



UNIVERSITAS KOMPUTER INDONESIA

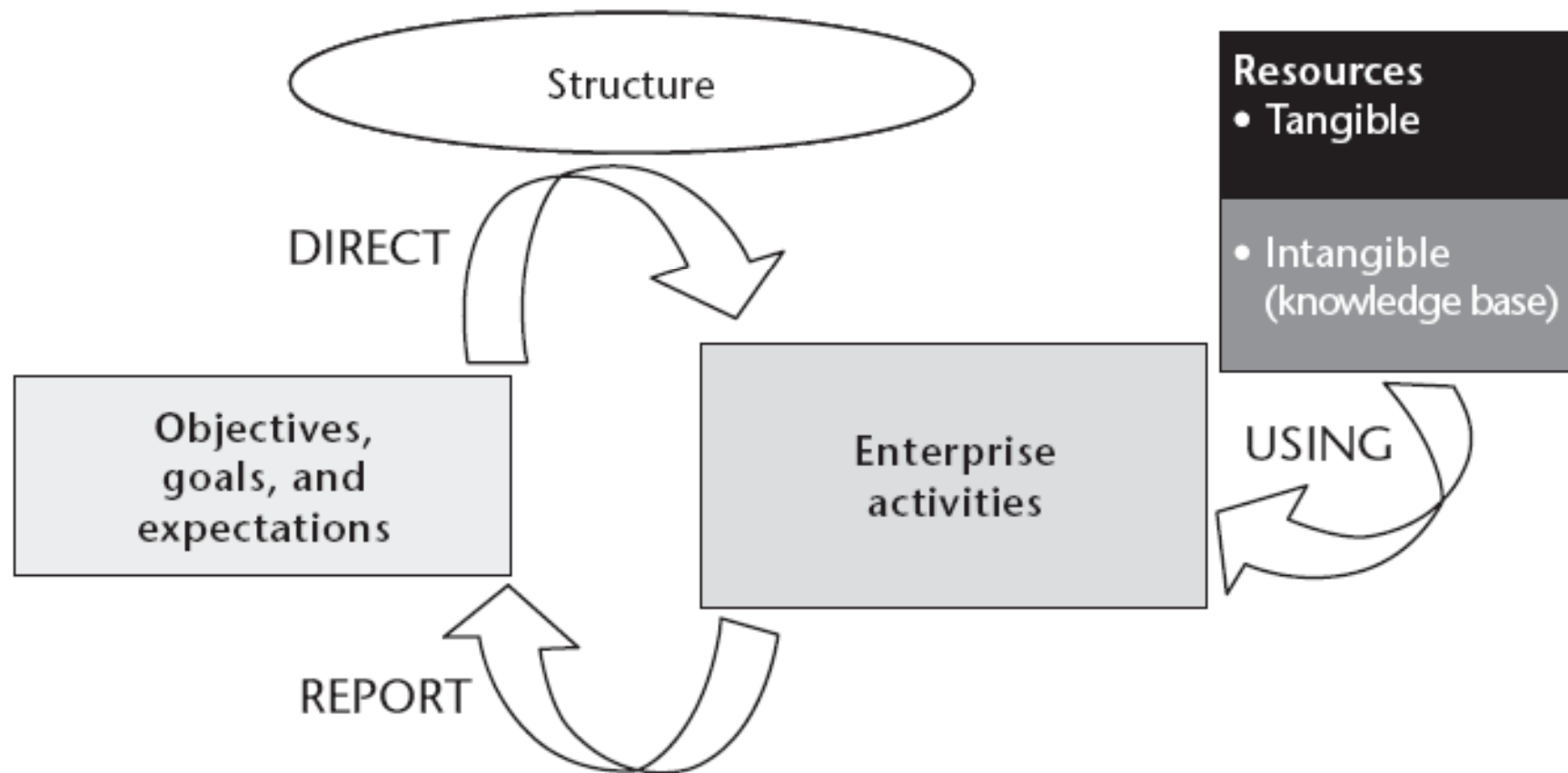


[ITG] Chap 5

Chapter 5: IS Governance Framework For the Extended Enterprise

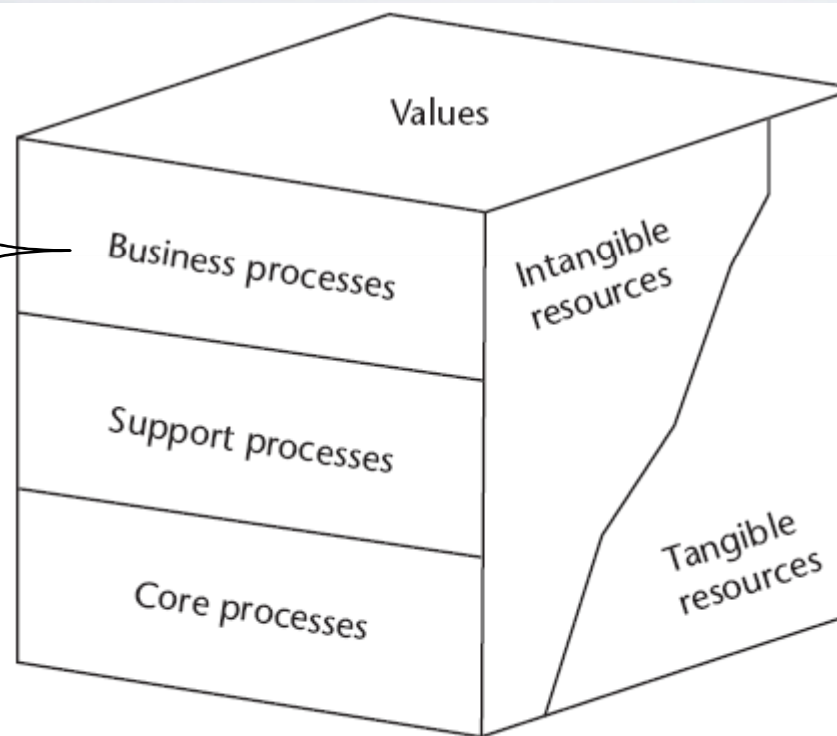
