

IT Governance at the NBB

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New IT Governance method at NBB

- recommendation made during an audit of the development unit of the Bank (in 2004-2005 by Strategy and Organisation [SO] and external consultant)
- Internal Audit has been interviewed (methodological aspects e.g.);
- with (the same) external consultant: IT Governance project started in 2005. Main aim: **prioritisation of projects** in relation to **strategy** of the Bank;
- creation of
 - * IT User Group (SO, IT dpt, users - min. 3 meetings a year) and
 - * IT Commission (SO and IT dpt - min. 6 meetings a year)
- IT governance process should be 'light and efficient'
- introduction of new tools somewhat postponed (we didn't choose the tool of the consultant ...)

IT Governance

Guiding processes

Business strategy

Enterprise architecture

IT Governance principles

Core processes

Manage demand

Prioritise projects

Communicate with stakeholders

Manage overall portfolio

Monitor and report on portfolio performance

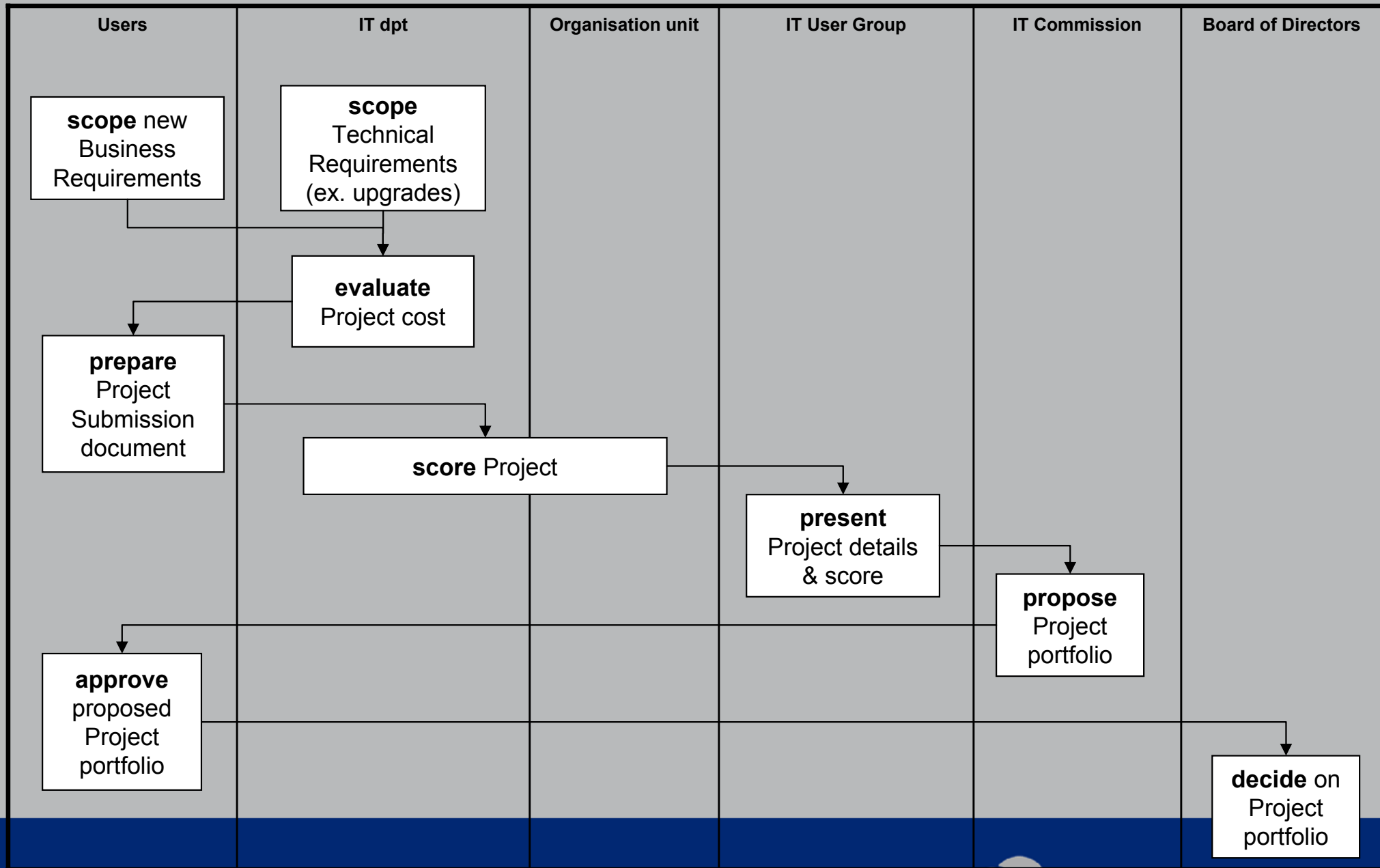
Enablers processes

Provide IT capacity

Plan, Realize, Control projects

Provide IT support

Project Prioritisation and Arbitration



Scoring and arbitration method

- Each project is scored for 41 criteria on a scale from 1 to 6
 - criteria bundled into 4 categories (Strategy, Risk, Financial and IT)
 - criteria are identified as objectively as possible (+ transparent and coherent)
 - analysis: TCO, Business transversality, Business added value, Quality of scope definition, Technology mastering, Obsolescence of application, ...
 - sorting: project type, project step, owner, customer type, ...
- project <> maintenance if > 2 manmonths
- responsible entities for scoring:
 - business-aspects: SO + user (system owner)
 - IT-aspects: development unit
- scoring is combined with input from the IT dpt (available resources and expertise) and SO (strategy) to result in a proposition for arbitration to ITUG and IT Commission
