

Improving Governance in Office 365

Research conducted by CollabTalk LLC
and the BYU Marriott School

Commissioned by Spanning, Rencore,
tyGraph, and Microsoft



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Introduction

Governance is continually evolving, as it should. With constantly changing laws and regulations, the advancement of technology, and evolving partner and customer requirements, the ways in which organizations manage their systems and processes must also adapt. With this in mind, as organizations make the shift from primarily on-premises platforms and customized tools toward software-as-a-service (SaaS) and cloud-based, often distributed infrastructure models, governance strategies must also change. This is especially true in the adoption of Microsoft's Office 365 communication and collaboration platform.

This research seeks to determine viewpoints on governance for organizations in the midst of this shift from on-premises environments to the cloud, creating a baseline for CISOs, CEOs, COOs and IT executive management to better understand where their organizations are within the change curve according to recommended governance standards and best practices. It is also important to address any gaps in organizational governance planning, whether through the upgrading of tools and reports, modifying well-established IT and business processes, or by trying to better understand how Microsoft is evolving and where their various product and support teams are shifting their own focus – which is often a clear signal to customers and partners about how they must also prepare for change.

This study focuses on how organizations have evolved (or not evolved) their governance planning and activities as they've moved from on-premises environments to the cloud (primarily Office 365), and the impact of not evolving.

Methodology

For this research project, CollabTalk partnered with the Marriott School of Business from Brigham Young University to conduct primary research that included surveys, interviews with customers, partners and Microsoft Most Valuable Professionals (MVP's), and secondary research of academic and industry research and content to answer key questions surrounding the level of governance awareness and readiness from a cross-section of Office 365 customers around the world.

This report attempts to address some of the following questions:

- As organizations have transitioned from on-premises to the cloud, how have governance activities changed or evolved, if at all?
- Are organizations aware of and keeping track of governance impacts brought on due to technology, processes, or roles that have changed as they have moved to the cloud?
- Thinking about overall organizational governance readiness, how is governance perceived and managed today versus 3 to 5 years ago?
- What was the extent of custom or 3rd party tool usage to support governance activities when organizations were entirely on-prem compared to hybrid or cloud-based environments?
- Looking across all of the Office 365 workloads, do organizations look at governance as a platform issue, or as something to be managed by each individual workload?

Overall, our findings indicate that confidence is low that organizations are prepared from a governance perspective. More than 60% indicate that their governance practices and procedures are insufficient to make the transition between on-premises and the cloud, even as plans for movement to the cloud are accelerating industry-wide. This research provides deeper insights into the underlying Microsoft workloads and environmental factors that impact governance readiness.

Demographics

In order to understand how organizations implement their governance plans and where there might be gaps, the research team conducted one primary survey, collecting data from Microsoft and their partners.

This initial survey was completed by 111 experienced governance professionals across multiple industries, with partial responses from another 75 respondents. Among the respondents, 25% were from the technology industry with the rest from other industries. Additionally, pulse surveys were conducted in APAC and the EU, asking fewer but more granular questions about their governance readiness, and providing the research team with another 80 responses and additional perspectives. As shown in Figures 1 and 2 below, a wide variety of companies and industries were represented in these surveys, ranging in size from fewer than 50 employees to over 10,000 and across more than a dozen industries.

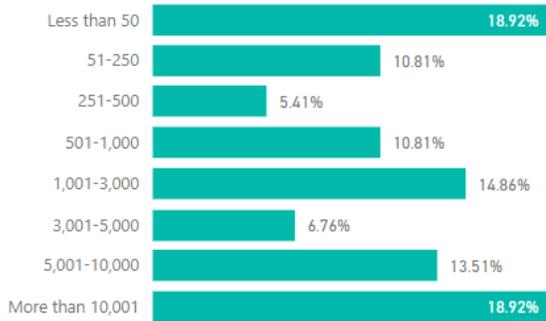


Figure 1 - Respondent Company Size

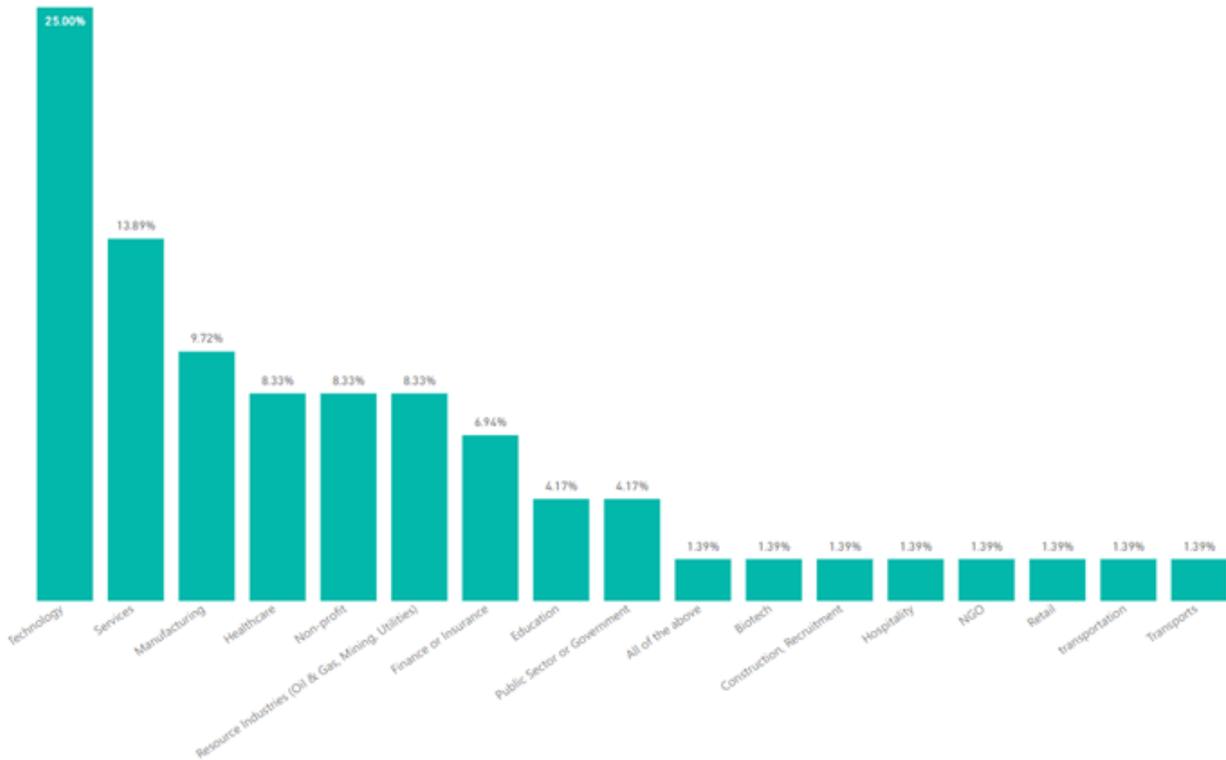


Figure 2 - Respondent Industry

While the topic of governance is most commonly discussed in context with the support and administration of SharePoint, the scope of this research was more broadly applied across all Office 365 workloads. To better understand the state of movement from on-premises environments to the cloud, we asked survey

respondents a more granular question about their current environment, as shown in Figure 3 - Environments in use, providing richer insights into the complexity of the governance issue.

