



## Integrated IT governance: providing agency transparency and visibility

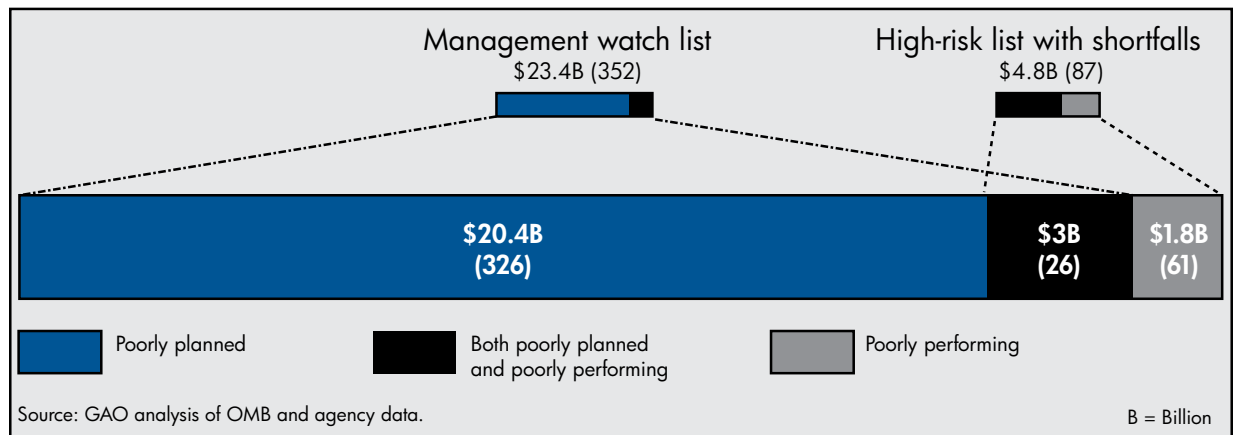
Business white paper

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**Figure 1:** Poorly planned and performing federal IT projects



## Executive summary

Over the past two years, the U.S. economic condition has worsened to levels not seen since the Great Depression, giving rise to corporate bailouts, bank failures, rampant unemployment, and an unprecedented \$787 billion economic stimulus package. And for IT and associated support services in 2009<sup>1</sup>, the President proposes to spend nearly \$71 billion. While this is good news for federal agency IT organizations, the combined track record for implementing successful projects on time and within budget is less encouraging, and underscores the need for the understanding and adoption of best practices in IT governance.

As indicated in Figure 1, the Office of Management and Budget (OMB) and federal agencies have identified approximately 413 IT projects—totaling at least \$25.2 billion in expenditures for fiscal year 2008—as being poorly planned, poorly performing, or both. Specifically, through the Management Watch List process, OMB determined that 352 projects (totaling about \$23.4 billion) are poorly planned. In addition, agencies reported that 87 of their high-risk projects (totaling about \$4.8 billion) were poorly performing. Twenty-six projects (totaling about \$3 billion) are considered both poorly planned and poorly performing.<sup>2</sup> For federal IT executives in search of measures to prevent such unwelcome notoriety, integrated IT governance increases accountability and transparency, thereby avoiding the OMB scrutiny and appearing before a congressional oversight panel.

Additionally, CHAOS Research reports that in 2008, project failure rates were the highest in over a decade for both government and private sectors. The report also shows a substantial increase in both cost and time overruns, increasing from 47 percent in 2006 to 54 percent in 2008. As IT becomes an integral factor supporting the economic recovery and transformation efforts within the public and private sectors, IT governance emerges as a key component for managing the enterprise IT portfolio and enabling full integration of proper mechanisms.

Given these circumstances, IT governance is no longer just a compliance process, but rather a critical capability that every CIO organization must have in order to facilitate efficient utilization of government resources and maximum return on the taxpayers' dollars—while complying with federal regulations such as OMB A-123, Federal Information Security Management Act (FISMA), OMB A-11, Sections 300 and 53 reporting requirements; as well as the Clinger-Cohen Act (CCA), and Title 10 of the United States Code Section 2223.

This paper will explore how integrated IT governance best practices and HP Project and Portfolio Management (PPM) Center software can influence overall organizational performance and help government agencies deliver capabilities that help maximize the business value of IT within acceptable risk tolerance and cost constraints.