- possible decisions after evaluation on **portfolio level**: keep / transfer (e.g. to partner) / phase over time / redimension / postpone / explore / quit

Scoring criteria

1. Market procedures enforced ?
2. Mission (Legal, ECB, Belgian authorities, others)
3. Core - Non Core business
4. Emergency level of the project ?
5. Business Maturity
6. Level of coverage (on process)
7. Available external funding ?
8. Internal or external added value ?
9. Total Internal Cost of Development
10. Total cost of ownership ?
11. Remaining Internal Cost of Development
12. Current Year Estimate to complete of the development cost
13. Business recurring cost savings
14. Links with other project
15. Project driver (Business / IT)
16. Level of change management required
17. Effort Required for security ?
18. Level of Integration
19. Required SLA level by the Business (Availability)
20. Business ability to run the project
21. Project required for Business obsolescence
22. What will happen if not done ?
23. Potential Cost coverage by revenue
24. Level of Top Management involvement
25. User Commitment
26. Are there alternatives ?
27. IT recurring cost savings
28. Resources required
29. Project developed in external partnership
30. Availability of the specific skill
31. Customer type
32. Project type
33. Project lifecycle
34. Quality of the user requirements
35. Required technical transversality
36. User availability for the project
37. Project Steering Committee
38. Ability to execute (IT)
39. Project Required due to Technical obsolescence
40. Technology required for the project
41. Technical fit

Scoring and arbitration method

- the criteria are weighted to axes
 - e.g. development cost:
 - 6 : < 67 K€
 - 5 : 67 tot 150 K€
 - 4 : 150 tot 250 K€
 - 3 : 250 tot 500 K€
 - 2 : 500 tot 1000 K€
 - 1 : > 1000 K€

- 4 axes:
 - x-axis : ability to execute
 - y-axis : contribution
 - size circle : cost (small = limited cost)
 - colour circle : negotiation margin (red = no constraint)

- 5 matrices with each 4 axes
 - M3 = Business attractiveness
 - M4 = IT attractiveness
 - M2 = Financial attractiveness
 - M10 = Customer type
 - **M1 = Synthesis**

