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IT governance addresses two major topics: demand governance ("doing the right things") and supply-side governance ("doing things right"). This Key Initiative focuses on the most common challenge for CIOs—demand governance—and its associated business investment decision-making processes.

**Analysis**

IT governance is the set of processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals.

The demand side of IT governance is focused on establishing business investment decision and oversight processes that help the business and by extension, IT win. IT demand governance covers three major sets of collective decisions and guidance. The first describes how IT should be used in the business—the guiding policies and principles. The second set covers who makes what decisions and how—it delineates clear accountabilities. The third set is concerned with business cases and investments—it describes priorities, ownership, benefits realization, funding and chargeback processes.

**Consider these factors to determine your readiness**

Before beginning an IT governance project, consider how you will:

- Establish business goals and strategies for IT demand governance.
- Determine how the enterprise will define decision rights and accountabilities and the processes to enable their execution.
- Define how the enterprise should design and implement IT investment decision-making and oversight processes, including the role of committees and their members.
- Determine the approach to designing and implementing an IT portfolio management scheme. It should track investments, oversee funding and chargeback policies, and determine the measures of success for approved investments.

**Conduct your IT governance project in three phases**

Gartner recommends that IT leaders follow three major phases in their IT governance projects. These phases may vary, depending on your organization and the extent of your planning initiative.

- **Strategize and plan:** Establish the business goals and principles for IT governance. Determine what decisions need to be governed. Develop the strategies and approach for designing solutions. Scope the project, and establish the resources, budget and project governance systems.
- **Architect solution:** Define what decisions are to be made, at what level, by whom, with what accountabilities and with what decision-making styles. Recommend how to implement the project. Communicate the plan.
- **Build:** Create processes for demand governance. The processes should include those for decision making, committees, portfolio management, investment performance metrics, funding and chargeback for IT development and delivery, and risk monitoring and management.

[gartner.com/it-governance](gartner.com/it-governance)
Read More From Gartner About IT Governance

The following is just a sampling of the research and tools Gartner clients have access to every day.

Strategize and plan

**IT Governance Must Be Driven by Corporate Governance**
ID: G00172463
IT governance needs to be designed and implemented as a cohesive, integrated process linked to the principles of corporate governance. CIOs need to understand how to accomplish this by using the resources available to them and by ensuring business involvement.

**IT Governance, a Flawed Concept: It’s Time for Business Change Governance**
ID: G00171658
For substantial improvements in IT governance effectiveness, we recommend a new approach, “business change governance.”

**How to Prioritize Green IT Projects in an Economically Constrained World**
ID: G00165139
As IT spending shrinks in many areas, infrastructure and operations managers should consider four things when developing green IT priorities during the next 18 months.

Architect solution

**Governance; CIO Desk Reference Chapter 8**
ID: G00171912
IT governance may be defined as the processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals. It is a complex, yet critical, element for maximizing the value of IT for the business.

**Defining IT Governance: The Gartner IT Governance Demand/Supply Model**
ID: G00140091
IT governance is a complex, yet critical, element for maximizing the value of IT. We introduce an enhanced definition in conjunction with models designed to aid in the implementation of new IT governance processes and the correction of problems with established IT governance implementations.

**Flying on Instruments: The IT Planning and Control Panel**
ID: G00161603
IT executives can derive critical insight by integrating views of application life cycle, IT service and project portfolio management metrics to support more-holistic planning and control of the IT function.
Build

**Toolkit: ‘Who’s at the Helm?’ The IT Steering Committee**

ID: G00170778

One of our most popular program and portfolio management inquiries deals with how organizations set IT priorities, decide what to do or not do, and achieve organizational goals. An IT steering committee is a key element. We provide tools to start, or reform, your IT steering committee.

**Demand Governance: Decision Making for the Common Good**

ID: G00171943

Many organizations encounter issues when multiple business units are asked to collaborate in establishing overall priorities for IT-related projects.

**How to Calculate the Cost of Continuously Available IT Services**

ID: G00163539

Continuously available IT services require multiple systems in multiple sites. This significant investment is rarely properly acknowledged. Businesses must balance business availability, business risk and the cost of downtime.
Strategic Insights on Key Initiatives

All your initiatives are important, but some are mission-critical. Key Initiatives organize the vast Gartner resources around the projects and programs at the top of your list, helping you achieve demonstrable business results efficiently and cost-effectively.

Our 650 analysts engage in 260,000 one-to-one interactions each year with 60,000 clients from 10,000 organizations worldwide. Every day, clients tell us what they do to support their key decisions and processes for the initiatives that matter most to them. We apply that knowledge to deliver targeted insight and valuable tools just in time, from strategic planning through implementation and benefits realization. Our solutions evolve with our clients’ changing needs, but our commitment to quality never changes.

Key Initiatives address significant business opportunities and threats, and typically have defined objectives, substantial financial implications, and high organizational visibility. They can involve multiple projects, but are typically implemented by a designated team with clear roles and responsibilities, and defined performance objectives. It’s our solemn mission to guide your key decisions and processes so you achieve the highest possible returns at the lowest possible risk.

So which initiatives will make or break you this year? Don’t worry, we’ve got you covered.

Key Initiatives

Application Development
Application Governance
Application Integration
Application Overhaul
BPM Technology and Tools
Business Continuity Management
Business Intelligence
Competency Center
Business Process Program Management
Cloud Computing
Compliance
Corporate Performance Management
CRM
Customer Experience Management
Data Center Modernization and Consolidation
Data Management and Integration Maturity
Enterprise Architecture Program
Enterprise Architecture Stakeholder Engagement
Enterprise Social Software
ERP
Identity and Access Management
Information Governance
Infrastructure Application and Data Protection
Information Security
Program Management
IT Cost Optimization
IT Governance
ITIL and Process Improvement
IT Risk Management
Master Data Management
Microsoft Windows 7 and Office
Mobile Enterprise Strategy
Negotiating Vendor Contracts
Outsourcing
PMO
Portal Strategy
SharePoint for ECM
SOA and Application Architecture
Strategic Planning
Supply Chain Management
Vendor Management
Virtualization
VoIP, Unified Communications and Collaboration

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Three ways to learn more about how Gartner can help you move your Key Initiatives forward:

• Contact your account executive.
• Attend a webinar: gartner.com/webinars.
• View additional resources: gartner.com/it-governance.