<sup>1</sup> Analytical Perspectives, Budget of the United States Government, Fiscal Year 2009

<sup>2</sup> GAO Report: "OMB and Agencies Need to Improve Planning, Management, and Oversight of Projects Totaling Billions of Dollars," July 2008

**Figure 2:** Corporate and IT governance relationship

## Governance, compliance, and IT: What's the relationship?

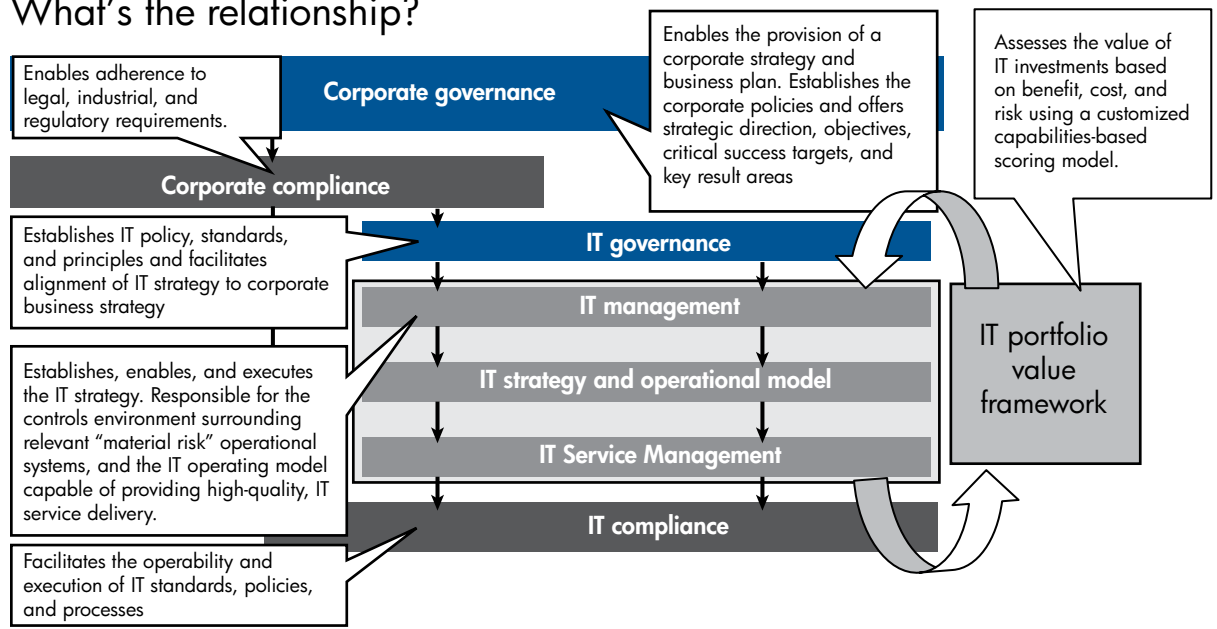


Figure 2 illustrates the relationships and functions of IT governance in the context of the overall organizational model. While the CIO is responsible for implementing and managing IT governance, there is direct accountability and reporting to the executive levels, which emphasizes the role of this critical function, as senior management relies on the recommendations of the CIO and other senior IT staff to make fact-based decisions on IT investments.

## Integrated IT governance

### What is integrated IT governance?

Integrated IT governance is a set of processes and procedures exercised by executive/senior management of the enterprise or agency. It is designed to establish and communicate strategic direction, assess progress toward goals and objectives, manage risk, control cost, and achieve optimum resource allocation.

### What is the purpose of integrated IT governance?

Achieving the following performance objectives associated with IT initiatives is the goal of integrated IT governance:

- Align capabilities to the specific IT investments and solutions, thereby avoiding duplication and identifying critical gaps

- Develop objective, actionable, and fact-based recommendations to support investment decisions
- Enforce adherence to enterprise-wide technical standards
- Achieve a comprehensive and structured method of prioritization
- Improve decision-making and performance across the enterprise
- Promote transparency and accountability in the budgeting process
- Perform sensitivity analysis and scenario planning to constrain expected outcomes

### What are the benefits of integrated IT governance?

- Formalizes IT oversight and accountability to enable more effective IT management
- Improves planning, integration, communications, and performance between the business units and IT organization
- Fine tunes IT spend decisions
- Improves outsourcing initiatives
- Enhances human capital resources and assets
- Advances organizational efficiencies
- Facilitates compliance and audits by documenting processes, controls, and decision authority
- Reduces risks and improves bottom-line results

“As a proponent of IT governance, our CIO concluded that an IT governance solution would provide automated portfolio management oversight, improve the IT organization’s ability to gauge the health of active IT projects, and improve forecasting of what it did in the future. HP PPM Center was the smart decision.”

