

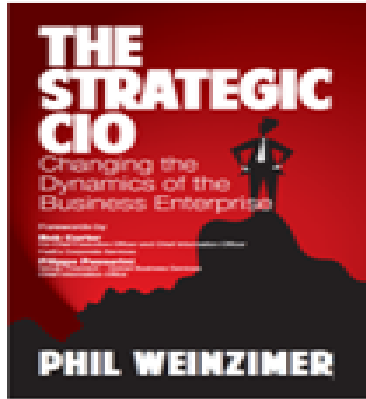
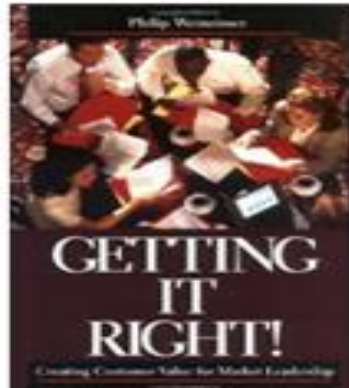


Strategic IT Governance 2.0

How IT Executives Drive Project Success through Project Alignment, Process Reinvention, and Leadership Excellence

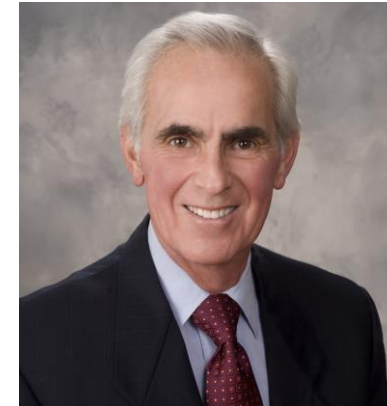
Phil Weinzimer
Strategere Consulting
May 15, 2024

Author



HARVARD BUSINESS SCHOOL **LYNDA M. APPEGATE**
RICHARD T. WATSON
PHIL WEINZIMER

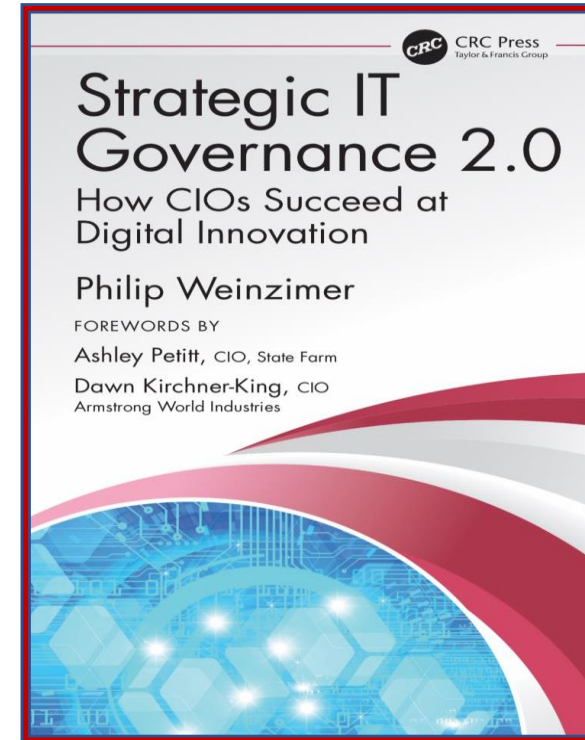
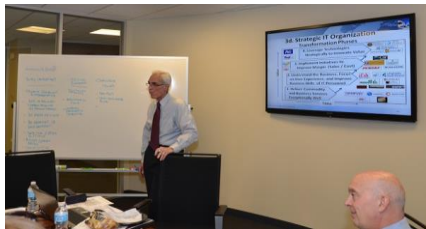
As he practiced his golf swing at Lehigh Country Club on a sunny day in October, Tony Salvaggio's mind was still back in the office—making the ball's flight less accurate than normal. Salvaggio had cofounded Computer Aid, Inc. (CAI) in 1981, in Allentown, Pennsylvania. The company had grown steadily and, by the end of 2014, it was generating \$55 million in revenue per year. CAI provided information technology (IT) outsourcing services to Fortune 100 clients. It had a core set of intellectual property and a proven methodology for dramatically improving support for “legacy” software as a service (SaaS) IT systems, application development, help desks, and other IT processes that had been developed by CAI to enable it to provide high-quality IT outsourcing services for its customers. CAI had learned how to consistently deliver projects on time and on budget, which was a rare feat in the industry. It managed projects by using internally developed software that captured critical metrics for ensuring project success. Given the prevalence of software project overruns, CAI had identified an opportunity to wrap its project management expertise into a product that could be offered to Chief Information Officers (CIOs) and, in 2012, it released a new product called Advanced Project Office (APO).



Consultant



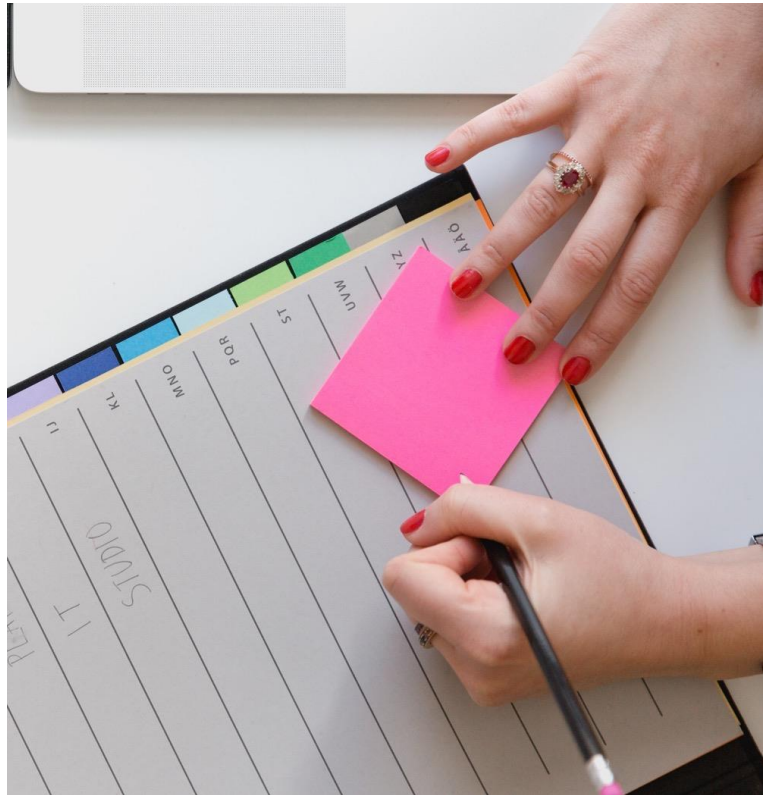
**Educator/
Speaker**



Agenda

- **Why Governance**
- **Governance Objectives**
- **Strategic Project Governance 2.0**
- **Case Examples**
- **Implementation Approach**

