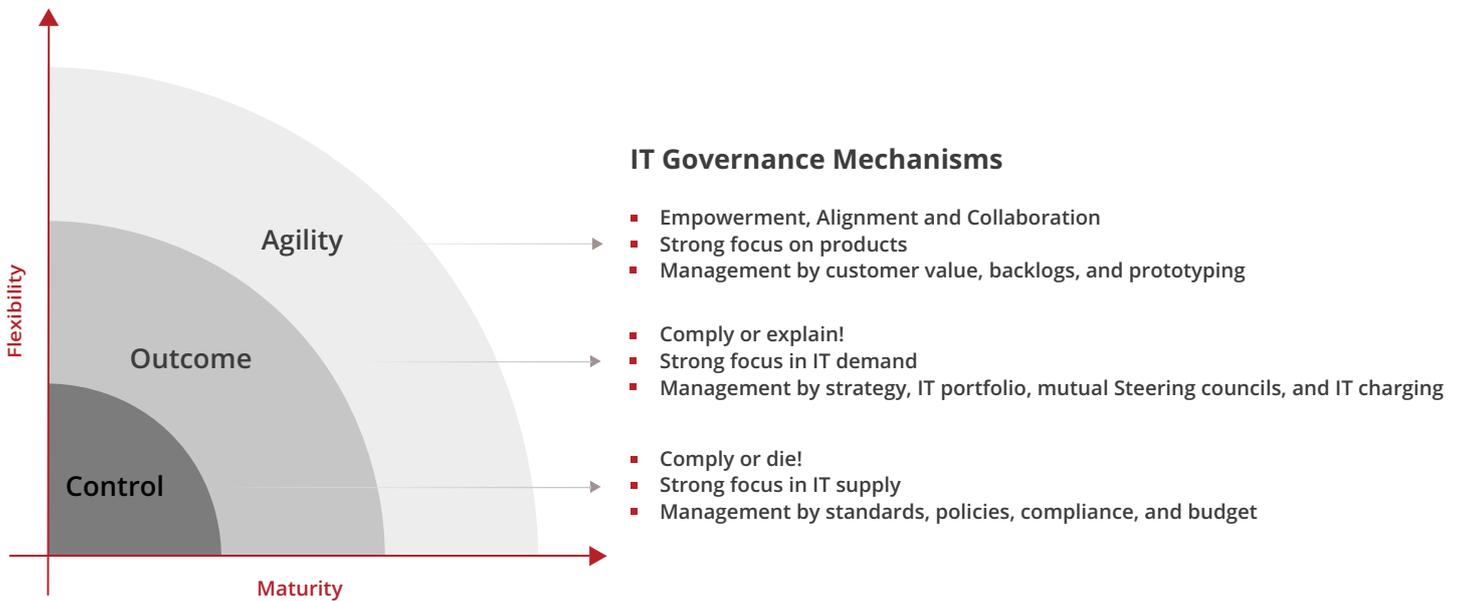


WHITEPAPER



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July 28, 2021

Adaptive IT Governance With Bee360

Technology innovation and changing customer expectations have reshaped the IT landscape over recent decades and will continue to do so. Developing, running, and continuously improving innovative digital products requires companies to focus on customer value and business benefits. At the same time, companies need to focus on control and efficiency in projects with clear timelines and agreed-on outputs, deliver on commitments, and comply to organizational rules and policies.

An IT governance that can adapt to these different underlying conditions is called *Adaptive IT Governance*. In this article we will introduce the concept of *Adaptive IT Governance* and show how Bee360 enables you to apply three different governance styles and related mechanisms based on context.



Adaptive IT Governance

“Adaptive governance is the organisational capability that determines the IT governance style and mechanisms that will deliver required business outcomes in a given context.”¹

IT organisations must be able to dynamically change their decision-making processes depending on desired outcomes to be achieved. Degrees of freedom and speed must match the nature of undertakings, such as projects, services, products of different maturity and experiments. Managing a desktop support service requires another approach than developing a digital platform to enter a new strategic market segment. This implies that there is no “one size fits all”-

solution when it comes to IT governance. Rather different governance styles need to be applied on a “fit for purpose”-basis.

To overcome this challenge of selecting governance styles depending on the business context, IT organisations need to practise adaptive IT governance. Adaptive IT governance is the dynamic adaption of degrees of freedom in terms of organizational, technological, and financial structures in accordance with pursued goals and underlying conditions. In the following, we will introduce three predominant IT governance styles (see Figure 1).

