



**Solvay Brussels School**  
Economics & Management

# ***GOVERNANCE and CASCADING STRATEGY***

*GEST483*

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# Objectives

*At the end of this 2 hours session you will be able*

- To understand what is Governance of Enterprise IT
- To know what COBIT is and it can support Good Governance
- To understand the COBIT Process map
- To understand the Business/IT Goals cascade mechanism, and be able to use it

# Governance of Enterprise IT

## COBIT principles

# Governance of Enterprise IT

Enterprises and their executives strive to:

- Maintain quality information to support business decisions.
- Generate business value from IT-enabled investments, i.e., achieve strategic goals and realise business benefits through effective and innovative use of IT.
- Achieve operational excellence through reliable and efficient application of technology.
- Maintain IT-related risk at an acceptable level.
- Optimise the cost of IT services and technology.



# Governance and Management Questions on IT

- How do I get value from the use of IT? Are end users satisfied with the quality of the IT service?
- How can I best exploit new technology for new strategic opportunities?
- How do I best build and structure my IT department?
- How dependent am I on external providers? How well are IT outsourcing agreements being managed? How do I obtain assurance over external providers?
- Did I address all IT-related risk?
- Am I running an efficient and resilient IT operation?
- How do I control the cost of IT? How do I use IT resources in the most effective and efficient manner?
- What are the most effective and efficient sourcing options?
- Do I have enough people for IT? How do I develop and maintain their skills, and how do I manage their performance?
- Is the information I am processing well secured?
- How do I improve business agility through a more flexible IT environment?
- Do IT projects fail to deliver what they promised—and if so, why? Is IT standing in the way of executing the business strategy?
- How critical is IT to sustaining the enterprise? What do I do if IT is not available?
- What critical business processes are dependent on IT, and what are the requirements of business processes?
- How often and how much do IT projects go over budget?
- How much of the IT effort goes to fighting fires rather than to enabling business improvements?
- Are sufficient IT resources and infrastructure available to meet required enterprise strategic objectives?
- How long does it take to make major IT decisions?
- Are the total IT effort and investments transparent?
- Does IT support the enterprise in complying with regulations and service levels? How do I know whether I am compliant with all applicable regulations?



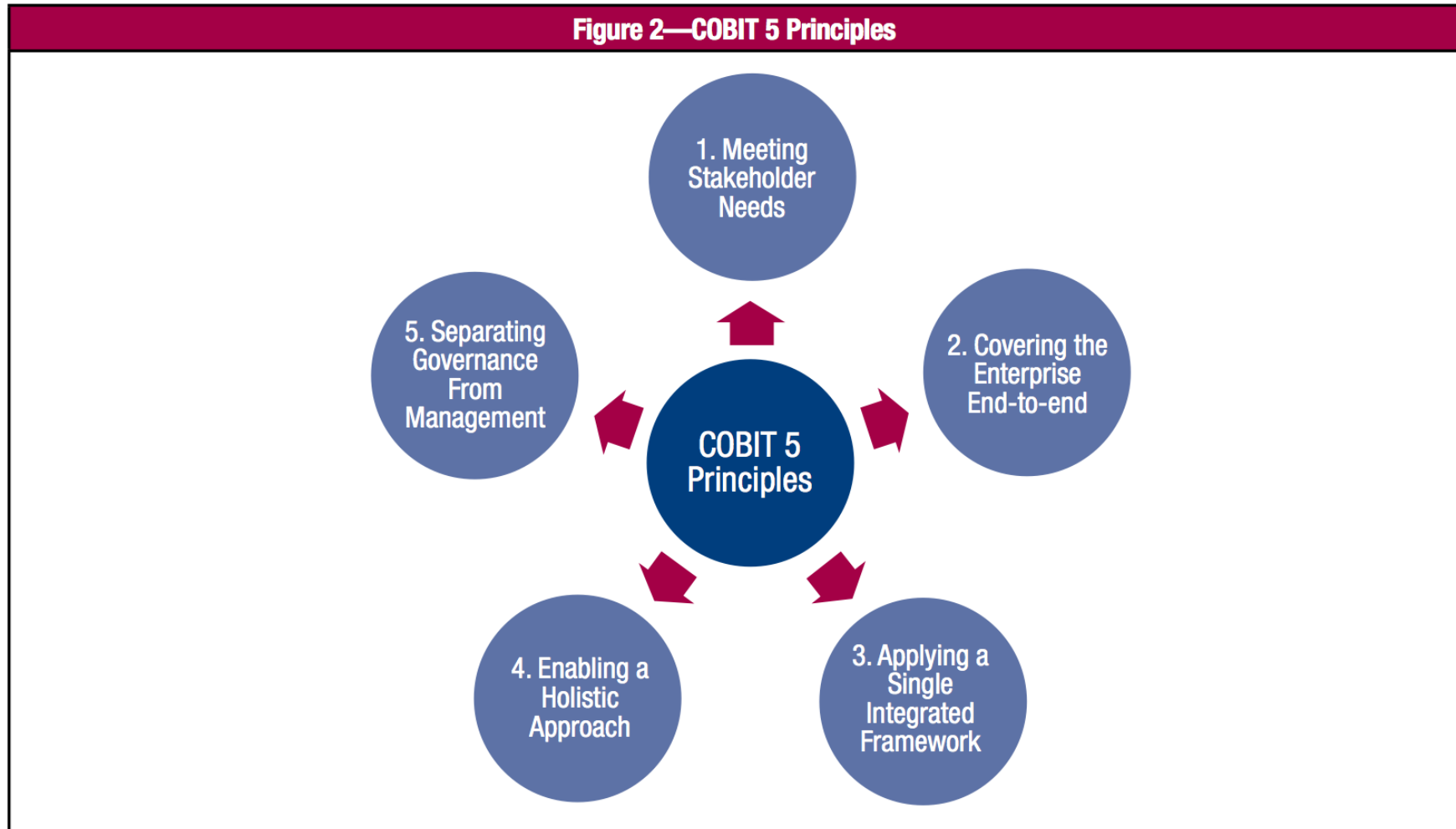
# The COBIT 5 Framework

- Simply stated, COBIT 5 helps enterprises create optimal value from IT by maintaining a balance between realising benefits and optimising risk levels and resource use.
- COBIT 5 enables information and related technology to be governed and managed in a holistic manner for the entire enterprise, taking in the full end-to-end business and functional areas of responsibility, considering the IT-related interests of internal and external stakeholders.
- The COBIT 5 **principles and tools** are generic and useful for enterprises of all sizes, whether commercial, not-for-profit or in the public sector.



