Meeting Stakeholders' Needs

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Are You a Stakeholder?

Society	**Regulatory agencies**	**Clients**
Employees	**Shareholders**	**Users**

Overview

Value creation in COBIT 5

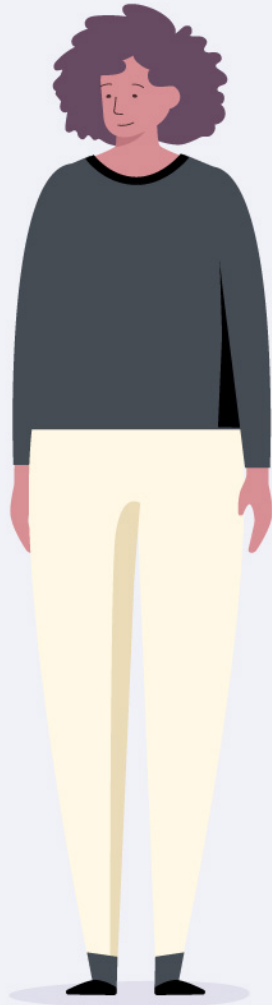Stakeholders drivers

Stakeholders needs

Cascade mechanism

IT and Enabler Goals

Globomantics Case

Stakeholders' Drivers

Enterprises have many stakeholders

Individuals or groups can be stakeholders

Direct interest is what defines a stakeholder

Governance will focus on business related stakeholders

Example

Global enterprises that use labor force in underdeveloped countries paying less, exploiting people and legal flaws.

Example

A global computer manufacturer must comply with several regulations while delivering value for clients, users, shareholders, and employees.
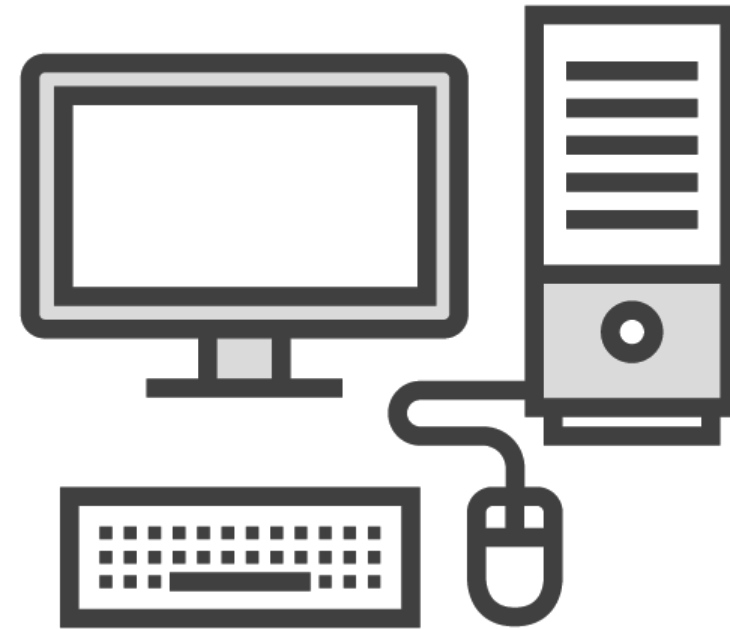
Revenue

Customer satisfaction

Political factors

Labor conditions

Technology evolution

Shareholder
satisfaction

Regulatory issues

Stakeholders' Needs

Stakeholder Needs

Benefits Realization	**Risk Optimization**	**Resource Optimization**
Money, a service, a specific result	Make more with minimum risk	Make more with minimum resources

Types of Stakeholders

External	Internal
Business partners	Specialists
Suppliers	Managers
Shareholders	Chief Officers
Regulators	Any IT user
Government	
Clients and users	
Consultants	
External auditors	

"How do I know my business partner's operations are secure, reliable and controlled?"

An example of an external stakeholder need

Internal stakeholders have concerns of their own:

- How do I get value from IT?

- How can turn IT into profit?

- Is my IT operation reliable?