Traditional IT governance can be also described as **control-based IT governance**. This means that decisions are made within a strict framework of rules, policies, standards, directives, and compliance requirements. Control-based IT governance is based on clearly separated roles of Business and IT. Business is defining requirements which are then implemented by IT. Moreover, IT strategy is mostly disconnected from enterprise strategy and strongly focused

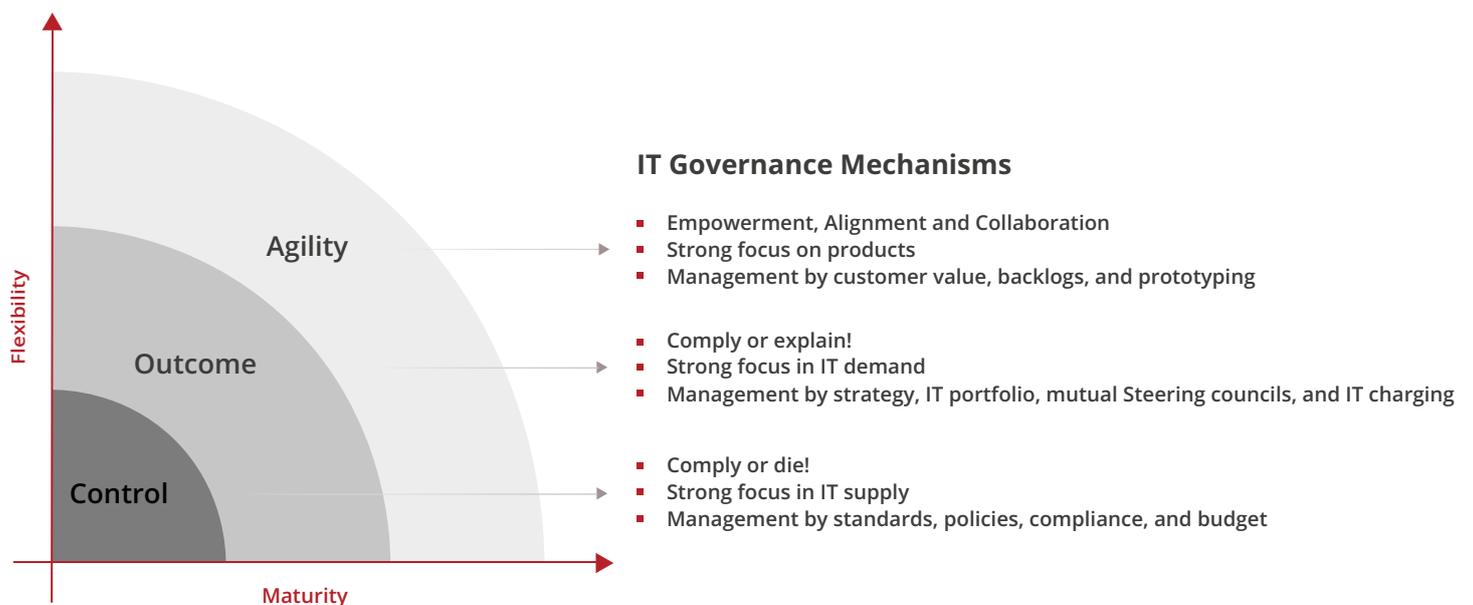


Figure 1: Adaptive IT Governance Styles and Mechanisms¹

¹ Gartner (2020): Use Adaptive Governance Styles for Portfolio Management

on supply-side challenges like IT operational quality, responsiveness, and cost. This strongly output-driven IT governance style is very effective in a regulatory context: *Comply or die!*

While control-based IT Governance is focused on the IT supply, **outcome-based IT governance** focuses on demands. This governance style pursues the goal of realizing business benefits while balancing costs, benefits, and risks. Those benefits need to be created through a joined collaborative approach between IT and business. To ensure a focus on benefits creation, IT strategy is derived from enterprise strategy.

When it comes to digital business innovations, we find ourselves in today's VUCA world. The organization must respond with an **agility-based IT governance** to the increasingly changing circumstances. This requires decentralized decision-making processes through empowerment and alignment of teams and individuals, promoting long-lived cross-functional collaboration, and taking an iterative, experimental, and customer-centric product development approach. As the borders between IT and Business become blurred, IT strategy and enterprise strategy meld. Therefore, CIOs contribute to enterprise strategic planning.

Our Solution: Adaptive IT Governance With Bee360

The underlying IT management concept of Bee360 enables adaptive IT governance by supporting the different IT governance styles including the underlying mechanisms outlined above. Beyond this, Bee360 provides a single-source-of-truth by integrating Strategy Execution Management (SEM), IT Financial Management (ITFM), Program & Portfolio Management (PPM), and Enterprise Architecture Management (EAM) into one single IT management platform. In the following we will briefly summarize how different IT governance styles can be implemented in practice with Bee360.