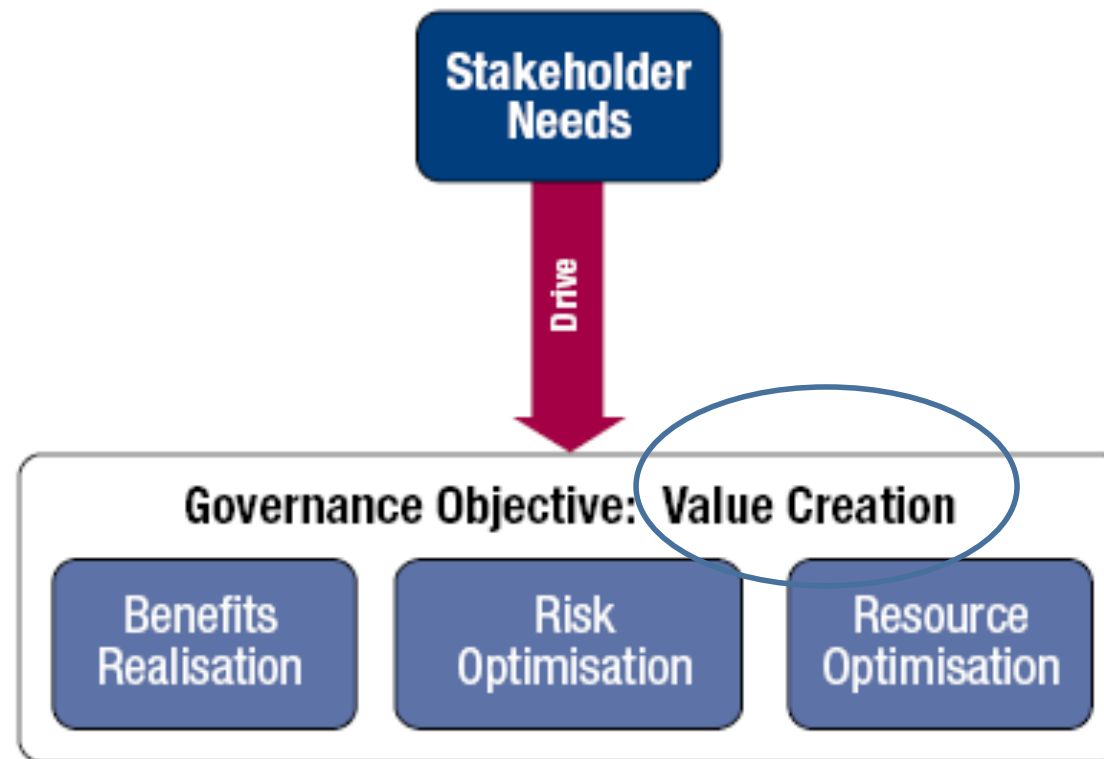


# COBIT 5 - Principles



# Principle 1 : Meeting Stakeholder Needs

Enterprises exist to create value for their stakeholders.



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# Principle 1 : Meeting Stakeholder Needs

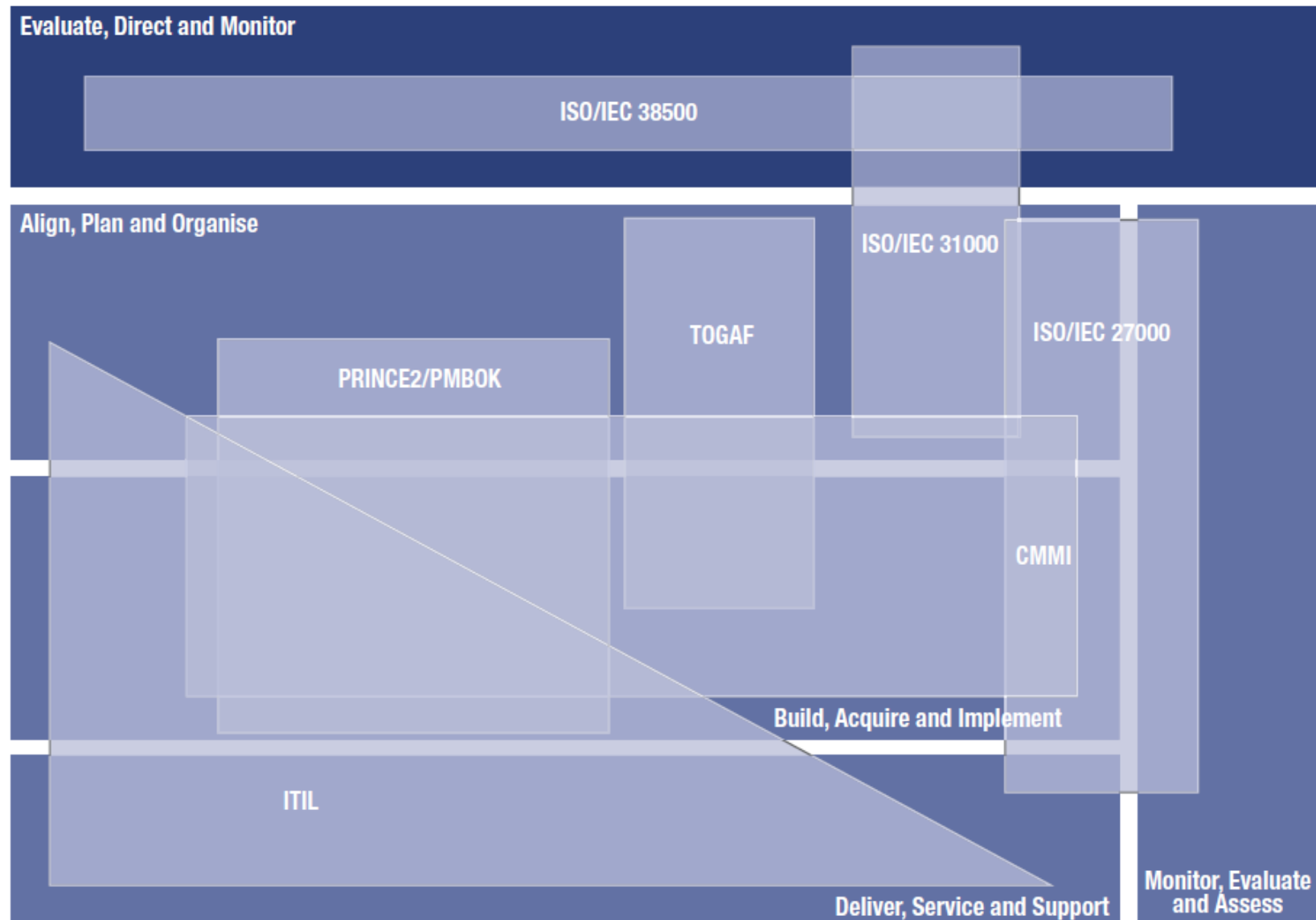
- Enterprises have **many** stakeholders, and ‘creating value’ means different—and sometimes conflicting—things to each of them.
- Governance is about negotiating and deciding amongst different stakeholders’ value interests.
- The governance system should consider all stakeholders when making benefit, resource and risk assessment decisions.
- For each decision, the following can and should be asked:
  - Who receives the benefits?
  - Who bears the risk?
  - What resources are required?

## Principle 2 : Covering the Enterprise End-To-End

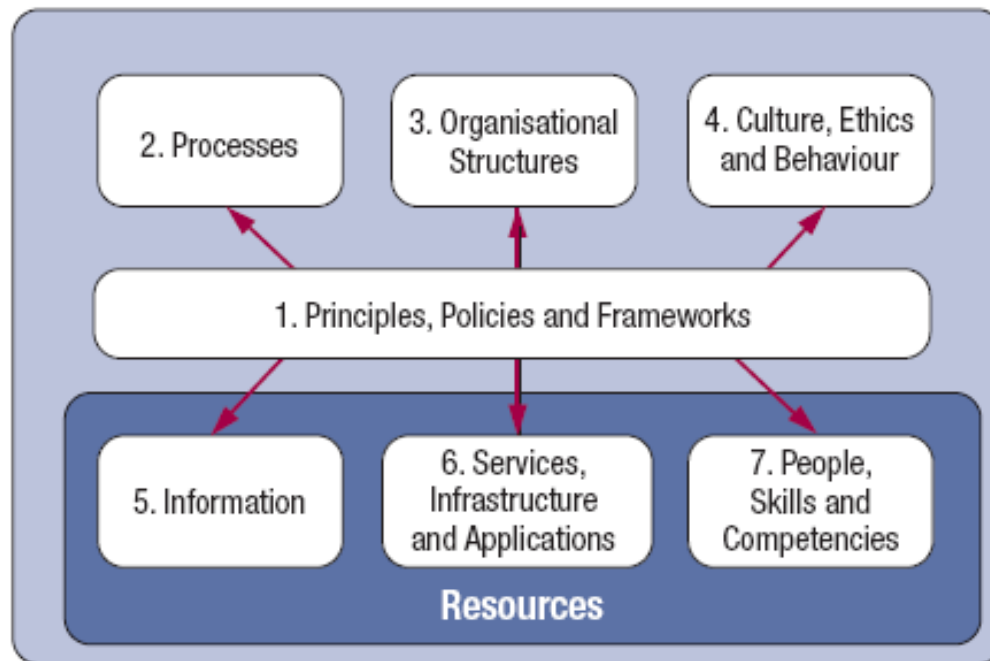
- COBIT5 covers all functions and processes required to govern and manage enterprise information, wherever that information may be processed.
- Given this extended enterprise scope, COBIT 5 addresses all the relevant **internal and external IT services, as well as internal and external business processes.**



