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Global Status Report on the Governance of Enterprise IT (GEIT)

ISACA luncheon

17 February 2011

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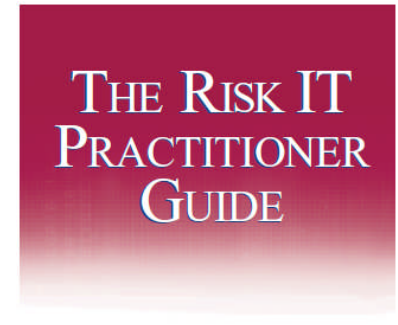
Questions

Introduction

- PwC's global contract with ISACA
- Recent involvement in:
 - Risk IT Framework and Practitioner's Guide
 - Latest version of IT Governance Implementation Guide
 - Taking Governance Forward (TGF)
 - Val IT ver 2
 - COBIT5



Principles
Process Details
Management Guidelines
Maturity Models



Risk Universe, Appetite and Tolerance
Risk Awareness, Communication and Reporting
Expressing and Describing Risk, Risk Scenarios
Risk Responses and Prioritisation
Using COBIT® and Val IT™



Practising IT Governance
Taking the First Steps Towards IT Governance
Identifying Implementation Challenges and Success Factors
Implementing Continual Improvement
Using COBIT®, Val IT™ and Risk IT Components



Introduction

- PwC conducted market research on behalf of the ITGI on the governance of enterprise IT (GEIT) from June – August 2010
- 4th edition – similar reports in 2008, 2006 and 2004, but a major revamp in 2010
- 834 surveys, 21 countries, 11 languages, 10 industries - of which 704 web surveys and 130 telephonic interviews
- 450 Heads of IT (CIOs/IT managers), and 384 business executives
- ISACA membership base not specifically targeted

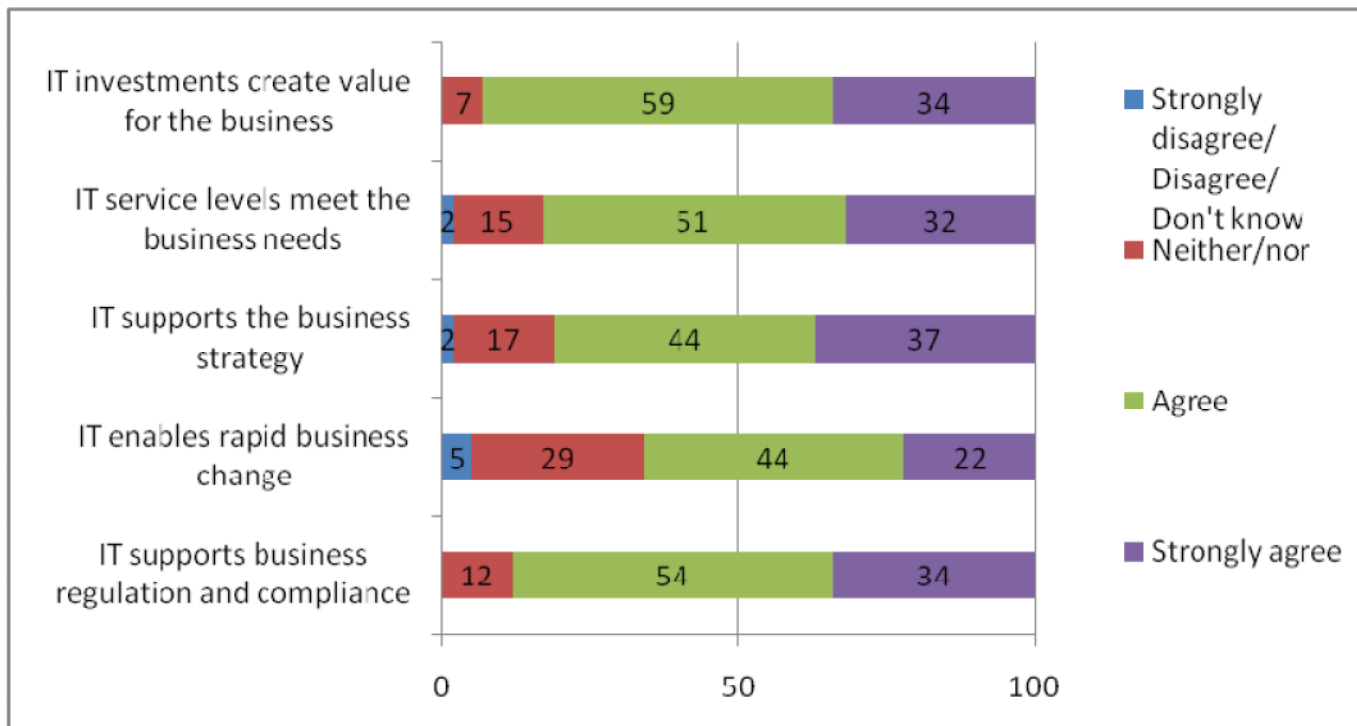
Key findings from the analysis of the Canadian respondents' data

1. Canadian organisations should ensure adequate focus on the governance of EA, where the right GEIT mechanisms can ensure a focus on agility and flexibility to enable more rapid business change
2. While more Canadian respondents described the role of IT as proactive compared to the global respondents, it was cited by more IT than business respondents
3. The most important initiatives planned by Canadian respondents in the next 12 months all require significant business-IT interaction and an optimal decision-making model which can ensure the involvement of the right stakeholders in the best possible way.
4. The most common IT-related issue experienced was increasing IT costs, yet it is not reported as a significant driver for GEIT activities.
5. Canadian organizations are cognizant of the influence of the culture of the organization, its way of working, and human factors on GEIT implementations.

Key findings from the analysis of the Canadian respondents' data (2)

6. Outsourcing is widely prevalent among Canadian respondents. Governance mechanisms dedicated to sourcing can add significant value in complex, multi-vendor sourcing environments.
7. Canadian respondents appear to be more risk averse when it comes to emerging technologies (such as social networking tools) compared to their global counterparts.

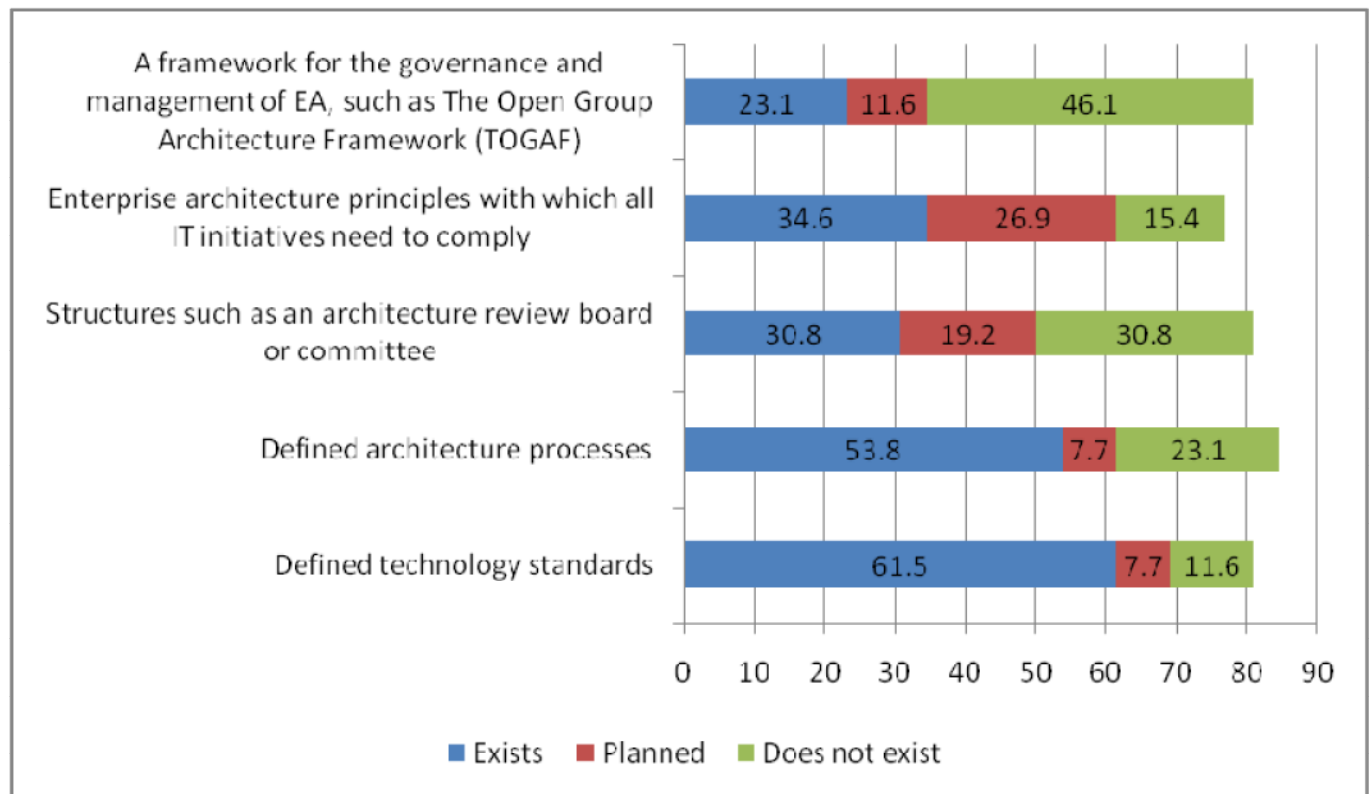
Finding 1: Contribution of IT to the business is widely recognised, with value creation of IT investment the most important dimension



