Process Governance in an Agile Environment Demands Flexibility, Agility, Speed but also Control to Deliver Success

Abstract

IT and Process Governance has moved to the forefront of business and IT organizations over the past decade as it contributes to developing trust between the service organization and its stakeholders and customers.

Good governance is rarely mentioned in the evening news, however, there are many examples where governance has failed, and global business mishaps, or total failures, have been highlighted in the news.

Most organizations have a great intent, use state of the art tools, and well-defined processes and procedures, but the lack of well-defined governance is slowly engulfing the organization into a black hole of missed opportunities.

Today's business and operating environment demands an Agile approach to IT and process governance to ensure flexibility, speed and agility exist but with enough control to ensure success.

One specific IT governance challenge I will address in this white paper is *The information gap between IT leadership and IT operations* that exists in many organizations.

Establishment of a Process / Product Owner for each critical process and the development of flexible strategic process roadmaps (i.e., prioritized backlog) will help eliminate this information gap.

Lack of assigned ownership creates pain for the organization

Organizations that are implementing any type of process such as operational IT or strategic business processes must establish clear ownership and accountability of the processes being implemented and continuously improved.

Ownership as defined by Scrum:

A Product Owner is <u>accountable for maximizing the value of the product</u> resulting from the work of the Scrum Team. The Product Owner is also accountable for effective Product Backlog management, which includes:

- *Developing and explicitly communicating the Product Goal;*
- *Creating and clearly communicating Product Backlog items;*
- *Ordering Product Backlog items; and,*
- *Ensuring that the Product Backlog is transparent, visible, and understood.*

For a process, the Product Owner is the Process Owner who is accountable for the process in every aspect including the value delivered, both from an IT and business perspective. The Process Owner is also responsible to ensure there is a well-defined list of improvement items identified – i.e., prioritized items in a Backlog.

In this White Paper, the Process Owner (i.e., Product Owner) is accountable for the process. I am also introducing the term "Strategic Process Roadmap" to represent the prioritized Backlog of the process.

Not having clearly defined Process Owners in place creates several governance issues for an organization. Most leaders would agree ensuring the processes are managed efficiently and effectively requires the right skills, integrated tools, reliable data, and a well-defined process and procedures.

This is, however, not enough!

A clearly defined, overarching governance framework for all the processes with identified roles, responsibilities, accountabilities, established communication channels, and defined escalations with established thresholds are also required.

Without a clearly defined overarching governance framework and assigned Process Owners, there will be many challenges that will, inevitably, create havoc within the organization.

A Product Owner is accountable for maximizing the value of the product resulting from the work of the Scrum Team.

For a process, the Product Owner is the Process Owner who is accountable for the process in every aspect including the value delivered, both from an IT and business perspective.

The Strategic Process Roadmap is the prioritized Backlog for the process.

Management vs. Governance

Many organizations confuse Governance with Management and the COBIT 5[1] differentiation of Management and Governance is very helpful to understand the difference. (See the definition in the box below.)

Within IT process context, the Process Manager is concerned that the management of the process and the Process Owner's main focus should be to govern the process (i.e., set direction, prioritization and decision making).

Well defined governance develops trust between the service organization and its stakeholders, users, and customers.

> *Management **plans, builds, runs, and monitors** activities in alignment with the direction set by the governance body to achieve the enterprise objectives.*
>
> *Governance ensures that stakeholder needs, conditions and options are evaluated to determine balanced, agreed-on enterprise objectives to be achieved; **setting direction through prioritization and decision making**; and monitoring performance and compliance against agreed-on direction and objectives.*

Any type of organization, even outside of IT, requires clear and structured governance over their processes. Process governance ensures that stakeholder needs are met; value is delivered and that there is a long-term strategic plan and clear direction for the process. Governance also enables that decisions are made at the right level and at the right time within the organization in a timely manner.

Within the Agile Manifesto in the value statement, "Responding to Change vs. Following a Plan," nowhere is it suggested that there is lack of governance or no long-term planning. Governance and planning are still required but with an understanding that changes are welcome. Flexibility and agility are imperative but must be governed in a structured way to enable "just-in-time" decision making by the right level within the organization.

Lack of Governance

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The lack of governance produces confusion, less clarity, unclear structures, lack of decisions, and poor guidance. It's a situation that will take up more and more of an organization's time, resources, funding, and efforts. It will drain the organization of progress and ensure no continuous improvement takes place. This a situation an organization should never have to face.

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[1] COBIT 5: A Business Framework for the Governance and Management of Enterprise IT

Many organizations have a great intent using state of the art tools, and well-defined process/procedures, but the lack of governance is slowly engulfing the organization into a black hole of missed opportunities.

The lack of governance can take many forms and shape within an organization, but there is one specific area where organizations struggle; this is *The Information gap between IT leadership and IT operations*.