# Principle 3 : Applying a single Integrated Framework

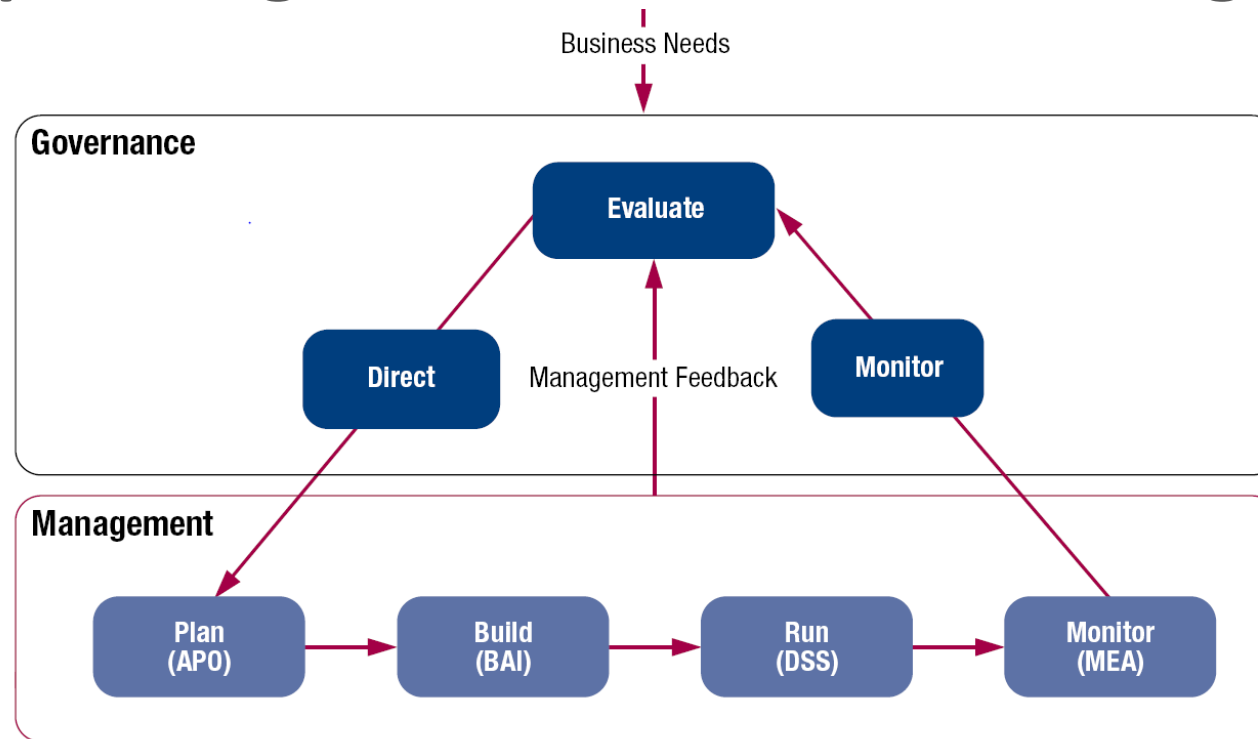


## Principle 4 : Enabling an holistic approach – the Enablers



- Any enterprise must always consider an **interconnected** set of enablers. That is, each enabler:
  - Needs the input of other enablers to be fully effective, e.g., processes need information, organisational structures need skills and behaviour.
  - Delivers output to the benefit of other enablers, e.g., processes deliver information, skills and behaviour make processes efficient.

## 5. Separating Governance From Management (cont.)



- **Governance** ensures that stakeholders needs, conditions and options are **evaluated** to determine balanced, agreed-on enterprise objectives to be achieved; setting **direction** through prioritisation and decision making; and **monitoring** performance and compliance against agreed-on direction and objectives (**EDM**).
- **Management plans, builds, runs and monitors** activities in alignment with the direction set by the governance body to achieve the enterprise objectives (**PBRM**).

## Quick Quizz on the principles

1. Governance is about negotiating and deciding amongst different stakeholders' value interests (T/F)
2. Creating value for a stakeholder means delivering benefits at the lowest cost possible (T/F)
3. Management sets the direction for the Company (T/F)
4. Once a Company uses COBIT, it should not use ITIL or PII anymore (T/F)
5. The enablers are a set of independent topics