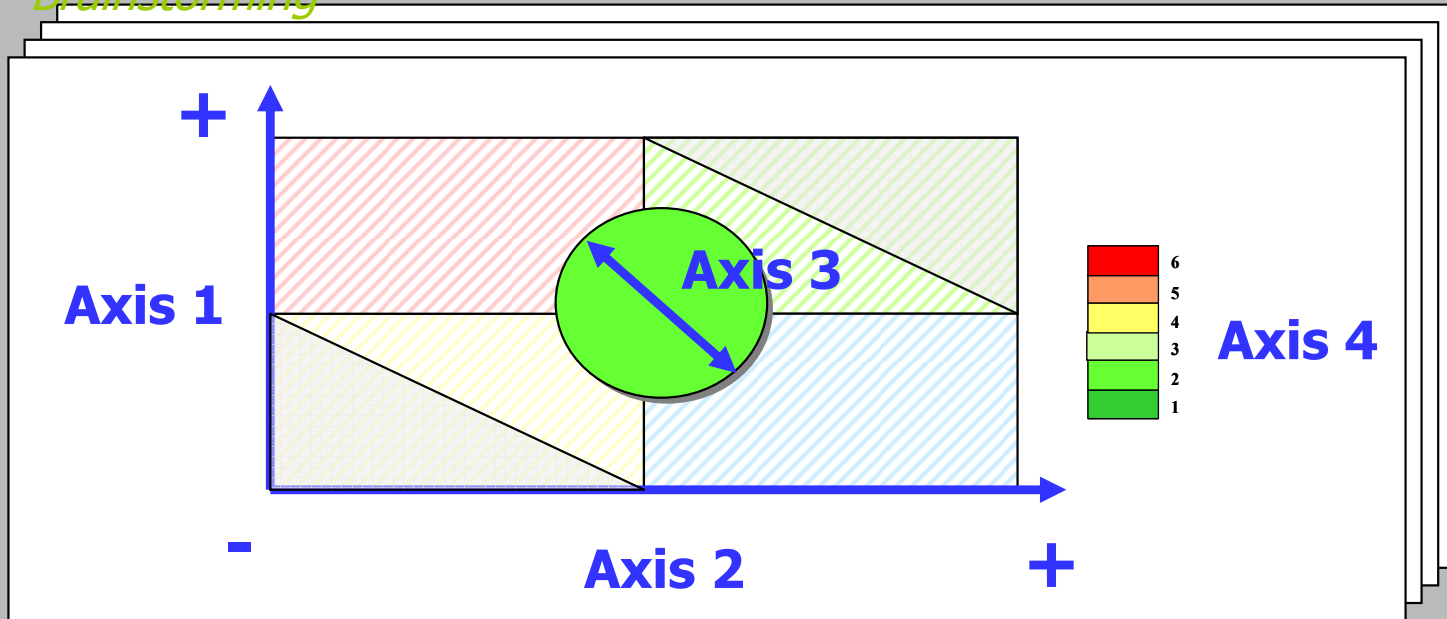
Scoring and arbitration method

criteria 1
criteria 2
criteria i
criteria n