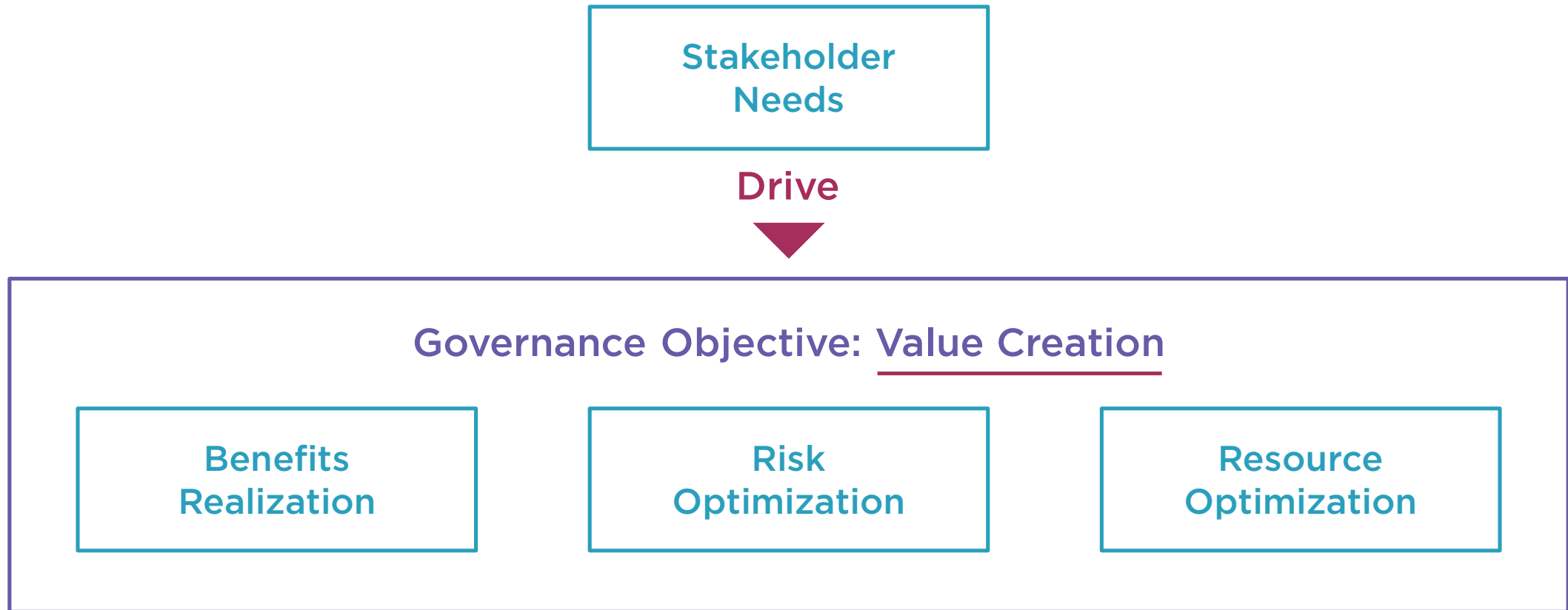- What do I do if IT is not ON?

Value Creation

Enterprises exist to create value for their stakeholders realizing benefits at an optimal resource cost while optimizing risk.

Enterprises Must Create Value

Stakeholder
Needs

Drive

Enterprises Must Create Value

Stakeholder Needs

Drive

▼

Governance Objective: Value Creation

Benefits Realization

Risk Optimization

Resource Optimization

Negotiating

Deciding amongst stakeholders' interests

Considering all stakeholders

Enabling value creation

What Is Governance About?

Ask Yourself:

