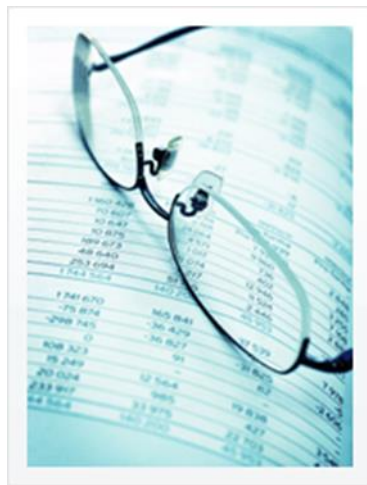


# GOVERNANCE



## Value Optimization Framework

*Organizations are by nature very complex, but winning is possible when you have the common framework of data to effectively manage and measure the creation of the outcomes you want.*

# GOVERNANCE

## VALUE OPTIMIZATION FRAMEWORK

*Many executive leaders have lost sleep on the question, “what is going on in my organization.” There are two prevailing methods for managing the complexity of larger environments: Management by Evidence (MBE) and Management by Antidote (MBA). MBA is a personality driven model where what counts as evidence is based on who knows whom, who knows where the preverbal “bodies” are buried, and which “wheel” squeaks the loudest. This model tends to thrive in smaller, more informal and entrepreneurial environments. The challenge is that many smaller environments become bigger through success, hard work and innovation. When MBE is used in larger more complex environments you tend to see predictable problems. These organizations often struggle with employee engagement, effective decision making, and overall throughput because of the organic and inefficient way that data is collected, analyzed, and absorbed.*

Many such environments have begun to reject MBA in favor of an MBE model. MBE is based on the premise that in order to effectively manage complex environments, we must define mutually acceptable ways of collecting and analyzing evidence. Evidence will come from data, stored in systems, and will be evaluated objectively. The reason this is directly tied to governance is that it is almost impossible to maintain effective governance in an MBA culture. Whether you’re trying to build control systems for SOX, absorbing a Portfolio Management discipline, or managing control requirements for the FDA, you are going to need visibility and a common framework of data to effectively manage and measure the creation of the outcomes you want, and the avoidance of the outcomes you don’t.

### **Governance and Visibility Defined**

There are many issues associated with Governance and Visibility, but most of them have these four central themes in common:

*Understanding the Governance Framework* — Too often systems are architected in a vacuum, reports are designed based on one-off requests, and control processes are developed independently. In order to drive governance forward you must develop a

governance framework. This framework must look at the key questions in your organization. For each question you should look at which system or data point will be authoritative. Once defined, you should develop a strategy for retrieving and distributing this data in an automated way, and then building reasonable control points around the data set.

*Transitioning to MBE* — Transitioning to MBE environments can be one of the hardest challenges an organization can face. If you have rewarded exceptional “fire-fighting” as a skill, people will unconsciously look for ways to start fires. If you have rewarded the skilled politicians, people will create scenarios where their political acumen is noticeably useful. Effective migration away from MBA can often require a radical shift in the way you think about how decisions are made, how people are managed and promoted, and what you consider to be effective leadership and management.

*Aligning with Governance Requirements* — As you develop your Governance Framework you must understand what control points will be monitored by external governance requirements (i.e. SOX, Cobit, ITIL, EVMS, etc). For each of these requirements you will want to develop proactive warning mechanism for anything linked to a critical failure.

*Controlling Report Creep* — Although MBE can be very valuable, it often leads to request for a whole host of reporting options that may produce only marginal value. Ensuring alignment with the overall Governance Framework should be a requirement of all new reports.

### **Considerations for the Solutions Architect**

#### *PEOPLE CHALLENGES*

Getting everybody at the management and leadership to buy into a MBE concept is not easy. There will be many organizational super-stars, that may not like a more defined, controlled, and proactive model. You must consider how quickly you intend to move, and how much support or patience you can afford when migrating the culture. The unfortunate bottom line, is even with the most gracious and accommodating transition you will almost certainly have valued members of your leadership team that do not want to migrate.

#### *PROCESS CHALLENGES*

One of the common challenges in process development for governance scenarios is that processes can often save the company money (through the avoidance of fines and costly delays) This only feeds a natural impulse among process engineers to see process as intrinsically good. If unchecked, this will often mean you will end up with more process and greater control than is value add. Each process should be rigorously reviewed not just for quality or effectiveness, but for incremental value -add.

#### *PLATFORM CHALLENGES*

Typically the biggest issue for platform in this debate is determining which system will be considered a source of truth for what. Mistakes are often made in two directions: extending the scope of a platform beyond what it can effectively do (try to use an ERP system for schedule management) or trying to define a platform too narrowly. If the correct control platform is defined as either a panacea or left in hand-cuffs it will never contribute as desired to the governance framework.

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## VALUE OPTIMIZATION FRAMEWORK

To win in today's uber-competitive marketplace requires withstanding enormous pressure from outside and within. Tightening budgets and ever-greater resource demands have made it more critical than ever to demonstrate the value you and your team bring to your organization.

Realizing the value of significant investments in people, processes and technology is what sets winning organizations apart from the sea of mediocrity. And the leaders who can go beyond identifying and addressing roadblocks to impacting change and demonstrating measurable results build their own credibility and support to drive winning strategies.

Our Value Optimization Framework is an integrated solutions development methodology designed to address critical functions and align people, processes and technology to deliver optimal results. While it's common to find organizations focusing on one or two discrete areas, our Value Optimization Framework connects the dots and help you build integrated solutions that specifically focus on delivering measurable results.



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We're an elite team of professionals fiercely devoted to guiding businesses to high-value wins in the portfolio project management, developer productivity, cloud security and cloud management services. Through careful diagnosis, expert prognosis and brilliant execution, Occam Group delivers optimal results to show you and your organization that winning is not only possible, it's inevitable.