Dr. Ir. Yeffry Handoko Putra, M.T

Governance Model by IT Governance Institute



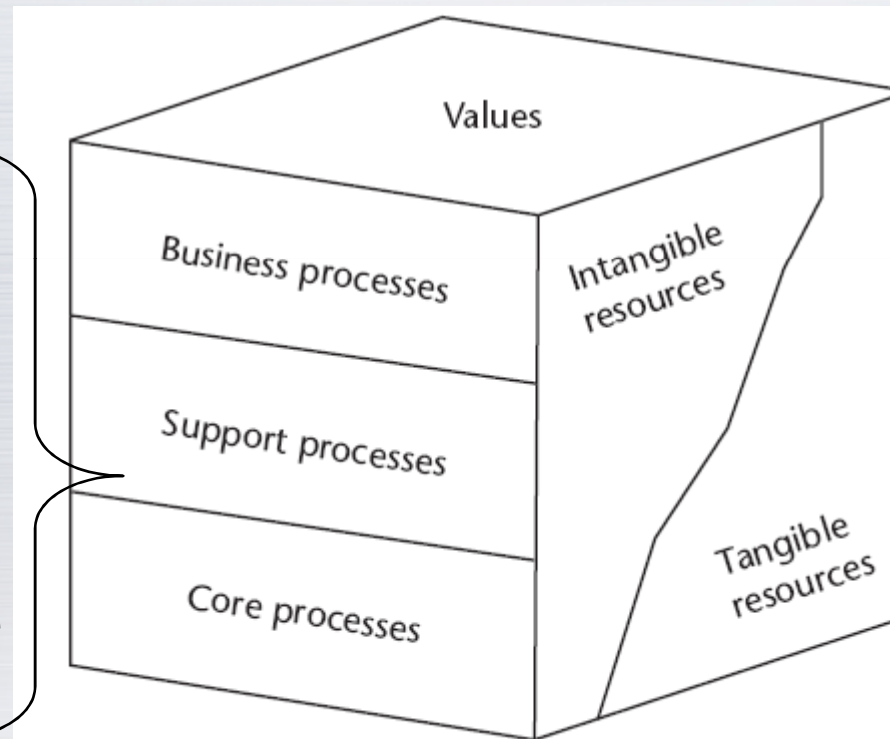
Governance Criteria for the Extended Enterprise

