

# Preparing the Way for Digital Transformation

Designing Governance to Enable Innovation

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# What does digital transformation require?

Informed, aligned, and agile decision making.

- Disruptive tech in a changing world means IT cannot be a mere utility
- Digital transformation is about transforming the institution
- Success demands alignment of IT with the institution's goals
- Alignment depends on governance
- Relevance depends on responsiveness
- Thus, governance processes must be informed, aligned & agile

# How is alignment achieved?

## Mutual engagement between IT and the institution

- The CIO's engagement with the executive board is important for effective governance
- IT must understand the context of the institution
- The institution must understand what IT can offer

# Realigning IT governance at NC State

## Organize IT governance around the mission

- Our CIO is on Chancellor's executive board, necessary but not sufficient
- IT needs a deeper connection to academic and research missions
- Want IT strategic direction to be driven by the institution's strategic goals
- Previous structure was organized around technology
- Restructured IT governance to align with the mission and core business

# How can governance enable (or stifle) innovation?

When innovation is a goal, clear and agile governance processes enable it.

- 70% of managers need to be able to explain how IT governance works
- Innovation should be an explicit priority
- Otherwise committees tend to be risk-averse
- Mechanics matter: communication plan, scheduling, committee processes
- Bureaucratic processes are slow; digital transformation can't wait
- Decision-making process must be clear

# Designing for innovation at NC State

## New vision for IT governance

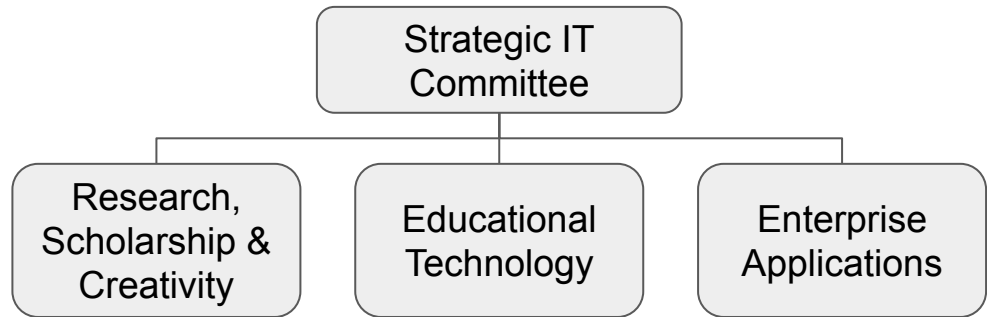
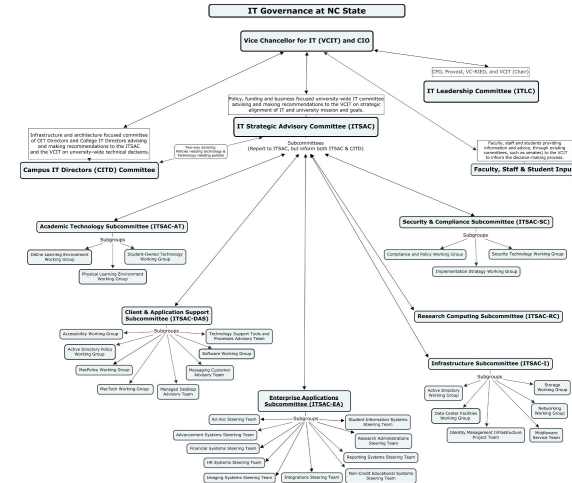
- Preparing for digital transformation required new vision
- We completely redesigned our IT governance process
- Asked committees to consider trends in both IT and higher education
- Charged committees to facilitate innovation while balancing risks
- Invited members with broad view of institution

# Simplified the IT governance structure

Simple structures, clear processes, dedicated effort are needed

Old structure: Complex, 41 committees

New structure: Simple, 4 committees



# Actively manage IT governance

Communication is facilitated by dedicated staff effort

- Planning to support communication processes is essential
- Dedicated staff effort to support IT governance (0.5 FTE)
  - Assist chairs with agenda development and management
  - Coordinate annual assessment of IT governance success
  - Train chairs in committee processes
  - Publish minutes, schedule meetings