Grab Your
Notepad



Strategic Project Governance

Key Objectives

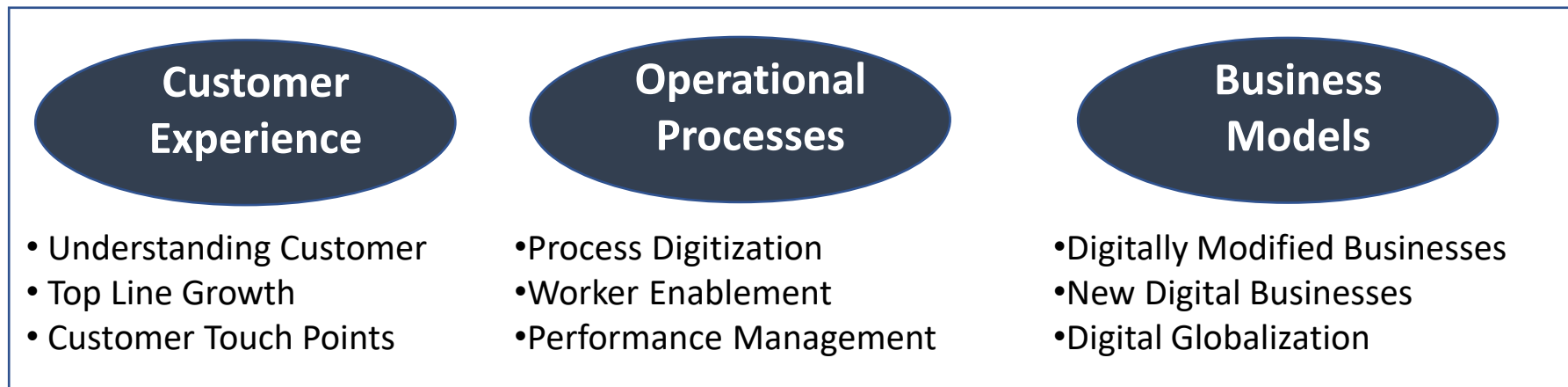
- Identify / prevent unnecessary risk
- Proactive process in selection/execution of projects /technology investment decisions align with enterprise strategy
- Enable achievement of strategic goals

“The foundation to an effective governance program is effective risk management”... Deloitte

<https://deloitte.wsj.com/riskandcompliance/2013/05/24/the-role-and-benefits-of-a-corporate-governance-framework/>



- 3- Year Study
- 1500 IT/Business Executives
- Increase of Transformation Projects Focus on 3 Key Areas



... Identified **GOVERNANCE** as a
Major Obstacles to Success

Research Study: <https://www.capgemini.com/consulting/service/digital-transformation/>

Video: <https://youtu.be/zUmVJcC6Xhk>



Strategic Project Governance

Key Objectives

- Identify / prevent unnecessary risk
- Proactive process in selection/execution of projects /technology investment decisions align with enterprise strategy
- Enable achievement of strategic goals

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The Evolution of Strategic Project Governance

Governance 1.0

(Pre-2015)

- IT Driven
- Lack of Executive Buy-In
- Conflicting Responsibilities
- Misaligned Projects
- They vs Us
- Lack of Processes
- Historical Metrics



Governance 2.0

(2015 – Today – Future)

- Business Driven
- Executive Sponsorship
- Business Partnership
- Strategic Alignment
- Collaboration
- Process Optimization
- Real-Time Metrics



Strategic Project Governance 2.0

Project, Process, and Leadership Excellence



Strategic IT Governance 2.0 Framework



IDG CONTRIBUTOR NETWORK [Want to Join?](#)

TRANSFORMING IT FOR BUSINESS SUCCESS

By Phil Weinzimer, Advisor, President, CIO | JAN 4, 2019 6:32 AM PT

<https://www.idginsiderpro.com/article/3331276/strategic-it-governance-20-a-business-imperative-for-competitive-success.html?page=2>

<https://www.cio.com/article/3331276/it-strategy/strategic-it-governance-20-a-business-imperative-for-competitive-success.html>



Strategic Project Governance 2.0

Key Components



BUSINESS VALUE

PROCESS EFFICIENCY

Executive Sponsorship

- Strategic Imperative
- C-Suite Sponsorship
- VP/Director/Mgr Sponsorship

Bus/IT Partnership

- Business/IT Governance Board
- Bus/IT Partnership Collaboration
- Bus/IT Sponsor Ownership

Strategic Alignment

- Enterprise-Wide Comm.
- Bus/IT Technology Plan
- Project Selection/Alignment Process
- Business Outcome Metrics

- Stakeholder Involvement
- Predictive Project Risk Indicators
- Defined Project Success Criteria

- Project Impl. Review Panel
- Defined Process, Roles, Resp. Matrix
- Real-Time Project Monitoring
- Continuous Improvement Process

- Proactive Project Management Status
- Predictors for Project Success
- Collaborative Project Status Report
- Efficiency Metrics to Measure Success