Director, IT Strategy and Program Management,  
North American energy utility provider

## The foundation for effective integrated IT governance

Effective integrated IT governance is built on three main components:

- **Strong leadership, organizational structure, and decision-making model.** The organization structure, roles and responsibilities, decision-making model, and the operating model, including the touch points, need to be clearly defined. A well-designed, results-oriented performance management system to promote, mobilize, and change is essential.
- **Lean, flexible, and scalable processes.** A successful IT governance model relies on process implementation and improvement. This entails clear documentation of processes and established targets for improvement, as well as hand-offs or interfaces among organizations internal and external to IT.
- **Supporting technology.** To enable sufficient oversight and process implementation and improvement, leading supporting tools and technologies should be leveraged. This would include strategic planning and financial management, portfolio investment management, program/project management, communication/change management, IT Service Management and delivery, resource/asset management, and performance management tools.

## Integrated IT governance framework

An integrated IT governance framework includes the major components of governance:

- Business/IT alignment (for example, corporate and business-unit strategic planning)
- Demand management (for example, portfolio and investment selection and prioritization)
- Execution management (for example, program/project management, process management, resource management, service management and delivery)
- Performance management and vendor management (for example, scorecard management, customer satisfaction, vendor/outsource management)
- People development and continuous process improvement

**Business/IT alignment:** Most organizations have IT strategic plans that are aligned with the business in principle. It is critical to maintain a strong alignment between business and IT to provide sufficient guiding principles and decision making to rationalize and to prioritize the IT investment portfolio. Unfortunately, due to myriad factors and the time required to develop and approve the IT strategic plan, the business/IT alignment may not be as tight as most organizations desire.

# “NextGen... portfolio management is key.”

Victoria Cox, FAA, ATO, Senior VP for NextGen and Operations Planning<sup>3</sup>

**Demand management:** IT services demand typically fall into two categories: mandatory (often called operational) and discretionary. Mandatory spend includes those activities that address service interruptions, standard maintenance, keeping the operations running, and regulatory compliance. Discretionary spend includes activities that are aligned, feasible, cost justified, and strategic. According to the decision-making model and guidelines, the request for all these services needs to be approved by business/IT leadership in the IT strategic and operating plans. Most organizations have an internal budget process for forecasting IT demand services, yet some may come through outside of the budget cycle and still need to be addressed.

**Execution management:** To facilitate successful execution of the approved IT services, organizations need strong program and project management, process management, IT Service Management and delivery, resource management, strategic sourcing, and vendor management.

**Performance management and vendor management:**

As part of the governance process, performance and change management is required to monitor the progress and outcomes of the established IT goals and objectives, and take corrective actions or changes as required. Risk management is another necessary component of performance management to continuously monitor expected and unexpected risks, and to provide turnaround actions for risk mitigation and reduction. Moreover, management controls are required to meet regulatory, audit, and management requirements as defined for the organization.

**People development and continuous process**

**improvement:** As the IT organization continues to mature, it's critical to have human capital management and continuous process improvement management as an internal discipline.

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<sup>3</sup>Victoria Cox, presentation March 4, 2009, “Delivering NextGen—Next Generation Air Transportation System”.

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# Implementing integrated IT governance

To implement integrated IT governance, ICOR has developed a six-step process that focuses on generating “quick wins” by breaking down complex IT issues into small pieces for easier decision making and mobilizing change in the organization.

## **Step 1: “Buy-in”—secure organizational support**

The first step in the approach is setting objectives for the organization and providing initial direction. Enabling **business/IT alignment** and developing a mutually-agreed operating model is the key theme of this step. From then on, the team will follow the **demand management** model, which includes the financial management, portfolio management, risk management, and performance management framework. While the CIO or federal executive drive the direction-setting process, it is imperative to get stakeholders into the effort.

## **Step 2: “Best practices”—align with industry frameworks/best practices**

During this step, ICOR will set up the team for **execution management** on an ongoing basis. We will assess the needs of the organization and the potential frameworks such as Project Management Body of Knowledge (PMBOK), Capability Maturity Model Integration (CMMI), Information Technology Infrastructure Library (ITIL), Control Objectives for Information and related Technology (COBIT), Software Development Lifecycle (SDLC), and Security (ISO17799) that will meet the needs of that organization. Each organization is unique and thus needs a set of frameworks that works for that organization’s requirements. Additionally, the structure should have the capability to evolve based on particular circumstances.

## **Step 3: “Quick strike”—conduct current state assessment**

As part of the **execution management** that supports the federal agency attainment of the maximum level of management efficiency, effectiveness, and sustainability, ICOR will perform various activities to provide an accurate “picture” of the current state of the program investments. During this phase, we will work with the federal agency and other relevant stakeholders to formulate a strategic portfolio

management process model, portfolio analytical framework, and reporting capabilities. In aggregate, our portfolio categorization, classification, and balancing activities will facilitate “right initiatives” and “right assets” for the organization to accomplish strategic goals and objectives.

