

Creating new IT governance capability, as discussed above, is complex and often problematic. As a consequence, when considering creating new enterprise IT governance capability, public managers should first identify the public value they expect to create through enhanced IT governance. In this case, having explicit knowledge of the value now achievable through newly interoperable systems will support the business case for investments in IT governance.

What public value must be created to make the enhancement of enterprise IT governance worthwhile?

Three questions, in particular, should be asked:

1. What value must be created to make the enhancement of enterprise IT governance worthwhile?
2. What changes have to occur for that value to be created?
3. Do we have the capability to make and sustain the necessary changes?

The public value approach is unique among IT governance efforts. The uniqueness of this approach rests in the public value framework developed by the Center for Technology in Government. In this framework public return on investment (PROI) is defined as a measure of the delivery of specific value to the people, and the improvement of the value of government as a public asset. The framework identifies five types of public value that extend beyond financial considerations: political, social, strategic, ideological, and stewardship.⁽³⁾ For each value type there are three possible value-generating mechanisms: increases in efficiency and/or effectiveness, enabling of otherwise infeasible but desirable activities, and intrinsic enhancements to the stakeholders, such as improved transparency. The value focus also helps maintain awareness of the technical and political context of IT governance and avoid simplistic generic strategies that do not take context into account.

The task of assessing value is challenging because not every aspect of public value is relevant for a particular governance structure or investment. Table 4 presents a way to map value creation in terms of the recipients of value and the various governance structures you might find in a multi-level, multi-unit government. Included in the table are examples of how each scope of governance can achieve different value propositions for the individual recipient groups. Engaging in a mapping process allows networks of organizations to more specifically identify what value must be realized through enhanced IT governance to justify the investments necessary to create that enhanced capability. The mapping process was designed to ensure that multiple stakeholder perspectives are incorporated into the value discussion. In the use of this mapping in New York State, participants learned that an enhanced enterprise IT governance structure (with the enterprise being the State of New York) created the greatest value when developed as a complement to, rather than as a replacement for, multi-level IT governance.

Table 4.Mapping the Value of IT Governance

		IT Governance Structures		
Recipient of Value		Agency Level	Domain Level	Enterprise Level
	Agency	Better alignment with agency business, improved sharing of services within agency, simpler standardization.	Ability to benefit from the collaboration by allowing smaller agencies to have a voice in a larger forum.	Benefit from aggregate buys such as with e-licensing and PC contracts.
	Domain	Ability to coordinate resources.	Leverage skills and technology. Ability to create a “domain vision” that represents the whole versus individual silos.	Economies of scale.
	State Government	Statewide cost savings.	Better alignment within the policy domains of the State.	Multi-year planning and ability to weather the changes in political swings.
	Public	Customer centric focus of agency mission and vision.	Provides a streamlined perspective of a policy domain. Better customer service.	Overall cost savings and improved customer service.

Adapted from Pardo, Canestraro, Hrdinová, Cresswell, and Raup-Kounovsky 2009

A Case Example: Creating Enhanced Enterprise IT Governance for New York State

The project, conducted by the Center for Technology in Government in partnership with the New York State (NYS) Office of the Chief Information Officer and Office for Technology (CIO/OFT) and the NYS Chief Information Officer Council,(4) generated a set of recommendations for improving enterprise IT governance for NYS government. The resulting recommendations focused on outlining a new enterprise IT governance structure for NYS. While the recommendations were developed specifically for New York State, the overall findings drew not only on insights gained in NYS, but also from public and private sector IT governance experiences nationwide and around the world and from previously published research in this area. In the NYS project, one of the early and repeated engagements with enterprise IT stakeholders focused on answering the question, *What value must be delivered in order to make enhancements to IT governance in New York State worthwhile?* Stakeholders identified four primary value propositions for enhanced enterprise IT governance:

Reduce redundancy and establish prioritization mechanisms. Value is created by complementing and not usurping the missions and goals of individual agencies. Prioritization is a difficult, but potentially powerful process. Where prioritization occurs—at the agency, domain, or national level—is an important consideration for any IT governance structure.

Reduce political directions and swings. A well-designed governance structure cannot eradicate political swings, nor should it. What a governance framework can do is provide a continuity plan for when political leadership changes. It can serve to support a consistency of vision for IT projects, especially for large infrastructure initiatives which are often multi-year endeavors that span more than one political administration.

Establish standards. Through common technological standards, collaboration and interoperability become achievable goals for the state’s many departments and units. A governance framework for New York State should set out clear rules for developing statewide standards, including capability for ongoing review and refinement of

those standards to respond to new and emerging needs, technologies, and priorities.

Foster sharing of services and information through agency collaboration. Effective enterprise IT governance should provide a space for greater coordination and collaboration among agencies, authorities, and local governments. Although government is diverse, there are many shared goals and constituents, which make cross-boundary collaboration a worthwhile and necessary goal.

Align IT with business of the state. Aligning IT with business needs is a commonly accepted goal of IT governance, yet it is universally difficult to achieve. Programmatic needs are what drive government organizations and IT governance should strive to provide avenues for the alignment between IT investments and programmatic priorities. This alignment has potential value at the agency level as well as the state level.

These value statements provide both a justification for pursuing enhanced IT governance in New York State and a framework for evaluating any IT governance strategy pursued by the state. In terms of developing governance capabilities for improving interoperability, we propose a similar approach: a focus on identifying the public value of investments in interoperability and the threshold capability of IT governance.

(3) A more detailed description of these five types of public value can be found in The Center for Technology in Government. (2007). *Advancing Return on Investment Analysis for Government IT: A Public Value Framework*. Available at http://www.ctg.albany.edu/publications/reports/advancing_roi.

(4) See CTG's *Creating an Enterprise IT Governance Framework for New York State Government* project page at <http://www.ctg.albany.edu/projects/itgov?proj=itgov&sub=summary>.