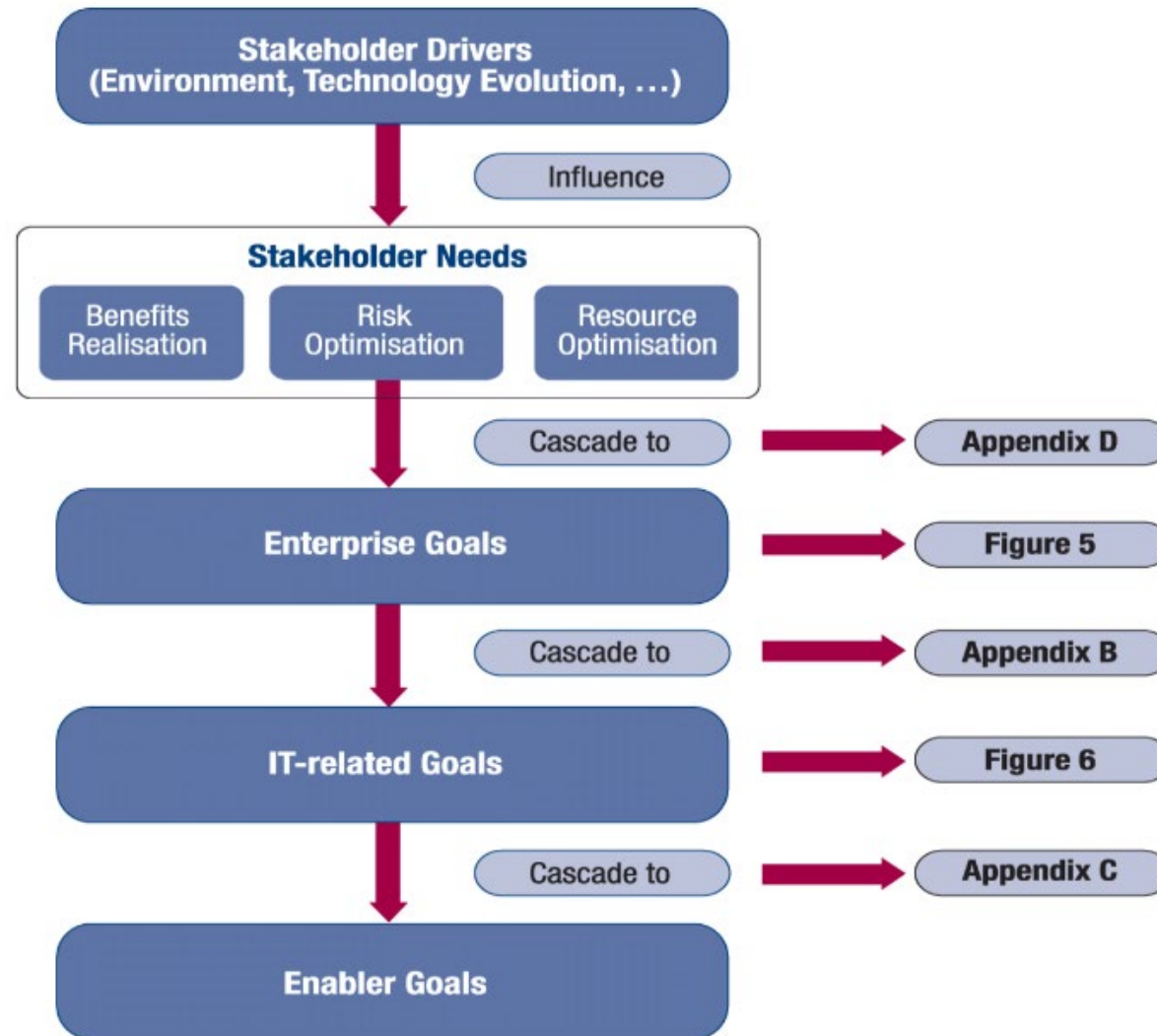**For whom are the benefits?**

Who bears the risk?

What resources are required?

Cascade Mechanism

Drivers, Needs, and Goals Cascade

Cascading Allows the Definition of Priorities For:
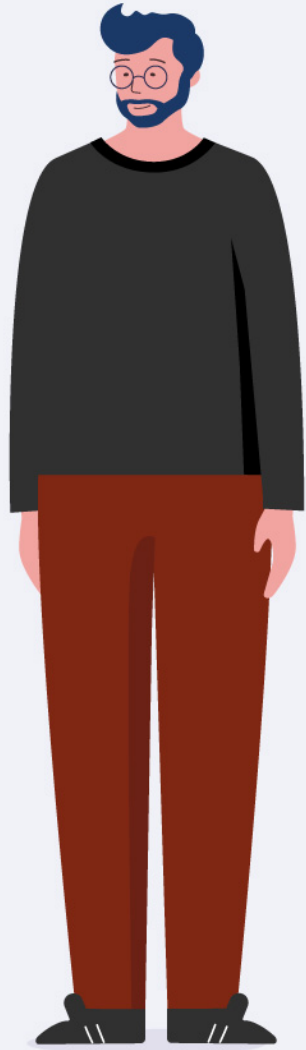
Implementation