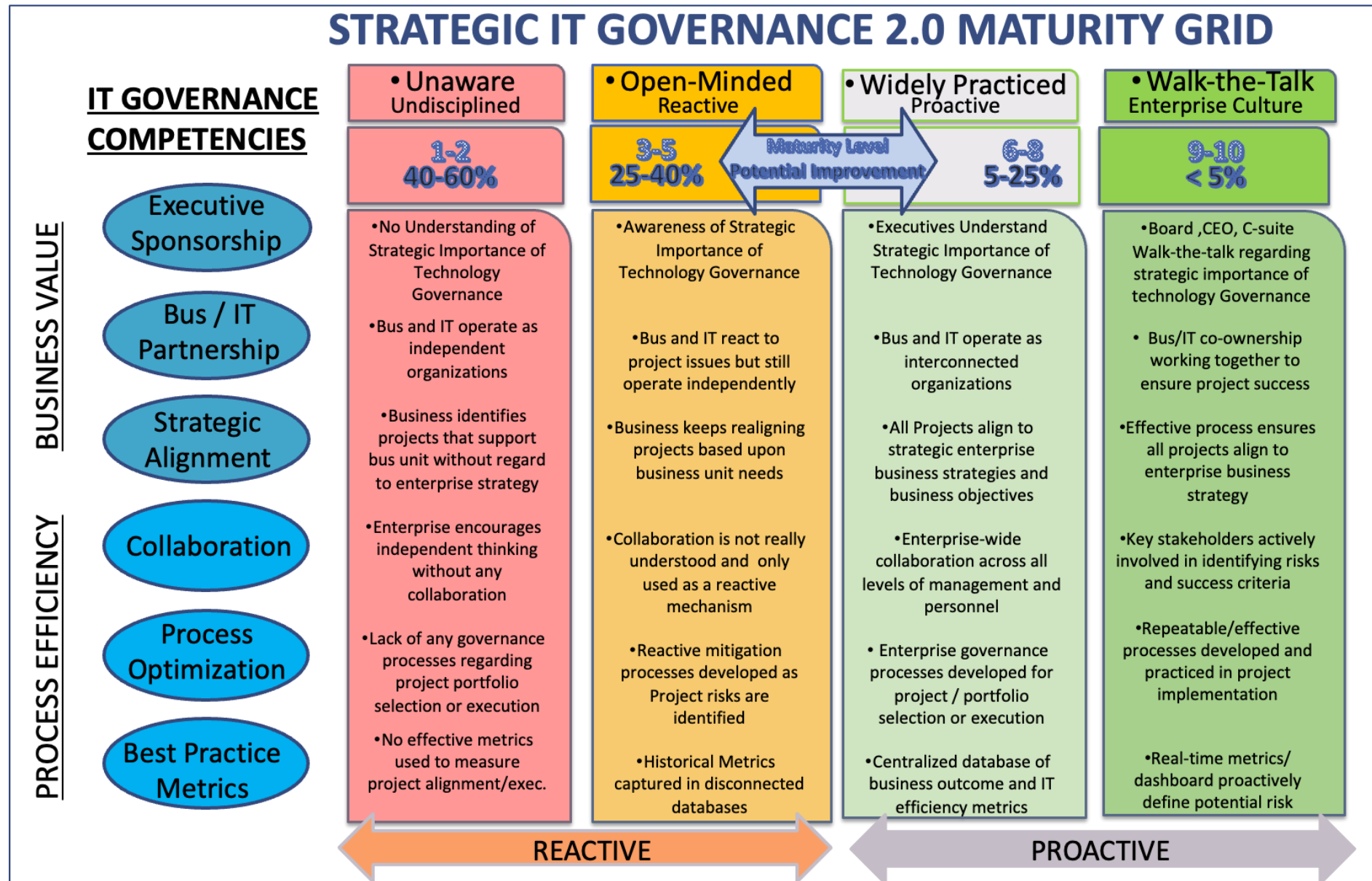
Collaboration

Process Optimization

Best Practice Metrics



STRATEGIC IT GOVERNANCE 2.0 MATURITY GRID



Strategic Project Governance 2.0 Maturity Assessment

Business Value

IT Efficiency

EXECUTIVE SPONSORSHIP

BUSINESS/IT PARTNERSHIP

STRATEGIC ALIGNMENT

BUSINESS VALUE		BEST PRACTICE	CURRENT SCORE (1-Low: 10-High)	GOAL SCORE (1-Low: 10-High)
Strategic Imperative	Executive Sponsorship	The business enterprise recognizes Governance as a strategic imperative		
C-Suite Sponsorship		The entire C-Suite publicly endorses and sponsors the need for strategic Governance as a critical success factor in achieving its business goals and objectives		
VP/Director/Manager Sponsorship		VPs, Directors, and Managers across the business enterprise publicly endorse and sponsor the need for strategic Governance as a critical success factor in achieving its business goals and objectives		
Business/Governance Board	Business Partnership	A Business Governance Board comprised of key stakeholders provides oversight, coaching, and mentoring to organizations involved in IT Governance and receive regular updates on project status, metrics, and risk management issues		
Business Unit/Partnership-Collaboration		Business Unit Leaders recognize the need for and form collaborative partnerships to identify, develop, and implement the portfolio of IT and technology projects		
Business/Sponsor and Owner for Projects		A business sponsors are jointly accountable and responsible for achieving the successful implementation for projects		
Business/Technology Plan	Strategic Alignment	Business Leadership jointly develop a business/technology plan that enables achieving the business enterprise business goals and objectives		
Enterprise-Wide Communication Program		An enterprise-wide communication plan is in place to engage all personnel in the need for and active participation in understanding the importance of Governance as a critical success factor for business success		
Project Selection/Alignment Process		All projects are screened and approved by the Business Governance Board to ensure that they align strategically to enterprise business plan in achieving the business goals and objectives		
Business Metrics & Success Criteria		Key business metrics identifying business outcomes and success criteria are established for each project to measure business outcome success		
TOTAL SCORE				

PROCESS EFFICIENCY		BEST PRACTICE	CURRENT SCORE (1-Low: 10-High)	GOAL SCORE (1-Low: 10-High)
Stakeholder Involvement (Active Communication Throughout Project Lifecycle)	Collaboration	Key stakeholders are actively involved in assessing the status of projects to identify and monitor potential risk areas to ensure successful project execution		
Project Risk Indicators (provide predictive risk scores)		Project success indicators are identified and measured to identify predictive risk indicators for projects		
Defined Project Success Criteria		Key success criteria is established and measured for each project to ensure alignment of business outcome metrics and project success metrics		
Key Predictors for Project Success	Process Optimization	Key predictors for project success are identified, measured, monitored to ensure consistency of project execution to achieve business objectives/goals		
Defined set of Processes, Activities, Roles, Responsibilities, and Metrics		There are a defined set of processes, activities, responsibilities and metrics developed for each role (business/IT) in the development, implementation, and launch of projects		
Real-Time Project Monitoring		Real-time monitoring of projects provides dashboard metrics to indicate project status in easy-to-use tool that fully integrates with project measurement applications		
Continuous Improvement Process		A continuous improvement process is in place to enhance Governance process, IT skills, and associated metrics		
Proactive Project Management/Status (Anticipate Risk)	Best Practice Metrics	Project Management processes ensure activities to identify and measure anticipated risk		
Collaborative Project Status Process (Bus Owner/IT Owner/ Project Review Meetings)		Project manager prepares status reports collaboratively with key business stakeholders who also participate in key project review meetings		
Efficiency Metrics to Measure Success		Key metrics are defined to measure the efficiency of project execution		
TOTAL SCORE				