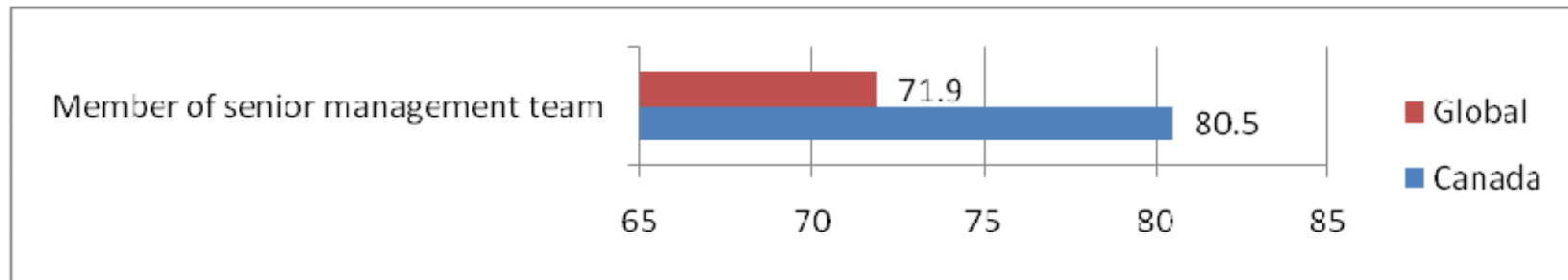
- IT enablement of rapid change as an area for improvement
- Enterprise Architecture as a mechanism to address flexibility and agility
- Need for right GEIT mechanisms to governance EA

Finding 2: Canadian respondents mostly rely on technology standards and architecture processes to govern EA

- Existing use of both architecture processes and standards are higher than for the global respondent base
- To improve agility and flexibility, governance of EA should focus on decision-making structures, principles and frameworks

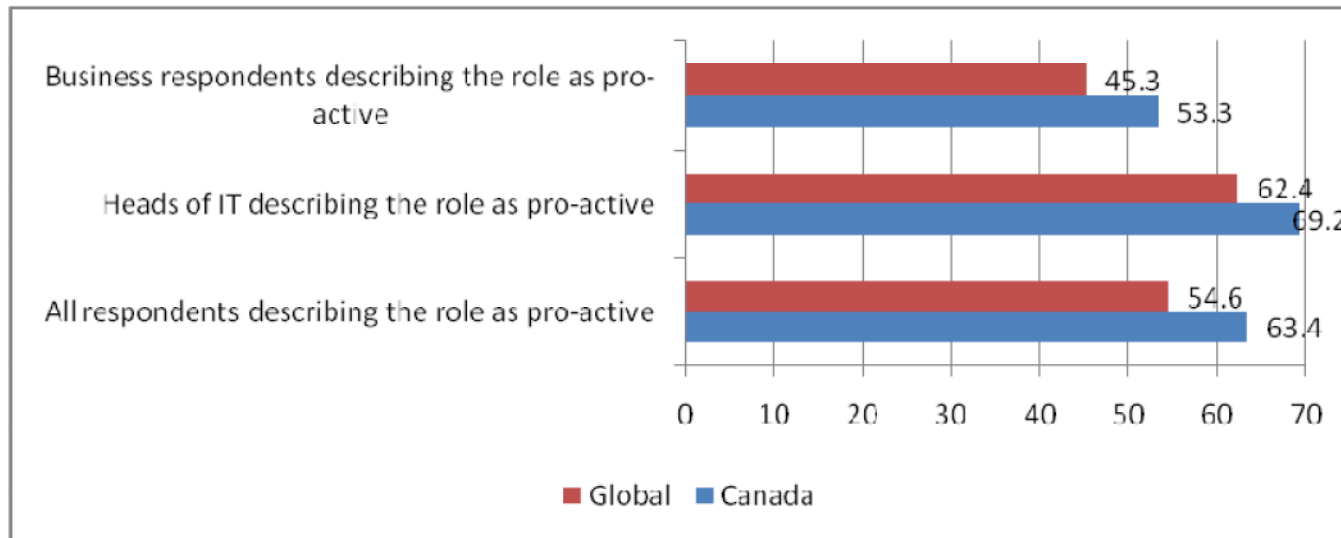


Finding 3: Canadian Heads of IT are more likely to be a member of the senior management team



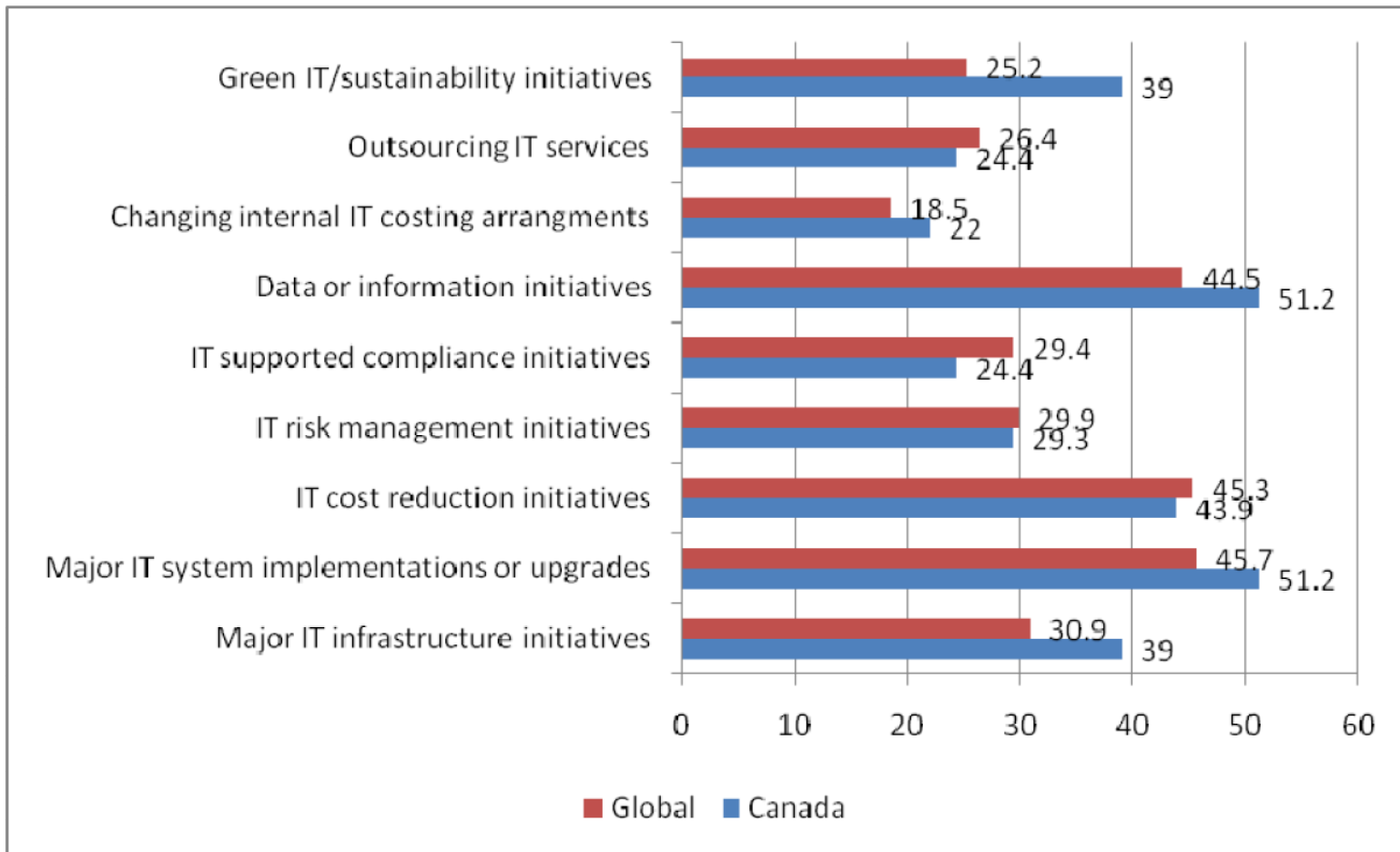
- Head of IT's involvement in the senior management team vs. role of IT (pro-active vs reactive)
- IT's early involvement in planning of new business ventures
- CIO = Chief Innovation Officer

Finding 4: The majority of Canadian respondents view the role of IT in their organisations as proactive