# COBIT Processes



## Processes for Governance of Enterprise IT

### Evaluate, Direct and Monitor

**EDM01** Ensure Governance Framework Setting and Maintenance

**EDM02** Ensure Benefits Delivery

**EDM03** Ensure Risk Optimisation

**EDM04** Ensure Resource Optimisation

**EDM05** Ensure Stakeholder Transparency

### Align, Plan and Organise

**AP001** Manage the IT Management Framework

**AP002** Manage Strategy

**AP003** Manage Enterprise Architecture

**AP004** Manage Innovation

**AP005** Manage Portfolio

**AP006** Manage Budget and Costs

**AP007** Manage Human Resources

**AP008** Manage Relationships

**AP009** Manage Service Agreements

**AP010** Manage Suppliers

**AP011** Manage Quality

**AP012** Manage Risk

**AP013** Manage Security

### Monitor, Evaluate and Assess

**MEA01** Monitor, Evaluate and Assess Performance and Conformance

### Build, Acquire and Implement

**BAI01** Manage Programmes and Projects

**BAI02** Manage Requirements Definition

**BAI03** Manage Solutions Identification and Build

**BAI04** Manage Availability and Capacity

**BAI05** Manage Organisational Change Enablement

**BAI06** Manage Changes

**BAI07** Manage Change Acceptance and Transitioning

**BAI08** Manage Knowledge

**BAI09** Manage Assets

**BAI010** Manage Configuration

**MEA02** Monitor, Evaluate and Assess the System of Internal Control

### Deliver, Service and Support

**DSS01** Manage Operations

**DSS02** Manage Service Requests and Incidents

**DSS03** Manage Problems

**DSS04** Manage Continuity

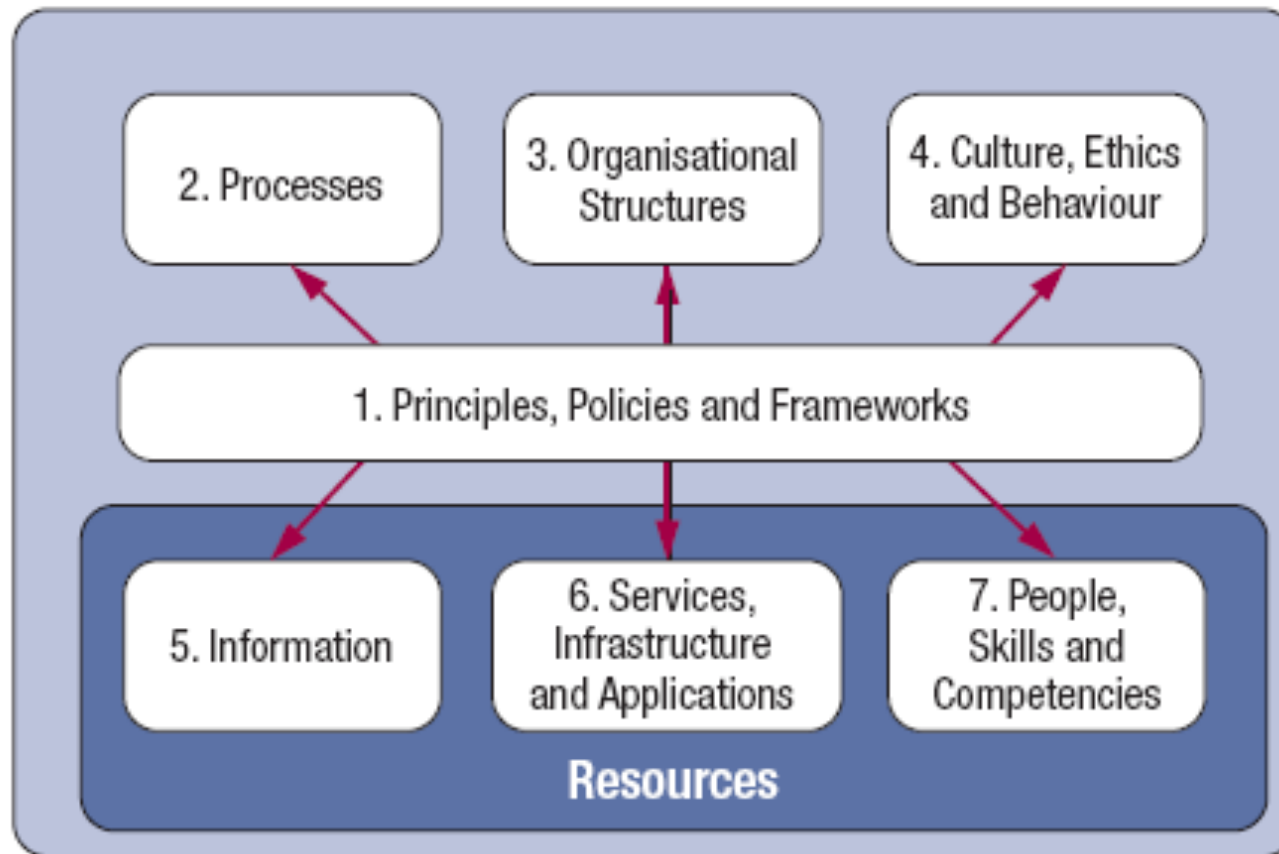
**DSS05** Manage Security Services

**DSS06** Manage Business Process Controls

**MEA03** Monitor, Evaluate and Assess Compliance With External Requirements

## Processes for Management of Enterprise IT

# Processes is an Enabler



**What are the links between the process Enabler and the other enablers ?**

# PROCESS REFERENCE GUIDE CONTENTS

- **Process identification**
- **Process description**
- **Process purpose statement**
- **IT related goals and metrics**
- **Process goals and metrics**
- **Detailed description of the governance practices**
  - **Name and description**
  - **RACI chart**
  - **Inputs and outputs**
  - **Activities**
- **Related guidance**

BAI01 Manage Programmes and Projects		Area: Management Domain: Build, Acquire and Implement
<b>Process Description</b> Manage all programmes and projects from the investment portfolio in alignment with enterprise strategy and in a co-ordinated way. Initiate, plan, control and execute programmes and projects, and close with a post-implementation review.		
<b>Process Purpose Statement</b> Realise business benefits and reduce the risk of unexpected delays, costs and value erosion by improving communications to and involvement of business and end users, ensuring the value and quality of project deliverables and maximising their contribution to the investment and services portfolio.		
<b>The process supports the achievement of a set of primary IT-related goals:</b>		
IT-related Goal	Related Metrics	
01 Alignment of IT and business strategy	<ul style="list-style-type: none"><li>• Percent of enterprise strategic goals and requirements supported by IT strategic goals</li><li>• Level of stakeholder satisfaction with scope of the planned portfolio of programmes and services</li><li>• Percent of IT value drivers mapped to business value drivers</li></ul>	
04 Managed IT-related business risk	<ul style="list-style-type: none"><li>• Percent of critical business processes, IT services and IT-enabled business programmes covered by risk assessment</li><li>• Number of significant IT-related incidents that were not identified in risk assessment</li><li>• Percent of enterprise risk assessments including IT-related risk</li><li>• Frequency of update of risk profile</li></ul>	
05 Realised benefits from IT-enabled investments and services portfolio	<ul style="list-style-type: none"><li>• Percent of IT-enabled investments where benefit realisation is monitored through the full economic life cycle</li><li>• Percent of IT services where expected benefits are realised</li><li>• Percent of IT-enabled investments where claimed benefits are met or exceeded</li></ul>	
13 Delivery of programmes delivering benefits, on time, on budget, and meeting requirements and quality standards	<ul style="list-style-type: none"><li>• Number of programmes/projects on time and within budget</li><li>• Percent of stakeholders satisfied with programme/project quality</li><li>• Number of programmes needing significant rework due to quality defects</li><li>• Cost of application maintenance vs. overall IT cost</li></ul>	
<b>Process Goals and Metrics</b>		
Process Goal	Related Metrics	
1. Relevant stakeholders are engaged in the programmes and projects.	<ul style="list-style-type: none"><li>• Percent of stakeholders effectively engaged</li><li>• Level of stakeholder satisfaction with involvement</li></ul>	
2. The scope and outcomes of programmes and projects are viable and aligned with objectives.	<ul style="list-style-type: none"><li>• Percent of stakeholders approving enterprise need, scope, planned outcome and level of project risk</li><li>• Percent of projects undertaken without approved business cases</li></ul>	
3. Programme and project plans are likely to achieve the expected outcomes.	<ul style="list-style-type: none"><li>• Percent of activities aligned to scope and expected outcomes</li><li>• Percent of active programmes undertaken without valid and updated programme value maps</li></ul>	
4. The programme and project activities are executed according to the plans.	<ul style="list-style-type: none"><li>• Frequency of status reviews</li><li>• Percent of deviations from plan addressed</li><li>• Percent of stakeholder sign-offs for stage-gate reviews of active programmes</li></ul>	
5. There are sufficient programme and project resources to perform activities according to the plans.	<ul style="list-style-type: none"><li>• Number of resource issues (e.g., skills, capacity)</li></ul>	
6. The programme and project expected benefits are achieved and accepted.	<ul style="list-style-type: none"><li>• Percent of expected benefits achieved</li><li>• Percent of outcomes with first-time acceptance</li><li>• Level of stakeholder satisfaction expressed at project closure review</li></ul>	

**BAI01 RACI Chart**

Key Management Practice	Board	Chief Executive Officer	Chief Financial Officer	Chief Operating Officer	Business Executives	Business Process Owners	Strategy Executive Committee	Steering (Programmes/Projects) Committee	Project Management Office	Value Management Office	Chief Risk Officer	Chief Information Security Officer	Architecture Board	Enterprise Risk Committee	Head Human Resources	Compliance	Audit	Chief Information Officer	Head Architect	Head Development	Head IT Operations	Head IT Administration	Service Manager	Information Security Manager	Business Continuity Manager	Privacy Officer
<b>BAI01.01</b> Maintain a standard approach for programme and project management.	I	A	C	C	R		R		C		C					C	C	R								
<b>BAI01.02</b> Initiate a programme.	I	R	C	C	A	R	R	R	R									C	C	C	C		C	C	C	C
<b>BAI01.03</b> Manage stakeholder engagement.		A	C	R	R	R	C	R	I	I								R	C	C	C		C	C	C	C
<b>BAI01.04</b> Develop and maintain the programme plan.			C	C	A	C		R	R	R	C					C	C	C	C	C	C		C	C	C	C
<b>BAI01.05</b> Launch and execute the programme.			C	C	A	R		R	R	I	C					C	C	R	R	R	R		C	C	C	C
<b>BAI01.06</b> Monitor, control and report on the programme outcomes.					A	C	I	R	R	R	C					C	R	R		C	C			C		
<b>BAI01.07</b> Start up and initiate projects within a programme.					R	R	I	A	R									C	C	R	C		C	C	C	C
<b>BAI01.08</b> Plan projects.						C	I	A	R									C	C	C	C	C	C	C	C	C
<b>BAI01.09</b> Manage programme and project quality.					R	R	I	A	R		C					C	C	C	C	R	C		C	C	C	C
<b>BAI01.10</b> Manage programme and project risk.					R	R	I	A	R		C					C	C	C	C	R	C		C	C	C	C
<b>BAI01.11</b> Monitor and control projects.					I	R	I	A	R		C					C	R	C	C	R	C		C	C	C	C
<b>BAI01.12</b> Manage project resources and work packages.						R	I	A	R		C					C	C	C	C	R	C		C	C	C	C
<b>BAI01.13</b> Close a project or iteration.					C	C	I	A	R		C					C	C	C	C	C	C		C	C	C	C
<b>BAI01.14</b> Close a programme.	I	C	C	C	A	R	I	R	R	R								R	C	C	C		C	C	C	C