Improvement

Assurance

Governance is a top-down approach

Stakeholder needs can become projects

By learning COBIT you can understand Governance even if you are not a CIO

COBIT will enable you to think as a corporate leader

COBIT® 5 in Perspective

COBIT5 in Perspective

End-to-end

Enterprise wide perspective

IT + Governance

Places IT into the board

Covers All

Processes and functions

More Than IT

It is a business framework

BSC

Balanced Scored Card

How to Cascade

Cascading Objectives

Identify the influence of key stakeholder drivers and needs

Stakeholder needs cascade to Enterprise Goals

Enterprise Goals cascade to IT related goals

IT related goals cascade to enabler goals

Stakeholders, Goals, and Needs

BSC Dimension	Enterprise Goal	Relation to Governance Objectives		
		Benefits Realisation	Risk Optimisation	Resource Optimisation
Financial	1. Stakeholder value of business investments	P		S
	2. Portfolio of competitive products and services	P	P	S
	3. Managed business risk (safeguarding of assets)		P	S
	4. Compliance with external laws and regulations		P	
	5. Financial transparency	P	S	S
Customer	6. Customer-oriented service culture	P		S
	7. Business service continuity and availability		P	
	8. Agile responses to a changing business environment	P		S
	9. Information-based strategic decision making	P	P	P
	10. Optimisation of service delivery costs	P		P
Internal	11. Optimisation of business process functionality	P		P
	12. Optimisation of business process costs	P		P
	13. Managed business change programmes	P	P	S
	14. Operational and staff productivity	P		P
	15. Compliance with internal policies		P	
Learning and Growth	16. Skilled and motivated people	S	P	P
	17. Product and business innovation culture	P		

Enterprise goals are the beginning. They must be translated into IT goals.

IT Goals

Figure 6—IT-related Goals		
IT BSC Dimension	**Information and Related Technology Goal**	
Financial	01	Alignment of IT and business strategy
	02	IT compliance and support for business compliance with external laws and regulations
	03	Commitment of executive management for making IT-related decisions
	04	Managed IT-related business risk
	05	Realised benefits from IT-enabled investments and services portfolio
	06	Transparency of IT costs, benefits and risk
Customer	07	Delivery of IT services in line with business requirements
	08	Adequate use of applications, information and technology solutions
Internal	09	IT agility
	10	Security of information, processing infrastructure and applications
	11	Optimisation of IT assets, resources and capabilities
	12	Enablement and support of business processes by integrating applications and technology into business processes
	13	Delivery of programmes delivering benefits, on time, on budget, and meeting requirements and quality standards
	14	Availability of reliable and useful information for decision making
	15	IT compliance with internal policies
Learning and Growth	16	Competent and motivated business and IT personnel
	17	Knowledge, expertise and initiatives for business innovation

IT goals must translate into Enabler goals.

Globomantics Case

You Are the CIO

Example

Globomantics, a global PC manufacturer, is expanding. A new CIO was hired and his first assignment is to map 5 primary Enterprise Goals based on the stakeholder needs and drivers.

Shareholders want to know where money is being spent

The CEO wants a new policy on gender equality to be implemented

The staff isn't fully prepared to deliver the quality costumers expect

The CMO demands a new CRM to better understand customer needs

New regulations were published by the government and need response

Choose the Best Enterprise Goals!

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	3. Managed business risk (safeguarding of assets)		P	S
	4. Compliance with external laws and regulations		P	
	5. Financial transparency	P	S	S
Customer	6. Customer-oriented service culture	P		S
	7. Business service continuity and availability		P	
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"Lots of folks confuse bad management with destiny."

Kin Hubbard