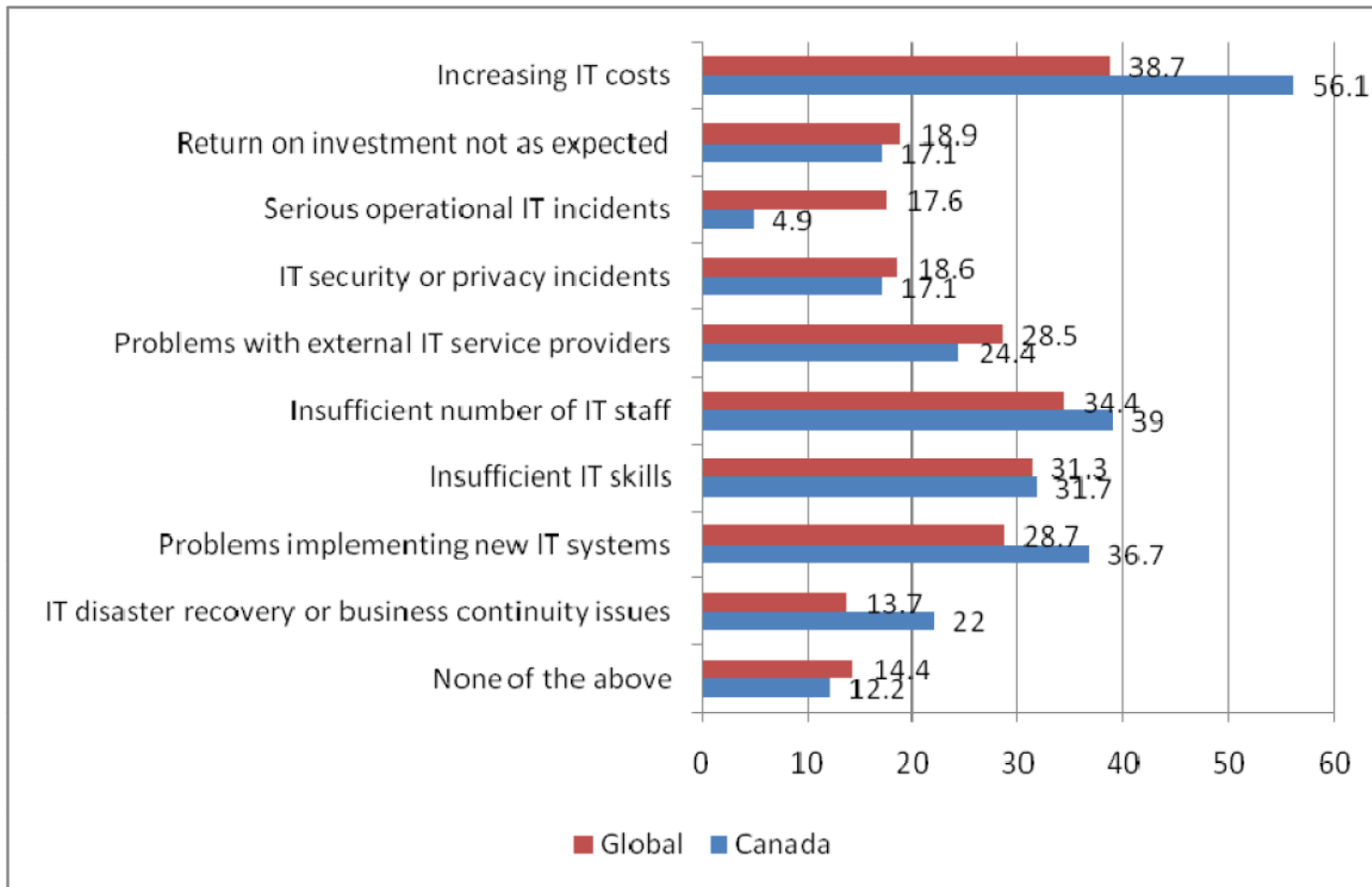


- Views of Canadian respondents are more positive than the global respondent base
- Possible correlation with higher percentage of Canadian Heads of IT being a part of the senior management team
- Views of business respondents less positive than IT respondents – GEIT opportunity

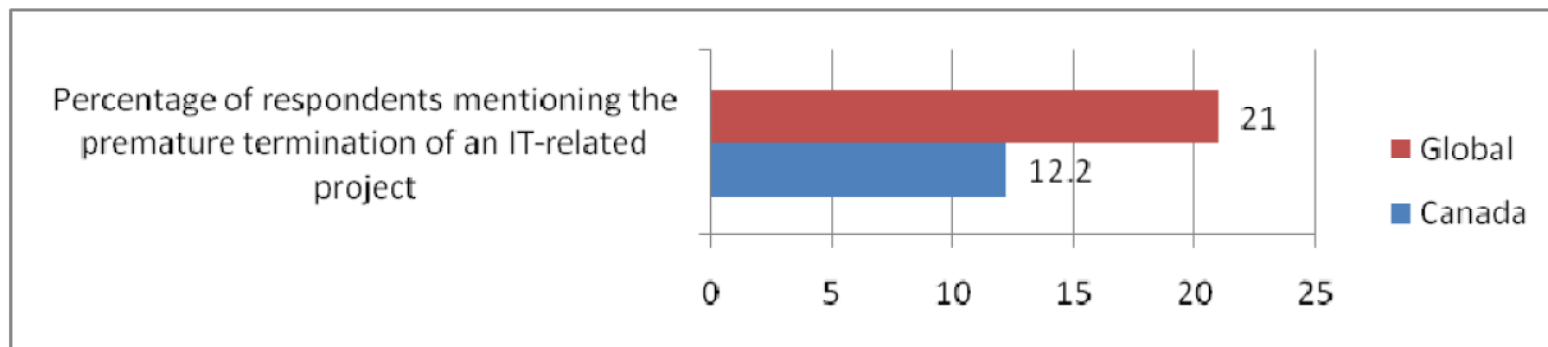
Finding 5: The most prevalent initiatives planned for the next 12 months are systems implementations and upgrades and data/information initiatives



Finding 6: Increasing IT costs is the top issue experienced by Canadian respondents in the past 12 months

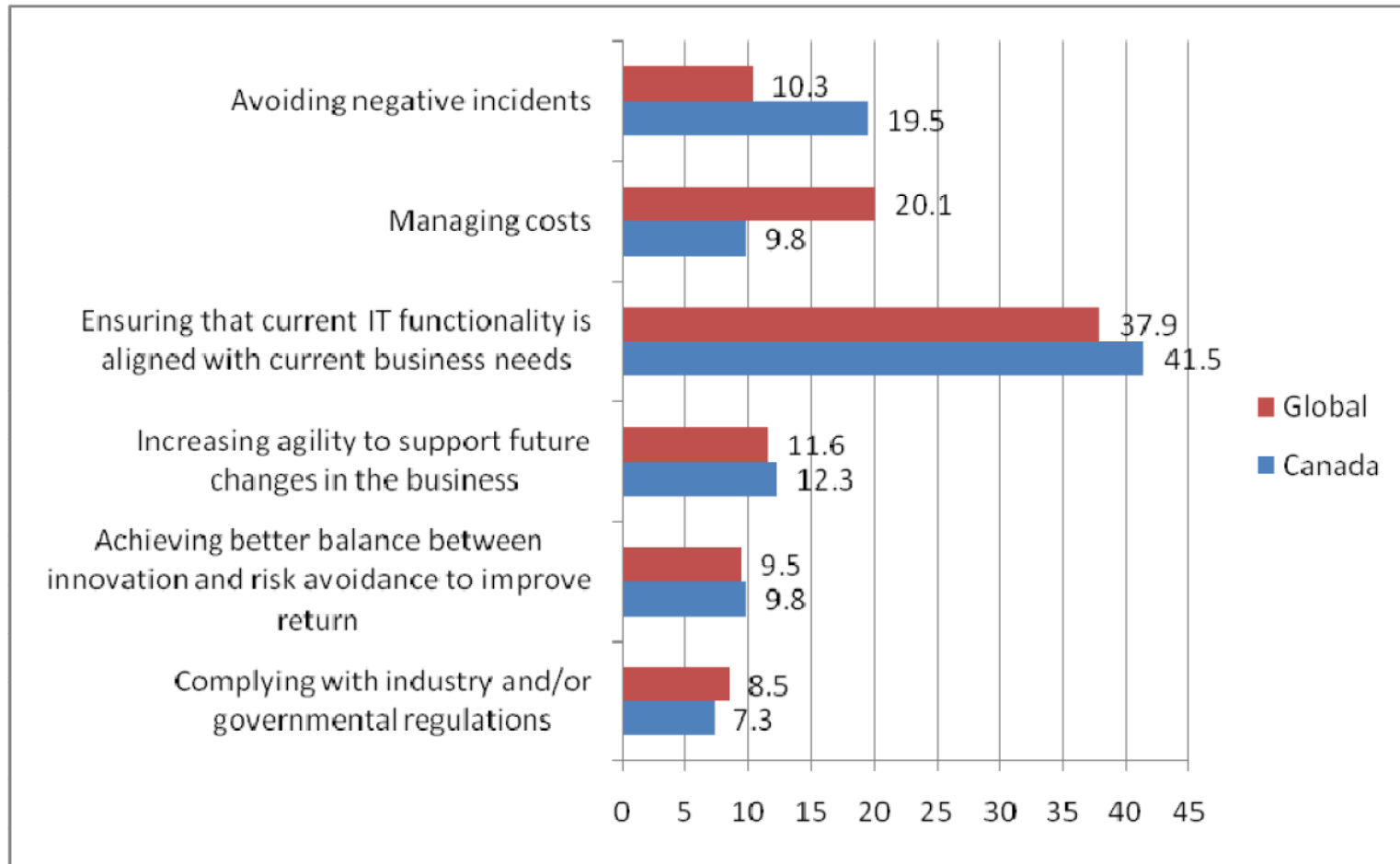


Finding 7: One-eighth of Canadian respondents have recently ended an IT-related project prematurely