**BAI01 Process Practices, Inputs/Outputs and Activities**

Management Practice	Inputs		Outputs	
<b>BAI01.01 Maintain a standard approach for programme and project management.</b> Maintain a standard approach for programme and project management that enables governance and management review and decision making and delivery management activities focussed on achieving value and goals (requirements, risk, costs, schedule, quality) for the business in a consistent manner.	From	Description	Description	To
	EDM02.02	Requirements for stage-gate reviews	Updated programme and project management approaches	Internal
	EDM02.03	Actions to improve value delivery		
	AP003.04	<ul style="list-style-type: none"><li>• Architecture governance requirements</li><li>• Implementation phase descriptions</li></ul>		
	AP005.05	Updated portfolios of programmes, services and assets		
	AP010.04	Identified supplier delivery risk		
<b>Activities</b>				
1. Maintain and enforce a standard approach to programme and project management aligned to the enterprise's specific environment and with good practice based on defined process and use of appropriate technology. Ensure that the approach covers the full life cycle and disciplines to be followed, including the management of scope, resources, risk, cost, quality, time, communication, stakeholder involvement, procurement, change control, integration and benefit realisation.				
2. Update the programme and project management approach based on lessons learned from its use.				
Management Practice	Inputs		Outputs	
<b>BAI01.02 Initiate a programme.</b> Initiate a programme to confirm the expected benefits and obtain authorisation to proceed. This includes agreeing on programme sponsorship, confirming the programme mandate through approval of the conceptual business case, appointing programme board or committee members, producing the programme brief, reviewing and updating the business case, developing a benefits realisation plan, and obtaining approval from sponsors to proceed.	From	Description	Description	To
	AP003.04	<ul style="list-style-type: none"><li>• Implementation phase descriptions</li><li>• Resource requirements</li></ul>	Programme concept business case	AP005.03
	AP005.03	Programme business case	Programme mandate and brief	AP005.03
	AP007.03	Skills and competencies matrix	Programme benefit realisation plan	AP005.03 AP006.05
	BAI05.02	Common vision and goals		
<b>Activities</b>				
1. Agree on programme sponsorship and appoint a programme board/committee with members who have strategic interest in the programme, have responsibility for the investment decision making, will be significantly impacted by the programme and will be required to enable delivery of the change.				
2. Confirm the programme mandate with sponsors and stakeholders. Articulate the strategic objectives for the programme, potential strategies for delivery, improvement and benefits that are expected to result, and how the programme fits with other initiatives.				
3. Develop a detailed business case for a programme, if warranted. Involve all key stakeholders to develop and document a complete understanding of the expected enterprise outcomes, how they will be measured, the full scope of initiatives required, the risk involved and the impact on all aspects of the enterprise. Identify and assess alternative courses of action to achieve the desired enterprise outcomes.				
4. Develop a benefits realisation plan that will be managed throughout the programme to ensure that planned benefits always have owners and are achieved, sustained and optimised.				
5. Prepare and submit for in-principle approval the initial (conceptual) programme business case, providing essential decision-making information regarding purpose, contribution to business objectives, expected value created, time frames, etc.				
6. Appoint a dedicated manager for the programme, with the commensurate competencies and skills to manage the programme effectively and efficiently.				

Build, Acquire and Implement



BAI01 Process Practices, Inputs/Outputs and Activities (cont.)				
Management Practice	Inputs		Outputs	
<b>BAI01.03 Manage stakeholder engagement.</b> Manage stakeholder engagement to ensure an active exchange of accurate, consistent and timely information that reaches all relevant stakeholders. This includes planning, identifying and engaging stakeholders and managing their expectations.	From	Description	Description	To
			Stakeholder engagement plan	Internal
			Results of stakeholder engagement effectiveness assessments	Internal
Activities				
1. Plan how stakeholders inside and outside the enterprise will be identified, analysed, engaged and managed through the life cycle of the projects.				
2. Identify, engage and manage stakeholders by establishing and maintaining appropriate levels of co-ordination, communication and liaison to ensure that they are involved in the programme/project.				
3. Measure the effectiveness of stakeholder engagement and take remedial actions as required.				
4. Analyse stakeholder interests and requirements.				
Management Practice	Inputs		Outputs	
<b>BAI01.04 Develop and maintain the programme plan.</b> Formulate a programme to lay the initial groundwork and to position it for successful execution by formalising the scope of the work to be accomplished and identifying the deliverables that will satisfy its goals and deliver value. Maintain and update the programme plan and business case throughout the full economic life cycle of the programme, ensuring alignment with strategic objectives and reflecting the current status and updated insights gained to date.	From	Description	Description	To
	AP005.03	Selected programmes with ROI milestones	Programme plan	Internal
	AP007.03	Skills and competencies matrix	Programme budget and benefits register	AP005.06 AP006.05
	AP007.05	Inventory of business and IT human resources	Resource requirements and roles	AP007.05 AP007.06
	BAI05.02	Implementation team and roles		
	BAI05.03	Vision communication plan		
	BAI05.04	Identified quick wins		
	BAI07.03	Approved acceptance test plan		
	BAI07.05	Approved acceptance and release for production		
Activities				
1. Define and document the programme plan covering all projects, including what is needed to bring about changes to the enterprise; its image, products and services; business processes; people skills and numbers; relationships with stakeholders, customers, suppliers and others; technology needs; and organisational restructuring required to achieve the programme's expected enterprise outcomes.				
2. Specify required resources and skills to execute the project, including project managers and project teams as well as business resources. Specify funding, cost, schedule and inter-dependencies of multiple projects. Specify the basis for acquiring and assigning competent staff members and/or contractors to the projects. Define the roles and responsibilities for all team members and other interested parties.				
3. Assign accountability clearly and unambiguously for each project, including achieving the benefits, controlling the costs, managing the risk and co-ordinating the project activities.				
4. Ensure that there is effective communication of programme plans and progress reports amongst all projects and with the overall programme. Ensure that any changes made to individual plans are reflected in the other enterprise programme plans.				
5. Maintain the programme plan to ensure that it is up to date and reflects alignment with current strategic objectives, actual progress and material changes to outcomes, benefits, costs and risk. Have the business drive the objectives and prioritise the work throughout to ensure that the programme as designed will meet enterprise requirements. Review progress of individual projects and adjust the projects as necessary to meet scheduled milestones releases.				
6. Update and maintain throughout the programme's economic life the business case and a benefits register to identify and define key benefits arising from undertaking the programme.				
7. Prepare a programme budget that reflects the full economic life cycle costs and the associated financial and non-financial benefits.				




