Arkus

Using A Cloud Computing Model
To Enable & Energize IT Governance

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IT governance is more crucial than ever, yet many organizations still have not put in place the basic structure, policies and processes to properly align IT initiatives with business needs. This White Paper will show how the authors were able to use a cloud computing solution for IT governance to save an organization millions of dollars and significantly improve operations. What's more, the solution was able to help the organization overcome corporate culture challenges that had bogged down IT initiatives for many years.

Introduction

IT governance has become far more crucial to businesses of all sizes during the past decade. There are many reasons for this. The growth of digital content and communications has blurred the lines between business and IT, so it is more important than ever for IT be responsive quickly to the needs of the business. In addition, stricter compliance and confidentially requirements along with more sophisticated security threats mean that failure to align IT and business can now cripple a business. Finally, with pressure on IT to constantly deliver more value on tighter budgets, the risk of investing in IT initiatives that don't pay off can cost a company precious time, money and resources.

However, while IT governance has become more important – and will continue to be more important in the future – many organizations have not yet put in place the basic structure, policies and processes that will lead to a successful IT governance framework. For many organizations, the challenge has been simply in recognizing how valuable and important IT governance can be: According to CIO Magazine, IT governance can cut costs by 50 percent while improving operations. For other companies implementing a successful IT governance initiative means overcoming traditional corporate culture roadblocks that have long stifled the necessary alignment between business and IT.

We faced many of these barriers while working with a large financial services company that was trying to get a handle how dollars were being spent on IT projects. Whether it was a highly strategic five-year $300 million project or it was the smallest $3,000 one-week work order, the problem was the same: There was no one central place to manage request flow, project status and costs. There was no one place to analyze the project from a business perspective and to align it with other IT initiatives that might be complementary or even repetitive. There was no process to update the project and determine if it made sense to continue, stop, reject or put on hold. Simply, there was no view of the bigger picture.

While helping this company in trying to get its IT operations more closely aligned with its business initiatives, we made a potentially groundbreaking discovery: By using a cloud computing solution for managing IT governance, we could not only save the company millions of dollars in costs, we could also dramatically speed up the processes to evaluate, decide upon and deploy initiatives. We also realized we could put in place a highly scalable architecture that could create a model for IT governance and decision-making across the entire organization. What's more, we discovered that the cloud computing model even made it simpler to overcome some of the corporate culture challenges that had bogged down IT initiatives for many years.

IT Governance in the Cloud

Before tackling IT governance in the cloud, we had created a variety of successful cloud computing initiatives for this financial firm using solutions from Salesforce.com. In fact, we were just coming off a major coup: We had been assigned a project budgeted at a half million dollars and we brought it in early and spent only $90,000 by using a cloud computing solution from Salesforce.com rather than building a system in house from scratch.

Despite this success, we weren't brought in to solve the IT governance problem at first: At that point there was no successful model for building an IT governance solution in the cloud. The company, in fact, had hired an individual to address IT governance and he put together a team and a process. They built a solution in Microsoft SharePoint and it just didn't work: There was no ability to do reporting or export data and no

ability to implement approval processes or workflows. After a year with this system, the person in charge of IT governance was frustrated and we suggested that, perhaps, he should think about using Salesforce.com for the governance process.

At that point we found an internal team to work with so that we could build out a proof of concept. We worked with the team, for example, to create forms and fields, to build workflow methodologies, processes for approvals, views for data, dashboards and everything else we though should go into the system. We were able to quickly go through many iterations of the system before we eventually had enough information to get the funding to build it out. We were able to put the whole thing together in just six weeks and within those six weeks we had 250 users fully trained and up and running. The company was shocked: It had struggled for years with IT governance and we were able to build a solution in just six weeks at a cost that was far less than they had anticipated.

Beyond the speed of getting the system up and running, there was the functionality: We were able to do things the company had never been able to do before. We created a complex approval process with e-mail notifications for every step of the IT decision-making process. We created customized dashboards where individuals could track their projects and track approvals. We built an ROI analysis into each project. We created fields for work orders, projects, issues, checkpoints, monthly reviews, everything that would go into creating a successful project. Plus, we were able to align the new system with the system we were already using in the field so we could get immediate and constant feedback on each project. Best of all, users liked the system and used it.

Delivering Value To The Business

One of the big problems with enterprises, large and small, is that they often have a wide range of systems and applications in place: For sales, customer service, marketing, branding, accounting, you name it. One of the things we discovered in using a cloud computing model for IT governance is that an organization can achieve tremendous cost and efficiency benefits by building applications that can work together on a common platform.