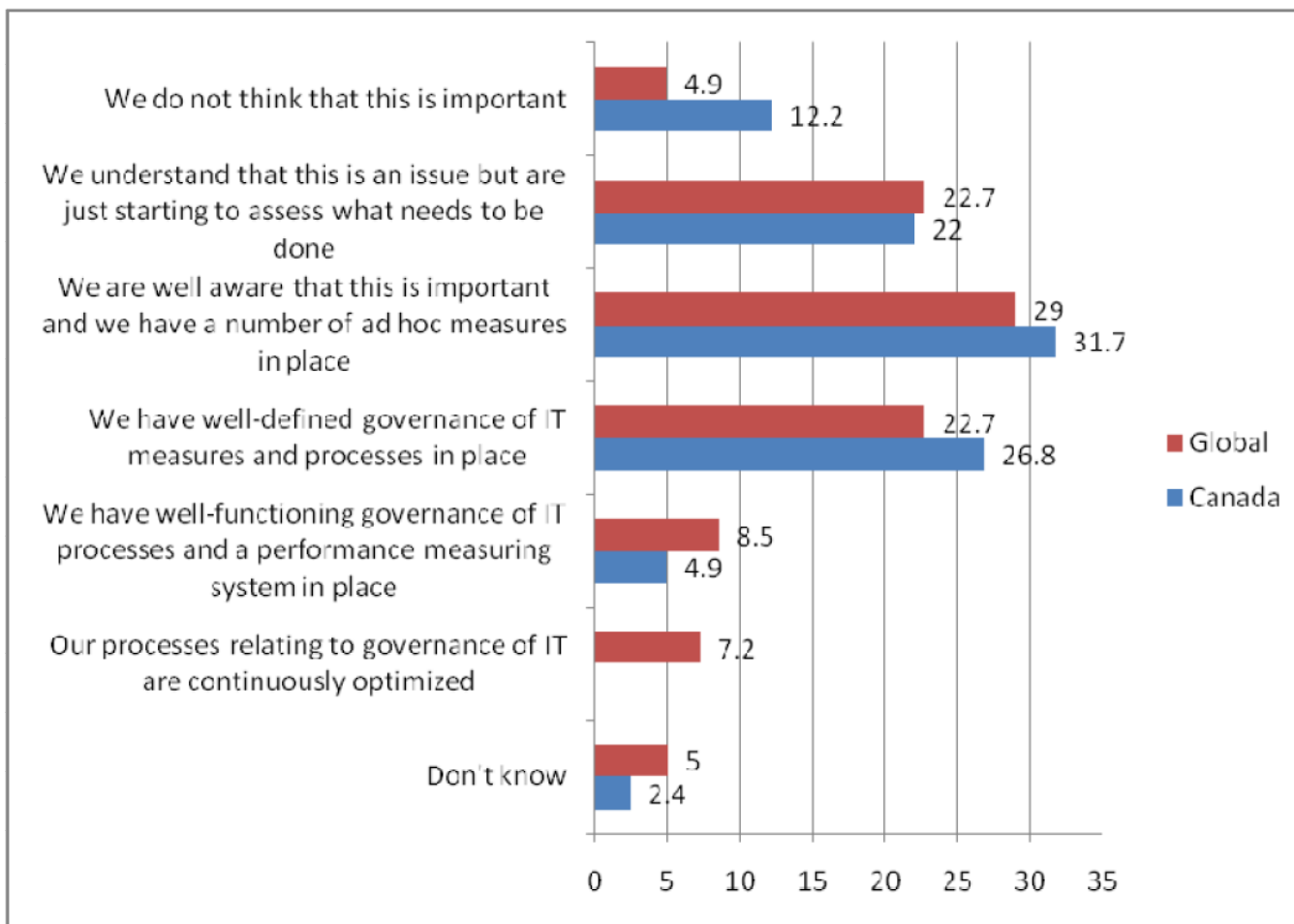


- Question pertains only to projects not being completed (vs. those not successful in terms of budget, schedule, quality, or benefits delivered)
- Prevalence of PMOs that drive PM governance, processes and methodologies
- Popularity of certifications such as PMP and PRINCE2

Finding 8: Alignment of IT with current business needs is the top driver for the GEIT activities of Canadian respondents