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Often, the organization is unaware that it has a governance gap, but it feels that something is not right. They work hard, put in long hours, create plans, write documents, spending significant time and resources, there are still issues, outages, confusion, lack of funding, and no clear decision making or understanding of the direction, so the governance gap is very much present!

Some examples of different governance challenges organizations encounter:

- *Lack of ownership and accountability* of a process without an "owner" driving long-term strategic plan and priorities. E.g., the process is not fulfilling business needs of speed, quality, agility etc. or lack of alignment between the business and IT strategy across the organization.

- *Miss-aligned goals* and value alignment that are not based on what the business perceives as value but on other priorities. E.g., the Service Desk focuses on reducing time to answer calls when the businesses primary concern is the duration of the new hire process or request fulfillment.

- *No clear understanding of the scope* of the process is. E.g., which business areas and line organizations are supported, which technologies and applications are supported and is the scope global or regional?

- *No clear escalation path* defined for management and technical escalations. E.g., who should be contacted for a technical issue that requires escalation? Who to contact to inform management about a major issue/outage?

- *Lack of resources, funding, and tools* to execute the process efficiently and effectively. E.g., not having appropriate telephony systems, knowledge articles or self-help tools in place for the Service Desk.

- *Lack of meaningful reporting and KPIs* i.e., everything that can be measured is measured and reported. E.g., there are measures/metrics overload and many metrics/KPIs have no defined "actions" based on exceeding thresholds or metrics and reporting that is not aligned with the value of the business i.e., measuring and reporting the wrong KPIs.

Agility and Prioritized Backlog

In today's Agile environment, with business priorities changing rapidly, the Process Owners ensure the prioritized items identified in the Strategic Process Roadmap are the Features and Enablers to be worked on next.

The Strategic Process Roadmap (prioritized Backlog), together with the CSI register (Additional Features and Enablers to consider), are how a Process Owner ensures the "just-in-time" priorities and improvements are being addressed.

Industry frameworks such as Scrum, SAFe, and Kanban can be used to ensure fast feedback and that "fail fast" approaches are being used. For example, the Features and Enablers are refined into smaller User Stories that can be managed on a Kanban board or implemented within a 2-week sprint.

Agility, fast feedback, a Lean mindset, and just-in-time decisions, together with the "fail fast" approach will enable the Process Owner to meet the business needs l in an accelerated manner.

The Product Owner (Process Owner), for example, works together with the Scrum Master (often the Process Manager) and the development team (Process Practitioners and technical resources) to refine Features and Enablers into User Stories that should be brought into the Kanban board or Sprint.
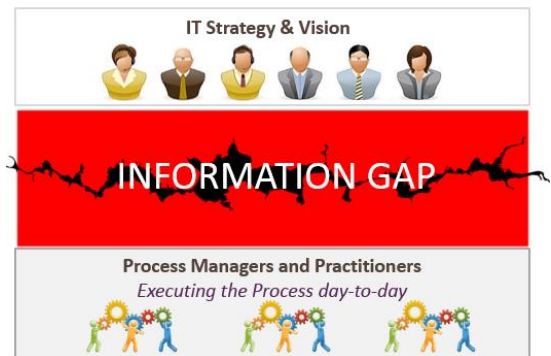
The Information Gap Between IT Leadership and IT Operations

One specific IT governance issue within organizations is that the funding for requested improvements are stalled, or not approved, by the IT leadership due to lack of direction and planning.

Here is the heart of the issue:

Process Managers request funding for a tool, people, training etc. from their senior IT leaders, as there are no Process Owners (i.e., Product Owner) in place. Process Managers are "in the trenches," and their focus is day-to-day operations that have a short-term focus vs. a Process Owner who is concentrating on strategic planning, business needs and values, including a prioritized Backlog.

