Chapter IX
Improving ICT Governance:
A Radical Restructure Using CobiT and ITIL

Mark Toleman
University of Southern Queensland, Australia

Aileen Cater-Steel
University of Southern Queensland, Australia

Brian Kissell
University of Southern Queensland, Australia

Rob Chown
University of Southern Queensland, Australia

Michael Thompson
University of Southern Queensland, Australia

ABSTRACT

Acting upon the recommendations of a review of information and communications technology (ICT) governance and services at USQ, a major restructure was effected merging ICT units previously scattered across the university. The new Division of ICT Services embodies both CobiT and ITIL principles. To ensure the radical change was managed professionally, a change manager was seconded to the project. The value and importance of this role was underestimated and in retrospect it was removed too early. With the new structure now in place, a single service desk has been implemented and service level agreements have been formulated. This chapter describes the new reporting structure of the Division of ICT Services, the internal structure, the goals of the Division and how they align with the USQ corporate goals. Care was taken to ensure that the new ICT structure was logical and conducive to operational effectiveness, efficiency and sound ICT governance. The new structure provides pathways and opportunities for career progression, reflects a client focus and provides role delineation and functional accountability.

INTRODUCTION

Recent corporate scandals such as HIH in Australia, and Enron and Worldcom in the United States have raised the importance of corporate governance and prompted governments to provide guidelines to reduce risks to shareholders, employees and consumers (Holloway, 2004). In the United States, the Sarbanes-Oxley Act 2002 introduced stringent corporate governance requirements. Organizations around the world are following the lead of the U.S. and focusing on corporate governance (Peterson, 2003). Organizations are establishing IT governance to ensure that IT is aligned with the objectives of the organization (Sledgianowski, Luftman & Reilly, 2006). Recently, poor IT governance was blamed for three failed Australian IT projects at OneTel, Sydney Water and RMIT (Avison, Gregor & Wilson, 2006). IT governance includes leadership, organizational structures, and processes to ensure that the organization's IT sustains and extends the organization's strategy (Sallé, 2004). A sustainable IT governance implementation framework is proposed by De Haes and Van Grembergen (2005) focusing on structures, processes and relational mechanisms where structures involve the existence of responsible functions such as IT executives and a diversity of IT committees. Processes refer to strategic decision making and monitoring using tools such as the IT balanced scorecard. The relational mechanisms include business/IT participation, strategic dialogue, shared learning, and proper communication.

The importance of having the correct organizational structure has been stressed by many researchers (for example Csaszar & Clemons, 2006). It is important to decide which form of structure is the most effective: centralised, federal, or decentralised (Peterson, 2003). Peterson claims the federal model offers the ''best of both worlds'' but can be difficult to implement as it "challenges managers in local business units to surrender control over certain business-specific

IT domains for the well-being of the enterprise'' (Peterson, 2003, p. 47).

Sustainable ICT governance also relies on effective communication and knowledge sharing which can be achieved by a good participative collaborative relationship between business and the IT department (Van Grembergen, De Haes & Guldentops, 2003). Furthermore, it is vital to align the ICT strategies, investments and activities with the objectives of the organization (Luftman, 2004).

The aim of this chapter is to provide a detailed account of the changes brought about in a large organization to improve ICT governance. This chapter firstly provides background information related to the University of Southern Queensland (USQ) and its ICT resources, and the findings of a recent ICT review. The review resulted in major changes which are then described. The outcomes and results to date are then summarized. The final section identifies future directions and provides a conclusion focusing on the critical success factors of the restructure.

BACKGROUND

In 2006, USQ reported a total number of 25,900 student enrollments contributing to 12,249 equivalent full-time student load (EFTSL). Of these, 21,238 studied externally and 4,662 studied on-campus. All students have access to online study materials and learning management systems. Enterprise Resource Planning systems include the Peoplesoft modules for Student Administration, Human Resources and Finance. In addition to the main Toowoomba campus, the University operates integrated satellite campuses at Springfield (Brisbane) and Fraser Coast. The complex network infrastructure operates on a high-speed optic fibre backbone, servicing approximately 2600 PCs and 200 Macintosh staff and student laboratory computers from 250 servers, via 190 network devices.

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