Collaboration

Process Optimization

Best Practice/Metrics





- \$ 1 Billion
- North / South America
- 3,000 Employees
- Hdqtrs-Lancaster PA



Schools



Restaurants



Offices



Structural Insulated Panels

Business Strategy

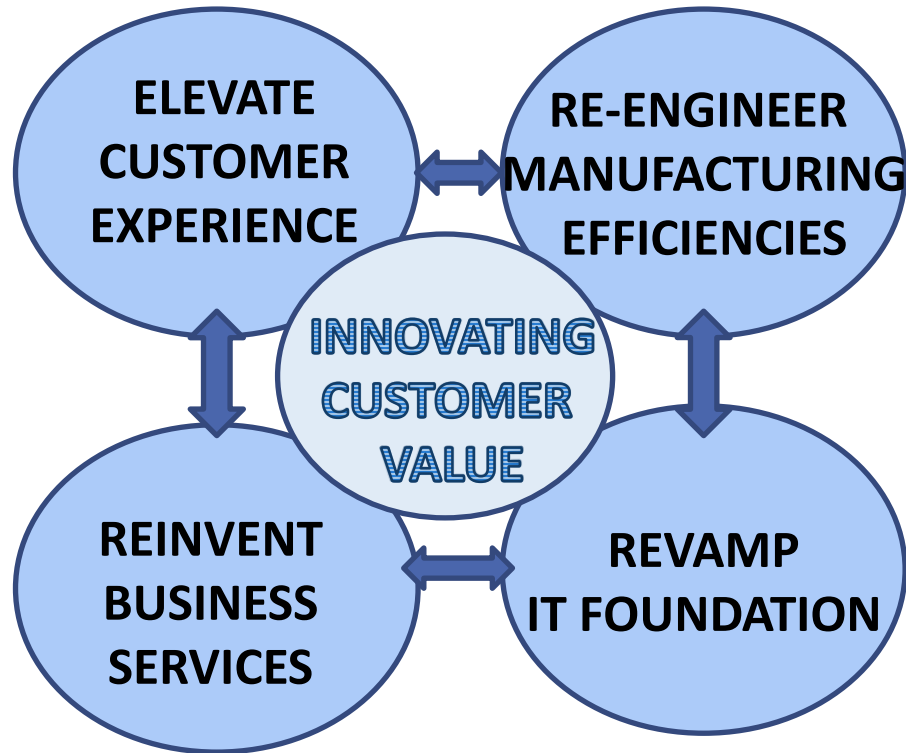
- To continue to pursue a meaningful set of growth initiatives designed to improve our competitive position in our markets and elevate our growth trajectory
- Primary among these has been our investment in digitalization. These digital initiatives have focused both internally, to increase the efficiency and speed to our operations and sales function, and externally, to bring new customers to AWI and to strengthen our existing customer relationships

“Ground our Digitalization work primarily in the needs and experiences of our customers”



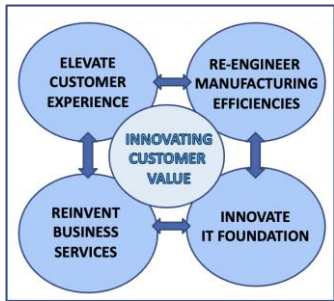


GOVERNANCE STRATEGY



"by digitalizing our business, we advance our goal of helping our customers get more value from AWI products and services. Additionally, it improves our productivity in how we develop and deliver our products and services, adding speed, reducing costs, and improving quality."





Dawn-Kirschner King
VP & CIO



GOVERNANCE STRATEGY



ELEVATE CUSTOMER EXPERIENCE



Drive speed by leveraging technology, collaborating with business units, and driving operational efficiency

RE-ENGINEER MANUFACTURING EFFICIENCIES



Integrate technology in using predictive controls in manufacturing/maintenance, automating the warehouse, and providing visibility and control into each supply chain component.

REINVENT BUSINESS SERVICES



Improve employee productivity and experience by leveraging data analytics and state-of-the-art Enterprise Resource Planning (ERP) Tools, and Human Resources Information Systems (HRIS).

REVAMP IT FOUNDATION:



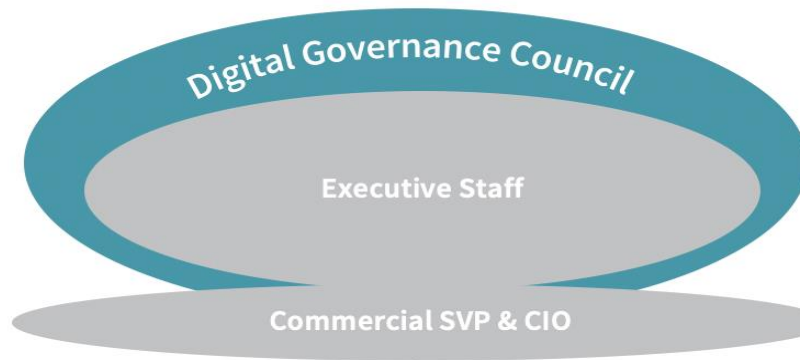
Provide a solid foundation and infrastructure for collaboration, productivity, and security across the organization to support Armstrong 5A principles (Anytime, Anywhere, Any Device, Always On, Always Available).



Governance Model for Digital Acceleration

Governance Council Responsibilities

- *Oversee digitalization workstreams and rebalance priorities*
- *Evaluate and prioritize digital investments*
- *Report on digital progress/maturity*



IT Responsibilities

- *Balance digital priorities with broader IT portfolio and backlog (resource planning)*
- *Optimize technology/process investments to support Digital*
- *Provide technology support for workstreams/innovation*

Digital Steering Committees

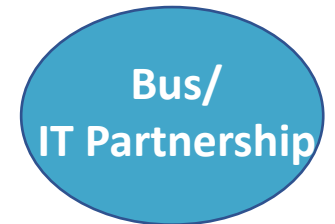


Steering Committee Responsibilities

- *Oversee focus area workstreams and rebalance priorities*
- *Evaluate and prioritize business cases*
- *Recommend new investments*
- *Select investments for resourcing/prioritization*