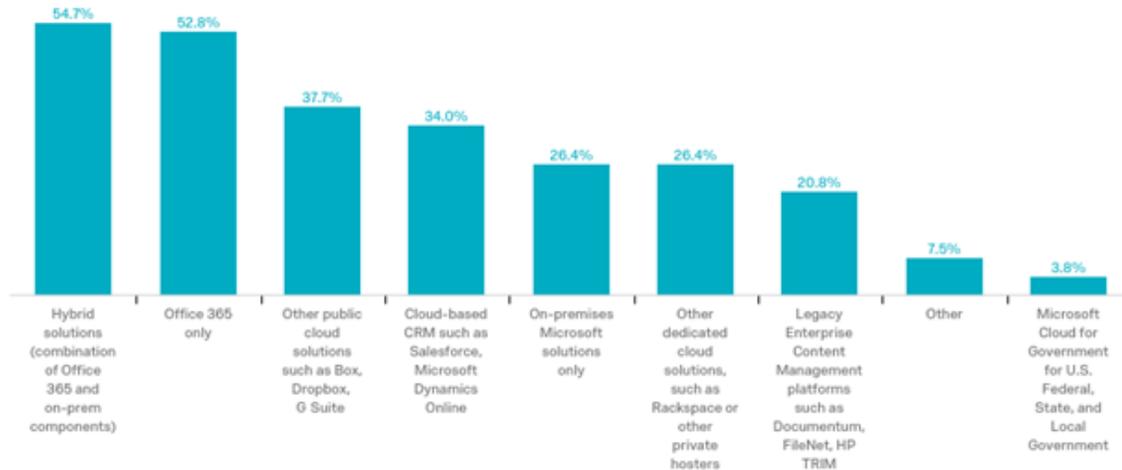


Figure 3 - Environments in use

Additionally, we wanted to understand which of the specific Microsoft workloads and related solutions are currently being used within respondent organizations, as shown in Figure 4 - Microsoft workloads in use today.

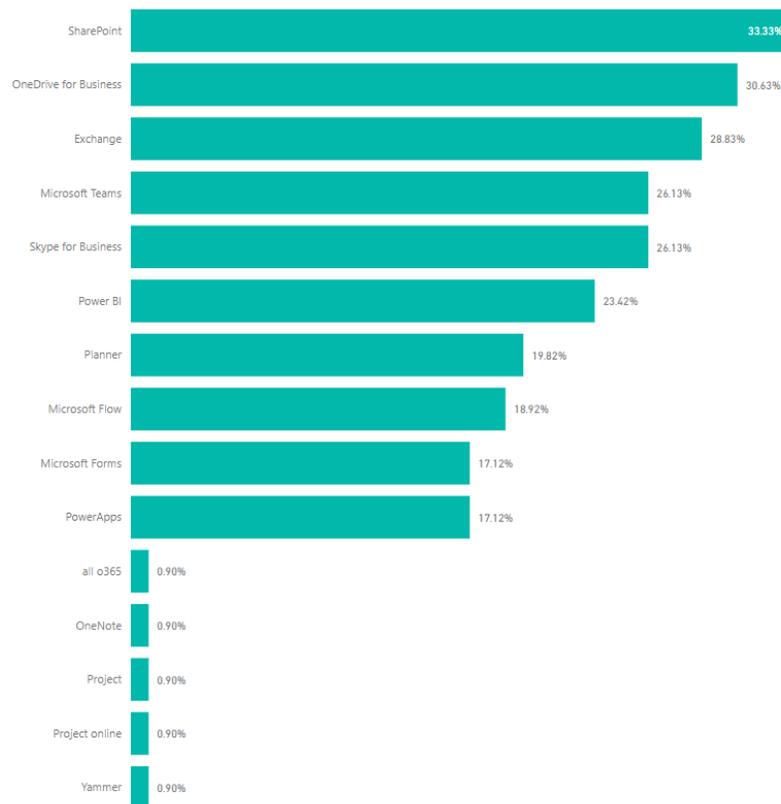


Figure 4 - Microsoft workloads in use today (percentage of respondents reporting)

Other workloads reported within 'Other' include Microsoft Project, Yammer, and tools within the Microsoft Office productivity suite (Word, PowerPoint, OneNote, etc.).

Insights and Definitions

According to independent consultant and Microsoft MVP Susan Hanley (@SusanHanley), one of the leading voices on the topic of governance within the Office 365 ecosystem:

“Everyone seems to have a different definition of what governance means (sort of like the blind man and the elephant story). As a result, it makes capturing data through surveys and anecdotal stories very difficult. Most people do not feel that their governance model, however they define it, is very mature. That seems to indicate an opportunity for deeper understanding to make sure that all stakeholders are coming at this from the same perspective.”

Gartner defines "governance" as the process of setting decision rights and accountability, as well as establishing policies that are aligned to business objectives, balancing investments in accordance with policies and in support of business objectives, establishing measures to monitor adherence to decisions and policies, and ensuring that processes, behaviors, and procedures are in accordance with policies and within tolerances to support decisions.¹

One place to see governance in action is the Organization for Economic Co-operation and Development (OECD), a unique forum where the governments of 34 democracies with market economies work with each other, as well as with more than 70 non-member economies to promote economic growth, prosperity, and sustainable development. Governance is the key to successful management of programs between countries. The OECD defines corporate governance as: a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.²

Corporate governance is the system of rules, practices, and processes by which an organization is controlled and directed. It sets the foundation not only for business protection and strategic performance, but also for the confidence of the markets, investors, regulators, and other key stakeholders. Determining whether strong corporate governance practices are in place entails taking a hard look at big-ticket issues such as the board's and the executives' roles and practices, how leadership sets and agrees on strategy, how that strategy translates into overall action plans, how those plans are managed, and how progress is measured against goals.³

Governance is, therefore, “conceptualized broadly . . . not as an alternative to government but as the regulation and coordination of activities by public and private institutions through a variety of formal and informal instruments. Instruments of governance may include policies and guidelines, rules or laws, norms, standards, monitoring and verification procedures, financial and other incentives, the exercise of authority, and so on.”⁴

¹ Short, Julie, et al. “Gartner defines ‘Governance.’” Gartner Database, Sept. 2012.

² Savedoff, William D. “Governance in the Health Sector: A Strategy for Measuring Determinants and Performance.” Policy Research Working Papers, May 2011, doi:10.1596/1813-9450-5655.

³ Watt, Doug, and Brian Schwartz. “Governance in View.” Internal Auditor, Feb. 2018, pp. 48-53.

⁴ Bostrom, Magnus, et al. “Sustainable and Responsible Supply Chain Governance: Challenges and Opportunities.” Journal of Cleaner Production, vol. 107, 2015, pp. 1-7.

Another Microsoft MVP and independent consultant, Nick Brattoli (@Byrdttoli), describes it as follows:

“Governance is the rules, policies, procedures, and responsible parties that dictate how to operate, maintain, and expand a given area of technology.”

Within IT organizations, governance is more specifically applied to the management of intellectual property (IP), corporate information assets, and data. To be effective, a governance policy must drive personnel behaviors and actions, including that of senior management.⁵ As Stacy Deere-Strole points out, governance is very much a part of the organizational culture:

“Governance is all about the company culture, no two companies have the same company culture. The culture can change; a company does something always one way but doesn’t mean can’t change to have more effective governance. As time and technology changes, your culture changes as well: prepare your users for that. If culture changes in the background and users don’t see it as a big culture shock or change then it becomes part of a normal process and less disruptive.”

Data governance goes a step beyond the broader IT governance issues to focus on the actual data within out tools and platforms. This type of governance can be handled at the department level and managed by the “owner” of the data and establishes the standards and stewardship principles used to ensure the data are correct, trustworthy, and used in an appropriate way in a facility. Representatives from business units serve as data stewards who oversee and ensure the accuracy, validity, completeness, timeliness, and integrity of their business unit’s data. Though down in the details, data governance efforts do also need different business units to collaborate and ensure a single source of truth for information. This single source of truth means that everyone in an organization or its information trading partners uses the same definition for a type of data. That allows the data to be comparable between systems, business units, and facilities. In short, information and data governance ensure that everyone is playing by the same rules when it comes to data and information in an organization, and that the data are accurate and trustworthy.⁶

Evaluating the existing work on data governance for traditional IT and cloud computing reveals that it is still very limited, lacking standards and unified definitions.⁷

Only 15% of data and analytics leaders measure the value of their IT programs and investments. Poor data quality in both the planning and execution phases of these initiatives is a major cause. Poor data quality also effects operational efficiency, risk mitigation and agility by compromising the decisions made in each of these areas. In addition, data quality effects overall labor productivity by as much as a 20%.