BAI01 Process Practices, Inputs/Outputs and Activities (cont.)				
Management Practice	Inputs		Outputs	
<b>BAI01.05 Launch and execute the programme.</b> Launch and execute the programme to acquire and direct the resources needed to accomplish the goals and benefits of the programme as defined in the programme plan. In accordance with stage-gate or release review criteria, prepare for stage-gate, iteration or release reviews to report on the progress of the programme and to be able to make the case for funding up to the following stage-gate or release review.	From	Description	Description	To
	BAI05.03	Vision communications	Results of benefit realisation monitoring	AP005.06 AP006.05
			Results of programme goal achievement monitoring	AP002.04
			Programme audit plans	MEA02.06
Activities				
1. Plan, resource and commission the necessary projects required to achieve the programme results, based on funding review and approvals at each stage-gate review.				
2. Establish agreed-on stages of the development process (development checkpoints). At the end of each stage, facilitate formal discussions of approved criteria with the stakeholders. After successful completion of functionality, performance and quality reviews, and before finalising stage activities, obtain formal approval and sign-off from all stakeholders and the sponsor/business process owner.				
3. Undertake a benefits realisation process throughout the programme to ensure that planned benefits always have owners and are likely to be achieved, sustained and optimised. Monitor benefits delivery and report against performance targets at the stage-gate or iteration and release reviews. Perform root cause analysis for deviations from the plan and identify and address any necessary remedial actions.				
4. Manage each programme or project to ensure that decision making and delivery activities are focussed on value by achieving benefits for the business and goals in a consistent manner, addressing risk and achieving stakeholder requirements.				
5. Set up programme/project management office(s) and plan audits, quality reviews, phase/stage-gate reviews and reviews of realised benefits.				
Management Practice	Inputs		Outputs	
<b>BAI01.06 Monitor, control and report on the programme outcomes.</b> Monitor and control programme (solution delivery) and enterprise (value/outcome) performance against plan throughout the full economic life cycle of the investment. Report this performance to the programme steering committee and the sponsors.	From	Description	Description	To
	EDM02.03	Feedback on portfolio and programme performance	Results of programme performance reviews	MEA01.03
	AP005.02	Investment return expectations	Stage-gate review results	EDM02.01 AP002.04 AP005.04
	AP005.03	Business case assessments		
	AP005.04	Investment portfolio performance reports		
	AP005.06	<ul style="list-style-type: none"><li>• Corrective actions to improve benefit realisation</li><li>• Benefit results and related communications</li></ul>		
	AP007.05	<ul style="list-style-type: none"><li>• Resource utilisation</li></ul>		

Build, Acquire and Implement

BAI01 Related Guidance	
Related Standard	Detailed Reference
PMBOK	
PRINCE2	

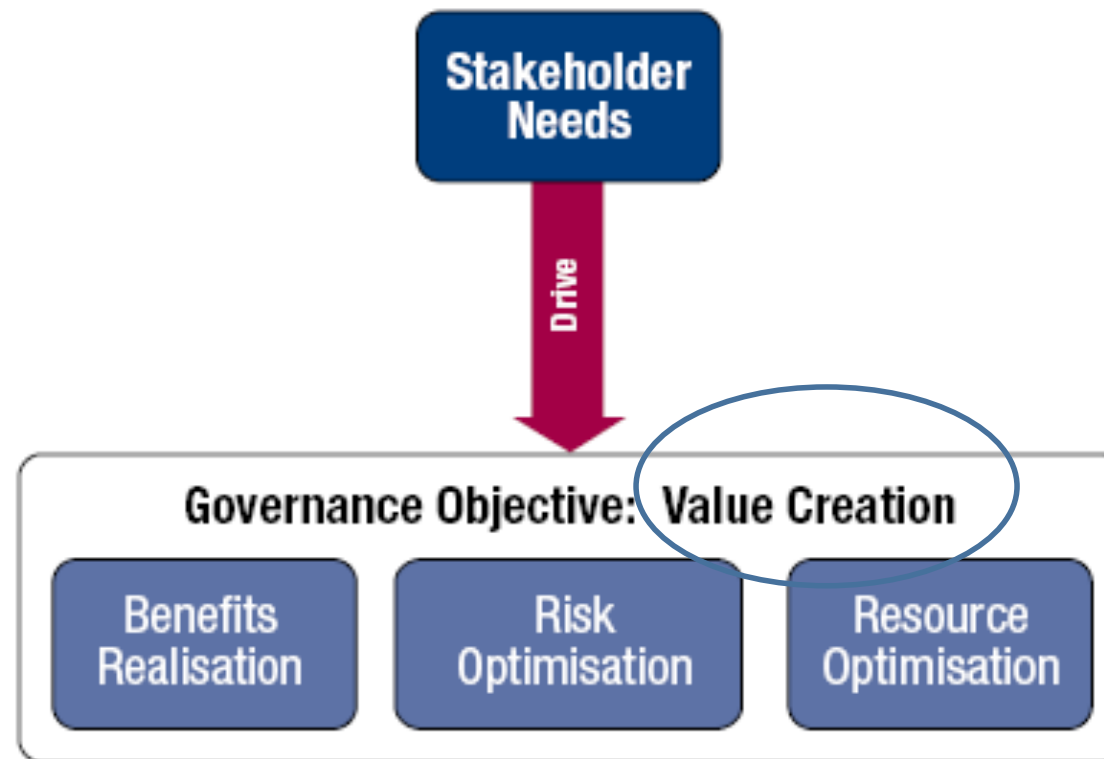
## Quick Quizz on processes

1. IT Goals metrics are generic (T/F)
  2. Process goals are generic (T/F)
  3. There is more Governance processes than Management processes (T/F)
  4. To which **Domain** belong “Manage requirements” – “Manage suppliers” ?  
“Manage continuity” ? “Manage service agreements” ? “Ensure resource optimization” ?
  5. In the process model, governance and management activities are distinct, and there is no output of one that serves as input for the other (T/F)
  6. RACI charts maps to internal and external stakeholders (T/F)
  7. Processes are broken down in Governance practices, which are broken down in activities (T/F)
  8. Process goals are defined as ‘a statement describing the desired outcome of a process’. An outcome must be a tangible artefact
  9. Inputs and Outputs are defined at the level of activities (T/F)
  10. The COBIT5 Process Reference Model is prescriptive
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# Business / IT Goal cascade