We were able to connect the IT governance application with the call center and with the field for feedback and that became a real selling point. Everything was in Salesforce.com, so it was all a common language and a common platform. You can start with an IT governance platform and build on that, so that you have one platform that can handle all views and data and can give great visibility into the business. We had one system that we used, for example, to track all user stories and focus groups and we could connect those all on the same system.

One of the other benefits we discovered after we had built the system was that it gave a really good view into all of the organization's projects so that we could see early on which other projects would lend themselves to a cloud computing model. We'd go through projects and basically see that there were many we could deliver far more quickly and for far less expense than what was in the budget. By doing this, we were able to deliver tremendous cost savings across the enterprise while also building applications that were more aligned with the company's business. We were also able to get these applications up and running much more quickly by using a cloud computing approach.

The Bottom Line: Better, Faster, Cheaper

When we started building the IT governance solution for this major financial services firm, there was no clear business model to determine whether cloud computing would be the right solution for the challenges of IT governance. Now that we've seen the results we are fully convinced that this is not only a viable approach it is an approach that should be considered by every firm, no matter what size.

Don't just take our word for it. The research firm IDC believes cloud computing has the potential to be among "the most transformative developments in the world of information technology in the last 20 years." In a survey of companies that have used cloud computing to develop custom applications, IDC noted these key benefits compared to traditional in-house development:

- Faster to market: Custom applications were developed and deployed in 76 percent less hours and required as much as 85 percent fewer developer hours.
- Lower cost: Companies were able to reduce their three-year TCO by 54 percent, saving $560,000 per application.
- Higher quality: Annual downtime was reduced by 97 percent and users spent 60 percent less time dealing with the service desk.
- Better performance: The combination of the first three benefits contributed to better business performance and generated an additional $3.9 million in annual revenue for each firm.
- Accelerated pace of innovation: Companies tripled their output of custom applications and doubled annual enhancements.

"Cloud computing provides numerous strategic and tactical benefits," according to IDC, "including IT decapitalization, accessibility, business agility, scalability and cost-effectiveness. Cloud computing stands along milestones like the commercialization of the Internet in the 1990s, the advent of Java in 1995, and the growth and standardization of the worldwide Web as a transformative advance in how we understand and consume information technology."

Why IT Governance?

IT governance is one of the hottest topics in IT for good reason: Unless organizations get a handle on their IT costs and processes, they are running real risks in missing business opportunities, losing competitive advantage and putting the company in danger of failing to address compliance and security challenges. The research firm Gartner describes IT governance as "the set of processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals." It suggests three phases of creating an IT governance initiative: (1) Strategize and Plan; (2) Architect the Solution, and (3) Build.

Deloitte, another leading consulting firm, suggests that IT governance can reduce overall IT costs without giving up on business growth ambitions, noting: "The value that you get out of IT is not in correlation with how you much you spend or how little you spend. On the contrary, value is a byproduct of the way IT is governed and aligned with business strategy."

The Proof is In the Cloud

The results are clear: When we began working on IT governance in the cloud for this firm, there were no clear processes or systems in place that had proven to be successful in aligning IT operations with business goals. No matter how much the company spent to put the right systems in place, nothing had worked. Projects were missing deadlines, missing budgets and misaligned with business processes.

Within just six weeks – and for a fraction of the expected costs – were able to get an IT governance system up and running, we were able to iterate it on the fly, we were able to scale it, we were able to integrate it with the company's existing Salesforce.com systems and we were able to put in place a solution that will last the company for many years to come. We are proud to note that for our efforts we received an Appy Award for Customer Innovation from Salesforce.com.

The accolades are nice, but more important to us was the opportunity to build something new and to reaffirm our fundamental belief in cloud computing as a model for building any type of IT solution – even one as complicated as IT governance.

Someone asked us recently: How would I know whether to build an IT governance solution in the cloud? Our answer was simple: If you want speed to market, improved ROI, scalability, flexibility, usability and myriad other benefits, well, then, yes, by all means you should build it in the cloud. That goes for IT governance and, in this day and age, it goes for almost every other IT application as well.

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Jason Atwood and Justin Edelstein are co-founders of Arkus, a leading supplier of cloud computing services and solutions based in NewYork City. Arkus's Agile methodology is a successful and proven process using iterative design to enhance user adoption and ROI for cloud computing initiatives.