⁵ George, Ron, et al. “Establishing an Effective Data Governance System.” *Pharmaceutical Technology Europe*, Nov. 2017, pp. 40-43.

⁶ Dimick, Chris. “Governance Apples and Oranges: Differences Exist Between Information Governance, Data Governance, and IT Governance.” *Journal of AHIMA*, Dec. 2013, pp. 60-62.

⁷ Al-Ruithe, Majid, et al. “Data Governance Taxonomy: Cloud versus Non-Cloud.” *Sustainability*, vol. 10, no. 2, 2 Jan. 2018, pp. 1–26., doi:10.3390/su10010095.

According to Microsoft MVP Liam Cleary (@helloitsliam), founder of SharePlicity and product owner at Rencore:

“Now it is mandated to have some form of governance with formalized governance committees. They are given rights to see new features and discuss whether features should be implemented for their businesses; this is happening more frequently now.”

One visible trend within the IT industry is to hire an executive to manage the security and administration of corporate data. However, companies getting started with information governance or a similar program may want to hold off on hiring a Chief Data Officer (CDO) as their first step. A certain amount of momentum needs to be established before it is reasonable to make the case for such a position, such as a cross-departmental governance committee.

Gartner predicts that through 2019, only 50% of the CDOs hired by large organizations will be hailed a success. We are already seeing the bandwagon effect, where companies with no information governance practice at all are appointing CDOs. This is a recipe for failure.⁸

When asked to define governance, survey respondents were almost evenly split between three definitions:

Table 1 - How do you define governance?

Answer	%
Management and administration of all workloads	25.58%
Management process and guidelines for some workloads	32.56%
Definitions vary between workloads	30.23%
Don't know	2.33%
Other	9.30%

The remaining nine percent included variations of these responses, such as “Management process and guidelines for all workloads,” “IT management and administration, information management, guidance and best practices,” and “The rules and training on how things work at a specific company.”

Most organizations acknowledge the importance of the topic, but many of those same organizations are struggling to agree on an internal definition, much less attempt to decipher its meaning from across the Office 365 community. Everyone has a different take on what it means, from specific records and data management policies to a broader change management philosophy that guides how a company administers all information technology.

The reality is that different companies bring different perspectives. Governance as a subject matter is very broad, and there's no single definition that fits all organizations. And in many organizations the reality is that the inability to agree on a definition has slowed or halted progress on establishing consistent policies and procedures.

⁸ Logan, Debra. “Ten Steps to Information Governance.” Gartner Database, July 2016.

Stacy Deere-Strole (@sldeere), a Microsoft MVP and founder of Focal Point Solutions with more than a decade of experience building out on-premises SharePoint environments, has shifted her consulting business in recent years to the cloud and Office 365. Stacy shares that she has seen the real-world benefits of a strong governance model:

“Governance consists of the processes and procedures that an organization needs to follow to ensure that the users are being taken care of in a good time frame, and to follow established security protocols and consistent processes. Consistency is the biggest thing regarding governance; you need to have everything documented the same way, which helps you better define the return on investment (ROI) of the platform, as well as a stronger ability to meet time frames and complete tasks when delivering and supporting Office 365.”

From our survey results, we noticed the variety of definitions respondents provided for governance. Out of the responses to provide a definition for governance, 57.8% of them were definitions already listed in the survey while the other 42.8% either chose the response options: “Definitions vary”, “All of the above”, or “Other” by providing their own definition of governance. To complicate the defining of governance, there are multiple areas of governance such as data governance, IT governance, and information governance to name a few that organizations need to be made aware of.

Information governance offers an accountability mechanism through a framework of policies, processes, standards, and stewardship procedures that allow an organization to manage all types of information in its various forms. Everything from e-mail, financial records, staffing data, legal records, structured and unstructured data, website content, and traditional patient health records can be included in information governance initiatives. Information governance initiatives ask organizations to think of all these records and data as an asset that can be managed and leveraged for improved financial and care outcomes.⁹

Continues Sue Hanley:

“I usually think about three types of governance. The first is IT or Technology Governance. This is mostly about managing the infrastructure – everything from how software is developed, what third-party products are allowed and supported, maintenance, backup, and recovery. Most IT shops have (or should have) a good handle on this. The second is Information Assurance. This is mostly about document and information protection, compliance, and records management. The third, and probably most challenging, is Guidance – making sure that users understand good practices for using SharePoint and Office 365 so that they make the best choices to align their business needs with the technology capabilities and the organization governance policies.”

⁹ Dimick, Chris. “Governance Apples and Oranges: Differences Exist Between Information Governance, Data Governance, and IT Governance.” Journal of AHIMA, Dec. 2013, pp. 60-62.

Industry Perspectives

As explained previously, governance can be viewed as an umbrella term to describe multiple areas it involves such as data governance, IT governance, information governance, etc. Furthermore, governance has a range of definitions based on which sector it is describing such as the public, financial, and healthcare sectors. As part of our secondary research, we looked at the topic of governance within several of the leading industries to identify definitions and trends that span all industries, as well as any factors that were unique to a single industry.

We've highlighted some of this research within three key sectors: Public (Federal, State, and Local Government), Financial, and Healthcare.

Public Sector

The United Nations (UN) argues that a country has good governance when its public sector operates according to principles of transparency, accountability, predictability, responsiveness and participation. A recent study in this literature defines public governance as, "The ways in which stakeholders interact with each other in order to influence the outcomes of public policies."¹⁰

Furthermore, UNDP defines governance as "the exercise of political, economic, and administrative authority to manage a nation's affairs. It is the complex of mechanisms, processes, relationships, and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences". Accordingly, "governance transcends the state to include civil society organizations and the private sector, because all are involved in most activities promoting sustainable human development"¹¹

Financial Sector

Research shows that greater industry concentration leads to greater industry profits, higher debt-to-equity ratios, more insider ownership, and higher returns on assets. These results are a direct consequence of endogeneity of industry concentration in our model: Low-quality corporate governance reduces firms' ability to raise capital, which limits entry, and increases both industry profits and debt capacity, leading to greater leverage and insider ownership.¹²

Chung et al. (2010) examine the relation between corporate governance and stock market liquidity using a sample of United States stocks and show that firms with a superior governance structure have more liquid markets for their shares than those of other firms. We interpret this result as evidence that legal and regulatory environments for shareholder protection and internal corporate governance are complementary.¹³

Based on the above viewpoints of governance in the financial sector, it is evident that organizations must weigh the risk versus the return of their governance investments. Done well, IT

¹⁰ Savedoff, William D. "Governance in the Health Sector: A Strategy for Measuring Determinants and Performance." Policy Research Working Papers, May 2011, doi:10.1596/1813-9450-5655.

¹¹ Farazmand, Ali. "Governance Reforms: The Good, the Bad, and the Ugly; and the Sound: Examining the Past and Exploring the Future of Public Organizations." Public Organization Review, vol. 17, no. 4, 2017, pp. 595–617., doi:10.1007/s11115-017-0398-y.

¹² Fulghieri, Paolo, and Matti Suominen. "Corporate Governance, Finance, and the Real Sector." Journal of Financial and Quantitative Analysis, vol. 47, no. 6, Dec. 2012, pp. 1187–1214, doi:10.1017/S0022109012000531.