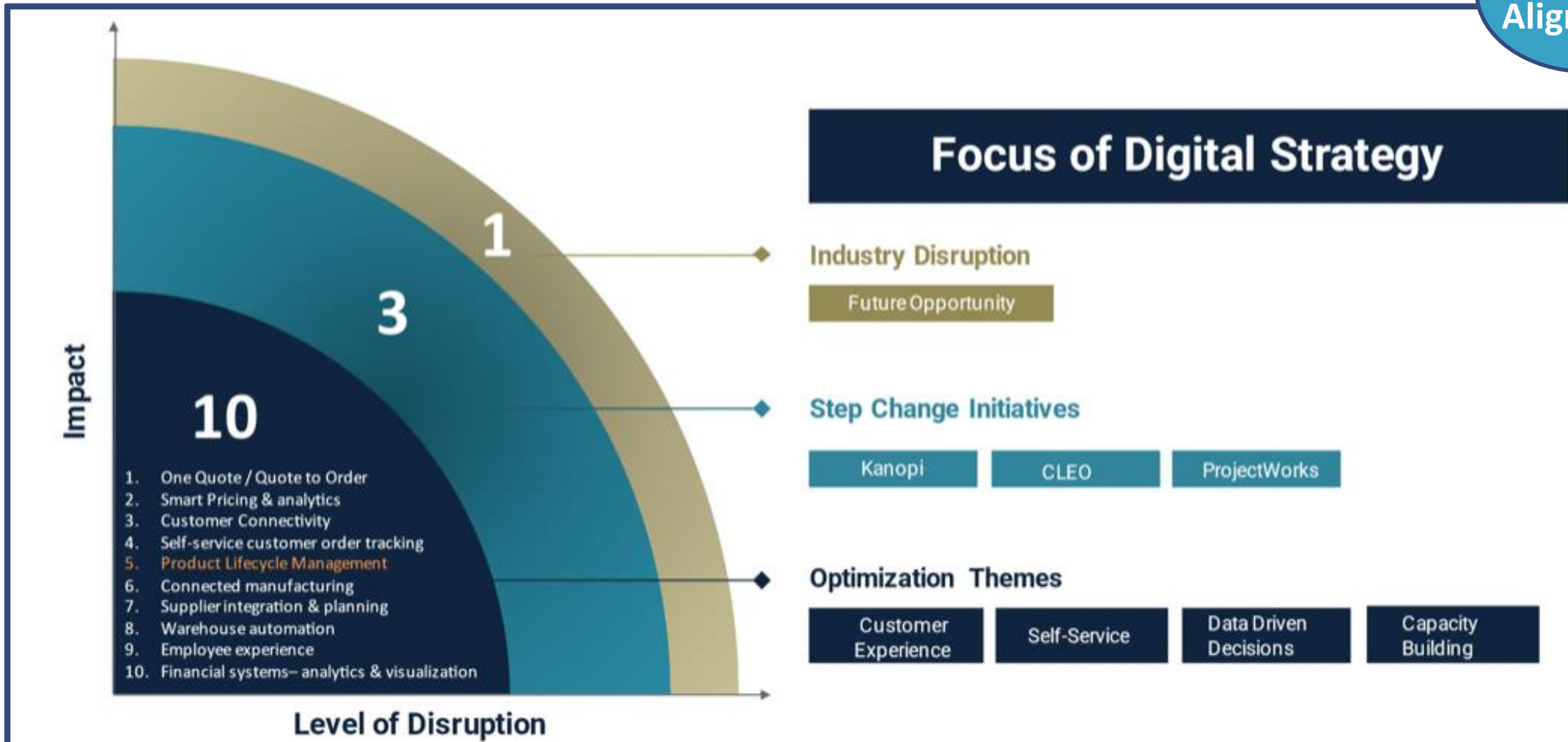


Dawn-Kirschner King
VP & CIO



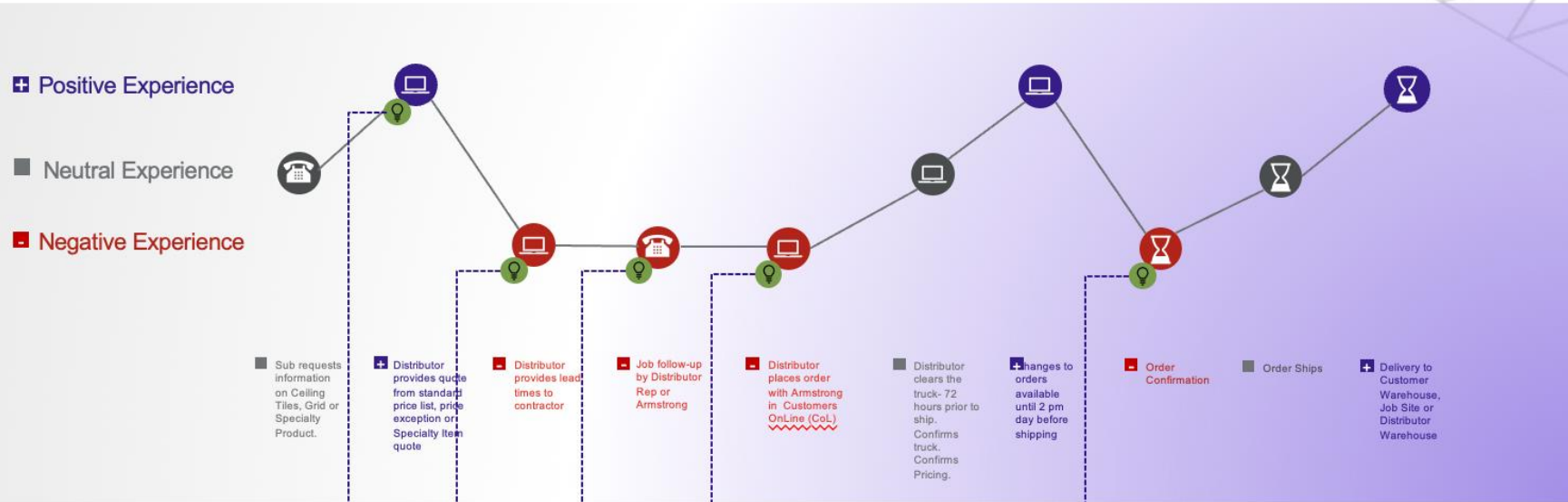
DIGITAL STRATEGY

Strategic Alignment



Customer Journey Map

Distributor- Purchase



Moments that Matter
 Moments that matter are the most critical step in our journey. Get them wrong, and you lose customers. Get them right, and our customers become lifelong advocates.

- One Quote provides one place for Distributors to provide quotes for all specialty items
- Lead times are currently available only on standard items/ items offered through 1Q
- Distributor would like more visibility to Armstrong follow-up
- Distributor must rekey quote information to place order
- More detail is necessary on vended products

What our Customer had to say

- One Quote is wonderful, but it would be even better if I didn't have to rekey data from my system to yours.
- My people are afraid to make mistakes on A/S orders. Your technology would be truly like Amazon if you matched their return policy.
- Why do I need to create a 'dummy truck' to make sure I will receive standard products on time?
- It would be helpful to have information in advance if you plan to do follow-up on quoting activity.
- Why do I have to call you to find out status of my order?
- Why can't I have better up-front lead time details on A/S products?