# Principle 1 : Meeting Stakeholder Needs

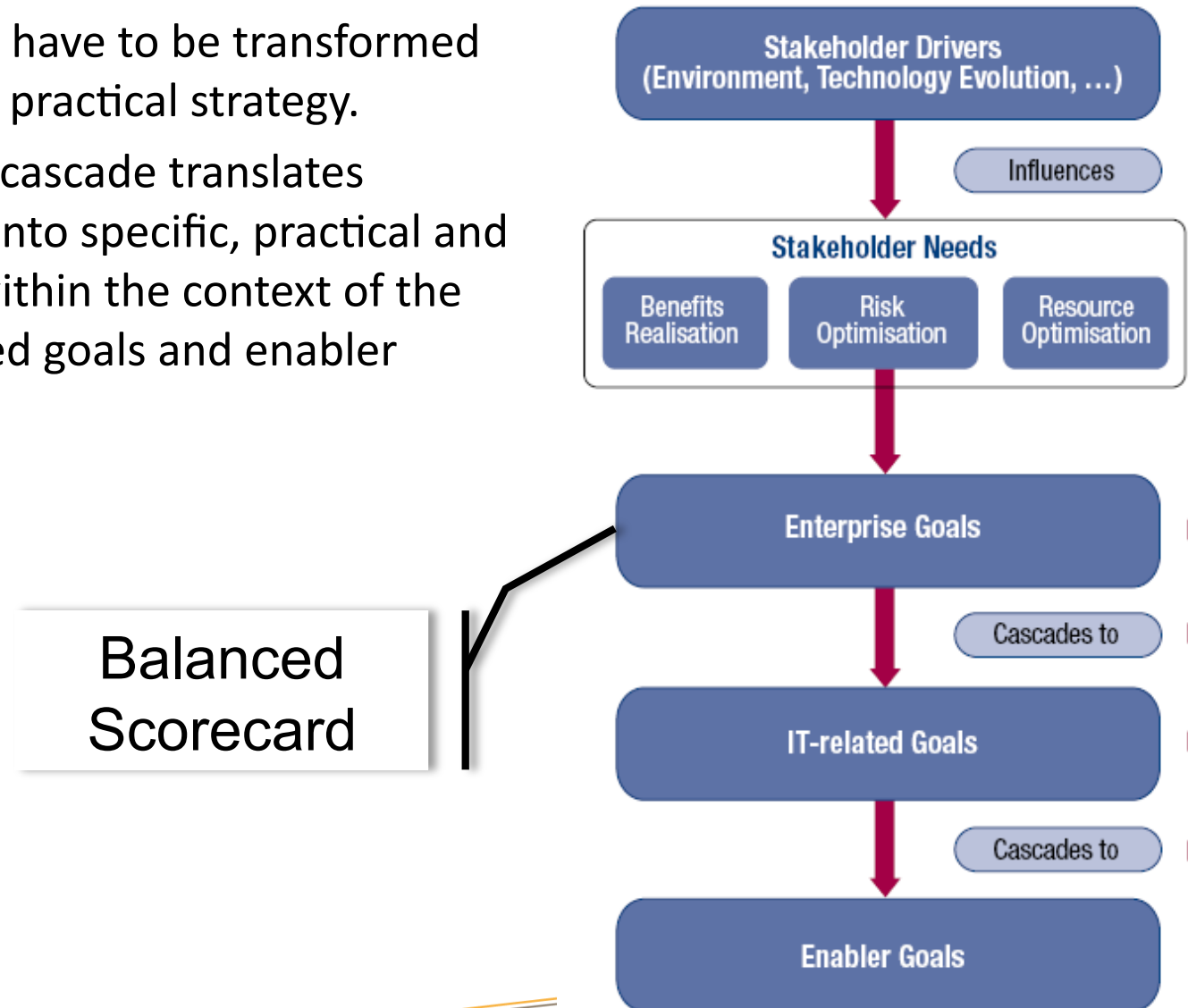
Enterprises exist to create value for their stakeholders.



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# Principle 1 : Meeting Stakeholder Needs

- Stakeholder needs have to be transformed into an enterprise's practical strategy.
- The COBIT 5 goals cascade translates stakeholder needs into specific, practical and customised goals within the context of the enterprise, IT-related goals and enabler goals.



# BSC Dimensions – Enterprise Goals

Figure 5—COBIT 5 Enterprise Goals				
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		

## BSC Dimensions – 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



			Enterprise Goal																
			Stakeholder value of business investments	Portfolio of competitive products and services	Managed business risk (safeguarding of assets)	Compliance with external laws and regulations	Financial transparency	Customer-oriented service culture	Business service continuity and availability	Agile responses to a changing business environment	Information-based strategic decision making	Optimisation of service delivery costs	Optimisation of business process functionality	Optimisation of business process costs	Managed business change programmes	Operational and staff productivity	Compliance with internal policies	Skilled and motivated people	Product and business innovation culture
			1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
IT-related Goal			Financial					Customer					Internal					Learning and Growth	
Financial	01	Alignment of IT and business strategy	P	P	S			P	S	P	P	S	P	S	P			S	S
	02	IT compliance and support for business compliance with external laws and regulations			S	P										P			
	03	Commitment of executive management for making IT-related decisions	P	S	S					S	S		S		P			S	S
	04	Managed IT-related business risk			P	S			P	S		P			S		S	S	
	05	Realised benefits from IT-enabled																	


			Enterprise Goal																
			Stakeholder value of business investments	Portfolio of competitive products and services	Managed business risk (safeguarding of assets)	Compliance with external laws and regulations	Financial transparency	Customer-oriented service culture	Business service continuity and availability	Agile responses to a changing business environment	Information-based strategic decision making	Optimisation of service delivery costs	Optimisation of business process functionality	Optimisation of business process costs	Managed business change programmes	Operational and staff productivity	Compliance with internal policies	Skilled and motivated people	Product and business innovation culture
			1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
IT-related Goal			Financial					Customer					Internal					Learning and Growth	
Financial	01	Alignment of IT and business strategy	P	P	S			P	S	P	P	S	P	S	P			S	S
	02	IT compliance and support for business compliance with external laws and regulations			S	P											P		
	03	Commitment of executive management for making IT-related decisions	P	S	S					S	S		S		P			S	S
	04	Managed IT-related business risk			P	S			P	S		P			S		S	S	
	05	Realised benefits from IT-enabled																	

# Business/IT Goals cascading example

The mapping table suggests that one would normally expect that:

- Enterprise goal 7. Business service continuity and availability will:
  - Primarily depend on the achievement of the IT-related goals:
    - 04 Managed IT-related business risk
    - 10 Security of information, processing infrastructure and applications
    - 14 Availability of reliable and useful information for decision making
  - Also depend, but to a lesser degree, on the achievement of the IT-related goals:
    - 01 Alignment of IT and business strategy
    - 07 Delivery of IT services in line with business requirements
    - 08 Adequate use of applications, information and technology solutions
- Using the table in the opposite direction, achieving the IT-related goal 09. IT agility will contribute to the achievement of several enterprise goals:
  - Primarily, the enterprise goals:
    - 2. Portfolio of competitive products and services
    - 8. Agile responses to a changing business environment
    - 11. Optimisation of business process functionality
    - 17. Product and business innovation culture
  - To a lesser degree, the enterprise goals:
    - 1. Stakeholder value of business investments
    - 3. Managed business risk (safeguarding of assets)
    - 6. Customer-oriented service culture
    - 13. Managed business change programmes
    - 14. Operational and staff productivity
    - 16. Skilled and motivated people

# Another example

- An enterprise has defined for itself a number of strategic goals, of which improving customer satisfaction is the most important. From there, it wants to know where it needs to improve in all things related to IT.
  - The enterprise decides that setting customer satisfaction as a key priority is equivalent to raising the priority of the following enterprise goals :
    - 6. Customer-oriented service culture
    - 7. Business service continuity and availability
    - 8. Agile responses to a changing business environment
  - The enterprise now takes the next step in the goals cascade: analysing which IT-related goals correspond to these enterprise goals
  - From there, the following IT-related goals are suggested as most important (all 'P' relationships):
    - 01 Alignment of IT and business strategy
    - 04 Managed IT-related business risk
    - 07 Delivery of IT services in line with business requirements
    - 09 IT agility
    - 10 Security of information, processing infrastructure and applications • 14 Availability of reliable and useful information for decision making • 17 Knowledge, expertise and initiatives for business innovation
  - The enterprise validates this list, and decides to retain the first four goals as a matter of priority
- 

# Mapping IT Goals / IT processes

			IT-related Goal																
			01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
			Alignment of IT and business strategy	IT compliance and support for business compliance with external laws and regulations	Commitment of executive management for making IT-related decisions	Managed IT-related business risk	Realised benefits from IT-enabled investments and services portfolio	Transparency of IT costs, benefits and risk	Delivery of IT services in line with business requirements	Adequate use of applications, information and technology solutions	IT agility	Security of information, processing infrastructure and applications	Optimisation of IT assets, resources and capabilities	Enablement and support of business processes by integrating applications and technology into business processes	Delivery of programmes delivering benefits, on time, on budget, and meeting requirements and quality standards	Availability of reliable and useful information for decision making	IT compliance with internal policies	Competent and motivated business and IT personnel	Knowledge, expertise and initiatives for business innovation
COBIT 5 Process			Financial					Customer		Internal							Learning and Growth		
Evaluate, Direct and Monitor	EDM01	Ensure Governance Framework Setting and Maintenance	P	S	P	S	S	S	P		S	S	S	S	S	S	S	S	S
	EDM02	Ensure Benefits Delivery	P		S		P	P	P	S			S	S	S	S		S	P
	EDM03	Ensure Risk Optimisation	S	S	S	P		P	S	S		P			S	S	P	S	S
	EDM04	Ensure Resource Optimisation	S		S	S	S	S	S	S	P		P		S			P	S
	EDM05	Ensure Stakeholder Transparency	S	S	P			P	P						S	S	S		S
	AP001	Manage the IT Management Framework	P	P	S	S			S		P	S	P	S	S	S	P	P	P
	AP002	Manage Strategy	P		S	S	S		P	S	S		S	S	S	S	S	S	P
	AP003	Manage Enterprise	P		S	S	S	S	S	S	P	S	P	S		S			S