research and development, technology acquisition, information and knowledge management, supply chain management, supplier and customer partnering, outsourcing, merger and acquisition, global expansion, project management and marketing.

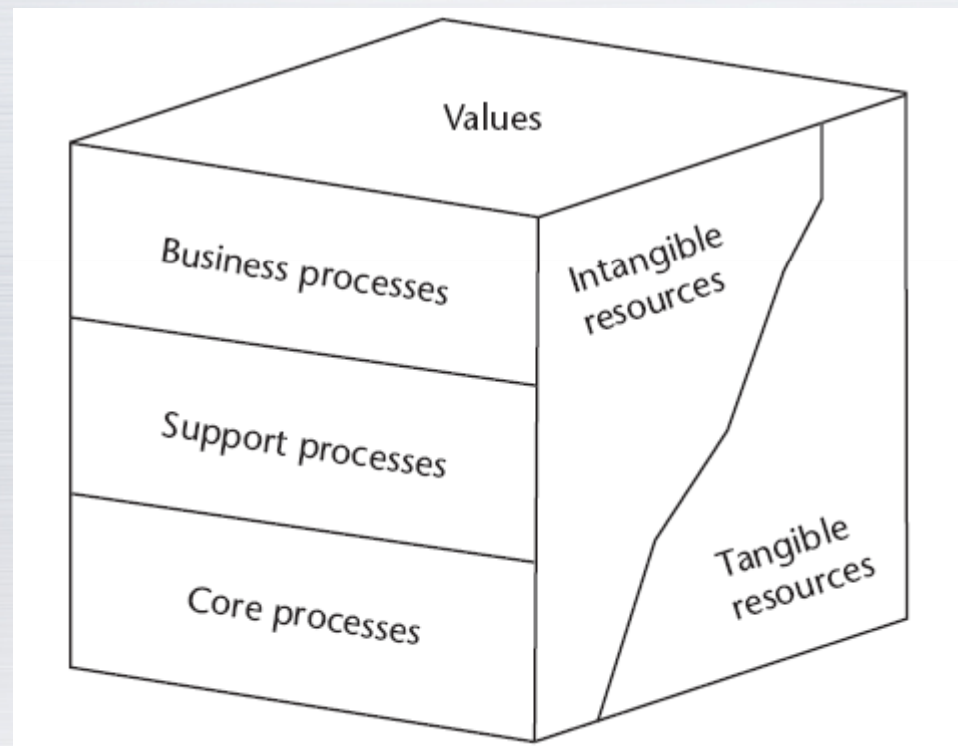


Governance Criteria for the Extended Enterprise

financial
and accounting,
facilities
management, legal
services, human
resource services,
public relations and
other administrative
services.



Governance Criteria for the Extended Enterprise



Governance Objectives

❖ Leadership

- *Promoting leadership by reflective practitioners.*
- *Educating managers, employees, business partners, suppliers, and perhaps customers on the applications of technology.*
- *Carrying out extended enterprise mapping (knowledge portal/knowledge base).*

Governance Objectives

❖ Vision

- *Setting up and sustaining the knowledge, information, and technology infrastructure (knowledge portal/knowledge base).*
- *Establishing a driven, value-based enterprise*
- *Building an integrated and aligned strategy*

Governance Objectives

❖ Change.