¹³ Chung, Kee H., et al. "Corporate Governance, Legal System, and Stock Market Liquidity: Evidence Around the World." Asia-Pacific Journal of Financial Studies, vol. 41, no. 6, 2012, pp. 686–703., doi:10.1111/ajfs.12002.

governance can increase the perceived and real value of the portfolio of IT investments in the enterprise and help manage different categories of IT-related risk. ¹⁴

Corporate Governance promotes not only principles beneficial for the economy as a whole, but also solutions for ensuring that there are effective controls that help to identify shortcomings and failures in corporate activities. ¹⁵

Healthcare Sector

On the one side, there are hierarchical governance initiatives which include boards of directors, clinical audit and risk management, professional education, peer reviews, and cost-control mechanisms such as pay-for-performance, budget and price setting, and evidence-based practice guidelines. On the other side, there are relational governance attributes for monitoring the relationship between patients and physicians. Grounded in fundamental assumptions of medical ethics, these attributes espouse a patient-centered approach for safeguarding the quality of interactional micro-level processes. ¹⁶

As the fragmentation of hierarchal and relational governance persists, we advocate the integration of these dialectically related domains through the involvement of patients and community in health-care decisions and priority setting. This article discusses the consumerist reasons of the current exclusion of patient voices from hierarchical governance initiatives and elaborates on the moral duty of patients–citizens to get involved in medical policymaking. ¹⁷

Arguably, the topic of IT governance is homogenous across all industries, while corporate governance can vary based on industry, organization size, and geographic location. However, one clear pattern was identified: the correlation between transparent and healthy governance practices and financial success.

Continues Stacy-Deere Strole:

“Today we have a lot more understanding about governance than five years ago, and we realize we need rules and regulations to adhere to or else we won’t get as high of a return on investment.”

¹⁴ Nunno, Tina. “IT Governance Key Initiative Overview.” Gartner Database, Apr. 2014.

¹⁵ Gheorghe, Mirela. “Risk Management in IT Governance Framework.” *Economia: Seria Management*, vol. 14, no. 2, 2011, pp.546-552.

¹⁶ Bodolica, Virginia, et al. “A Structuration Framework for Bridging the Macro-Micro Divide in Health-Care Governance.” *Health Expectations*, vol. 19, no. 4, 2015, pp. 790–804., doi:10.1111/hex.12375.

¹⁷ Bodolica, Virginia, et al. “A Structuration Framework for Bridging the Macro-Micro Divide in Health-Care Governance.” *Health Expectations*, vol. 19, no. 4, 2015, pp. 790–804., doi:10.1111/hex.12375.

Governance Readiness

When asked whether their organizations are generally good at managing governance activities across the various Office 365 workloads, the majority respondents felt they were “Average,” “Good” or “Excellent.” However, based on the collective responses to the more granular questions about specific governance activities within each workload, the confidence level of respondents was not so high.

Table 2 - State of overall governance readiness

Answer	%
Very poor	2.33%
Poor	30.23%
Average	30.23%
Good	27.91%
Excellent	9.30%

One of the difficult lessons for many organizations, as with most user-driven technologies, is that technology is often unleashed without proper planning or governance processes in place. As a result, many administrators find themselves in reactionary modes and having to quickly research and retroactively apply standards across their environment. Even the most proactive, process-oriented organizations struggle from time to time with managing governance across rapidly deployed collaboration platforms and services, many of which are being acquired and deployed without the prior knowledge or oversight of the IT team.

A good governance strategy will outline the ways in which you intend to uphold policy and ensure your platform is performing optimally. Healthy governance is essential to any successful platform. A strong governance strategy can have a direct impact on end user adoption and productivity, the level of management support received for current and future IT initiatives, and your ability to see measurable business value.

The Governance Maturity Model

There are many factors to maintaining a good governance strategy which require both resources and a commitment from management to support and uphold what is defined. Governance is not a one-time exercise. It is best treated as a living/breathing process, to be revisited and refined as the business evolves over time.

From Microsoft MVP and CTO at Toronto-based 2toLead, Richard Harbridge (@RHarbridge):

“One of the biggest real-world challenges is strong urgency and priority before technology is deployed. In most organizations, the goal is to provide collaboration and networking infrastructure for teams to be more productive. What’s unfortunate is that once the solutions have been enabled, often organizations struggle with making adoption and engagement a priority. Without this additional effort post-deployment, many organizations are not nearly as successful as they could be, nor are they benefiting from the full potential of their investment as it hasn’t been fully realized (or latent potential hasn’t been fully activated which takes effort).”

There are certain aspects to governance that we know are critical to successful implementation. You must start with a strategy and proper planning. You must also have a larger view of the organization’s activities

and goals in order to make the best choices for a truly enterprise platform. And finally, you must gain support and buy-in from both management and key players.

In 2015, several governance experts at South Africa-based consultancy GTconsult (<https://www.gtconsult.com/>) developed a framework and free assessment tool for measuring governance maturity, along with methods for implementation. While the early version of the Governance Maturity Model (GMM) framework was initially used for SharePoint, as it was refined it was applied to other tools and platforms, including Office 365. The underlying goal of the GMM is to help organizations identify their governance baseline, from which they can better identify any gaps and to chart out a plan of action for improving governance.

The GMM framework covers four pillars of governance, with a heavy emphasis on collaborative administration. These pillars include:

- **Foundation**, ensuring that you have the right support for your strategy from both a technical and business point of view.
- **Administration**, which includes establishing shared ownership of the platform with areas of the business that have vested interest, as well as risk management.
- **Communication**, covering both the dissemination of your governance strategies, and establishing the appropriate governing bodies -- with an emphasis on soft skills.
- **Adoption**, emphasizing the need to foster relationships with business-side users by empowering, rewarding, teaching and making the platform FUN to use.

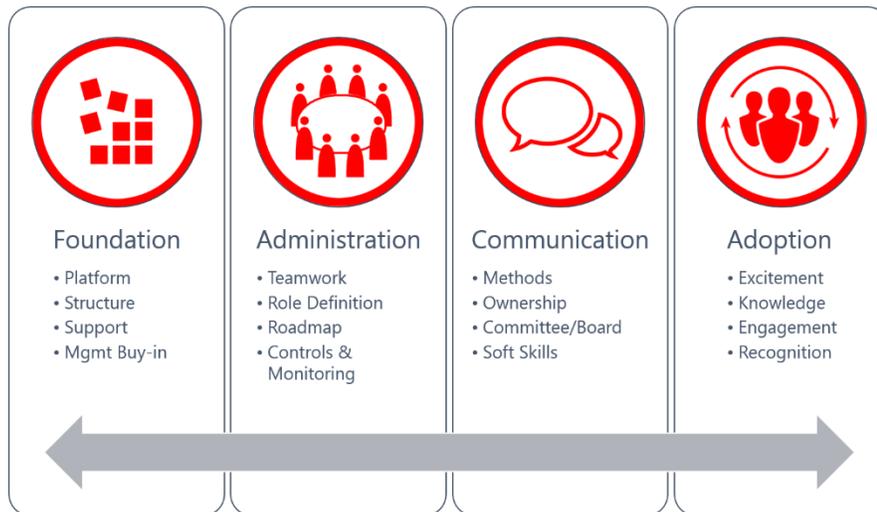


Figure 5 - The four pillars of the Governance Maturity Model (GMM)

Within the GMM and similar maturity models, organizations provide an honest assessment of the state of their business within each pillar and sub-topic, moving from “chaotic” to “optimized” as shown in.