# Mapping IT Goals / IT processes

## Example


The process APO13 Manage security will contribute:

- Primarily, to the achievement of the IT-related goals:
  - 02 IT compliance and support for business compliance with external laws and regulations – 04 Managed IT-related business risk
  - 06 Transparency of IT costs, benefits and risk
  - 10 Security of information, processing infrastructure and applications
  - 14 Availability of reliable and useful information for decision making
- To a lesser degree, to the achievement of the IT-related goals:
  - 07 Delivery of IT services in line with business requirements
  - 08 Adequate use of applications, information and technology solutions



# 1. Meeting Stakeholder Needs (cont.)

Benefits of the COBIT 5 goals cascade:

- It allows the **definition** of **priorities** for implementation, improvement and assurance of enterprise governance of IT based on (strategic) objectives of the enterprise and the related risk.
  - In practice, the goals cascade:
    - Defines relevant and tangible goals and objectives at various levels of responsibility.
    - Filters the knowledge base of COBIT 5, based on enterprise goals to extract relevant guidance for inclusion in specific implementation, improvement or assurance projects.
    - Clearly identifies and communicates how (sometimes very operational) enablers are important to achieve enterprise goals.
- 

# Quick Quizz on goal cascading

1. To which COBIT principle belongs the goal cascading mechanism ?
2. Each process is mapped towards one or several Enterprise Goals (T/F)

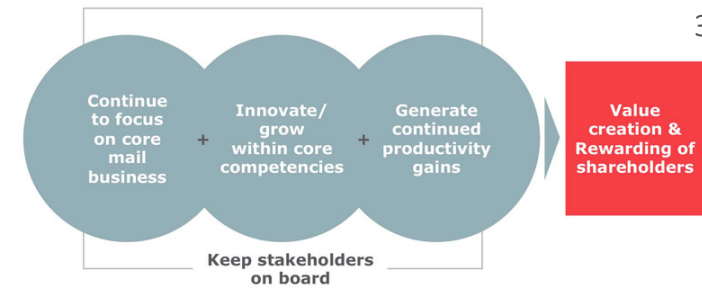




# Exercise : bpost Strategy

<http://corporate.bpost.be>

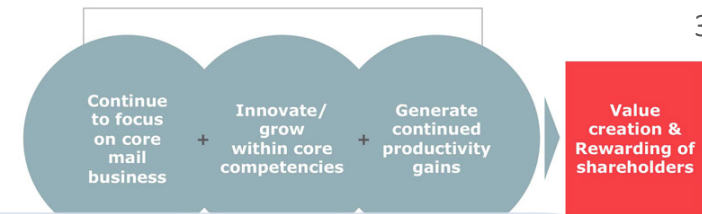
37



## Defend Core Activities

- The mailbox continues to be our main source of revenue and we still believe in the power of the mailbox as communication channel. To protect this business going forward, we work continuously to improve our quality and our operational performance.  
In a context in which mail volumes are declining, we are also developing initiatives to **fill the mailbag of the postman**. These programs demonstrate to our customers the efficiency of communicating to their own customers “on paper”.  
bpost supports the free choice of communication channel in the context of a continued clear preference for paper among consumers.

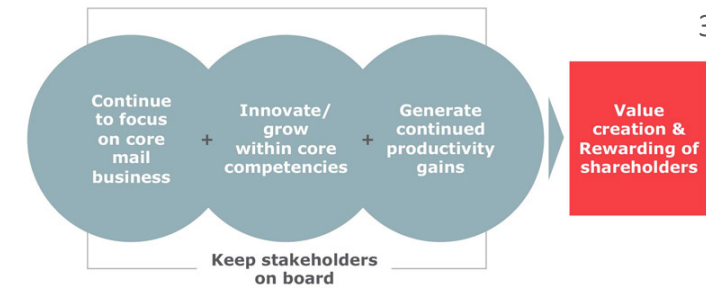
# Exercise : bpost Strategy



Develop  
Growth Area  
with the  
core  
competencie  
s

- Generating new sources of revenues is an imperative to counter the pressure on the traditional letter.  
We draw on our **unique assets** as a postal operator: the density of our delivery and points of sales network, our field knowledge, our operational expertise and, above all, our postmen. They are trusted by our customers and, increasingly, they offer our services at their front door.  
We are developing initiatives to enable us to meet customers face to face, to deliver parcels, provide home-based services and offer financial products.
- On the **parcels** market, we want to take full advantage of the growth opportunities offered by the acceleration of e-commerce sales in Belgium. Furthermore, our international presence, facilitating the shipping of parcels by foreign e-tailers, mainly from North America and Asia, allows us to seize growth opportunities beyond our borders. In 2014, these international activities were consolidated in a single organization, which markets its services worldwide under the name "**LandmarkGlobal**, a bpost company".
- bpost is constantly working to develop **new solutions**.  
Within this context, we launched services such as "**combo**" for the consolidated evening delivery of groceries from various shops on a day chosen by the customer.  
Other projects, such as the delivery and installation of internet connection equipment, water meter statements and social security surveys for senior citizens are also underway in the company and strongly oriented to the wish to offer services at our customers' front door.

# Exercise : bpost Strategy



Control  
Costs and  
improve  
productivity

- Growth is achieved by defending mail, our “front door” service to customers, as well as by our desire to control costs better, **improve productivity** and achieve operational excellence.  
Cost reductions are being implemented at all levels of the company. This approach entails continuing improvement, including savings through recurring programs such as Georoute (adaptation of postmen’s rounds to the changes in volumes).  
We are also committed to initiatives to improve productivity, such as Vision 2020, which is being rolled out since 2014.  
These initiatives help protect our ability to adapt our organization as effectively as possible to changes in volumes and reduce costs by generating economies of scale in terms of infrastructure, without compromising service quality.

# Exercise : bpost Strategy



## Keep our Stakeholders on Board

- Only **customers** enthusiastic about our services will be loyal to us and will continue to use our services and recommend us to others.  
In our quest to enthuse them, we must listen to what they have to say, so we can offer products and services that meet their needs.  
We must also offer excellent quality and be completely customer-oriented.  
In 2014 we were able to increase our customer satisfaction, 88% of our client were satisfied about our services.
- Our biggest challenge is now to remain a strong company that is present in our customers' day-to-day lives.  
To do this requires the natural and spontaneous enthusiasm and commitment of each **employee** and teamwork.  
The bpeople project initiated in 2012 will help us in that. It focuses on the conditions that need to be fulfilled to promote the wellbeing and commitment of all employees at the company. It also takes account of the many challenges faced by our employees in a company and an industry that is changing all the time.
- Since bpost is now a listed company, we also want to do our best to remunerate all **shareholders** that have chosen to invest in us and participate in the development of the company.

# Exercise

- What are the concerns of the Company ? What is the strategy ?
- What are the Business Goals corresponding to the Strategy ?
- What are the IT Goals that support those Business goals ?
- What are the IT processes that support those IT Goals ?
- What would be your proposition for priority implementation ?

