

IT Through the Looking Glass: Final Reflections

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Part three of a three-part series on getting the most from your IT systems.

Strong governance is the key to total transparency and to becoming a best-in-class IT organization. When technology is properly managed, safeguarded, and leveraged, a financial institution can improve its business performance, enhance customer service, and differentiate itself in the marketplace.

This article series has already outlined several fundamental practices that are vital to proper governance. They include the need for accountability, involvement by the board of directors and management, establishment of an IT committee, and the development of an IT strategic plan (see parts one and two, previously published in this publication).

A best-in-class institution must also adopt a holistic mindset regarding IT, one that is proactive and people-centric. These two qualities are reflected in the final two elements of good IT governance: operational excellence and employee training.

Operational Excellence: Governance through expectations

In many organizations, the only time IT is discussed is in response to a problem. That's unfortunate since technology has a powerful ability to be a catalyst for improved operational and financial performance.

A best-in-class institution seeks to optimize its technology assets by making IT a strategic business tool, not an afterthought. It takes a proactive approach and develops operational metrics to measure performance of the IT department. It then continually informs leadership of IT successes and involves others in solving the challenges facing IT.

Operational excellence in IT starts by identifying the requirements and expectations of the various business units. Using this information, an institution can then establish benchmarks and metrics for performance. Such metrics can include service level goals, objectives for system availability and response times, error rates, end-user satisfaction levels, and open problem reports.

An organization can also implement quality assurance and improvement programs to further document control processes, measure IT performance, and focus on areas where expectations are not being met.

Once measurements are established, IT effectiveness can be monitored and progress communicated to an institution's leadership, including its IT committee, key management staff, and the board of directors. One popular form of reporting is a rolling 12-month snapshot. In any case, there should be an active feedback loop between IT management, the end-user community, and the institution's leadership.

Employee Training: Cultivating governance

Even the best IT plans and policies are of little use unless employees are properly prepared to carry them out. The alignment of people with policy compliance and technological progress demands regular and focused training. Training should be coordinated across an organization by its leadership.

Employee training should center on specific policy elements and requirements, perhaps the greatest of which is information security. An institution's employees must understand and be held accountable for meeting their information security responsibilities as defined in policy.

Equally important is training on appropriate incident response and executing the plan for business continuance in light of a crisis or downtime. Training should also cover issues of safety and what to do in emergency situations. There will also be a need to train on regulatory compliance issues and many other targeted areas specific to an institution's IT systems.

Training should be continually adjusted in response to organization and technology changes. Other factors that might influence training initiatives are the regulatory environment, the competitive landscape, and internal or external threats to information security. With increased leadership involvement and employee education, an institution will be well prepared to handle changes at every level.

Mirroring the Best

To remain competitive, a financial institution must continue to embrace emerging technology and leverage these new tools to meet business needs and drive profitability. Because of the high cost of technology change, IT governance needs to be rigorous and ongoing. The best organization begins and ends with leadership and requires a process of continuous improvement.

When all the crucial elements come together—accountability, board and management involvement, IT committee contributions, strategic planning, operational excellence, and employee training—an institution will be well positioned for the greatest opportunities for success.

About the Authors

Dan Miller has more than 24 years of information technology (IT)-related experience that gives him an extensive base of knowledge with which to provide expert consultation services to his clients. He draws upon his experience to align technology and security to his clients' unique business needs. Dan is able to understand the overriding issues related to information security and the uniqueness of each client in developing a security framework to meet regulatory and business requirements. To learn more please contact Dan at dmiller@wipfli.com.

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