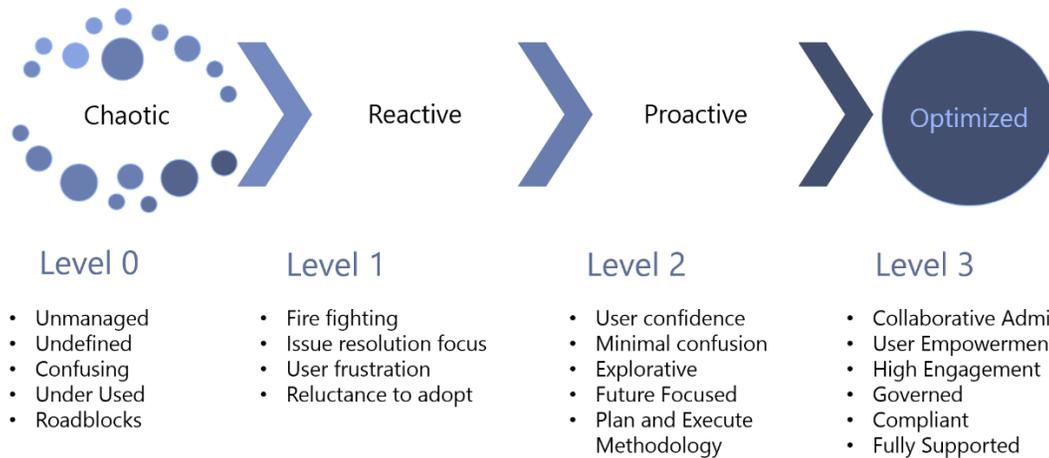


Figure 6 - Typical maturity model self-assessment

As stated by Melinda Morales (@trulymelinda), a Collaboration Architect with Dyson and one of the co-creators of the GMM:

“Following a governance maturity model will provide a baseline for your business. It represents the different stages of a governance framework, pointing toward a set of industry best practices. Understanding how close (or far) your organization is to the outlined best practice enables you to identify gaps, set goals for your business, and establish a clear path for growth.

When a clear path is established, it can aid in setting expectations with users, management and administrators, as well as give you the ability to prioritize and plan ahead for budget and resources. Organizations who measure high on the governance maturity scale are more likely to achieve measurable success in the ongoing value-added utilization of their SharePoint environment.”

Experience has shown that without these key foundational elements, governance will not be effective. When respondents were asked about their overall organizational readiness for each of these pillars, initially providing only a high-level description of each pillar, the responses were neutral. However, as successive questions provided more detailed definitions around each of the pillars, the responses began to provide a more accurate picture of the state of readiness within respondent organizations.

As shown in Table 3 below, the median rating that individuals gave their companies when asked how confident they were in their organization’s readiness within foundation-related governance activities was 4.31. A smaller standard deviation (closer to zero) indicates that most respondents were close to the average, or mean, while a higher number indicates a broader spread of responses.

Table 3 - Overall Confidence within Each Pillar of the GMM

Field	Minimum	Maximum	Mean	Std Deviation	Variance
Foundation: The very basic structure and support of your platform	1.00	7.00	4.31	1.81	3.27
Administration: How you uphold policies and maintain the integrity of your platform and its data	1.00	7.00	3.84	1.64	2.68
Communication: Soft skills required in the business realm	1.00	7.00	3.92	1.84	3.37
Adoption: How well the platform is adopted by your team	1.00	7.00	3.64	1.65	2.73

Any organization would benefit from exploring whether its governance model:

- Guides strategic direction and day-to-day control
- Outlines the rules and procedures for making decisions
- Specifies and distributes rights and responsibilities, including decision-making authority, among the organization’s various stakeholders.
- Provides structure and accountability through which the organization can achieve its objectives and monitor how it performs
- Maintains the integrity of the organization’s structure and accountability
- Influences the appropriate tone and risk culture ¹⁸

An effective information governance strategy recognizes that not all information is equal. It involves a graduated approach that provides a framework to help you cope with the many uses and abuses of information. Such a strategy also helps you cope with changes in information requirements. It gives you the ability to identify what data needs to be governed, shared and managed, and where, in light of changes in requirements over time. ¹⁹

Although information governance is a team sport, there needs to be accountability and responsibility for the overall outcome of the program. Companies frequently start their efforts with an information governance council, with participants drawn from business units. Although IT should not be the final home of the information governance program, it is often the CIO who is negatively impacted by information problems such as information quality. To succeed in information governance, you must sell the work of information stewardship and communicate that information governance is not a data issue, but a business issue. ²⁰

¹⁸ Watt, Doug, and Brian Schwartz. “Governance in View.” Internal Auditor, Feb. 2018, pp. 48-53.

¹⁹ White, Andrew, and Mark A. Beyer. “Design an Effective Information Governance Strategy.” Gartner Database, Oct. 2017.

²⁰ Logan, Debra. “Ten Steps to Information Governance.” Gartner Database, July 2016.

As outlined in “Governance in the Health Sector: A Strategy for Measuring Determinants and Performance” by William D. Savedoff²¹:

“First, governance can be measured. Second, governance measures can be useful both for advocacy and analysis. Finally, misuse and misinterpretation of governance measures are common.”

Governance should be a priority no matter what tools or platform you deploy, but certainly should be at the forefront of any decisions to roll out companywide social tools. The recommendation is to begin by clarifying and documenting your permissions, information architecture, templates, content types, taxonomy within each workload—and ownership of each—and then map those requirements to your platform roadmap. Define what policies, procedures, and metrics are necessary to manage your entire environment, and then look at what is possible across your many different tools and platforms.

Microsoft is working tirelessly to provide both out-of-the-box administration and automation capabilities to Office 365 – but how your requirements map to what is available today should be part of your decision-making process on how to move forward.

As Sue Hanley points out:

“Governance is really a means to an end. It is balancing risk and reward . . . with no sharp edges. I think there are more sharp edges in the cloud than in on-premises, but education helps remove sharp edges.”

In the following sections, we provide a more detailed overview around each of the GMM pillars, with survey respondents self-assessment of their organizational readiness for each.

²¹ Savedoff, William D. “Governance in the Health Sector: A Strategy for Measuring Determinants and Performance.” Policy Research Working Papers, May 2011, doi:10.1596/1813-9450-5655.

The Foundation Pillar

The purpose of the Foundation pillar is to establish the basic structure and support for your platform, including the following sub-topics:

MANAGEMENT BUY-IN

Once you have outlined the specifics about what you will use, how you will use it, and how you will support it, you are in a good position to reach out for management support. Rolling out a governance strategy without the full support of management almost always results in very short-lived governance activities. Full management support is the cornerstone to an effective, supportable strategy. It gives you the weight to start laying down parameters, becomes the driver to incentivize user interactions, and holds your governance team accountable. Management buy-in is essential to the success of governance strategies across the board. We even make the recommendation that both business and IT management be in agreement to ensure customer needs are met.

PLATFORM

Consider and set goals around the platforms and tools you use, and how each of them needs to be managed. For components that are on-premises or hybrid, set expectations for regular updates and application of patches or upgrades, and document the processes required to execute changes or customizations that are aligned with your software development lifecycle (SDLC). Also document your IT security regulations pertaining to infrastructure. Remember that when defining your platform strategy, you must consider both the IT and business needs.

STRUCTURE

The basic structure of your platforms and tools should align with how users engage with them. Many organizations tend to pattern their platforms, taxonomies, and naming conventions after their organizational structure or business groups. However, that may not be the most effective way to organize yourself. A content and systems audit can be a great way to flesh out your content and tools structure and help better inform your overall site structure.

SUPPORT

Although this may be owned and defined by a specific group in your organization, the need to very clearly outline expectations and availability of resources is key. You may find that your current support does not scale for growth of the platform. You may want to consider creating tool-specific service level agreements (SLAs). The emphasis of support as a section in your tool-specific governance strategy will place accountability on the organization as a whole to ensure that your users are covered, and your platform receives the attention it needs.

Melinda Morales shares some thoughts on the growing importance of Support:

"I'm finding more and more that the support topic is increasingly important, particularly in larger, global organizations. We tend to have a habit of just fixing what is broken but governance for highly collaborative applications like Microsoft's Office 365 is requiring a shift to proactive support. This shift is bringing to light the need for wholesale change in how we, as IT, support our business customers -- we're talking fundamental culture change."

When asked how people would rate their organization’s readiness within the Foundation-related governance activities, survey respondents on average rated their organizations 4.2 on a 7-point scale.