Control-based IT Governance with Bee360

Existing standards and policies can be setup in Bee360 to ensure control when needed. It is up to IT management to determine how strict these policies are used per IT initiative. Managing IT initiatives and projects on scope, budget and time is a core fundamental of Bee360. Through rolling forecasts, variance analysis and approval workflow, IT management has full control over all relevant processes, activities, and commitments.

Through its integrated enterprise architecture management, Bee360 enables IT to fully focus on its role as provider of functional infrastructure, systems, and applications. This capability integrates organizational and technological structures to uncover risks, ensure compliance, and monitor the impact of changes across all areas and levels.

Outcome-based IT Governance with Bee360

Another core fundamental of Bee360 is enabling business-driven IT management through demand management. Not all demands are the same, e.g., a demand for an OS update as a result of no-support-anymore will have to be processed different as a demand for a new CRM system to support the

company's sales strategy. As IT demands vary so does the way IT demands are managed in Bee360.

In general, demands in Bee360 are processed through tasks and deliverables which can be traced back to projects, initiatives and strategies defined through a collaborative approach between IT and business. Beyond this, demands can be connected to products that need to be enhanced to achieve defined business benefits. This product connection crosses the bridge to agility-based IT governance.

Another aspect of outcome-based IT governance is transparent charging of IT costs towards business. Separating cost creation and cost charging allows to define an IT portfolio, consisting of products, projects and/or services, that is used for charging the business in a transparent way. It is this transparency that enables the IT organization to plan and realize required outcomes together with business.

Agility-based IT Governance with Bee360

Bee360 allows for agile IT Governance by transparently providing all employees with relevant data about strategic priorities, pursued outcomes, and workflow progress. Multi-layered roadmaps and backlogs enable decentralized decisions on the four flight levels *Value Stream, Product, Release and Team*. Therefore, Bee360 empowers management as well as teams to drive outcomes, IT product maturity and the digital capabilities of an enterprise.

Beyond that, the platform offers an agile budgeting approach that allows flexible and frequent funding of teams, products, and value streams. This approach supports enterprises to quickly respond to changes and enables de-centralized decisions about the allocation of limited resources to customer needs, solutions, and related work.

Configure Your Own IT Governance Model

The governance model of an enterprise should cover the spectrum of different use cases the enterprise is involved with. In this spectrum different domains like infrastructure and operations in traditional business or platforms and ecosystems in digital business are included. To define a suitable governance model, an enterprise can either select one of the three outlined IT governance styles or combine them as needed. The full potential of adaptive IT governance gets unlocked when different styles and associated mechanisms get mixed based on underlying conditions and pursued outcomes.

Continuously improving existing governance capabilities, evaluating the "fit for purpose" between governance mechanisms and given context and tailoring an IT governance model to the enterprise's needs are some of the most important tasks of an CIO. A highly mature and adaptive IT organisation is able to switch between different governance styles and mechanisms. While control-based and outcome-based governance will always be needed for running and growing the business, agility-based governance is indispensable for transforming the business and for keeping pace with progressing digitalization and growing competition. Therefore, adopting agility-based governance mechanisms can be a crucial decision in the innovation journey of an enterprise.

Overall, establishing an adaptive IT governance takes account of the multifaced demands on IT organisations. As platform and management concept, Bee360 helps you to tailor your own adaptive IT governance model and thus find and execute the sweet spot between control and agility.²

² Learn more about balancing control and agility in our Spotlight "*Adaptive Portfolio Management: Finding the Sweet Spot Between Control and Agility*"

About the Authors:



Svenja Lang

With her extensive knowledge about agility, product-focused management, and customer-centric product development, Svenja offers new and compelling perspectives on IT management. Her academical and practical background in engineering, management and IT strengthen her analytical and system thinking skills, and enable her to shape the right ways of working for any given underlying conditions.

Dr. Corvin Meyer-Blankart

Driven by his genuine interest in technological advancements, Corvin is motivated to establish new ways of working to leverage digital innovation. His experience spans from vision and strategy to support, from local SMEs to globally active corporations, and from B2B to B2C industries. This contextual in-depth knowledge enables him to identify and communicate organizational, technological and processual requirements to drive a departure from the traditional towards an agile and customer centric approach.





Interested in how Adaptive IT Governance With Bee360 Works in Practice?



Watch our Spotlight: “Agile Product Management: How SAFe is Bee360?”.

In this spotlight, we will show you how to manage your product portfolio, individual products, and product teams with Bee360. You will be given insights about multi-layered backlogs reaching from strategic portfolio level to agile teams which essentially drive outcomes, product maturity, and the digital capabilities of your enterprise.



Watch the [Spotlight here](#)

*Bee360 is your partner for holistic management.
We stand with you in your transformation journey and deliver the right software for
an effective execution. We deliver step by step to the desired maturity degree.*

