Chapter 3
Information Technology Pre-Risk Governance

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ABSTRACT

Pre-risk governance is an extension of the risk management paradigm that allows for risk analysis prior to making a decision on whether a business objective should move forward and what the possible risks may be. Instead of making business decisions that will affect or impact technology, and the associated people, processes, and policy and then including necessary staff in systems planning after the fact, pre-risk governance allows for the inclusion of pertinent staff in the decision-making process prior to moving toward a major change or enterprise transformation effort. Historically, information technology (IT) staff have not been included in decision making as it applies to change initiatives until they are required in the overall systems/solutions development life cycle. This exclusion of IT staff has been shown to cause a higher level of risk, and actuated issues with schedule, budget, and successful implementation of or transition to a new means of doing and supporting business.

INTRODUCTION

Across the span of human existence – whether talking about human mortality or shifting business models and technological systems, change is an ongoing, never-ending process (McDonough & Coghlan, 2006). As the field of information technology has evolved as a discipline and tool, there have been corresponding changes to

business, processes, practice, policy, and the roles and responsibilities of those who implement and support the actual change (Goodman & Loh, 2011). While change theory has traditionally concentrated on the impact that a change event exerts on an enterprise and the success or failure of the change event itself, it has not focused on the people who are responsible for the change – and their overall contribution to the change process. This misplaced, one-dimensional, focus has impacted stakeholders' acceptance of change as well as the success or failure of the intended change (Larry, 2017). By ignoring key contributors to the change, information technology (IT) staff, the probability of successful change can be undermined and may serve as a reinforcement of failure. The use of Pre-Risk Governance and inclusion of IT staff during the Pre-Risk Governance Life Cycle (P-RGLC), to provide the enterprise with a list of issues, concerns, and/or problems that may occur prior to making a decision on a new business directive and/or prior to moving forward, supports successful change (Von Canon, 2017).

BACKGROUND

"Ninety-three percent of U.S.-based multinational companies are in some phase of changing their business models," (KPMG, 2014, p. 2, paragraph 1). This percentage is particularly significant in light of the technologies upon which 21st century businesses depend for developing, redeveloping, updating, and revamping their structural frameworks, designs, communications networks, marketing and sales plans, policies, implementation practices, etc. Because organizations are continuously evolving in this way, adjustments must regularly be made to the infrastructure, systems, and roles and responsibilities of those organizations. In turn, with new systems come new modes of doing business and changes to operations (Goodman & Loh, 2011) that impact both internal and external stakeholders. Moreover, it is expected that certain Information Technology (IT) disciplines (such as solutions architecture, development/ engineering, verification/testing, and technical and customer support) within an enterprise will continuously go through, promote, and support change (McDonagh & Coghlan, 2006), especially in the area of information technology driving business innovation. Planning for change prior to making a decision to change and including those subject matter experts (SMEs) that can provide relevant information on the advantages and disadvantages of moving forward increases the possibility of success upon initial implementation of a new product or service (Larry 2017). In this chapter the authors will define and discuss the use of Pre-Risk Governance prior to and/or at the onset of change projects and initiatives.

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