

Client: Global Financial Services Firm

Function: IT Department

Project: Improve IT Management Standardization and Transparency

Overall Project Mission

The overall project mission was to implement an integrated platform for project portfolio management, project management, and resource management across the IT organization of a large, global financial services company. The objective of implementing an integrated platform was to enable efficient delivery of projects, effective decision making for the selection & management of projects, and an overall reduction of IT project costs.

Standardization & Transparency Challenges

The 12,000-person IT organization was highly decentralized. Each business unit had its own IT department, each with a CIO that reported to the business unit head. In addition, a large portion of the infrastructure operations & projects was outsourced to a third-party services provider. Global coordination was maintained through a global CIO and an “IT Management Board” whose members were the overall CIO and business unit CIOs.

In general, the IT Management Board agreed that standardizing processes & practices would greatly improve IT efficiency and increasing transparency of information would enable better overall management of the IT organization. However, each CIO believed that their group’s processes & practices were superior to the others and that their business unit’s projects had unique needs that needed to be accommodated.

In order to implement a single platform across the organization a set of organization wide standards would need to be agreed upon. The key challenge of the project was to obtain agreement on these standards across the groups and have CIOs enforce compliance within their respective IT departments.

A second key challenge related to transparency of information. Given that these IT organizations operated independently with sole accountability to their respective business unit leaders, they did not wish to have information about their department visible to the other departments. In particular, they did not want project investment choices scrutinized by the IT Management Board. Thus, while they all saw benefits to being on a single platform, they did not want transparency of information across business units.

The Solution

To address both the standardization & transparency challenges, three key areas were reviewed. This review led to the development of guiding principles that each of the CIOs agreed that the project team would follow.

Process vs. Information

Improving IT efficiency is no different than improving any other business function – both the processes being followed and the flow of information need to be analyzed to identify areas of improvement. However, in instances where there are many variations to a process, the first area to standardize is the type of information that is created and available for others to see. Thus, rather than tackle standardization of processes, the team sought to develop common definitions of key information available in an IT process such as ROI, risk, issue, status, etc. With each of these data items, the step in which the information is created during the lifecycle of an IT project was identified so that key tollgates / major phases were agreed upon across the organization. Therefore, the emphasis was much more on standardizing information rather than standardizing specific steps of a process.

Global Standards vs. Local Autonomy

While the project implemented a single platform for the entire organization, much care was given to defining global vs. local system administration capability. As defined above, no local administration capability was given over any of the standard data elements or standard tollgates / phases. However, within these constraints, local system administrators were given full access to make changes to the system in order to tailor it to their particular business unit.

IT Governance

With the standard definitions of the key information items, data transparency challenges still remained. The team therefore spent time to analyze the costs / benefits of global vs. local IT governance of projects. It became clear that projects that benefit all areas, such as networks, email, etc. vs. projects that benefit a specific business unit, such as a fixed income derivative pricing system, should have different governance processes & bodies. Thus, by clearly defining the types of projects that are “global” vs. business unit-specific, it became possible to control the degree of data access by the various governance boards in the organization.