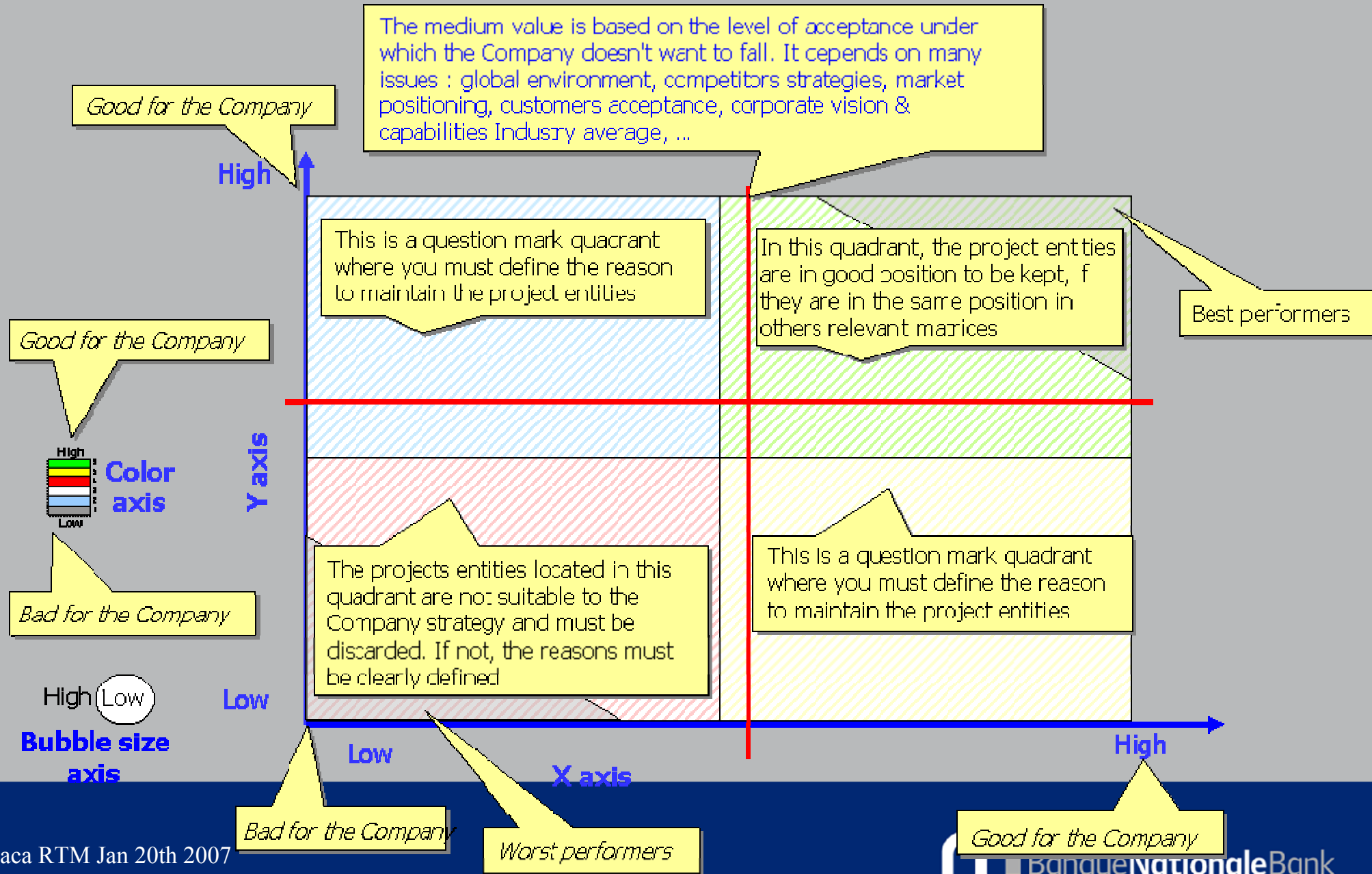


Axis n = x % **criteria i**
+ y % **criteria j**
- z % **criteria k**
+ ...