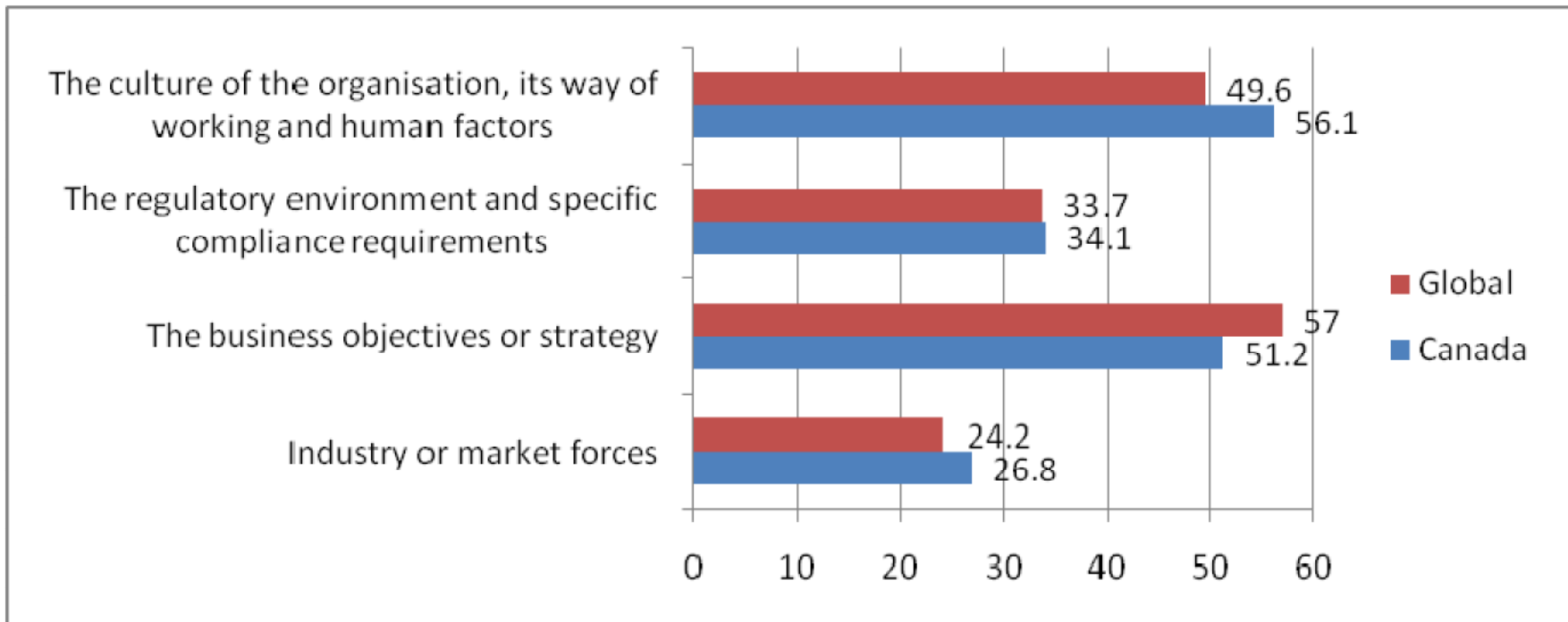


Finding 9: Some improvements to GEIT maturity can be made

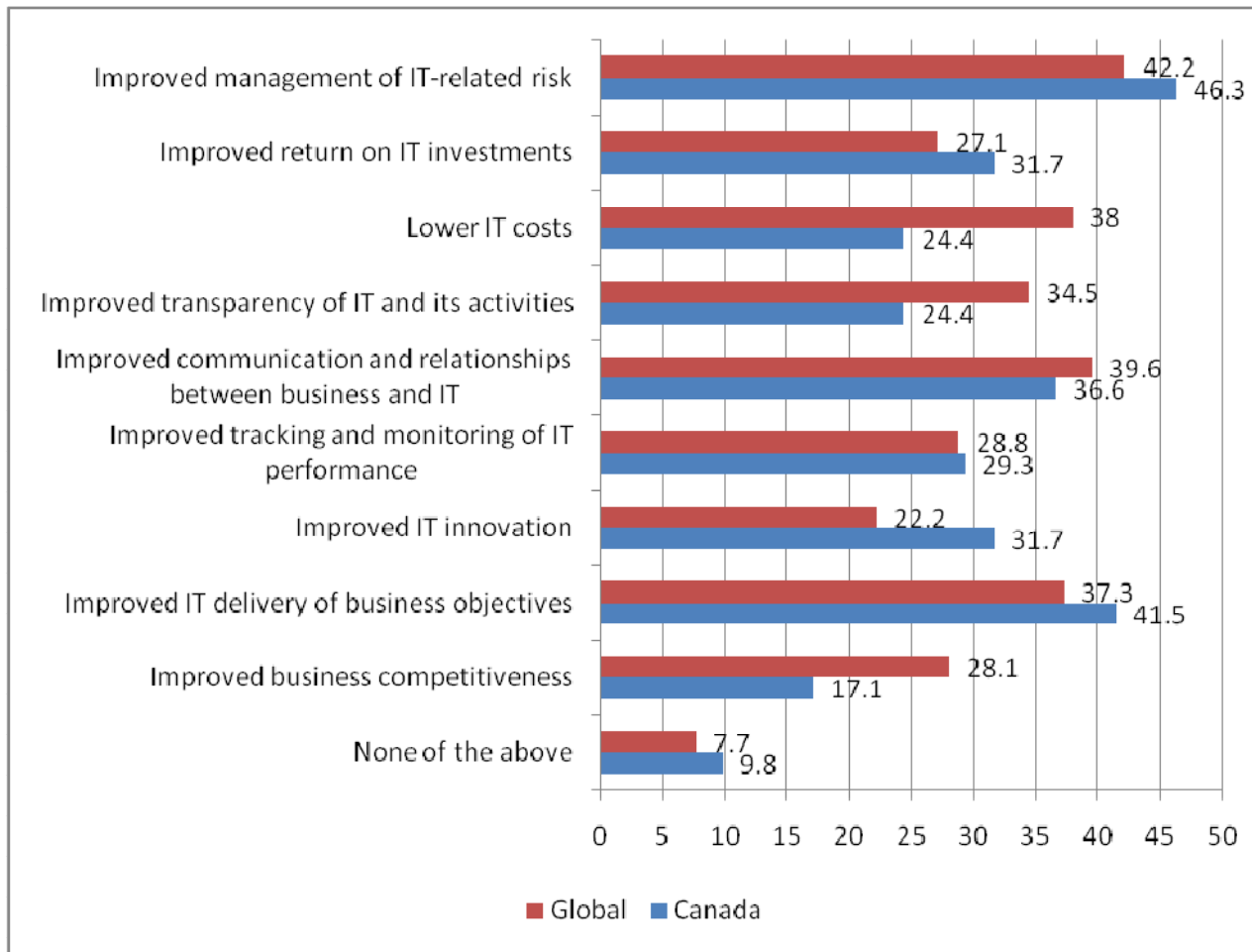


- No Canadian respondents that are continuously optimising the GEIT environment
- Importance when considering the major initiatives planned by respondents
- Smaller organizations have a lower maturity profile than larger organizations

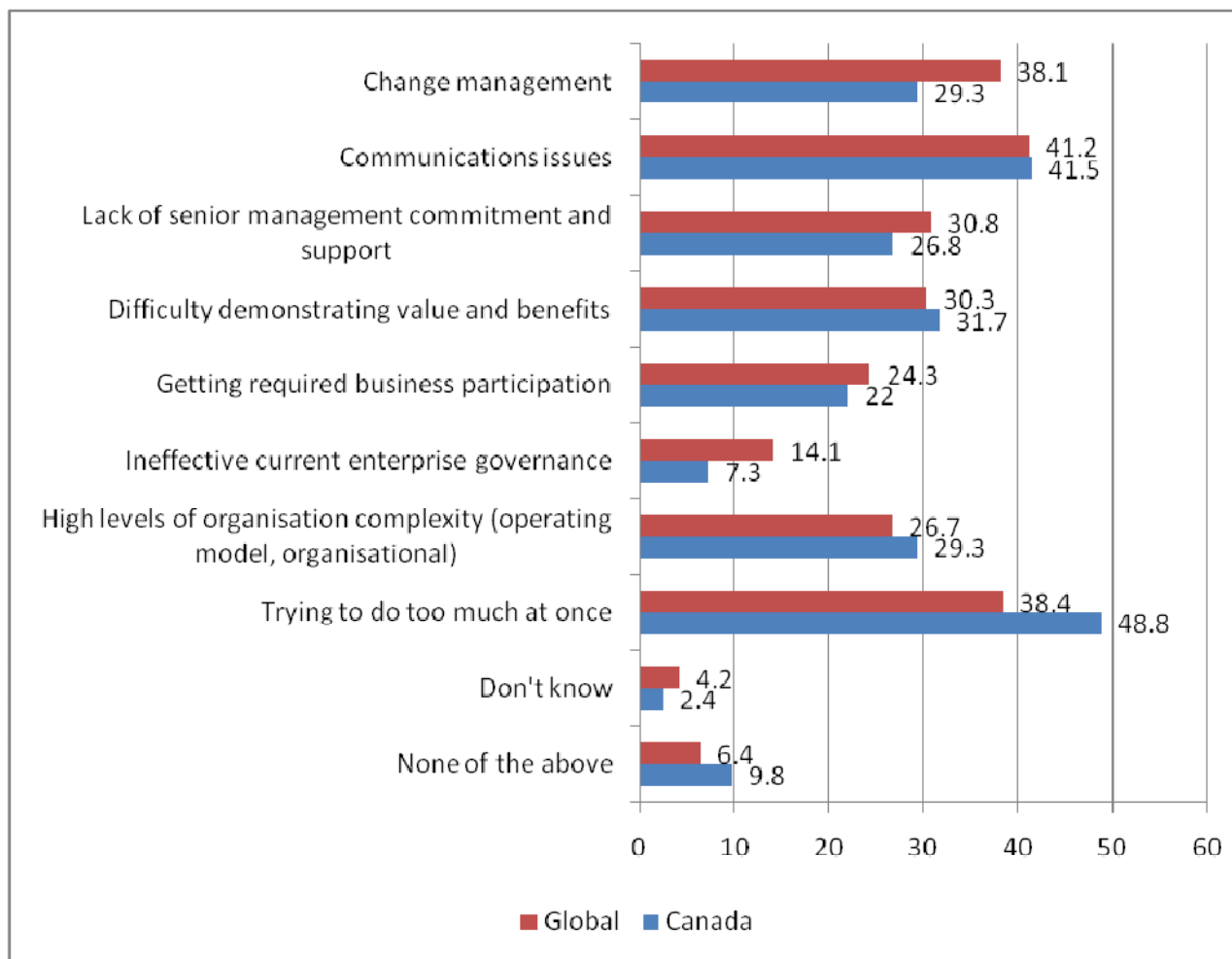
Finding 10: Canadian respondents recognize the significant role culture plays in implementing GEIT