During this step, ICOR will also establish the **performance management** framework to establish the “as-is” picture and the “to-be” state. Typically, we will leverage the balanced scorecard to provide transparencies of the Key Performance Indicators (KPIs) and other performance metrics. The **vendor management** framework will also be agreed upon at this stage.

## **Step 4: “Deep dive”—determine data and process gaps**

During the deep dive, ICOR will perform additional investigation and analysis of the organization’s initiatives to close the “data” and evaluation gaps. We will work with leadership, project managers, and stakeholders to analyze the collected program data, related policies, audits, approvals, and guidance that govern investment management decisions.

## **Step 5: “Automate”—implement tools to support business**

During this step, HP and ICOR will help enable the organization to implement tools to support its business. In order to effectively realize the benefits tendered by transformation, the organization must introduce and use new tools that will help the organization focus on its core business and enhance collaboration. The benefits of implementing these new tools include providing adherence to cross-functional process workflows, enabling tracking and measurement of progress, driving effective communications, and delivering organizational knowledge management.

## **Step 6: “Long haul”—improve business cycle**

Improving the business cycle enables the organization to conduct its business in a consistent and repeatable manner. This offers reliable and dependable service while setting a routine and proper discipline for staff and contractors. Typically, this will include the establishment of **people development** and discipline of **continuous process improvement**. Additionally, documented processes enhance compliance with internal and external audits as well as help to mature the organization toward industry standards such as the COBIT 4.1 and ITIL V3.

# Software tools for integrated IT governance

The Gantry Group HP PPM Center ROI Benchmark Study determined that increased visibility into the portfolio enables IT to cancel projects that do not demonstrate sufficient value. Doing so saved study participants 7.8% of their annual IT budget after one year, rising to 12.6% after three years.

Effective integrated IT governance establishes the decision rights necessary to encourage the collection and sharing of information, which is required to have a business-oriented discussion on how much should be spent on IT to achieve an agency's desired goals. Project and portfolio management is an integral part of the overall integrated IT governance model especially in the **demand management, execution management, and performance management** areas. HP and ICOR have partnered to offer federal agencies a cost-effective sustainable solution for implementing an integrated IT governance model. HP Project and Portfolio Management (PPM) Center is the enabling technology that automates and enforces critical IT governance processes.

The Gantry Group HP PPM Center ROI Benchmark Study revealed that participants improved project timeliness—those coming in on time and within budget—by 30% after one year of HP PPM Center deployment, rising to 45.2% after three years.

Successful project and portfolio management requires a focus on business outcomes at the aggregate level, not just success at the project level. Solving the challenges of project and portfolio management does not require more and better project management tools, it requires an integrated top-down view of all IT activities, so that executives have increased visibility, control, and flexibility to govern the entire IT portfolio.

With this information comes transparency and reliable reporting and analysis, enabling IT to have more productive and fact-based conversations with agency stakeholders.

HP PPM Center enforces and automates the processes, the data collection, and the reporting that drives integrated IT governance. Some common needs include:

**Better visibility:** The organization needs complete visibility into everything IT is working on, including project health metrics, non-project work, resource allocations, and overall costs against budgets. It also needs the ability to aggregate both strategic and operational projects, and see the total demand being asked of IT and its capacity to meet it. This visibility helps identify projects that have the highest potential for return on investment (ROI) and to enhance the portfolio accordingly.

**More controls:** Integrated, top-down project and portfolio management can help an organization cut costs by automating and enforcing project, program, and portfolio processes. Implementing standard project management processes will also help gain transparency into critical financial data and allows decision makers to quickly see how the initial estimates are holding up against project actuals.

This enables rapid course correction and helps keep more projects on time and within budget.