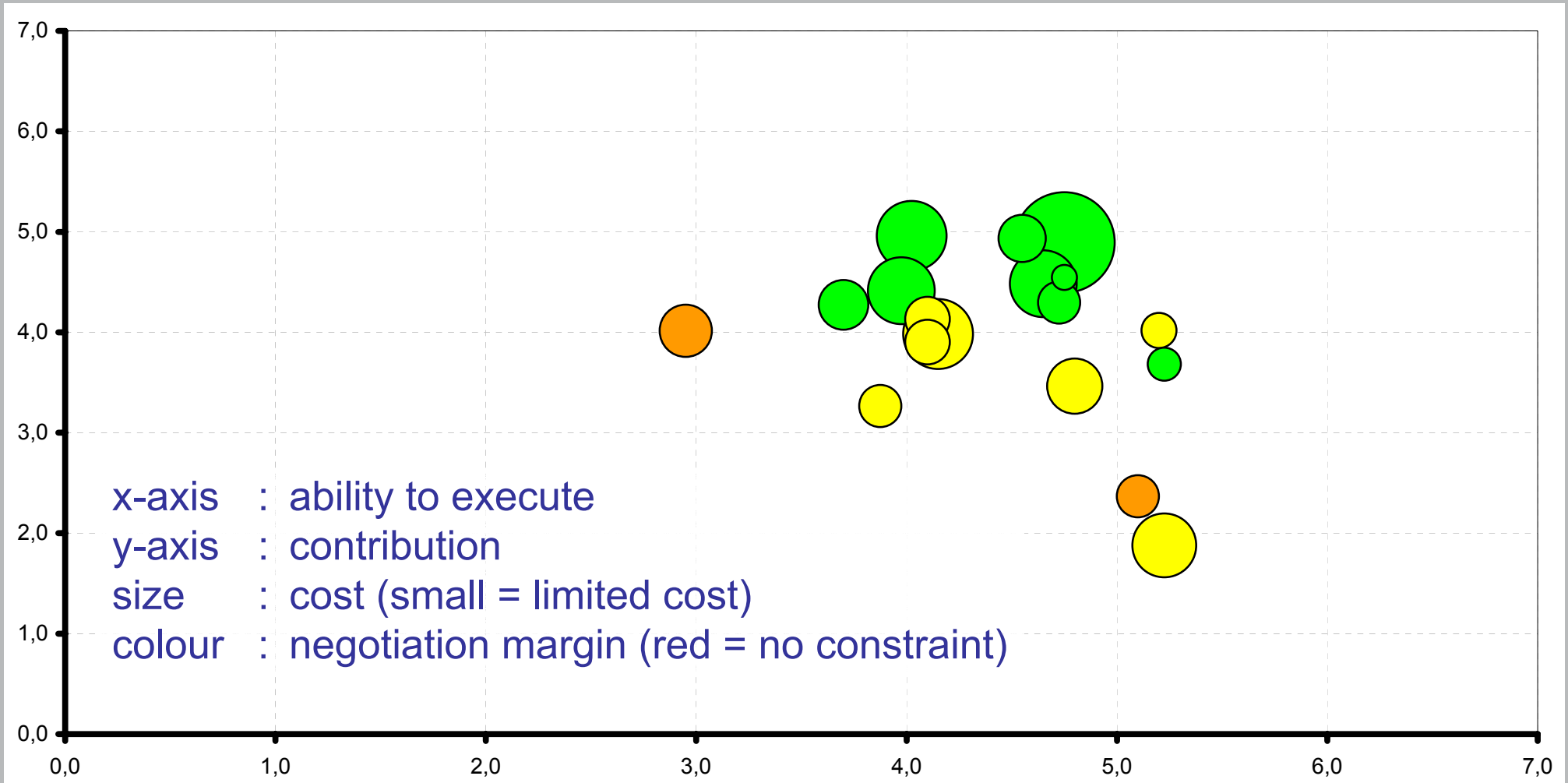
Brainstorming



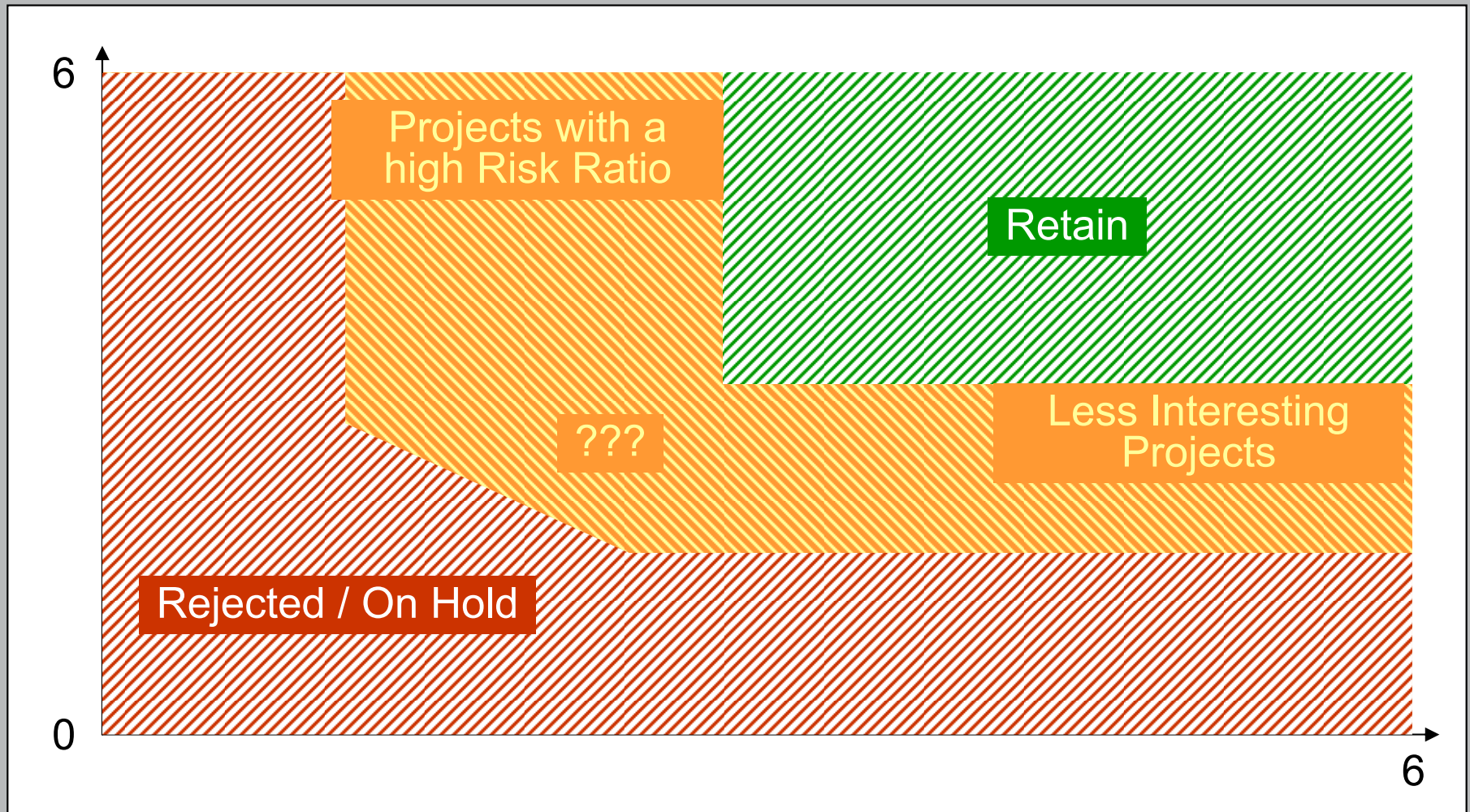
How to read the matrix



Example M1



Prioritisation and Arbitration Matrix



Complete Portfolio

Couleur: Negotiation margin (green=difficult to negotiate) / Taille: Overall financial attractiveness (small=cheap)

