

Free Spectrum: Judith Wren

A culture of governance

MANY CIOs TREAT PROJECT PORTFOLIO MANAGEMENT TOOLS AS THE SILVER bullet for managing IT as a business investment center. PPM tools help managers plan project funding; allocate resources; and track schedules, resource use and costs. But we should know better. As the saying goes, "A fool with a tool is still a fool."

Some people warn that decision frameworks, methodologies and processes must be defined first, or the tools will fail. This is good thinking—but it's not enough.

Most executives create either an IT project management office or a more comprehensive enterprise PMO and expect the members of either group to plan, implement and administer corporate governance without executives' direct, continuing involvement. But without a culture of governance, these offices will fail.

More important than organizational structure, processes, methodologies or tools is an organization's culture—the bedrock upon which governance rests. If the culture drives priorities based on emotion, politics, or "squeaky wheel" or "first come, first served" policies, assets

and investments will be suboptimized—with or without fancy tools and high-profile PMOs. The senior leadership team inculcates culture. What's more, to

govern effectively, this leadership team must be intimately involved in the analysis and decision-making processes without delegating the work to others.

Effective governance requires soul-searching by CEOs, who are their companies' chief culture officers. Questions include: Are the right leaders in place? Is the leadership team accountable? Does the team foster respect and collaboration? How involved is the team in transforming the strategic into the tactical? In building the right corporate culture, the CEO may want help. Objective third parties are proven change catalysts in politically charged environments. In addition, the

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CEO must show leadership by setting the tone for collaboration. The right team is key. This means assembling complementary talents, compatible personalities, common values and performance measures. In addition, reasons must be given for change; progress updates must be frequent.

In defining processes, the company should compare its capabilities with its needs, and in collaboration with senior managers, it should establish decision-

making criteria for investment rationalization. In defining processes, it should integrate a project life-cycle methodology.

After defining needs, it's time to

select tools. These may be bought off the shelf or custom-built. Spreadsheets and e-mail may be used instead, depending on the size and complexity of projects. With an effective culture in place, the right processes and tools can be used to good effect to achieve sound project portfolio management. **e**

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