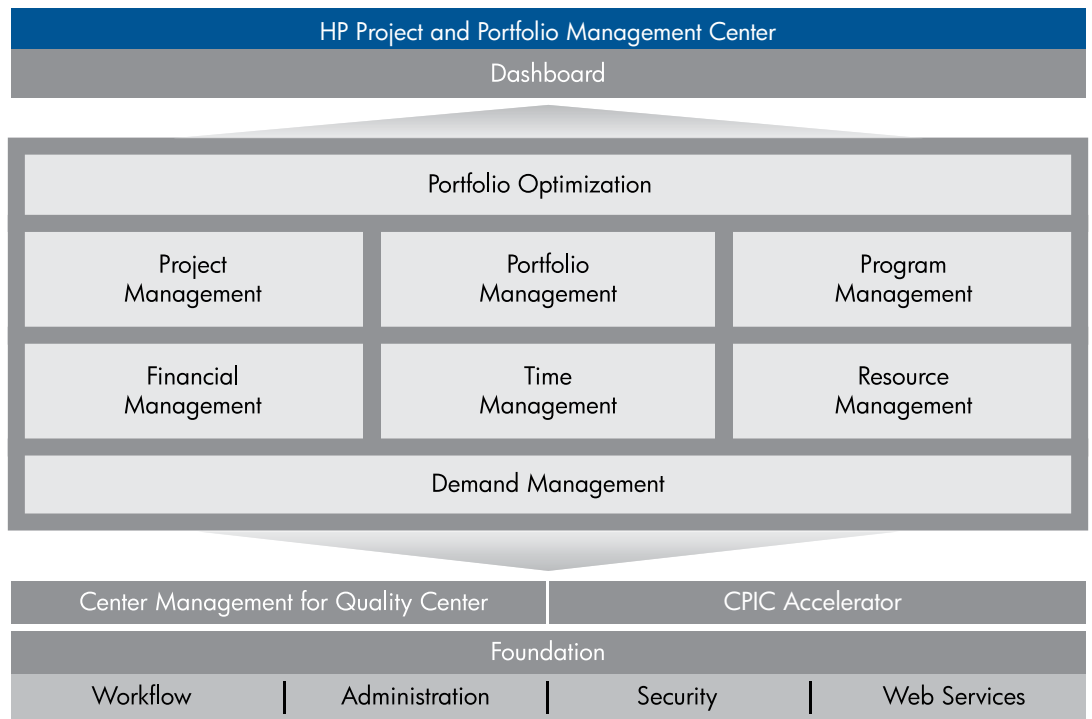
**Increased agility:** As the needs and priorities of the organization change, IT needs to be able to conduct top-down and bottom-up planning quickly, considering cross program/project interdependencies. The ability to bring in project plans from various tools such as Microsoft Project, Excel, Word, and other data sources and gain an aggregate view across strategic and operational projects is critical. Also, an organization needs to be flexible enough to implement standards and methodologies that map to its maturity level.

**Reliable reporting and analysis:** Automating and standardizing project and portfolio management processes helps verify that the data recorded by key stakeholders and project team members is consistent and reliable across all project types. This provides the basis for apples-to-apples comparisons that drive effective decision making at the portfolio, program, and project levels. Operational reports should be easily printed to support rapid review of project budgets and financial analysts can gain real-time insights into emerging trends with ad-hoc reporting. At the same time, analytical reports can be used by management to identify and resolve issues before they become significant problems.

**COBIT and other best practice enforcement:** HP PPM Center enables methodologies and frameworks based upon industry-standard best practices to be automated and enforced through the HP PPM Center workflow engine. This provides a foundation for effective governance and regulatory compliance.

Gartner Group reports that for public and private sectors alike, "measuring improvements and benefits realized from the introduction of project portfolio management" ranked second in the list of top challenges facing IT Project Management Offices. —Research Agenda for Program and Portfolio Management Leaders, March 2009

**Figure 3:** HP integrated approach to project and portfolio management



**HP Project and Portfolio Management (PPM) Center**

HP PPM Center software standardizes, manages, and captures the execution of project and operational activities. It provides critical information in real-time to help you make the right decisions at the right time. With HP PPM Center, you can govern your portfolio of IT projects, applications, and opportunities with effective collaborative processes.

**HP Capital Planning and Investment Control (CPIC) Accelerator**

HP CPIC Accelerator, part of HP PPM Center, automates the capital planning and investment control process, and offers lifecycle support for the submission and reporting of investments through OMB Exhibits 300 and 53. HP CPIC Accelerator also supports process integration with the System Lifecycle management, creating direct linkage between operational project and execution information, such as net present value, EVM-ANSI 748, and project lifecycle costs.

**How it works**

With HP CPIC Accelerator, you can apply a consistent process that results in properly vetted and completed OMB Exhibit 300, so you increase the likelihood of

receiving your requested budget allocations. You can align roles and responsibilities with particular workflow steps in order to author, review, and approve Exhibit 300 sections in a Web-accessible solution with full audit trail and security. HP PPM Center’s robust workflow engine provides complete process control, including field-level auditing so you know who did what and when. You can enforce standard agency-specific processes within the solution, not just in a reference schematic.

Once the OMB 300s have been captured in HP PPM Center’s central repository, the CPIC process continues. HP PPM Center is the only single solution that provides full CPIC process capabilities from proposals (select phase) to program and project management (control phase) to investment analysis (evaluate phase) with a built-in Earned Value Management System (EVMS) and a best-of-breed document management system. By providing a framework that empowers you to quantify and manage the value of IT impact on mission performance, HP PPM Center helps you successfully deliver against the President’s Management Agenda (PMA) and meet compliance mandates.