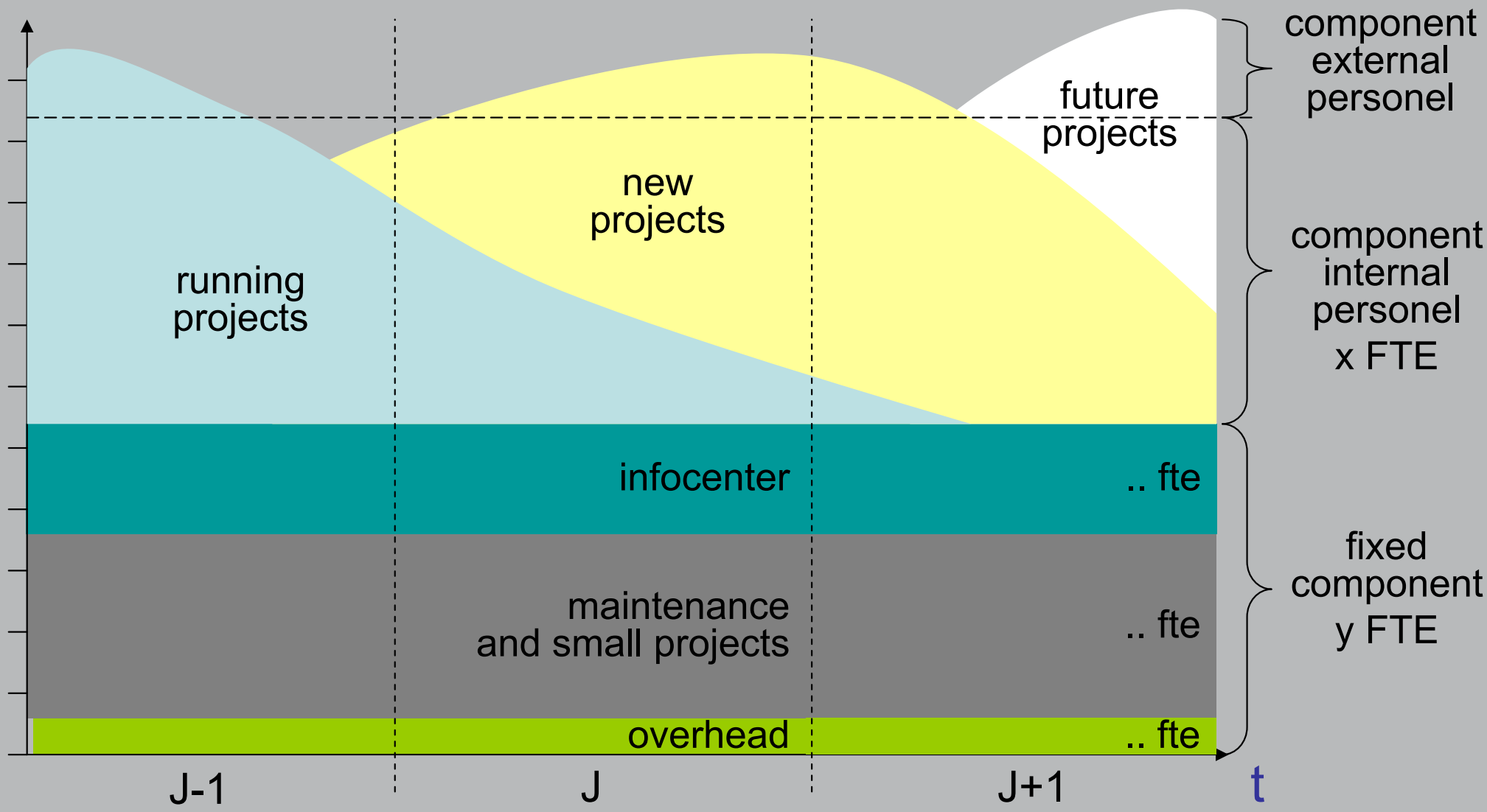


Projects prioritisation

Project Label	Description
A	Projects to be started in the budget year.
B1	Projects that could be started in the budget year after updating some project information (the scope, the milestones, the nature etc..).
B2	Projects that can only be started after getting the Board of Directors' agreement and IT Governance's agreement.
B3/C	Projects that are postponed.

Portfolio - composition

VTE



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Project lifecycle & deliverables