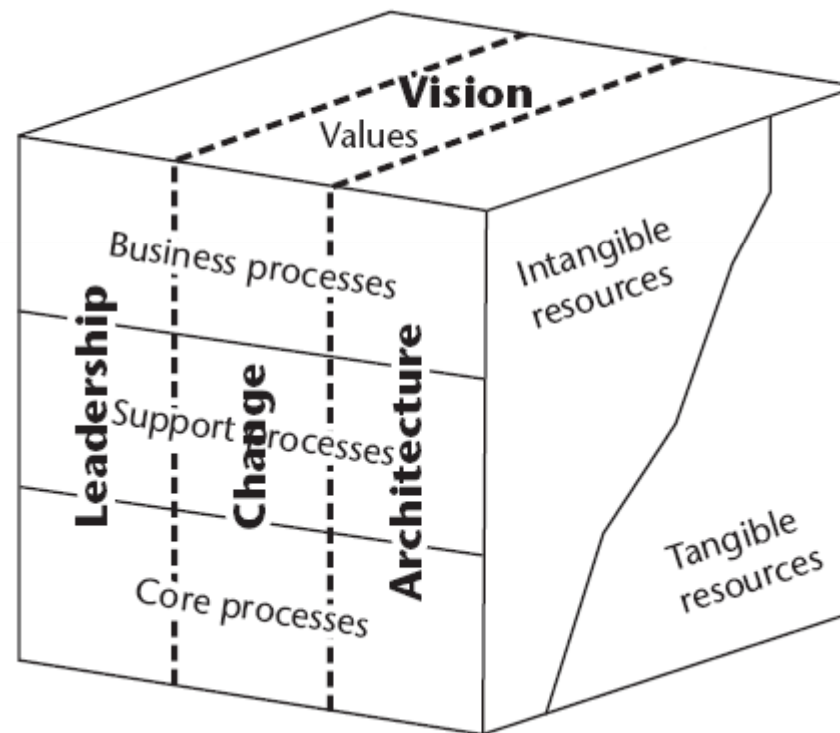
- *Effectively using a balanced scorecard performance management system (knowledge portal/knowledge base) designed for the business in question*
- *Applying appropriate key measurement and monitoring criteria (CSF/KPI/KGI).*
- *Making decisions within the enterprise needs to be based on having ready access to relevant data and information.*

Governance Objectives

❖ Architecture.

- *Developing an innovative organizational structure (based on the knowledge portal/knowledge base).*
- *Implementing and evaluating speedily set-up organization prototypes to be able to shift to differing organizational forms to respond to external factors*
- *Providing sound information linkages and knowledge service flow for IT infrastructure partners within the extended enterprise.*

Governance Objectives



Comparison of Governance Criteria with various Excellence Model

<i>Governance Objectives for the Extended Enterprise</i>	<i>European Foundation for Quality Management</i>	<i>Deming Prize</i>	<i>International Organization for Standardization (ISO) 9000:2000 (Quality Management Systems)</i>	<i>Malcolm Baldrige National Quality Award</i>
Leadership	<ul style="list-style-type: none"> ■ People development and involvement ■ Partnership development ■ Continuous learning, innovation, and improvement 	<ul style="list-style-type: none"> ■ Policies ■ Organization ■ Human resources ■ Leadership, understanding 	<ul style="list-style-type: none"> ■ Leadership ■ Environment and purpose 	<ul style="list-style-type: none"> ■ Leadership ■ Organizational profile ■ Human resource focus
Vision	<ul style="list-style-type: none"> ■ Constancy of purpose ■ Customer focus 	<ul style="list-style-type: none"> ■ Future plans/strategies 	<ul style="list-style-type: none"> ■ Customer focus 	<ul style="list-style-type: none"> ■ Strategic planning ■ Customer and market focus
Performance Management	<ul style="list-style-type: none"> ■ Results orientation ■ Public responsibility 	<ul style="list-style-type: none"> ■ Maintenance and improvement ■ Effects ■ Quality assurance 	<ul style="list-style-type: none"> ■ Continuous improvement ■ Supplier focus 	<ul style="list-style-type: none"> ■ Business results
Architecture	<ul style="list-style-type: none"> ■ Management by processes and facts 	<ul style="list-style-type: none"> ■ Standardization ■ Information 	<ul style="list-style-type: none"> ■ Process approach ■ Systems approach 	<ul style="list-style-type: none"> ■ Information and analysis ■ Process management