Imagine being a senior IT leader having multiple Process Managers requesting ad-hoc funding for initiatives without a business value driven Backlog, in an unstructured format and with limited coordination between all the other processes.
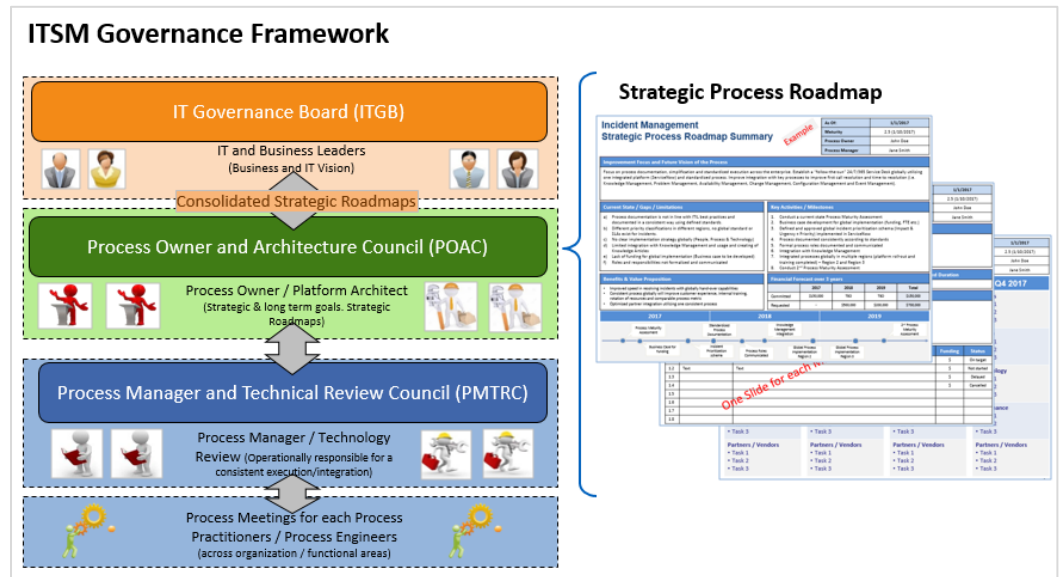
IT leaders are hesitant to approve these requests, as other, more important, proposals might present themselves, so, instead, they defer. A prioritized, business focused Backlog fails to drive the improvement requests in this scenario.

As funds are not unlimited, IT leadership is carefully evaluating what initiative should be funded which, in this case, could mean, virtually nothing is being approved.

So how does one resolve this governance issues? The answer is to establish a comprehensive IT governance framework, assign Process Owners (i.e., Product Owners) who are accountable for the process and will develop Strategic Process Roadmaps i.e., a prioritized Backlog based on business needs and value.

For this particular governance issue, *The Information gap between IT leadership and IT operations,* it is required to assign and empower Process Owners (i.e., Product Owners) and provide them with the right skills, tools, and authority.

Process Owners cannot exist in a vacuum but must function within a well-defined governance framework with Process Managers, an IT Governance Board, defined business/steering councils, known escalation paths with identified thresholds, and more.

> IT leaders are hesitant to approve ad-hoc requests as other, more important, proposals might present themselves, so, instead, they defer.

High lever view of Process Governance

Bridging the Information Gap by using Strategic Process Roadmaps

The Strategic process Roadmap is the prioritized Backlog for the Process Owner.

By using Strategic Process Roadmaps (i.e., prioritized Backlog), it will eliminate one of the major IT process governance issues many organizations are facing.

There are some very specific tools, techniques, and templates a Process Owner can use to govern a process from a strategic aspect and to help bridge the information gap between the day-to-day operation and the organizations strategy and vision.
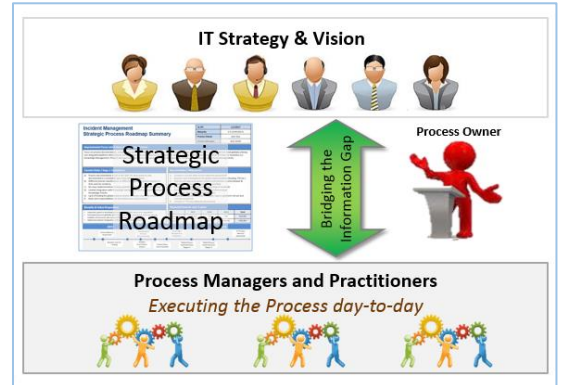
The same concept and templates can also be used when governing IT Services and, of course, for any of the IT platforms.

Assign Service Owners and IT Platform Owners and use the same templates when creating those Strategic Roadmaps.

Benefits of Strategic Process Roadmaps

Having a "list of prioritized Backlog items" documented provides visibility, clarity and makes it possible to continuously improve a process. It enables the organization to be agile, react fast to changing busines needs, "fail fast," and only work on the items that provides maximum value for the organization

Some of the benefits of using Strategic Process Roadmaps are captured below:

- **Agility** - Ensures that the most important aspects are being addressed and the ability to change direction when business needs are changing.

- **Fail Fast** - Short implementation cycles with frequent stakeholder feedback will identify if implemented changes provide expected value.

- **Planned Investments and Funding** - Investment required for executing the process will be aligned with the IT strategy, business needs and vision of the organization. A strategic plan that includes a long-term focus to request funding for people, training, tooling, and other resources.

- **Strategic Alignment** – Provides alignment of the roadmap with the organization's mission, vision, and values. Identifies the key value drivers

for IT and the business with which the process must align, e.g., speed, flexibility, agility, and quality.

- **Leadership Understanding and Commitment** - IT leadership will have a clear understanding of what is required to reach the goals of the process through continuous planning, re-prioritizing, reporting, and governing of the process.