Table 4 - Confidence in Foundation Pillar readiness

Field	Minimum	Maximum	Mean	Std Deviation	Variance
Platform: How well you use and manage your platform	1.00	7.00	3.86	1.63	2.67
Structure: How your content is organized to present it to your users	1.00	7.00	3.81	1.67	2.80
Support: The attention your users and your platform receive	1.00	7.00	4.07	1.66	2.75
Management Buy-In: Governance strategy received full support from management	0.00	7.00	4.31	2.14	4.56

At the core of this pillar is providing transparency at all levels – from the end user to the executive team. Several members of the research advisory panel emphasized this point about end users having visibility into governance processes and procedures, such as Nicki Borell (@NickiBorell), a Microsoft Regional Director and MVP, and co-founder of Experts Inside:

“Governance must be clear and easy to understand by the users. Businesses need to hear what the users are saying; they should be asking, “how can we make users day-to-day activities more effective?”

As Nick Brattoli points out, with transparency comes responsibility:

“It is very important for users to have responsibility for the assets they use, and the ability to do whatever tasks they need to do.”

Stacy Deere-Strole points out that visibility promotes behavioral changes:

“Governance is about visibility to users. The most challenging thing is getting it to the users, so incorporate governance in day-to-day activities. Then users won’t realize they are using governance when they are.”

Information governance is a program that ultimately means one thing: behavior change across a wide range of stakeholders. That behavior change must take place on a wide enough scale in the organization to be effective. Although technology is and indeed must be used, much of what must happen needs to occur in the heads and hands of the users.²²

²² Logan, Debra. “Ten Steps to Information Governance.” Gartner Database, July 2016.

The Administration Pillar

Administration sets the stage for how you will uphold policies and maintain the integrity of your platform and its data, and includes the following sub-topics:

TEAMWORK

In relation to the overall ownership of governance and administrative tasks, teamwork is critical. Establishing a solid partnership early in the governance game will serve you extremely well down the road. These parties are able to share the burden for all aspects of administration of the environment, with governance being a primary focus.

Organizations may differ in structure and function, but the key is to have accountable parties with both a business and IT focus and for the team as a whole to govern the platform. This co-operative ownership will not only grant additional bandwidth for administrative tasks, but also increased visibility into how tools are actually being used and by whom.

ROLE DEFINITION

As with any significant efforts that are team related, role definition will serve you well. First things first, start by outlining what your administrative teams will be doing. Play to your resources' strengths. Use your IT focused resources to manage support and define policy to ensure any IT security requirements are being met while leveraging the soft skills of your business focused resources for communication, user interactions and advocacy.

While you are mapping out accountability, you will most likely start to get into discussions on overall strategy and direction on the platform since some of the activities you are mapping might not yet be in place. This leads in to the next step of putting together an official roadmap.

ROADMAP

Now that you have set the Foundation for your platform, assembled your team and assigned accountability, you are ready to take a look at the future. Before defining what users should and should not do you need to have a clear picture of where your organization would like to go with the technology.

With your newly established team of outstanding, knowledgeable people hold a meeting (or three) to dig in and brainstorm. Make sure to keep your eye on the Office 365 (O365) product roadmap (even if you are on-prem) so that you know what could be changing in the future, and what new innovations might be beneficial to your organization down the road.

CONTROLS AND MONITORING

This is often part of the strategy that everyone thinks is most important. Many plans fail because this is the customer's number one concern – when it should be just one factor in the overall strategy.

The reason that this does not come earlier in the framework is because you need to know what you are using, who is using it, who is running it, and where you are going with it before you can set any rules around how to use it. This is practical governance at its finest.

To set some context: controls are prevention or lessening of functionality while monitoring is allowing functionality but focusing on reporting. You want to make sure you have a good balance, allowing users to explore and grow.

When asked about sub-topics within the administration pillar, survey respondents rated their organization an average of 3.8 on a 7-point scale, as shown in the table below:

Table 5 - Confidence in Administration Pillar readiness

Field	Minimum	Maximum	Mean	Std Deviation	Variance
Teamwork: Parties are able to share the burden for all aspects of administration	0.00	6.00	3.63	1.49	2.23
Role Definition: Accountabilities are assigned	0.00	7.00	4.14	1.80	3.22
Roadmap: A clear picture of where the organization would like to go with the technology	0.00	7.00	3.37	1.97	3.90
Controls and Monitoring: Adequate rules on how to use the platform, restricting and allowing functionality, and regular reporting	0.00	7.00	3.73	1.79	3.20

While governance definitions vary, these pillars are abstract enough that they can be applied to most organizations – whether planning for the broader corporate governance or outlining IT governance practices for a team or business unit, or for a specific tool. According to Nick Brattoli:

“Few companies even have governance plans or plans are inconsistent where the left-hand doesn’t know what the right-hand is doing. We to have a plan across the whole company, not just IT. If leadership is not involved, then the plan will not succeed. For our clients, we are good at coming up with simplified plans to make governance easier to execute. Governance plans should not be too complex, like a 200-page document. Keep it simple.”

As Sue Hanley points out, your planning should be focused on the end goal: achieving business value:

“Governance needs to be aligned with business results. Success with governance planning means getting the right people at the right time to make governance decisions and knowing what questions to ask and answering those questions. Business users need to be involved in answering those questions, not just IT.”

The Communication Pillar

The purpose of the Communication pillar is to define and disseminate your governance activities at all stages – from planning and deployment to ongoing operations, including the following sub-topics:

LEADERSHIP

First and foremost, a successful communications strategy includes top-down support, and clearly-defined roles and responsibilities. If governance is treated as unimportant by your executive team, so will the employees of your company. Get management buy-in and have them regularly communicate the importance of these efforts. Within the governance committee, establishing clear ownership will also help end users know where to go to for help, reducing the number and mean time to resolution (MTTR) of support tickets. Having defined ownership creates a more cohesive team approach and streamlines decision-making.

FLEXIBILITY

Change is difficult, and change is constant. Your governance plans should include regular self-assessments and efforts to streamline and improve the tools and systems you manage, as well as the governance process itself.

OPEN COLLABORATION

In order to be successful in communicating with your organization, you must first map out how, where, what and when you will communicate. Your plan should include a mix of one-way “push” communications and two-way “dialogue” communications. The key is to establish trusted methods for your users to learn about what is going on in your platform at any given time.

Establishment of an official governance committee provides a united front and allows for quick decisions and enforcement of policies. Our recommendation for governance committees is to keep it simple. Not every stakeholder needs to participate on the committee but should be limited to those within the issue escalation path who will review and approve policy changes or improvements to the technology. When selecting committee members, ensure they understand the role and responsibilities – and be sure to include someone to represent the voice of the business. It is also important to have a regular meeting cadence with a well-structured agenda to ensure that the time is used effectively, and decisions are made swiftly.

VISIBILITY/TRANSPARENCY

Successful governance cannot be conducted in a vacuum – the more you involve people in the process, the more people will support decisions made by the governance body. While membership on your governance committee should be limited, it is recommended that you keep an open-door policy on committee meetings, allowing users to participate. Transparency also means being open about system and resource constraints, such as compliance and regulatory requirements that may impact requested features.

EMPOWERMENT

Successful collaboration platforms do not dictate how and when employees collaborate, but instead support employees in the ways they need to work. However, organizations must also comply with legal, regulatory, and technical requirements. By being transparent, supporting open collaboration, and being flexible, the governance committee can help employees make more informed requests.