# Focused IT governance on strategic issues

Separated operational management from IT governance

- Separated operational management from strategic decisions & advising
- Clearly defined the scope of IT governance vs operations
- IT governance is focused on broader strategic decisions
- IT governance charged to look for emerging opportunities

# Ensured operational advising continues

## Defined service model for operational decisions

- Operational decisions are made by the service owner (**accountable**)
- Advisory team made up of key users of the service (**consulted**)
- Service team made up of IT staff who deliver service (**responsible**)
- Service owner escalates decisions and ideas to IT governance based on scorecard criteria

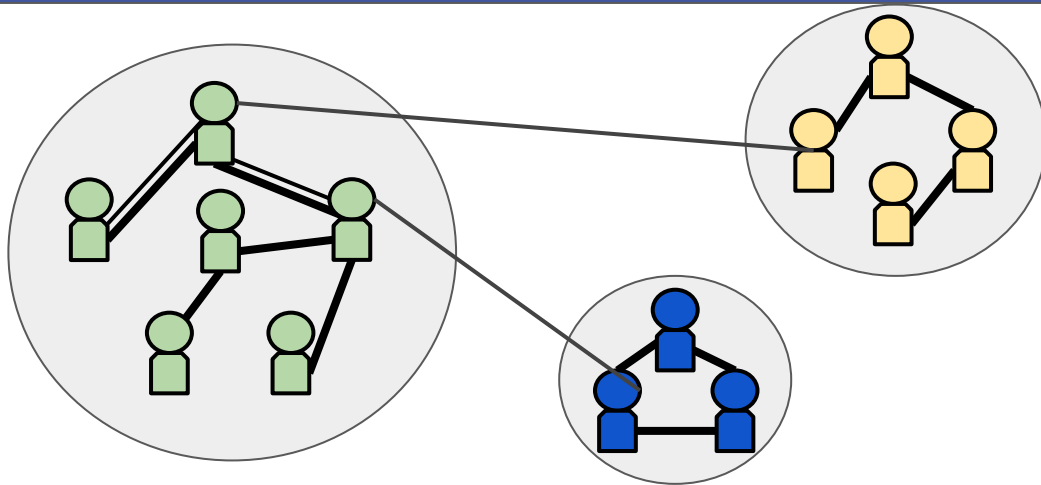
# Made it easier to understand IT governance

## Defined what needs IT governance review

- 1-page scorecard defines whether a decision or idea should be reviewed
- Scorecard assesses potential impact
- Intended for both IT and non-IT management
- Includes financial and business process impact, strategic alignment, reputational and security risks, scale of the change

# Why does inclusivity matter?

Novel information flows across weak ties. (Granovetter)



# Building inclusivity at NC State

Diverse voices make better decisions

- “When IT is talking to IT, be afraid”
- IT governance redesign team included academic, research, and administration stakeholders
- Non-IT members were more aspirational than IT
- IT members learned about institutional processes and higher ed trends
- Impacted the design, charters and membership plans for IT governance

# Does organizational maturity limit IT governance?

Governance design should be both aspirational and realistic.

- IT governance can drive some aspects of institutional maturity
- Requires buy-in from executive leadership
- Maturation is an iterative process: Plan, Do, Check, Adjust
- RACI charts can help (who is Responsible, Accountable, Consulted, or Informed about a decision)
- Socialization must occur throughout the institution

# Developing organizational maturity at NC State

IT governance provides a structure for maturation

- Vision for IT governance requires major culture shift
- IT must learn to bring ideas to IT governance before decisions are made
- Non-IT stakeholders must bring ideas before purchases are made
- Full socialization of IT governance will take time
- Shared advising and decision-making model will help institution grow
- Resulting IT/institutional alignment + agile processes prepare the way for Dx

# What should we consider as prepare for digital transformation?

- What do we want IT governance to do for us?
- Are we ready to make a change?
- Do we have (or can we get) institutional support for these goals?
- Who should be included in IT governance?