

## Enterprise Architecture: IT Governance the Tie that Binds

One of the basic tenants of Enterprise Architecture (EA) is the alignment of IT Strategy and Business Strategy. A goal that if achieved, promises applications that are more agile and responsive to changing business needs, and applications that are less expensive to develop, support and maintain. Then why do companies implement it with such varying degrees of success? There are probably a number of reasons, but the two that we will focus on are: the wrong governance model, or an ineffective governance model.

### The Wrong Governance Model

IT Governance needs to be a partnership between the Business and IT. But if one or the other wields too much power, you may end up at one end of the spectrum with complete strategic misalignment or at the other end of the spectrum with an unattainable strategy.

### Build It and They Will Come

If IT wields too much power, and is allowed to interpret business strategy, you may end up with a great IT strategy that includes the latest and greatest emerging technologies, but one that is completely misaligned with the business needs and does little to promote the business strategy.

### Do It with Nothing

If business wields too much power, and is allowed to dictate IT strategy, you may end up with an IT strategy that aligns with strategic business initiatives, but one that is completely unrealistic to implement. IT may be unable to support for variety of reasons, such as lack of funding (infrastructure, support, and governance), complete lack of alignment with current IT skill-set or competencies.

### Ineffective Governance

Now, let's assume that you have the right model. This still does not guarantee success. If it is not executed effectively, you will not receive the full benefits. Some of the costs associated with ineffective governance are: investment in projects that provide little or no business value; diminished ROI associated with an inability to properly leverage/exploit IT assets; and higher development, support and maintenance costs.

### Wrong Investments

While 25% revenue growth may sound like a great objective, and such a project may provide a compelling ROI, if certain environmental factors it may not align with the current business strategy if it is being proposed during an economic downturn, is it really the best investment at this time?

On the other hand, a project that has zero or negative ROI, but is required to comply with government regulations, or to remove risk to the business, should not be dismissed strictly because of ROI.

### Diminished ROI

One of the benefits of a well conceived IT strategy is the ability to reuse assets, but if the projects are unaware or unwilling to reuse and leverage existing assets, such as data, services or infrastructure, then development, support and maintenance costs will increase, thereby reducing ROI.