Collaboration

Process Optimization

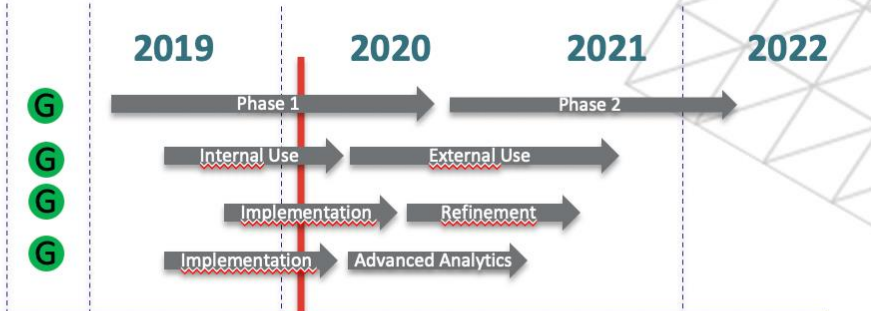


Digital Roadmap

Best Practice/
Metrics

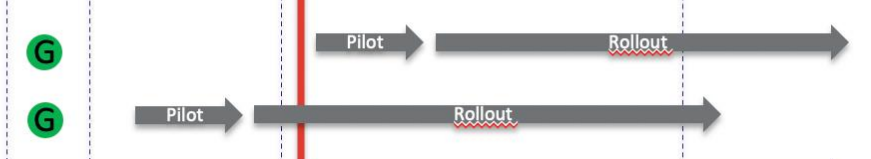
Digital  **Customer**

- 1. Project
- 2. Project
- 3. Project
- 4. Project



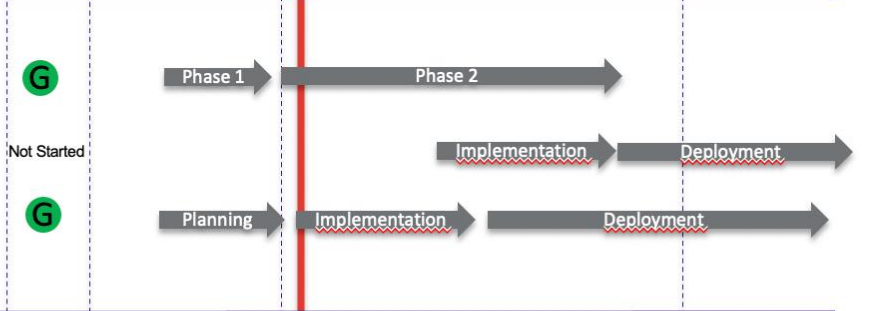
Digital  **Factory**

- 5. Project
- 6. Project



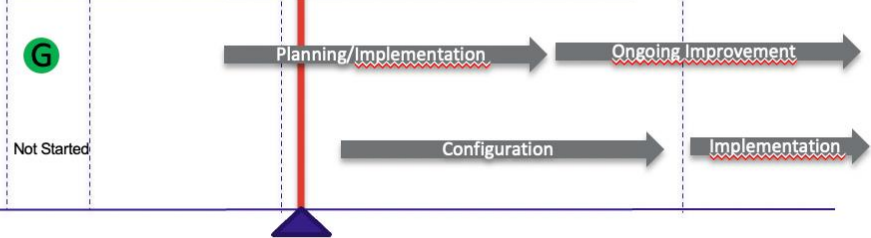
Digital  **Supply Chain**

- 7. Project
- 8. Project
- 9. Project



Digital  **Foundation**

- 10. Project
- 11. Project



Initiatives currently on target to plan for schedule & resourcing





Dawn-Kirschner King
VP & CIO



Executive Sponsorship

- Strategic Imperative
- C-Suite Sponsorship
- Executive Digital Council

Department/IT Partnership

- Key Area Focus Teams
- Business Partnership Collaboration
- Business Sponsor Active Involvement

Strategic Alignment

- Project Selection/Alignment
- Business Outcome Metrics
- Customer Journey Focus Groups

- Active Stakeholder Involvement
- Defined Project Success Criteria
- Enterprise Communication Program

- PMO Methodology & Tools
- Defined Processes, Roles, Resp. Matrix
- Active Continuous Improvement Process

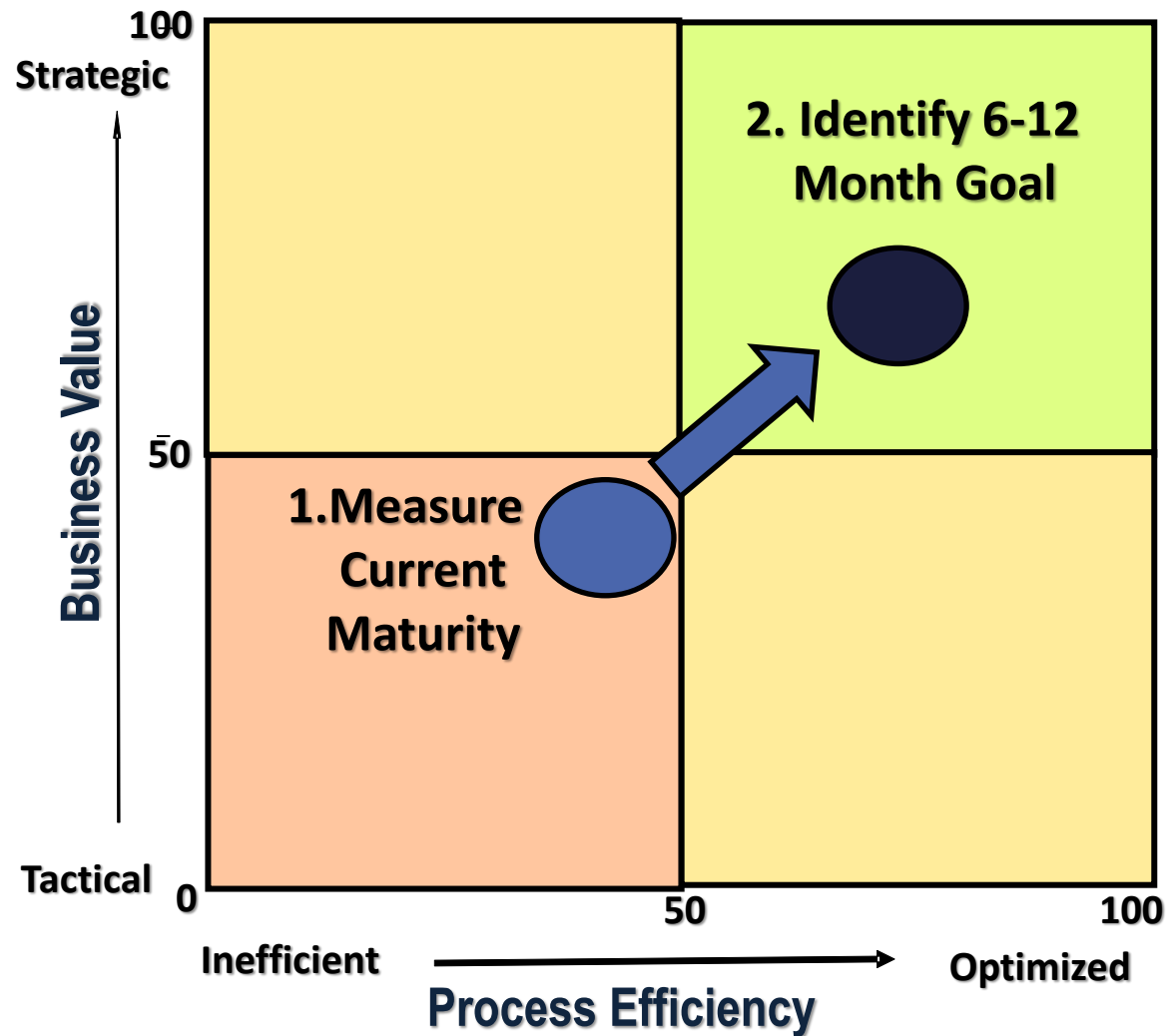
- Proactive Project Status
- Executive/Investor Metric Updates
- Metrics Improvement Initiative

Collaboration

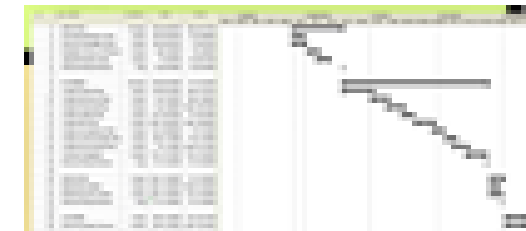
Process Optimization

Best Practice Metrics

How Strategic is Your IT Governance ?