When asked about the confidence in their organization's approach to communication, survey respondents rated their organizations with an average of 3.8 on a 7-point scale, as shown in the table below:

Table 6 - Confidence in Communication Pillar readiness

Field	Minimum	Maximum	Mean	Std Deviation	Variance
Leadership: Support for new technology, piloting new capabilities	1.00	7.00	4.67	1.67	2.81
Flexibility: Willingness to experiment continually and look for ways to optimize	1.00	7.00	4.29	1.77	3.13
Open Collaboration: Focus on conversation, proactively seek input from different perspectives	0.00	7.00	4.21	2.01	4.03
Visibility/Transparency: Open discussion on decision-making criteria, regularly shared data and progress reports	0.00	7.00	3.86	2.01	4.05
Empowerment: Allow users to decide how they work	0.00	7.00	4.36	2.35	5.52

Governance is one of the most critical leadership disciplines required to enable organizations to execute on their operational and strategic goals. Governance must be defined in terms of business objectives at every level, which, in turn, link to overall corporate strategy and direction.²³

Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders and should facilitate effective monitoring.²⁴

²³ Short, Julie, et al. "Gartner defines 'Governance.'" Gartner Database, Sept. 2012.

²⁴ Savedoff, William D. "Governance in the Health Sector: A Strategy for Measuring Determinants and Performance." Policy Research Working Papers, May 2011, doi:10.1596/1813-9450-5655.

Sue Hanley emphasizes the need for finding the right personnel for the governance committee:

“You need to make sure the governance team includes representatives from the business as well as IT. Governance is often about balancing risk and benefit – and IT should not be making these decisions without support from the business.”

Nick Brattoli echoes this point:

“Management should focus on keeping things simple and easy to set up for all departments to follow. Different organizations have different management styles, but if you can get IT, management, and some champions onboard, your chances of success are good.”

Stacy Deere-Strole makes a great case for regularly rotating participation in the governance committee:

“Governance is never a one-person job. You’ll need multiple people involved, and then keep these people fresh and rotate them out to get new perspectives. Governance documents are often not updated properly since the same people always review the same sections, so content becomes stale. People don’t really read through the details, since they likely helped write the originals. If there are fresh eyes on it, then new ways to do things will be identified.”

The Adoption Pillar

A common mistake in deploying Office 365 and other technology platforms is to assume that the act of on-boarding employees onto the new platform ends with handing out logins and passwords. Assuming that because end users know the Microsoft Office suite they can also “figure out” new versions of these tools or other cloud-based solutions can have a direct impact on productivity. Every governance strategy should include adoption activities.

The purpose of the Adoption is to help your organization understand, track, and measure end user adoption and engagement, including the following sub-topics:

EXCITEMENT:

It is important to continually review the level of engagement, and to plan ahead. Put together a calendar and schedule events that are designed to increase excitement, such as feature or solution launches. Recognize and support technology evangelists and advocates within your organization and empower them (make them accountable) to create excitement around the platform. This will also ensure that people know who to go to for information on the latest upgrades and cool new tools.

KNOWLEDGE:

If your organization doesn’t know how to use the tool to improve their day-to-day, then it won’t matter how many exciting events you put together—people will not use it if they don’t understand the business value. This is more than just putting together a training at launch. The range of people that Office 365 reaches on a daily basis is so wide that any single approach for knowledge and growth will not be enough. Find the right mix of knowledge resources to regularly feed your users. This is another place to leverage your evangelists and advocates.

ENGAGEMENT:

When you have people excited about your platform and they know how to use the tools, it is critical to get them regularly engaged. Just knowing how to use a tool is not enough. Give them reason and incentive to regularly explore. One of the more critical aspects of engagement is to ensure your users have a voice about what is working, and what is not. If they feel like they are not being heard, it will have a direct impact on engagement 100% of the time.

RECOGNITION:

Our tendency is often to focus on what people are doing wrong — and who is breaking the rules. But it is just as important, perhaps even more so, to recognize people who are doing things RIGHT. Recognition of good behavior or proper use of the toolset will not only drive adoption, it will spread like wildfire. Implement a rewards program to go hand-in-hand with your recognitions. Gaining management support for an official rewards and recognition program could even result in some funding to provide real, material rewards for outstanding achievements.

When asked about confidence levels in adoption and engagement activities, survey respondents rated their organizations an average of 3.8 on a 7-point scale as shown in the table below:

Table 7 - Confidence in Adoption Pillar readiness

Field	Minimum	Maximum	Mean	Std Deviation	Variance
Excitement: Keeping the excitement alive and growing	0.00	7.00	3.78	1.91	3.65
Knowledge: Knowledge on how to use the tools that are available	0.00	6.00	3.30	1.72	2.95
Engagement: Ensuring that users have a voice and have the reasons and incentive to explore	1.00	7.00	4.04	1.84	3.37
Recognition: Recognize people with good behavior or who make proper use of the toolset	0.00	7.00	4.00	2.04	4.15

Cloud Governance

Though cloud computing is now considered a mature technology, executives continue to grapple with its governance. In fact, one in five C-level executives surveyed recently by Avanade, a business technology services provider based in Seattle, say they have purchased a cloud service without their IT department's knowledge.²⁵

According to Liam Cleary:

“Governance is becoming more of an acceptable word to use now than 5 years ago. It started as a mysterious thing and companies were told they couldn’t survive without a governance plan but no one knew what that plan was. People would just ignore it and let IT figure it out by launching a plan with no help from the business or committees; this never works. “

Microsoft defines cloud governance as “defining policies around managing the factors: availability, security, privacy, location of cloud services and compliance and tracking for enforcing the policies at run time when the applications are running.” The core of cloud governance revolves around the relationships between provider and consumer, across different business models. The business model should define the way in which an offer is made and how it is consumed. To function at all cloud levels (Infrastructure as a Service, Platform as a Service, and Software as a Service), the business model should be devoid of the type of resources involved.²⁶

Governance becomes increasingly important the more mature—and widespread—cloud usage becomes. Recall that the ultimate point of technology governance is about business goals: policies ensure consistent usage within defined parameters, systematic measuring capabilities help the business understand return on investment, and risk management helps put technology problem sources in-context, so they can be assessed holistically and addressed systematically.

According to Sue Hanley:

“Everything changes when you move to the cloud, so you need to address it all again. It is not unmanageable; it is definitely possible. As you move to the cloud, there is more to govern since we have a lot more capabilities; it takes a lot of work and it is on-going work. Governance is not once and done.”

In terms of incorporating cloud into the existing governance approach, it is important to recognize where what is in place already might not be a clean fit—for example, where supporting policies, and the processes/procedures that enforce them, might not address cloud or address it poorly adjustments to governance structures themselves may be needed in order to meet stakeholder needs. This implies that the governance model needs to be at least as agile as the business dynamics being supported.²⁷

²⁵ Steffee, S. “Cloud Computing Governance Remains Elusive.” Internal Auditor, Oct. 2011, pp.14.

²⁶ Al-Ruithe, Majid, et al. “Data Governance Taxonomy: Cloud versus Non-Cloud.” Sustainability, vol. 10, no. 2, 2 Jan. 2018, pp. 1–26., doi:10.3390/su10010095.

²⁷ Vael, Marc. “Governance in the Cloud.” EDPACS, vol. 48:2, 2013, pp. 7-12, doi: 10.1080/07366981.2013.803870.

Additionally, organizations need to better understand the impact to existing reporting and administrative tools and solutions that are relied upon for on-premises environments, but which may not be supported in the cloud. This point was mentioned by Stacy Deere-Strole:

“It is hard for some organizations to let go of on-premises since they lose control in the content. They are not made aware of all things Office 365 can and can’t do in cloud in the very beginning, so they fall back into old ways.”

Third-Party Solutions

One area where solutions and business practices from the on-premises world could greatly impact organizations as they move toward the cloud is the use of third-party tools. While there are many solution providers with offerings that can greatly benefit organizations before, during, and after move, far too many organizations rely on solutions already in place today without understanding whether those solutions are still needed (versus out-of-the-box capabilities) or even provide feature-parity between on-prem and cloud, offering the same capabilities, reporting, and administrative features for the cloud as used within existing on-premises environments.

Within our survey, we asked respondents who have already moved partially or in total to Office 365 what 3rd party or custom-built tools do they use to help govern their Office 365 workloads beyond the out-of-the-box capabilities of the platform. The most used third-party tool or category identified was Data Solution/Migration with 70.8 percent of the total responses. When asked why, respondents said that it was mainly because their company have previously purchased this tool – and most admitted that they were unaware of other available options.

