



**UNIVERSITAS KOMPUTER INDONESIA**



# **Chap 4: Allocating Decision Right**

**[Weill] Chap 3**

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# IT GOVERNANCE ARCHETYPES



## STYLE

## WHO HAS DECISION OR INPUT RIGHTS

Business  
Monarchy

A group of business executive or individual executive (CxOS). Includes committee of senior business executives (may include CIO). Excludes IT Executive acting independently

IT Monarchy

Individuals or groups of IT executives

Feudal

Business unit leaders, key process owners or their delegates

Federal

C-level executives and business groups (e.g. business units or processes); may also include IT executive as additional participants. Equivalent of the central and state governments working together

IT Duopoly

IT executives and one other group (e.g. CxO or business unit or process leaders)

Monarchy

Each individual user



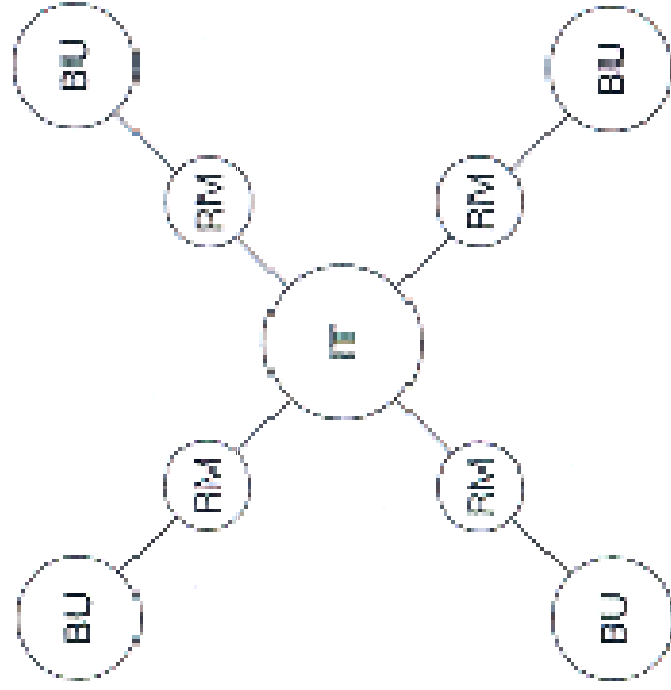
# Key player in Governance Archtypes



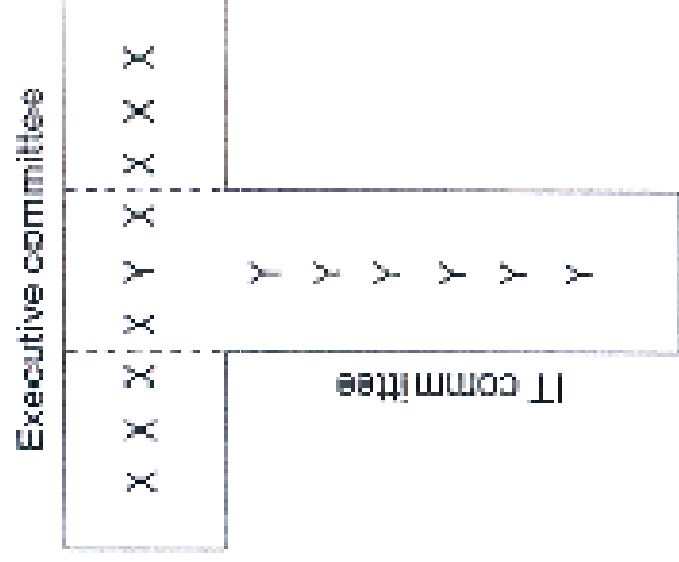
	C-level executives	Corporate IT and/or business unit IT	Business unit leaders or Key business process owners
Business Monarchy	✓		
IT Monarchy		✓	
Feudal			✓
Federal	✓	✓	✓
	✓		✓
IT Doupoly	✓	✓	
		✓	✓
Anarchy			



## Bicycle Wheel and T-Shaped IT Duopolies



RIM = Business/IT relationship manager  
 BU = Business unit



X = Business manager  
 Y = IT manager



# How Enterprise Governn



Decision \ Archetype	IT Principles		IT Architecture		IT Infrastructure Strategies		Business Application Needs		IT Investment	
	Input	Decision	Input	Decision	Input	Decision	Input	Decision	Input	Decision
Business Monarchy	0	27	0	6	0	7	1	12	1	30
IT Monarchy	1	18	20	73	10	59	0	8	0	9
Feudal	0	3	0	0	1	2	1	18	0	3
Federal	83	14	46	4	59	6	81	30	93	27
Duopoly	15	36	34	15	30	23	17	27	6	30
Anarchy	0	0	0	1	0	1	0	3	0	1
No Data or Don't Know	1	2	0	1	0	2	0	2	0	0

☐ Most common input pattern for all enterprises.
 ☐ Most common decision patterns for all enterprises.

The numbers in each cell are percentages of the 258 enterprises studied in twenty-three countries. The columns add to 100 percent.