- **Business Value Focused and Elimination of Pain Points** - Business needs are identified and addressed by creating a long-term and 12-month rolling plan based on business value and to eliminate the biggest pain points of the business.

Strategic Process Roadmap development

To implement process governance and use Strategic Process Roadmaps sounds great but very academic, so how can we make this more tangible?

To create the Strategic Process Roadmap is a tactical exercise that creates a strategic plan and a prioritized backlog of items.

There are four key steps when developing the Strategic Process Roadmap:

To create the Strategic Process Roadmap is a tactical exercise that creates a strategic plan; it is almost like magic!

1. Make sure a Process Owner is assigned and that the Process Owners understand their role and accountabilities. A training initiative might be the best approach to have a common understanding across all Process Owners.

2. Answer the Strategic Process Roadmap Questionnaire which is one of the templates that is part of our implementation approach. The answers along with the process artifacts and information in step 3 are the key inputs to the Strategic Process Roadmap.

3. Review existing material, artifacts, and information, including process assessment findings, CSI register, customer feedback, and any ongoing initiatives.

4. Populate several templates based on the answers of the questionnaire (step 2) and the process information gathered (step 3).

Prioritized Backlog Implementation

The Strategic Process Roadmap captures the prioritized key Features and Enablers which the process will target to implement. These "Key Activities and Milestones" (Features & Enablers) will have to be split into more granular tasks to ensure they can be implemented in an Agile fashion e.g., during a 2-week sprint using Scrum or managed a Kanban board.

The Process Owner (i.e., Product Owner) works together with the Scrum Master (often the Process Manager) and the development team (Process Practitioners and technical resources) to refine these Features and Enablers into User Stories. Two of the most common frameworks used to ensure that user Stories are being implemented in a timely fashion are *Scrum* and *Kanban*.

Strategic Process Roadmap templates

Several templates and tools are available when designing and implementing IT governance structures within organizations. This is a comprehensive methodology, and the specific templates for developing Strategic Process Roadmaps consist of four separate artifacts:

- Accountabilities of Process Owners (PowerPoint)
  Clearly defines the accountabilities of Process Owners, as they are significantly different from the responsibilities of a Process Manager.

- Strategic Process Roadmap Questionnaire (Excel)
  A detailed questionnaire covering multiple domains (People, Process, Technology, Partner and Governance) that a Process Owner should answer in order to provide input to their Strategic Process Roadmap.

- Strategic Process Roadmap template (PowerPoint)
  PowerPoint templates used to capture and document a Strategic Process

Strategic Process Roadmap templates can be downloaded here:
http://www.tmanthey.com/speaker.html

Roadmap for each process as well as a template capturing the details for the key activities defined.

- 12-month rolling plan template (PowerPoint)
  A tactical plan that provides a 1-page overview of the activities to be executed by the Process Managers focusing on the upcoming 12 months.

The below slide is an example of a Strategic Process Roadmap for the Incident Management process. The top right box contains the Process Manage/Owner and the current maturity of the process. All other fields are populated based on the answers in the excel questionnaire (step 2) and information gathered (step 3).
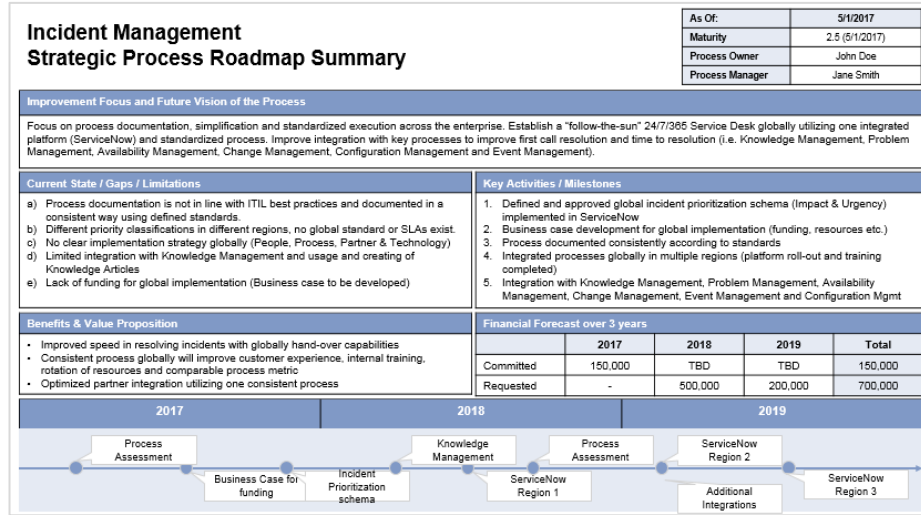
Each Key Activity / Milestone defined in the Strategic Process Roadmap will have a dedicated slide with its detailed description. This provides additional information and is a great tool for IT leaders to more accurately understand each initiative in order to determine if it should be executed and funded.

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