Leadership

- ❖ Leaders normally create vision, drive change, and create the integrated architecture, linking all the objectives together
- ❖ Leaders motivate others to work toward a common goal and need followers and disciples who buy into the vision, strategy, and values.
- ❖ Leaders also empower the creation of knowledge (processes and methods), and focus on delivering Results.

Six styles of Leadership (Daniel Goleman)

1. Coercive leaders demand immediate compliance
2. Authoritative leaders are able to mobilize people toward achieving a vision.
3. Affiliative leaders create emotional bonds and harmony.
4. Democratic leaders build consensus through participation
5. Pacesetting leaders expect excellence and self-direction
6. Coaching leaders develop people for the future

Maturity Levels of Leadership

<i>Level</i>	<i>Type</i>	<i>Description</i>
1	Highly capable individual	Makes productive contributions through talent, knowledge, skills, and good work habits
2	Contributing team member	Contributes to the achievement of group objectives; works effectively with others in group setting
3	Competent manager	Organizes people and resources toward the effective and efficient pursuit of predetermined objectives
4	Effective leader	Catalyzes commitment to and vigorous pursuit of a clear and compelling vision; stimulates the group to high performance standards
5	Level 5 executive	Builds enduring greatness through a paradoxical combination of personal humility plus professional will

Maturity Model For Extended Enterprise

<i>Level</i>	<i>Leadership</i>	<i>Vision</i>	<i>Change</i>	<i>Architecture</i>
1	<ul style="list-style-type: none"> ■ The scope of the extended enterprise is not clear. ■ Each party has different leadership/BOD and communication styles. ■ Empowerment is initiated. 	<ul style="list-style-type: none"> ■ Each party may have informal knowledge portal (knowledge stores). ■ Each party has different vision/mission and communication styles. ■ Customer focus initiative may influence strategy. 	<ul style="list-style-type: none"> ■ Each partner has its own performance management. ■ Partial service alliance agreement. ■ Part-time sharing of core business resource. 	<ul style="list-style-type: none"> ■ EA process is informal. ■ Partial integration of application. ■ IT management processes are ad hoc and disorganized.
2	<ul style="list-style-type: none"> ■ Vague outline of the extended enterprise is emerging. ■ Commitment to future innovation and improvement is initiated. ■ Work team coordination starts. 	<ul style="list-style-type: none"> ■ Some knowledge portals are shared by partners. ■ A consensus mission is built for an extended enterprise. ■ Customer satisfaction is focused in setting strategies. 	<ul style="list-style-type: none"> ■ Customer perspective is shared. ■ Some goals are shared. ■ Partner's core business resource is shared. 	<ul style="list-style-type: none"> ■ EA is under development. ■ Core application systems are integrated into management. ■ Processes follow a regular pattern.
3	<ul style="list-style-type: none"> ■ The scope of the extended enterprise is defined. ■ Shared values/direction/performance expectation are defined. ■ High-performance work and environment are defined. 	<ul style="list-style-type: none"> ■ Core knowledge portal for the extended enterprise is defined. ■ Vision/mission is defined for the extended enterprise. ■ Customer service level is defined. 	<ul style="list-style-type: none"> ■ Balanced scorecard for performance management is defined. ■ CSE, KPI, and goals are defined. ■ Core business resource status is transparency/share. 	<ul style="list-style-type: none"> ■ EA is defined. ■ Application management is fully implemented. ■ IT management processes are documented and communicated.