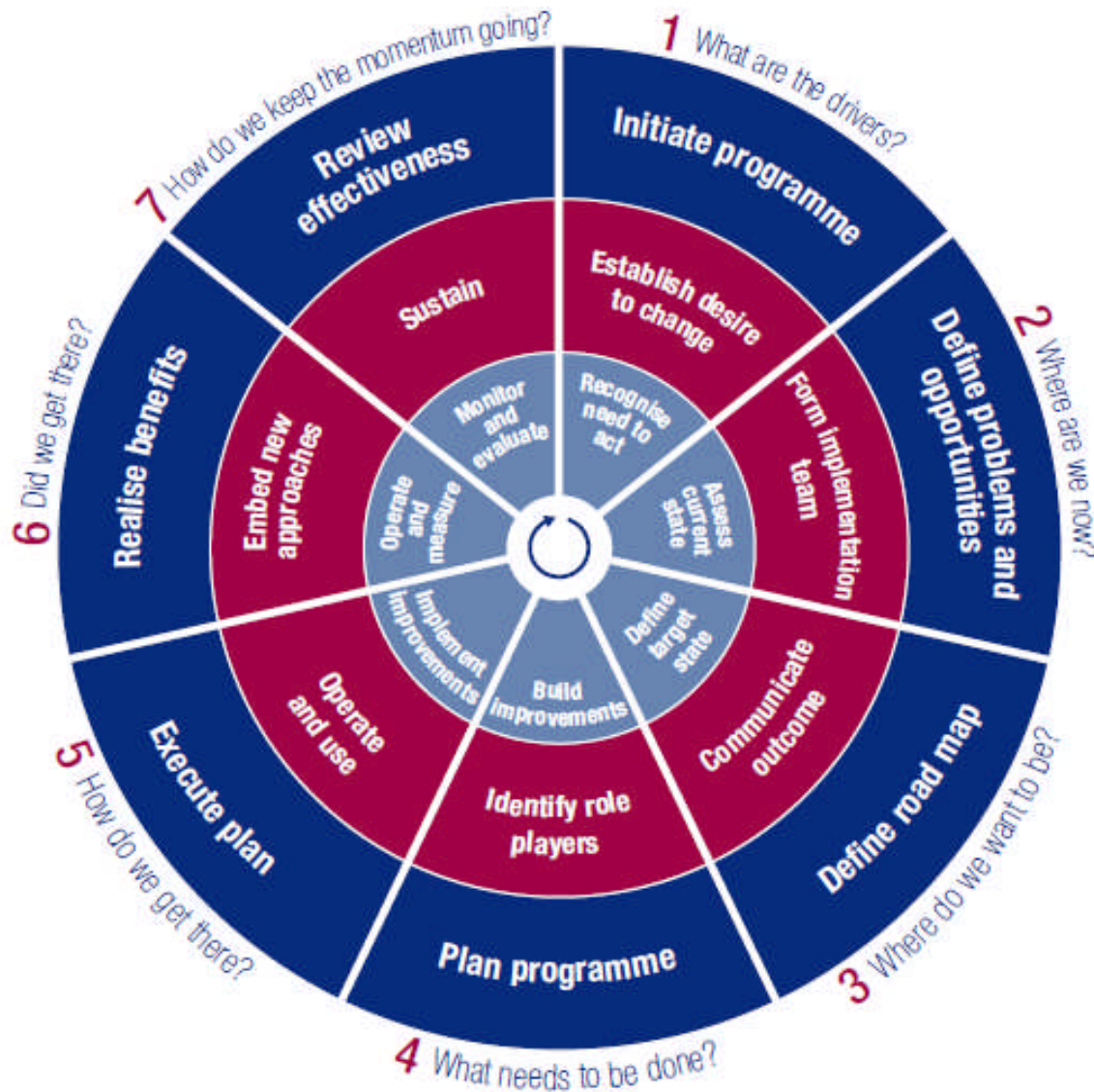
Finding 11: The most common GEIT outcomes are improvements in IT risk management and alignment



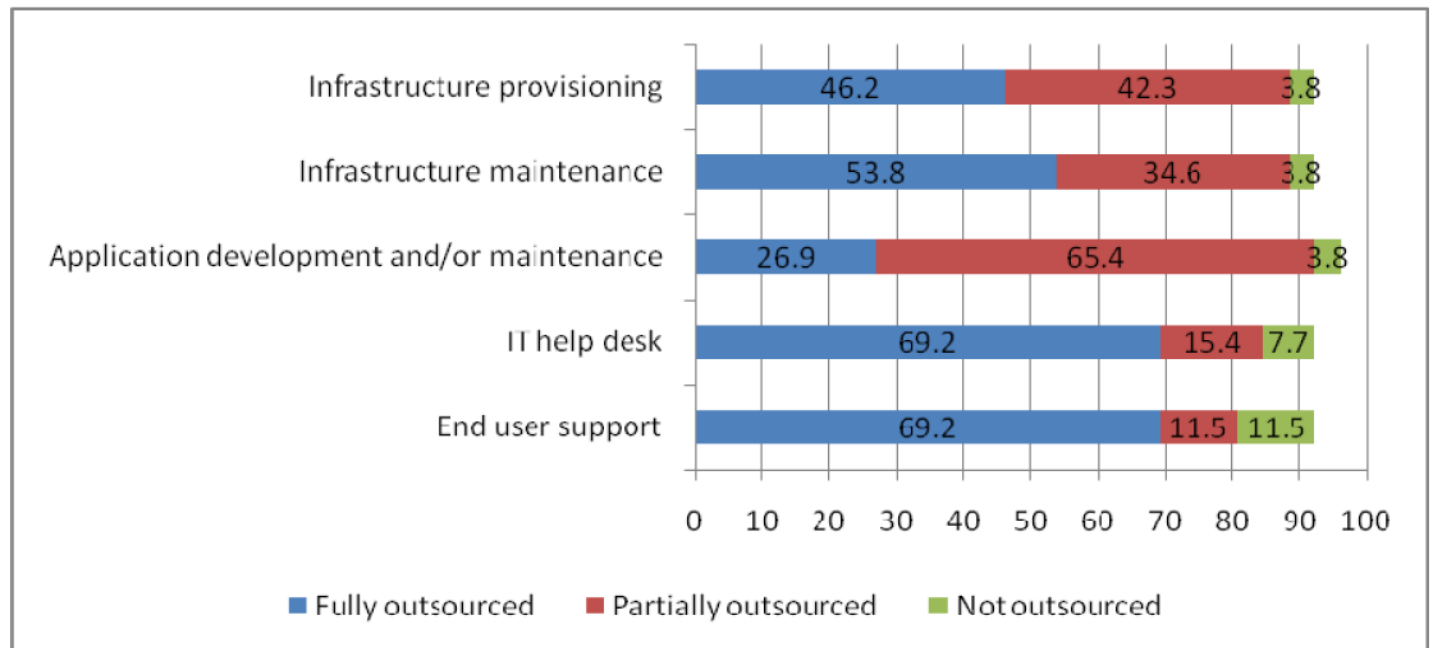
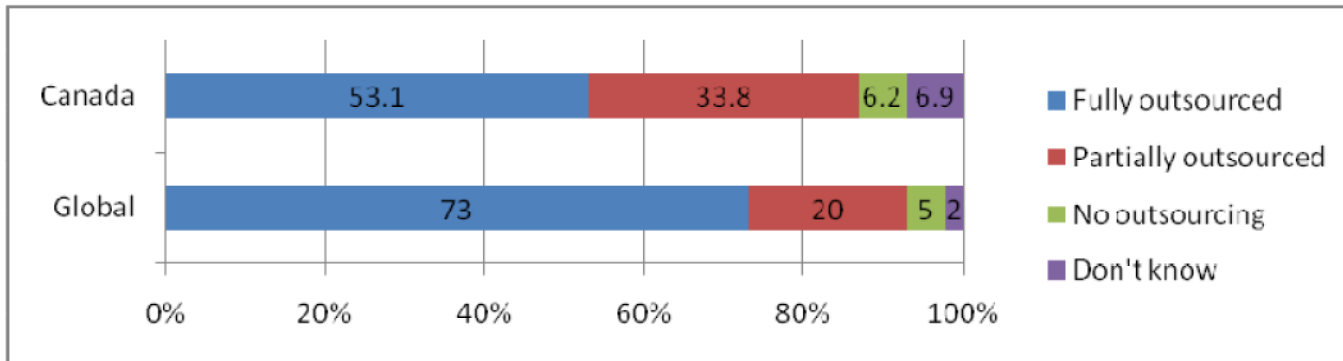
Finding 12: The most common challenge implementing GEIT is trying to do too much at once



