignment, accountability, transparency and compliance results desired by all.

The Exercise - Redux

Let’s return to the exercise and write down in two to three sentences a response to the question, “What is your definition of a governance model?”

“A governance model is the interaction of three components: decisioning structures providing management control at macro and micro levels; operating procedures converting random work efforts into collective results; and collaboration enablers managing information flowing in an ever-expanding, globalized and virtualized work world.”

Your CIO will welcome your clarity.

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¹ “Chaos Manifesto 2011,” The Standish Group, March 2011.

About the Author

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