Maturity Model For Extended Enterprise (2)

<i>Level</i>	<i>Leadership</i>	<i>Vision</i>	<i>Change</i>	<i>Architecture</i>
4	<ul style="list-style-type: none"> ■ The scope change process is managed and measured. ■ Catalyzes commitment and stimulates the group to high performance standards and innovation. ■ Organizational learning process by CBT or IBT is implemented, and face-to-face case training is also provided. 	<ul style="list-style-type: none"> ■ Core knowledge portal is managed and measured. ■ Strategy sharing occurs among partners. ■ Customer complaints/claims are shared and monitored for customer expectation. 	<ul style="list-style-type: none"> ■ Performance management system is managed and measured. ■ Ongoing monitoring goals are defined. ■ Support process resource status transparency/share. 	<ul style="list-style-type: none"> ■ EA process is managed and measured. ■ Application management is monitored. ■ IT management processes are monitored and measured.
5	<ul style="list-style-type: none"> ■ Continuous improvement of scope management occurs through knowledge portal. ■ Paradoxical combination of personal humility and professional will become evident. ■ Continuous learning program is fully implemented among partners and coaching and role model care systems also implemented for empowerment. 	<ul style="list-style-type: none"> ■ Knowledge portal is continuously improved for dynamic strategy process. ■ Value/expectation are shared by all stakeholders involved throughout knowledge portal. ■ Strategy formation goal is to exceed customer expectation. 	<ul style="list-style-type: none"> ■ Continuous strategy process for performance management. ■ Ongoing strategy goals are defined. ■ Knowledge portal clarifies status of all resources, including knowledge sharing. 	<ul style="list-style-type: none"> ■ Continuous improvement of EA through knowledge portal. ■ Knowledge application management ■ IT management best practices are followed and automated.

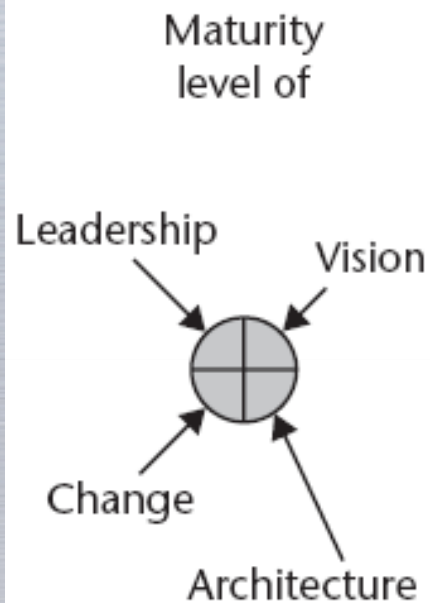
Performance Reference Model

- ❖ Establish a common set of general performance outputs or measures that partners can use to help them achieve business goals and objectives.
- ❖ Articulate linkages between various internal and external components and the achievement of business and customer outcomes.
- ❖ Align various applications and enterprise architectures
- ❖ Facilitate decisions on resource allocation issues

Matrix Evaluation Tool

Partner Function	A (OWN)	B	C	D	E	F
Marketing						
Sales						
Logistics						
Manufacturing						
Procurement						
Resource support						

Maturity Level Evaluation Matrix



Partner Function	A (OWN)	B	C	D	E	F
Marketing	$\begin{pmatrix} 1 & 2 \\ 2 & 2 \end{pmatrix}$				$\begin{pmatrix} 2 & 1 \\ 3 & 2 \end{pmatrix}$	
Sales	$\begin{pmatrix} 2 & 2 \\ 3 & 3 \end{pmatrix}$					
Logistics				$\begin{pmatrix} 2 & 3 \\ 3 & 3 \end{pmatrix}$		
Manufacturing		$\begin{pmatrix} 2 & 3 \\ 4 & 2 \end{pmatrix}$				
Procurement			$\begin{pmatrix} 2 & 3 \\ 2 & 2 \end{pmatrix}$			
Business administration						$\begin{pmatrix} 3 & 2 \\ 1 & 2 \end{pmatrix}$