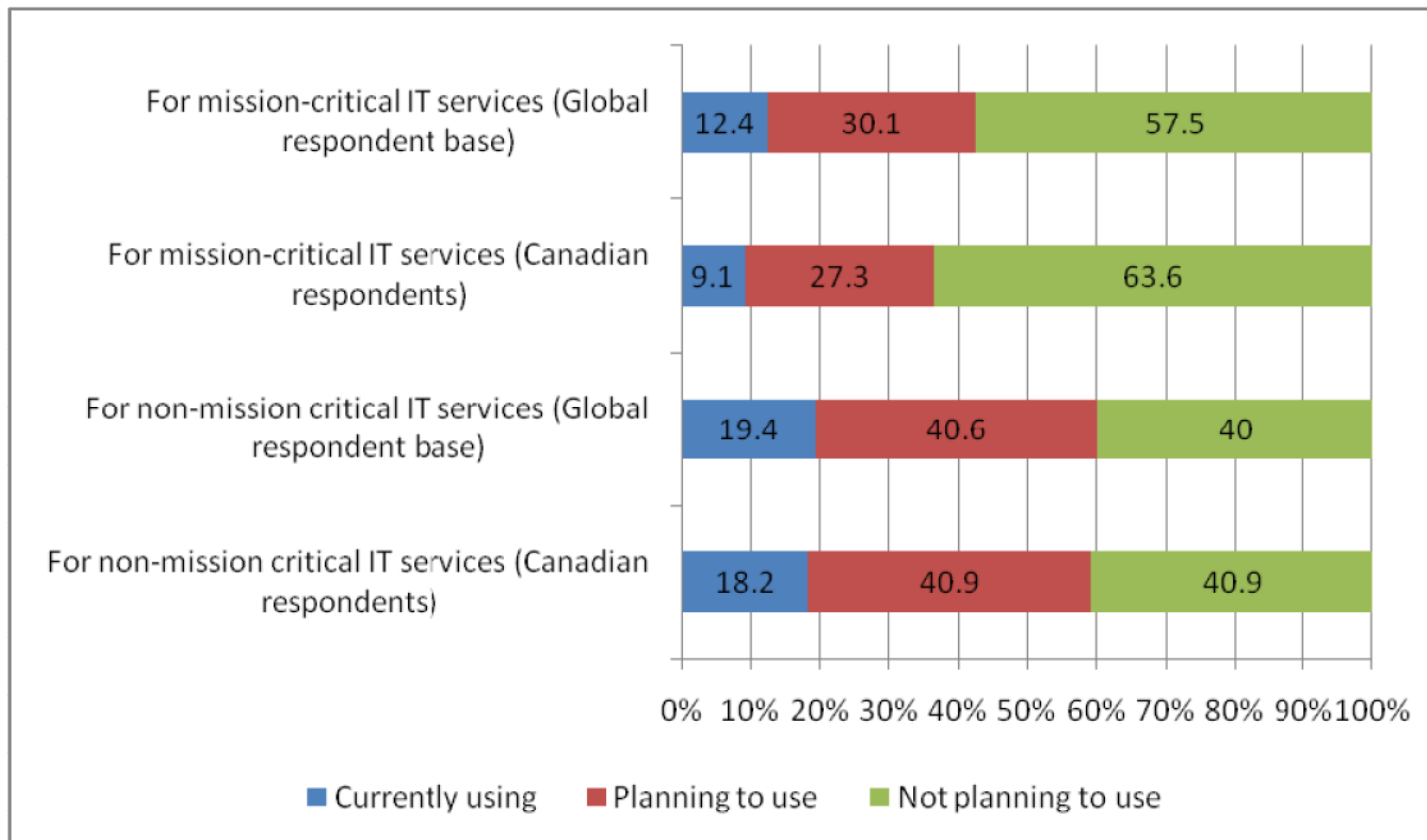
Latest version of Implementation Guide



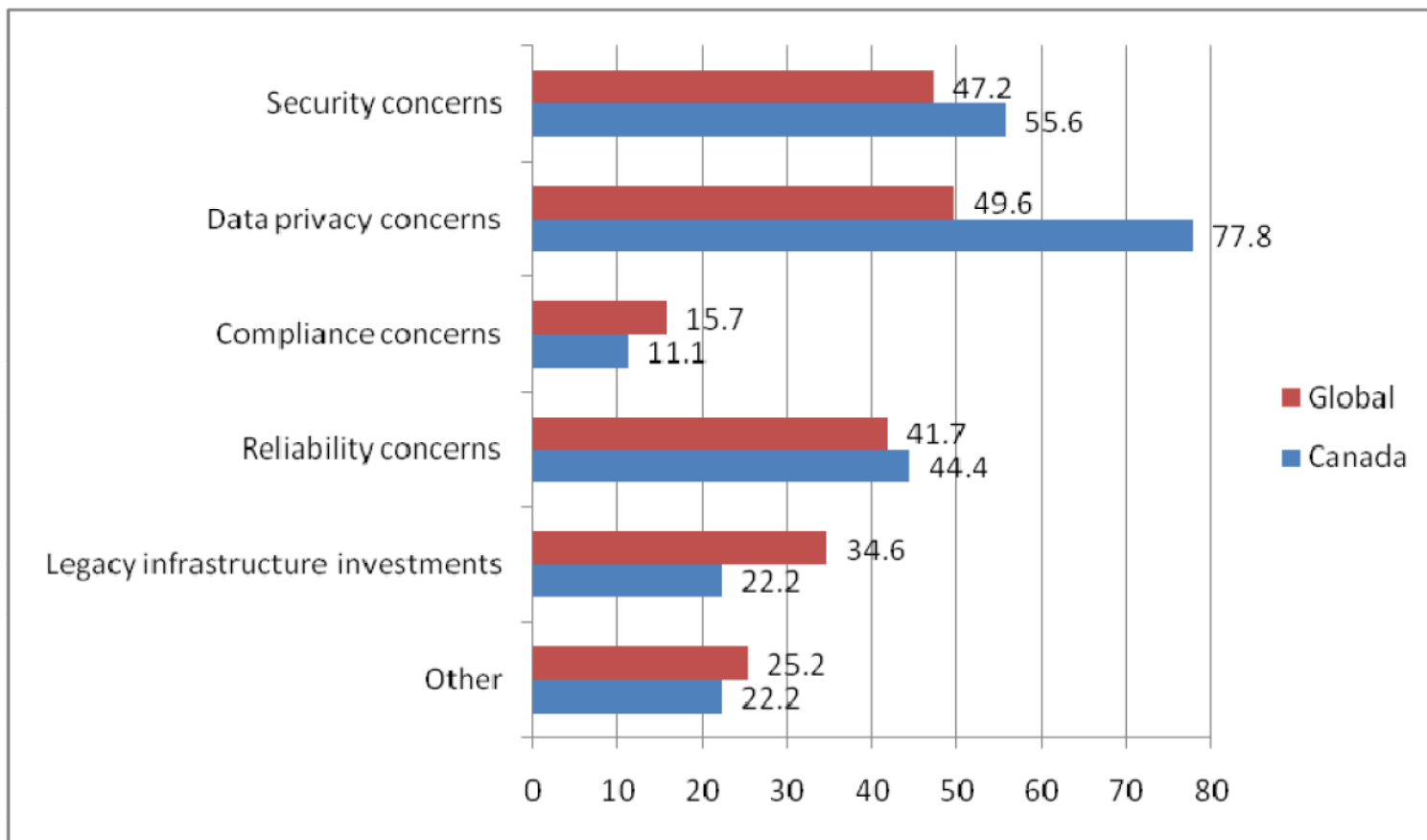
Finding 13: Canadian respondents are less likely to have full outsourcing than global respondents



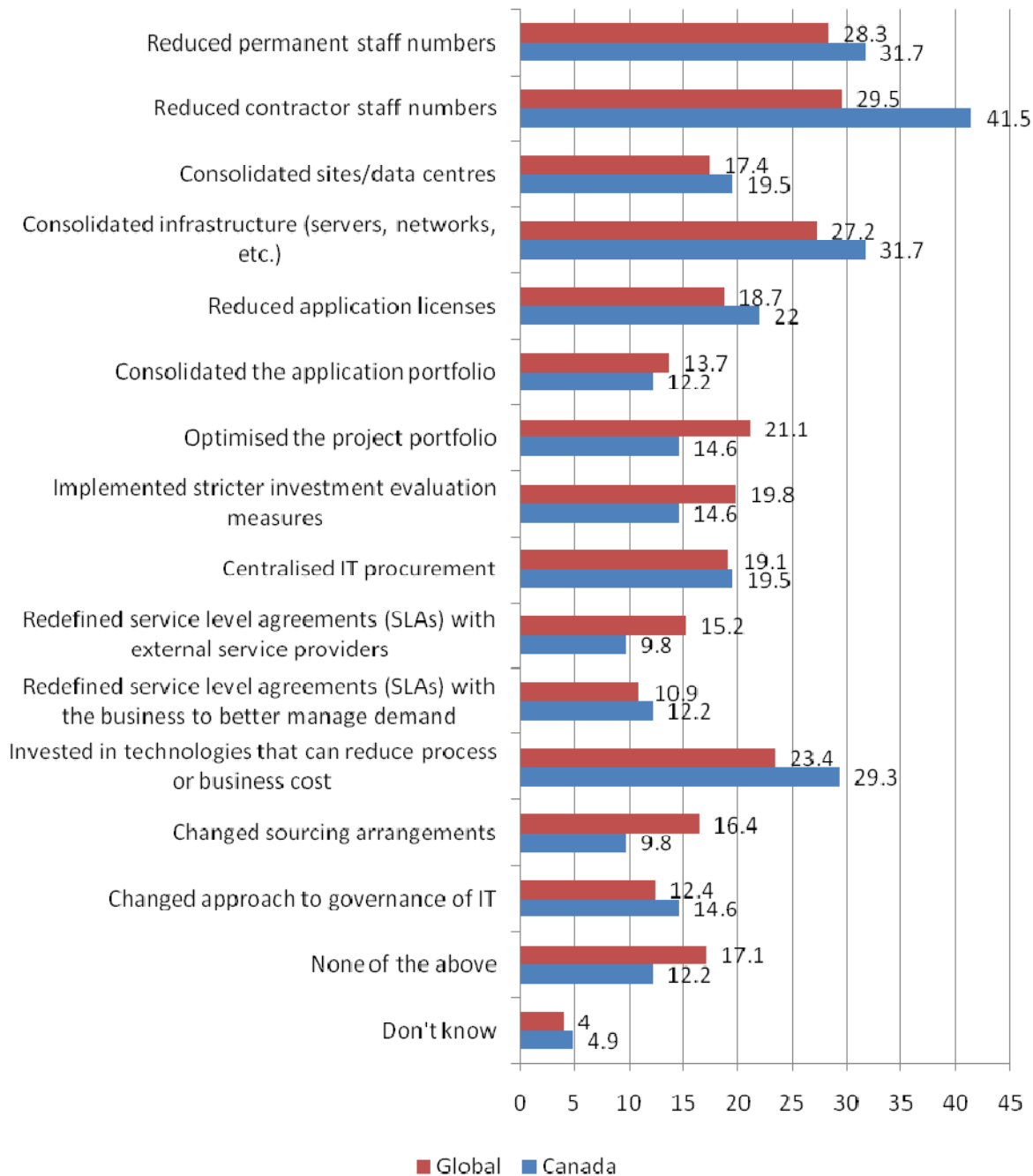
Finding 14: 60% of respondents are using or planning to use cloud computing for non-mission-critical IT services



