Chapter 12
Improving the Organizational Integration of IT Governance Tools: An Explorative Study

Hauke Heier
Accenture, USA

Hans P. Borgman
Leiden University, The Netherlands

ABSTRACT
Why are many information technology (IT) governance software implementations challenged and what are the critical success factors (CSFs) for the rollouts? This question has recently gained importance, as IT governance is high on the corporate agenda and software tools have become available that promise to enforce and streamline IT governance mechanisms. However, early research has shown some of the difficulties surrounding the implementations of these applications. This article presents and discusses several implementation case studies based on a comprehensive research framework, and concludes with a discussion of implementation practices. Three major factors can overcome most common failure points: careful project planning, top management support, and tight organizational integration.

INTRODUCTION AND RESEARCH QUESTION

When a major European insurance provider embarked on a large-scale IT governance initiative the future looked bright. A pre-study and a subsequent project had been launched to tackle inconsistent portfolio, program/project and resource/time management processes, as well as what was internally referred to as a “zoo” of 19 piecemeal legacy applications. Only six of those tools would survive, becoming tightly integrated with the IT governance tool suite of a major software vendor. After 10 months project work - and after spending some $4.0 million on automating and digitizing
IT governance processes - the insurance carrier’s management board faced a tough decision: should the software be immediately launched for some 1,400 users, should they give in to the request of multiple stakeholders (including some senior management) to further postpone the rollout and launch a third testing cycle - or even move back to their old IT governance arrangements?

In the case of the insurance provider, a predominantly technical focus, a lack of executive support for a move towards industry standards, as well as insufficient knowledge dissemination and end user training were seen as major obstacles to a large scale rollout. Some of the project team members who had formerly held jobs maintaining the governance legacy applications were outright hostile and opposed the new tool. They continuously demanded software extensions even after the analysis and design phases were long concluded and used the user acceptance test (UAT) phase to conceal old demands as “software bugs”. Outside the project team the user base was anxiously expecting the large-scale rollout - snippets of information and rumors about (potential) shortcomings were traded in the hallways. The project had clearly not been able to “sell itself”. A common fate of many IT governance software implementations?

IT Governance is now generally accepted as a key area to simultaneously improve IT efficiency and increase business visibility and value from IT (Nolan & McFarlan, 2005; Weill & Ross, 2004). Software tools that have come on the market to support IT Governance processes are becoming more widely adopted and first studies indicate that they indeed improve these processes and lead to an improved IT business value and alignment with business goals (Heier, Borgman, & Maistry, 2007). However, as the insurance provider case study suggests, results from IT Governance software implementation projects are mixed, and academic research and the trade press confirm that this firm’s experience is no isolated case: large investments in money and time are often spent just to pull the wrong levers (Heir, Borgman, & Maistry, 2007; Melnicoff, Shearer, & Goyal, 2005). Implementations are neither always easy, nor are IT governance concepts and tools readily embraced (Callahan & Keyes, 2004). Meyer (2004) claims that the results of many IT governance initiatives are “often bureaucratic, imposing oversight and convoluted approval processes on already burdened organizations. These heavy-handed top-down controls squelch entrepreneurship, bog organizations down, and drive administrative costs up.” While the challenge is now well understood, IT specialists and managers still lack guidance for taking it on. They miss implementation frameworks and guidelines for overcoming obstacles. Selecting an appropriate mix of change interventions remains trial-and-error learning.

Our research is aimed at filling a gap in the IT implementation and IT governance literature by exploring success and failure of IT governance tool implementations. Incorporating the above academic and managerial implications, the general research question is derived: “Why are many IT governance software implementations challenged and what are typical CSFs for the rollouts?”

The remainder of this research article is organized into five sections. In the following section “conceptual foundations and framework” earlier research relevant to the research question is assessed and synthesized in an overall factor model. The third section “research methodology” includes the selection of case study sites, as well as describes the data collection and analysis approach taken. The fourth section “case studies and discussion” presents observations and findings from four international sites which have implemented IT governance applications. The article closes with an overview of the next research steps in the final section “conclusion and further research”.