3. Develop Maturity Plan



- Analyze Gaps
- Prioritize Goals
- Develop Plan



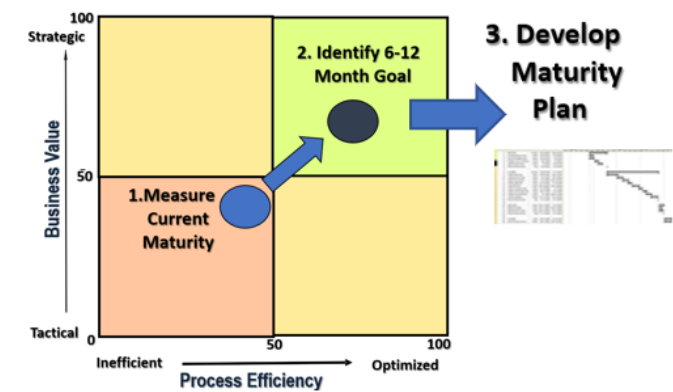
Implementation Roadmap – Key Components



Business Value IT Efficiency

BUSINESS VALUE	BEST PRACTICE	CURRENT SCORE (1-100)	GOAL SCORE (1-100)	PROCESS EFFICIENCY	BEST PRACTICE	CURRENT SCORE (1-100)	GOAL SCORE (1-100)
Strategic Importance	The business enterprise recognizes Governance as a strategic objective. The entire C-Suite publicly endorses and sponsors the need for strategic Governance as a critical success factor in achieving its business goals and objectives.			Stakeholder Involvement (Active Communication Throughout Project Lifecycle)	Key stakeholders are actively involved in assessing the status of projects to identify and monitor potential risk areas to ensure successful project execution. Project Risk Indicators (derived and/or predictive risk scores)		
Executive Sponsorship	VPs, Directors, and Managers across the business enterprise publicly endorse and sponsor the need for strategic Governance as a critical success factor in achieving its business goals and objectives.			Collaboration	Key success criteria are established and measured for each project to ensure alignment of business outcome metrics and project success metrics.		
Business Governance Board	A Business Governance Board comprised of key executives provides strategic oversight and mentoring to organizations involved in IT Governance and ensure regular updates on project status, metrics, and risk management issues.			Defined Project Success Criteria	Key metrics are established and monitored to ensure consistency of project execution to achieve business objectives/goals.		
Business Unit/Partnership/Collaboration	Business Unit Leaders recognize the need for and form collaborative partnerships to identify, develop, and implement the portfolio of IT and technology projects.			Process Optimization	There is a defined set of processes, activities, responsibilities and metrics identified, measured, monitored to ensure consistency of project execution to achieve business objectives/goals.		
Business Sponsor and Owner for Projects	A business sponsor is jointly accountable and responsible for achieving the successful implementation for projects.			Real-Time Project Monitoring	Real-time monitoring of projects provides dashboard metrics to indicate project status in real-time to help fully integrate with project measurement objectives.		
Business/Technology Plan	Business Leadership jointly develops a business/technology plan that enables achieving the business enterprise business goals and objectives.			Continuous Improvement Process	A continuous improvement process is in place to enhance Governance activities, IT skills, and associated metrics.		
Enterprise Wide Communication Program	Enterprise-wide communication plan is in place to engage all personnel in the need for and active participation in understanding the importance of Governance as a critical success factor for business success.			Proactive Project Management/Status Dashboard/Real	Project manager prepares status reports collaboratively with key business stakeholders who also participate in key project metrics meeting.		
Project Selection/Alignment Process	All projects are screened and approved by the Business Governance Board to ensure that they align strategically to enterprise business plan in achieving the business goals and objectives.			Collaborative Project Status Dashboard/Real Time Metrics	Key metrics are defined to measure the efficiency of project execution.		
Business Metrics & Success Criteria	Key business metrics identifying business outcomes and success criteria are established for each project to measure business outcome success.			Real Time Metrics			
TOTAL SCORE				TOTAL SCORE			

Maturity Plan



Awareness

- Understand The Maturity Path For Project Governance

Assess

- Strategic IT Governance Maturity Assessment

Plan

- Current Maturity
- Future Maturity Goal
- 6-12 Mo Plan to Goal

Workshop



Strategic IT Governance Workshop -Overview

<u>Strategic IT Governance</u>	<u>Strategic IT Governance</u>	<u>Strategic IT Governance</u>	<u>Strategic IT Governance</u>
A Business Imperative	Case Study Exercise	Assessment Exercise	Closing Workshop
<u>PRESENTATION</u> Strategic IT Governance 2.0 Overview (Framework, Components, Case Studies, Assessment, Implementation Plan	<u>PRESENTATION</u> Sanitized Case Study Overview of Multi- Division Business with Project Portfolio History of Excessive Risk / Cost Overruns	<u>PRESENTATION</u> Why Companies Leverage Technology for Competitive Advantage and Why Strategic IT Governance is a Must Business Imperative	<u>PRESENTATION</u> <ul style="list-style-type: none">• Key Slides From Strategic IT Governance 2.0)• Review of Maturity Assessment, Implementation Approach
<ul style="list-style-type: none">• Framework• Components• Case Studies• Assessment• Implementation Approach• Implementation Plan	<u>TEAM EXERCISE</u> Attendees Work in Teams to Analyze Case Study Material and Develop and Share Recommendations	<u>TEAM EXERCISE</u> Complete a Strategic IT Governance 2.0 Maturity Assessment	<u>TEAM EXERCISE</u> <ul style="list-style-type: none">a) Prepare Presentation to Management on Business Value of Strategic IT Governanceb) Identify Workshop Value
<u>DELIVERABLE</u> Basic Understanding of Strategic IT Governance 2.0	<u>DELIVERABLE</u> IT Governance Improvement Plan- Major Components	<u>DELIVERABLE</u> Strategic IT Maturity Assessment, Prioritization, Assessment Rational	<u>DELIVERABLE</u> Presentation to Senior Management on Value of Strategic IT Governance



