**To:** Anita Lotta-Help



**From:** Junjun Huang

**Date:** July 15, 2015

**Re:** IT governance

**Issue:** In order for any IT department to operate with the highest degree of efficiency, it must implement sensible IT governance. “Information technology is the study and use of systems for storing, retrieving, and sending information.” (Quinonez, 2014) Today’s business world is fiercely competitive. Information technology enables a business to grow strong. It is crucial for us to design IT decision rights and accountabilities so that the decisions we make about IT will support the strategic goals of our company.

**Recommendations and justifications**: I think TRU should adopt the following IT strategy: The first step is the clarification of business strategies and the role the IT department will play in their achievement. IT has become a massive part of contemporary business and it must be determined exactly how the company can benefit from it (many of these benefits were discussed in previous memos). The second step is to measure the amount spent on IT and the value it has generated for the business. IT can be expensive and IT managers are commonly unfamiliar with many of the costs in full. It is important to consider how much investment is required and just how much it will actually benefit the company. The third and fourth steps involve designing organizational practices for IT to be accommodated by business practices of the company. There should also be a good accountability hierarchy. The company must build its IT and business departments around each other, in a system that plays to the strengths of both departments, as well as the rapidly occurring technological innovations. In a similar fashion, reviewing IT decision making involves how the department as a whole is learning from the newly implemented technologies, and how they are used to achieve their full potential.

There are two other alternative solutions. The first one is to implement enterprise resource planning software in all of our divisions and use this to standardize all our business processes. “To integrate all aspects of a business' operation into one easy-to-use system, many companies turn to Enterprise Resource Planning (ERP) solutions”. (Brooks, 2013) The CIO will be accountable for the project implementation. The CIO will have a monthly meeting with the CEO and the CFO. At the meetings, these executives will review the progress of the project. An experienced IT professional will be the leader of this project. He will lead three managers and they will meet regularly to discuss the progress, as well as issues encountered. After discussion, we rejected this alternative because it is costly.

A second alternative is to establish an IT committee. Members of this committee include all the senior executives. This committee will consider the company’s objectives. It will set up an effective IT activity tracking system that could monitor the progress. This alternative was rejected because it does not involve a lot of participation from employees. There is not much knowledge sharing either.

**IT Governance Archetypes:** Traditionally, there are six types of IT governance archetypes. These archetypes, which categorize the style through which an IT department is governed, are Business Monarchy, IT Monarchy, Feudal, Federal, IT Duopoly and Anarchy. Business Monarch and IT Monarchy, as their titles imply, award complete and absolute control to either the business executives or account managers. It is my firm belief that business executives do not know nearly enough about a company’s IT department to run it efficiently and vice versa. As previously stated, IT governance is about aligning the IT department with the business departments within a company. In this regard, it is most logical to operate under IT duopoly. When members of both parties determine an agreement, it is much more likely that the interests of both groups will be upheld and respected.

**Takeaways:** During the remainder of the meeting, we talked about how proper IT governance will sufficiently benefit a company’s move into virtual desktop infrastructure and cloud computing. We also discussed the challenges IT professionals face in today’s fierce business world. I took away three items from the meeting. Firstly, it will be a good idea to educate employees of the company about IT. A company’s IT strategy should be understandable .The top management needs to integrate the IT strategy into its overall business strategy. Secondly, it will be a good idea to revisit the IT strategy regularly to ensure that the strategy still could serve our company’s needs. TRU also needs to consistently enforce policies to protect the company’s valuable information. Thirdly, I realized that a successful IT professional should have many skills, such as the ability to prioritize tasks, the ability to work well with others, and the ability to communicate effectively.

Let me know if you have any questions.

With regards,

Junjun Huang

References:

1. Brooks, Chad. “What is ERP?” *Business News Daily.* 28 August 2013. Web. 13 July 2015. <http://www.businessnewsdaily.com/5010-erp-enterprise-resource-planning.html>
2. Quinonez, Natasha. “The Importance of Information Technology and Its Disadvantages.” *Udemy Blog*. 23 May 2014. Web. 13 July 2015. <https://blog.udemy.com/importance-of-information-technology/>