**Figure 4:** HP PPM Governance Center supports integrated IT governance framework

## Executing an integrated IT governance implementation with HP PPM Center

Governance areas	How HP PPM Center helps
<p><b>Business/IT alignment</b></p> <ul style="list-style-type: none"> <li>• Strategic plan—vision, mission, goals, objectives, guiding principles, values</li> <li>• Business performance management—strategic management process, metrics</li> <li>• Operating model—oversight structure and process, operational interfaces, organizational structure, and roles and responsibilities</li> </ul>	<p>HP PPM Center provides a framework for capturing and establishing a performance management baseline, as well as modules to monitor workflow, performance results, and reporting. Web-based portlets and dashboards can be configured to communicate progress and facilitate leadership deliberations required to balance and enhance investments to drive business and IT alignment.</p>
<p><b>Demand management</b></p> <ul style="list-style-type: none"> <li>• IT financials—capital/expense budget</li> <li>• IT portfolio management—investment, rationalization, selection, prioritization, funding, and approval</li> <li>• IT risk management—risk identification and quantification, ranking and contingency/disaster recovery plan</li> <li>• IT performance management—IT strategic management process, metrics</li> </ul>	<p>With HP PPM Center you can control the “front door” to IT, using powerful workflow processes to collect, track, and resolve service requests; application change requests; project risks; and strategic proposals and business cases. HP PPM Center supports demand management for any asset class or service. Pre-configured modules and Web services are provided for the most common work streams and a dynamic workflow module is provided to allow users to modify or configure their own unique processes.</p>
<p><b>Execution management</b></p> <ul style="list-style-type: none"> <li>• IT tactical/operating plans—capital plans, project plans, and budgets</li> <li>• Policies, standards, guidelines, processes—Enterprise Architecture (EA), security, Project Management Office (PMO), and ITIL</li> <li>• Processes—administrative Standard Operating Procedures (SOPs), workflows</li> <li>• Financial, program, project, application, maintenance, and operational accountability</li> </ul>	<p>HP PPM Center supports collaborative project management, integrated project/process control and provides real-time visibility and transparency into execution progress. HP PPM Center Demand Management module, coupled with the 100% Web-based project management module, allows organizations to automate process and procedures for full compliance with ITIL, Consolidated Omnibus Budget Reconciliation Act (COBRA), FISMA, and OMB requirements. Pre-configured reports, dashboards, and analytics are available that help management monitor, track, and accelerate delivery, as well as provide transparency and visibility to stakeholders.</p>
<p><b>Performance management and vendor management</b></p> <ul style="list-style-type: none"> <li>• Performance management plans—organizational and individual metrics, targets, goals, lexicon, accountability map, and plan of action</li> <li>• Risk management plan—risks metrics, plan of action, and change management</li> <li>• Outsourcing tracking and measurement</li> </ul>	<p>HP PPM Center provides pre-configured modules for risk management, complex program/project management, and financial audit reporting. Workflow processes and standard techniques such as earned value management, financial auditing and performance scorecard reports are pre-configured. Other processes for acquisition, grant, or procurement can easily be configured to help assure performance on contracts or service level agreements.</p>
<p><b>People development and continuous process improvement</b></p> <ul style="list-style-type: none"> <li>• Human capital development</li> <li>• Organizational, program/project maturity models and standards</li> <li>• Cultural change management and transformation</li> <li>• Education, training, and certification</li> </ul>	<p>HP PPM Center is a proven solution that can adapt and evolve with the current and future maturity level of an organization. This directly supports the management of transformation, education, and communication tasks required for continuous process improvement. HP PPM Center was designed to take advantage of third-party document management tools, such as Documentum, as well as HR, financial, and other industry-standard, back-office applications to help automate processes and reduce data entry.</p>

# Roadmap to implementing IT governance

For most IT organizations, there is no question that better governance of project and portfolio management processes is needed. The question is how to get started on the road to implementing new processes and standards for investment selection, balancing, and governance. Your starting point will depend on your agency's particular set of challenges and goals.

1. **Business/IT alignment:** You cannot calibrate the business value of an individual project if you cannot see the big picture. However, many organizations continue to manage the IT project portfolio as a collection of individual projects rather than as a portfolio. To be effective, your portfolio management solution should enable you to govern your entire IT portfolio by evaluating, prioritizing, balancing, and approving both new initiatives and existing assets and operational systems; analyze multiple "what-if" scenarios; and align with your agency strategy with budget and resource constraints.