Closing Thoughts



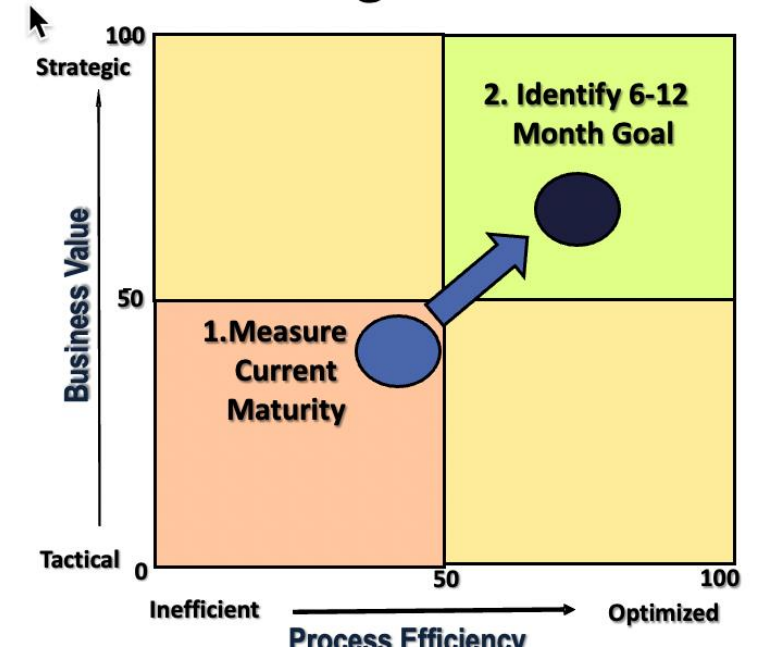
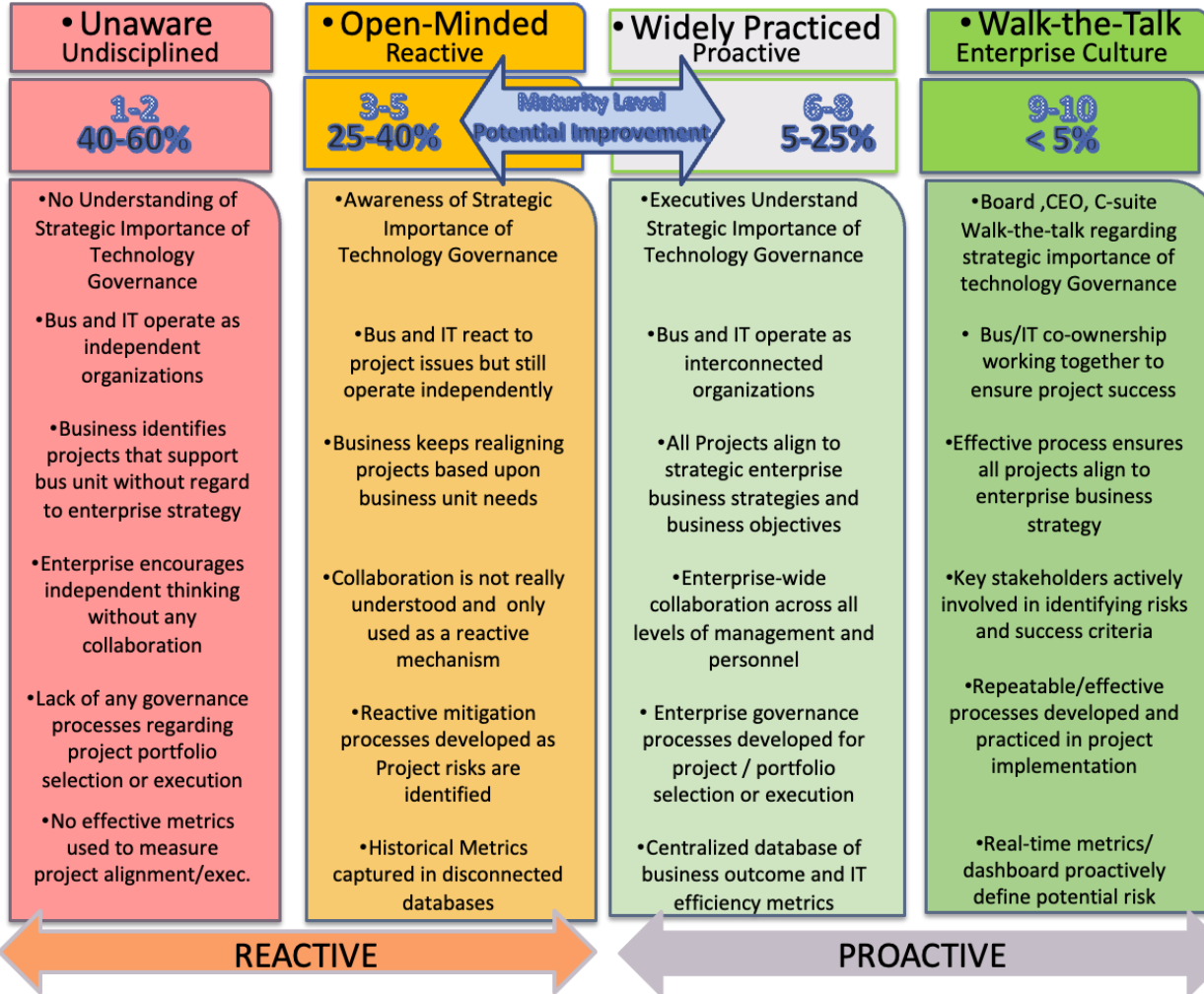
STRATEGIC IT GOVERNANCE 2.0 MATURITY GRID

IT GOVERNANCE COMPETENCIES

BUSINESS VALUE

PROCESS EFFICIENCY

- Executive Sponsorship
- Bus / IT Partnership
- Strategic Alignment
- Collaboration
- Process Optimization
- Best Practice Metrics



Strategic Project Governance 2.0

Project, Process, and Leadership Excellence



BUSINESS VALUE

- Executive Sponsorship**
 - Strategic Imperative
 - County Exec. Sponsorship
 - VP/Director/Mgr Sponsorship
- Department/IT Partnership**
 - Business/IT Governance Board
 - Bus/IT Partnership Collaboration
 - Bus/IT Sponsor Ownership
- Strategic Alignment**
 - Enterprise-Wide Comm.
 - Bus/IT Technology Plan
 - Project Selection/Alignment Process
 - Business Outcome Metrics

PROCESS EFFICIENCY

- Stakeholder Involvement
- Predictive Project Risk Indicators
- Defined Project Success Criteria
- Project Impl. Review Panel
- Defined Process, Roles, Resp. Matrix
- Real-Time Project Monitoring
- Continuous Improvement Process
- Proactive Project Management Status
- Predictors for Project Success
- Collaborative Project Status Report
- Efficiency Metrics to Measure Success

Collaboration

Process Optimization

Best Practice Metrics

PROACTIVE

- Business Driven
- Executive Sponsorship
- Business Partnership
- Strategic Alignment
- Collaboration
- Process Optimization
- Real Time Metrics



Business Value IT Efficiency

Business Value	IT Practice	Current Score	Target Score	Project Efficiency	IT Practice	Current Score	Target Score
Strategic	Executive Sponsorship	80	90	High	Strategic Alignment	70	85
Strategic	Department/IT Partnership	60	75	Medium	Process Optimization	50	65
Tactical	Executive Sponsorship	40	55	Low	Strategic Alignment	30	45
Tactical	Department/IT Partnership	20	35	Very Low	Process Optimization	10	25

Maturity Plan



Awareness

- Understand The Maturity Path For Project Governance

Assess

- Strategic IT Governance Maturity Assessment

Plan

- Current Maturity
- Future Maturity Goal
- 6-12 Mo Plan to Goal



Thank You

Phil Weinzimer

Strategere Consulting

pweinzimer@gmail.com

610-509-2583