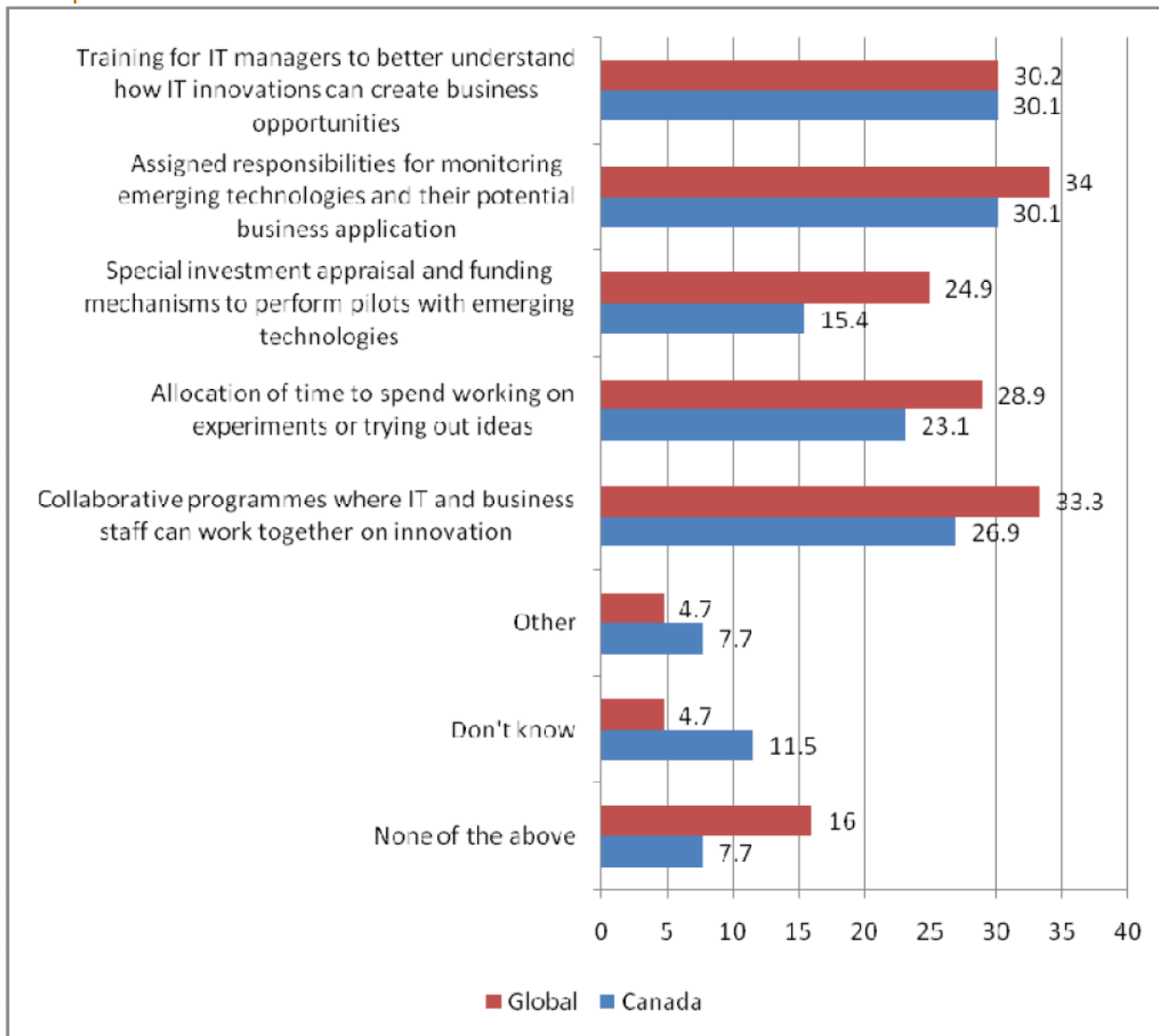
Finding 15: Data privacy and security are the main concerns of those respondents not planning to implement cloud computing



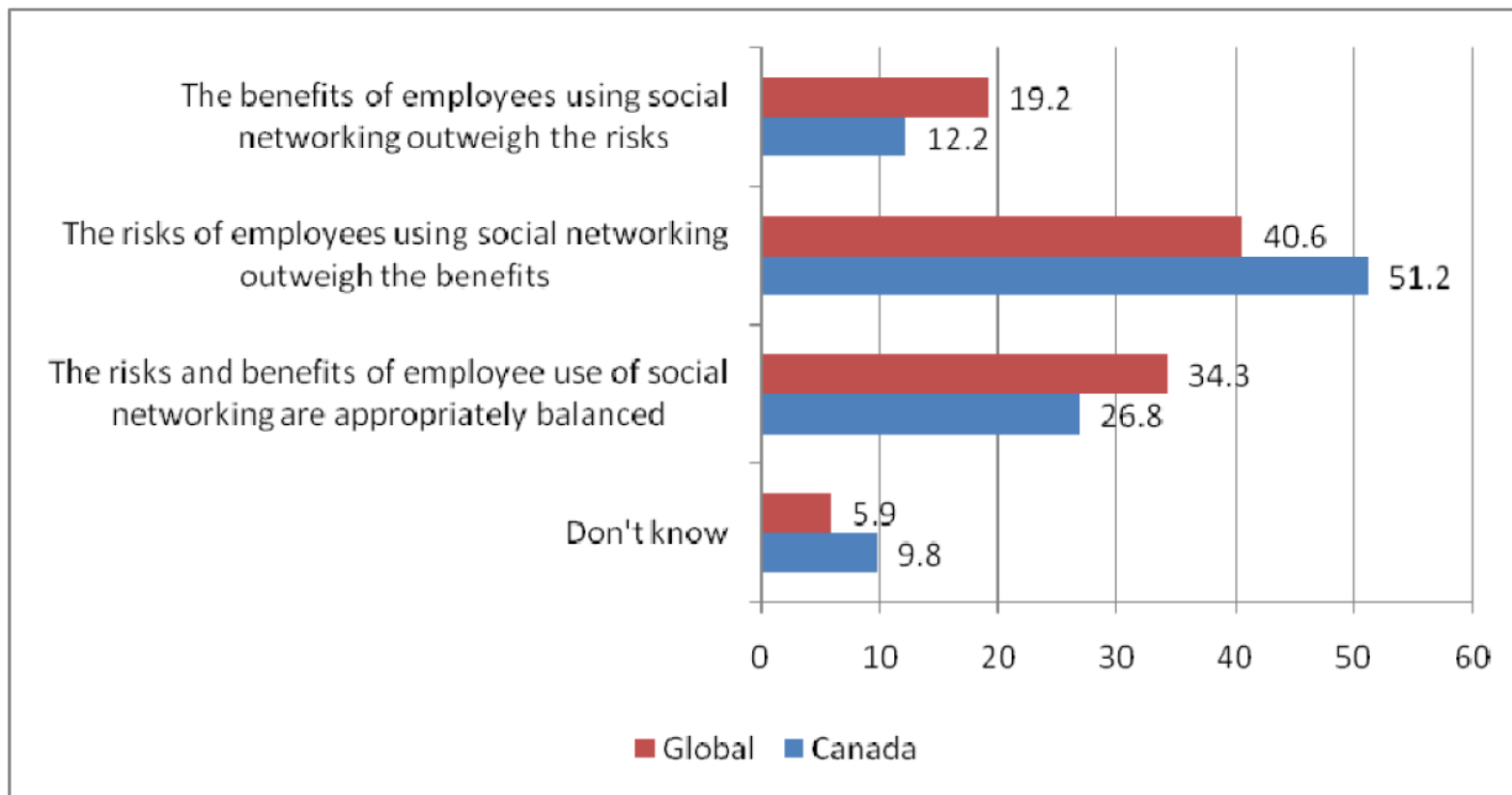
***Finding 16:
Reducing
contractor and
permanent staff
numbers were
the main
responses to the
economic
downturn***



Finding 17: IT innovation is promoted through training to create business insight, and assigning responsibilities for monitoring emerging technologies



Finding 18: A minority of Canadian respondents feel that the benefits of employee use of social networking outweigh the risks



Questions

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