Your project and portfolio management solution should be designed to give you a unified and collaborative environment that is needed to let business and IT stakeholders collaboratively govern the portfolio.

Whatever stage of maturity describes your organization today, HP PPM Center can help you progress toward desired goals quickly and with reduced risk or disruption of existing processes. Unlike approaches that only offer time reporting systems and project scheduling tools, HP offers top-down planning capabilities that are supported with bottom-up detailed project plans. This starting point offers you the flexibility to make effective portfolio decisions in a process that works best for your organization.

#### **Checklist—you need a better business/IT alignment solution if:**

- You have no aggregate-level visibility into time, cost, and resource information for project and non-project efforts.
- In-flight projects, strategic projects, and operational work are all managed and maintained in different systems of record.

- You are not able to get an objective analysis of the items in the portfolio; there is too much weight given to subjective criteria and internal political considerations.
- You cannot do apples-to-apples comparisons of the expected ROI or net present value (NPV) of requested projects in the portfolio.
- Processes are not automated and your staff is frustrated feeding the same data into multiple systems with little collaboration, visibility, or reporting services.

2. **Demand consolidation:** The first step in consolidating IT demand is to identify a solution that is capable and supports flexible/dynamic workflow for aggregating and managing all the diverse demands placed on IT investments: developmental projects, operational projects, strategic projects, and projects that are mandated by external organizations, the federal government, or your CIO. You also need a solution that allows you to bring in existing project plans from Microsoft Project, Excel, Word, and other disparate project data sources, and you'll need to create an aggregate view across all project types.

#### **Checklist—you need a better demand consolidation solution if:**

- You are using multiple systems that are not integrated to collect, track, and resolve IT service requests for new projects, service, or configuration management.
- You are only tracking large strategic projects and not operational assets or smaller developmental efforts.
- Requests frequently come in the back door, are not formally managed, and have poor alignment with business objectives.
- There is no consistent prioritization: the squeaky wheel gets the oil.
- There is no audit trail for requests or actions taken.
- The service levels for responding to and completing requests are difficult to measure, manage, and report.
- There is poor alignment with enterprise architecture (EA), FISMA, and strategic objectives and inability to measure, manage, and report on each of these areas.

“When we evaluated our IT application and change management options, HP Software was the only solution that met all of our critical needs. Now we have a central repository of up-to-date, validated data, and a number of management tools that let us work more productively without adding full-time employees (FTEs).”

Chris Briley, Assistant Vice President,  
Project Management Office, Legg Mason

3. **Execution management:** The average IT organization is constantly juggling multiple projects, processes, and resources. Conflicts are inevitable and with so many variables, effective management of these diverse entities can be extremely difficult.

Your project and portfolio management solution should enable you to collaboratively manage the execution your programs and/or projects from conception to completion. It should allow you to automate processes for managing the business case, acquisition, scope, risk, quality issues, and detailed schedules, so that you can deliver complex projects with the highest quality and business value possible within time and budget constraints.

**Checklist—you need a better project execution solution if:**

- Your company lacks a real-time status/health view into critical projects.
- IT projects are frequently late and over-budget, creating constant headaches—and the perception that IT “just doesn’t get it.”
- You are having difficulty keeping your current tools, such as spreadsheets, binders, and compliance reports up-to-date and in sync.
- Inadequate visibility into resource availability is impacting your staff’s ability to manage projects effectively.
- You are unable to offer management hard data to support your budgetary and resource needs.
- There is little or no monitoring or execution tracking between the proposal and planning process or the follow-on acquisition/contract and delivery processes.

- There is inadequate visibility into the risk management process, the performance management process, and the security reporting required for OMB compliance reporting.

4. **Performance management and vendor management:** Within the federal sector, CPIC dominates the performance management reporting and compliance requirements. CPIC consist of a structured set of data objects and reporting requirements published by the OMB. These requirements evolve frequently and as such every federal agency must capture new data elements from diverse organizations and groups, and consolidate the results for analysis for required performance reporting to OMB.

Although most agencies have highly customized software to compile and produce the OMB reports required, many of these applications lack the ability to track/monitor the collection of data from various sources or the ability to dynamically configure/adjust the process as required. Moreover, there is very little integration with existing financial, security, and enterprise architecture systems or the ability to provide dashboards, reports, and analytics to leadership on progress.

An agency’s CPIC solution should be designed to pull/push data from other systems easily, facilitate analytics and reporting as well as support dynamic workflow and security. Thus enabling data collection, processing and reporting that aligns with OMB’s requirements. It should also provide an agency the ability to baseline performance metrics, service level agreements, and track the results over time.