# Analyze Different Governance Pattern Across Enterprises



- ❖ Strategic and performance goal
- ❖ Organizational structure
- ❖ Governance experience
- ❖ Size and diversity

Exercise: learn some case in [Weill] chapter 3:

- DuPont
- DBS Bank
- Motorola



# **MECHANISM OF IMPLEMENTING IT GOVERNANCE**



# Three different type of Mechanism in deploy effective governance



- ❖ Decision-making Structures
- ❖ Alignment Process
- ❖ Communication approach





# Three different type of Mechanism in deploy effective governance



## ❖ Decision-making Structures

Organizational units and roles responsible for making IT Decision, such as committee, executive team, and business/IT relationship manager



# Three different type of Mechanism in deploy effective governance



## ❖ Alignment Process

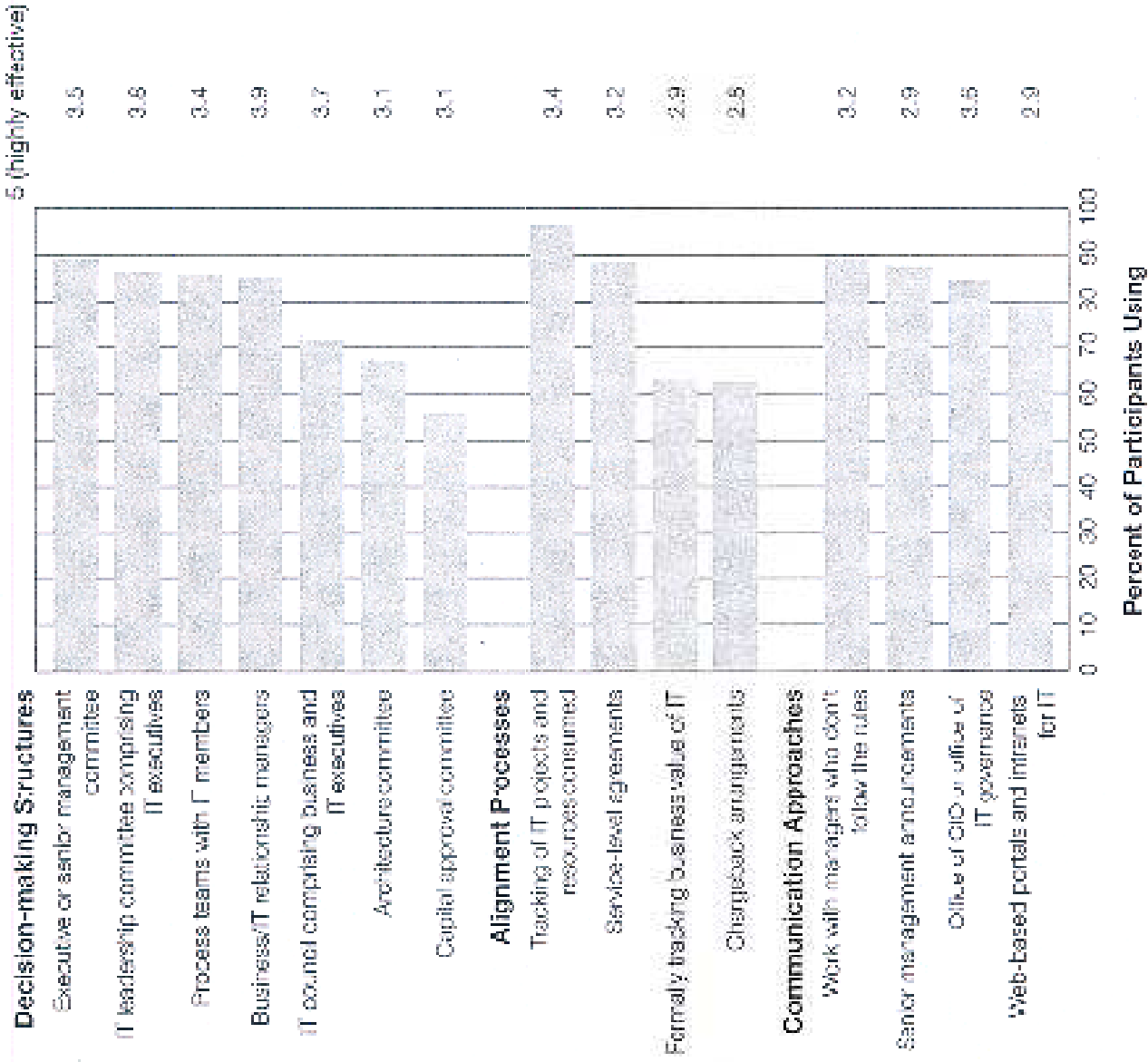
Formal Process for ensuring that daily behaviors are consistent with IT policies and provide input back to decision . These include IT investment proposal and evaluating process, architecture exception process, service-level agreement, chargeback, and metrics



# Three different type of Mechanism in deploy effective governance



- ❖ Communication approach  
Announcement s, advocates, channels, and  
education effort that disseminate IT Government  
principles and policies and outcome of IT Decision  
making process





# Alignment Process



- ❖ IT Investment Approval Process
- ❖ Architecture Exception Process
- ❖ Service level agreement
- ❖ Chargeback
- ❖ Project Tracking
- ❖ Formal Tracking of Business Value



# Communication Approach



- ❖ Senior Management Announcement
- ❖ Formal Committee
- ❖ Office of CIO or IT Governance
- ❖ Working with nonconformist
- ❖ Web base portal
- ❖ Decision making structure (e.g. Carlson Companies)



# Communication Approach



## IT Governance at Carlson Companies

		DECISION									
		IT Principles		IT Architecture		IT Infrastructure Strategies		Business Application Needs		IT Investment	
		Input	Decision	Input	Decision	Input	Decision	Input	Decision	Input	Decision
GOVERNANCE ARCHETYPE	Business Monarchy	Chairman and CEO									Invest. comm.
	IT Monarchy		CIO		CIO EAO						
	Feudal							All business leaders	Business CIOs Some business leaders CIO		
	Federal			CTC							
	Dual					EAO CSDs of business units	IT council CSG board			IT council CSG board CIO	

☐ Most common pattern for all firms.