“The rate of corporate change was too rapid and project complexity too great to manage with anything less than what HP Project and Portfolio Management Center provides.”

Applications Manager,  
Packaging and High Performance Materials firm

**Checklist—you need a better performance management solution if:**

- You would like to use portfolio management techniques to gain real-time insight and transparency into the details of ongoing initiatives to enable effective decisions, as well as produce required CPIC compliance reports.
- You have performance information requirements that you need to capture from separate organizations such as security, enterprise architecture, and ongoing program/project IT projects that needs to be consolidated, vetted, and approved.
- You desire integration between existing financial and budget formulation and EA or asset tracking systems to reduce data entry and improve quality.
- You would like to leverage a commercial off-the-shelf product for all demand management; project and portfolio management that provides annual updates required for compliance with OMB requirements.
- You do not have the ability to define/create a workflow process for data capture without the need of software developers.

5. **People management:** It can be extremely difficult for any organization to match the skill levels and availability of multiple IT professionals with specific project timeframes and deadlines.

The project and portfolio management solution should provide visibility into resource availability and utilization across projects and non-project work to allow for better planning, forecasting, and scheduling. In addition, it should allow for resource planning and tracking of actuals at multiple levels: the staffing profile level, the project level, and the task level.

**Checklist—you need a better resource management solution if:**

- You are not sure your staff is always working on the right projects at the right time.
- You cannot pinpoint when a skill or a resource can be available.
- You do not know how much of your capacity is consumed by strategic projects as opposed to operational activities.
- You are not tracking what tasks people worked on previously.
- It is difficult to determine what training is required for which employees.
- Cost accounts cannot be established at the correct level for project monitoring because resources are not mapped to the correct activity level required for earned value management.

## Conclusion

To sustain an integrated IT governance model and increase yield of benefits, an organization should adopt some key principles for the transformation effort:

- **Leadership sponsorship:** Requires leadership and executive management commitment and sponsorship for implementing integrated IT governance. Leaders of the organization need to create a shared vision that is achievable, easy-to-understand, beneficial, and measurable.
- **Mobilize change by right incentives:** For any change management, having a well-defined performance management and incentive system to mobilize change and gain commitment is essential. Otherwise, the most well-designed integrated IT governance model cannot be sustained.
- **Clarify decision-making process:** Having clarity in the decision-making process will reduce a lot of uncertainties and potential reworks. IT is a complex environment and there are always competing priorities. Having the right “chain-of-command” for decision making will accelerate productive decision making and outcomes.
- **Assign ownership and accountabilities:** Change is reinforced, supported, communicated, championed, recognized, and rewarded by owners who are accountable to facilitate change to help ensure the integrated IT governance model will “stick” in the organization.

- **Disciplined performance management process:** A performance management system does not stop when a scorecard is defined and published, rather it requires regular usage and review by decision makers during their strategic management process to enable continuous improvement and learning within the organization.

The importance of managing IT to deliver value-added capabilities is well understood by senior executives in most organizations. The question is how to implement and sustain it effectively through a well-designed, integrated IT governance model. Each organization has its inherent challenges and there is no “one-size-fits-all” solution that will guarantee success. This paper proposes a set of frameworks, approaches, tools, and best practices for organizations to consider while implementing the integrated IT governance model and continue to drive maturity.

HP and ICOR’s combined experience in implementing integrated IT governance models in large federal agencies and Fortune 500 companies indicates that using a fact-based model will increase transparency and visibility that enable effective decision-making, sharing results of change, resolve conflicts, and drive bottom-line results more quickly.

## HP and ICOR

The strategic partnership between ICOR Partners and HP Software & Solutions bridges the gap between the theory and practice of integrated IT governance. Together, they provide the methodologies and tools for enterprises to realize the full advantage of integrated IT governance: alignment of IT capabilities with strategic priorities and business needs, proactive decision-support framework, improved allocation of resources, and effective IT investment management. When successfully implemented and realized, integrated IT governance becomes a transformational endeavor.

ICOR Partners has developed a set of IT governance best practices specifically designed to complement HP PPM Center software.

Together, HP Software & Solutions and ICOR deliver end-to-end IT governance solutions—based on supplier independent best practices—that allow organizations to realize the best possible business value from their IT investments.

### About ICOR Partners, LLC

ICOR Partners, LLC is an award-winning strategy, transformation, and business-improvement consulting firm. ICOR's mission is to be the trusted advisor that helps clients achieve sustainable success by solving their most important challenges. Headquartered in Arlington, Virginia, ICOR is a member of the Inc. Magazine "2007 INC. 500" and a Consulting Magazine Small Jewel Award honoree.

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## Technology for better business outcomes

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