This is another area where an audit or detailed self-assessment may help identify redundancies in capabilities that are now available out-of-the-box, or to flag any business-critical tools that may not work once an environment moves to the cloud. As mentioned by Nick Brattoli:

“I’ve seen one or two organizations that had some sort of 3rd-party tool for governance, but they were never used in a good way. The cloud has a lot more governance tools out of the box, which means fewer gaps. However, those gaps still exist if organizations don’t implement any of those tools.”

“Poor governance strategies can lead to extreme sprawl in on-prem, which means a lot more work to consolidate everything when moving to the cloud, especially when nobody has any idea what’s going on. There is a culture shift going along with moving to the cloud where some things are not available anymore, so IT and the company needs to work accordingly. Some of the difficulties in moving from on-premises to the cloud are the lack of the ability to rewrite URLs, do server-side code, and fully custom designs.”

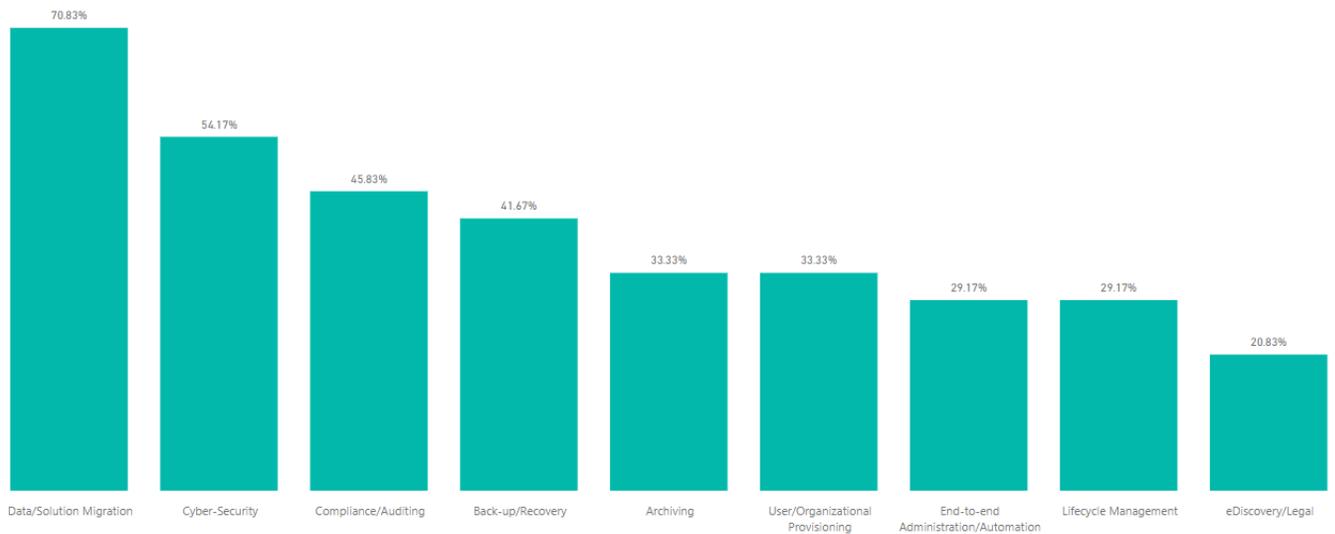


Figure 7 - Categories of third-party tools in use

Achieving Business Value

The person responsible for cloud governance needs to be as focused on the business issues as they are on the IT ones because this injects a voice of reason into the projects. A frequent issue is when a group starts off with a cloud project and collectively decides it needs everything in the cloud, including redundancy, and some other functions. Then, when the bills roll in, suddenly the whole implementation is drastically scaled back.²⁸

To establish a clear direction that is aligned with enterprise strategy, members of the board need to have a clear understanding of cloud computing benefits and how to maximize them through effective end-to-end governance practices.²⁹

Cloud computing impacts business processes, making governance critical to manage risk, adapt effectively, ensure continuity, communicate enterprise objectives clearly, facilitate continuity of IT knowledge, and handle a multitude of regulations, according to the ISACA guide.³⁰

²⁸ Computer Weekly. "Good Governance is Key to Controlling Cloud Costs." Buyer's Guide to Public Cloud, Apr. 2018, pp.16-18.

²⁹ Vael, Marc. "Governance in the Cloud." EDPACS, vol. 48:2, 2013, pp. 7-12, doi: 10.1080/07366981.2013.803870.

³⁰ Steffee, S. "Cloud Computing Governance Remains Elusive." Internal Auditor, Oct. 2011, pp.14.

Cloud Adoption is Increasing

The use of cloud technology is on the rise, as businesses are becoming increasingly aware of the multiple benefits cloud computing can have in terms of efficiency and profitability. Whether it's private, public, hybrid or a mix of various cloud computing models, the technology is now used by at least 70% of U.S. organizations, according to IDG Enterprise's 2016 Cloud Computing Executive summary. The figure is expected to grow further, as 56 percent of businesses surveyed said they were working on transferring more IT operations to the cloud. ³¹

When survey respondents were asked about their familiarity with Office 365's overall governance capabilities, the majority (60%) indicated that they were "Extremely" or "Very Familiar." However, the research team found that within individual interviews, when asking for more detail about cross-workload governance knowledge and practices, respondents seemed less confident that their organizations were aware of the governance capabilities beyond the core tools used, such as Exchange and SharePoint. While anecdotal, this insight is consistent with other recent CollabTalk research showing an over-confidence in security and compliance capabilities for tools and workloads that are less familiar.

Table 8 - How familiar are you with Office 365 governance capabilities?

Answer	%
Extremely familiar	34.38%
Very familiar	25.00%
Moderately familiar	25.00%
Slightly familiar	9.38%
Not familiar at all	6.25%

Cloud-computing adoption has been increasing rapidly, with cloud-specific spending expected to grow at more than six times the rate of general IT spending through 2020. While large organizations have successfully implemented specific SaaS solutions or adopted a cloud-first strategy for new systems, many are struggling to get the full value of moving the bulk of their enterprise systems to the cloud. ³²

³¹ Forbes Technology Council. "13 Biggest Challenges When Moving Your Business To The Cloud." Forbes, June 2017, <https://www.forbes.com/sites/forbestechcouncil/2017/06/05/13-biggest-challenges-when-moving-your-business-to-the-cloud/#eca4e2b9b0ec>

³² Bommadevara, Nagendra, et al. "Cloud adoption to accelerate IT modernization." McKinsey & Company, Apr. 2018, <https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/cloud-adoption-to-accelerate-it-modernization>

Shares Liam Cleary:

"I have seen that most companies tend to use both on-premises and the cloud and become hybrid which makes governance even more difficult. Some companies seem to go straight to the cloud, but as you peel back their layers, you will see they are still holding on to some components of on-premises. On-premises is usually easier to control since you own the infrastructure while the cloud has a few more limitations based on what the cloud gives you."

Enterprise adoption of public cloud is growing to the point that public cloud is an expected approach to IT. But even as the technology matures and adoption increases, longstanding nontechnical concerns such as cost and governance continue to muddle the opinions and approaches of infrastructure and operations (I&O) leaders, who, given the impact that cloud computing has on infrastructure, normally drive the cloud IaaS engagement program. In addition to the technical and nontechnical issues that surround cloud adoption, I&O leaders must support the IT financial team to enable this program successfully in the enterprise, because the whole resource sourcing process needs to be reviewed and revised for cloud computing.

To build the justification for cloud migration, you need know which workloads are fit for cloud migration. Identifying the right workload is essential to project scope definition. Because not all workloads are suited for a cloud solution, most businesses will choose hybrid IT — some applications will run on-premises, while other applications will run in the cloud. The cloud providing server, storage and network resources may not be fit for all traditional workloads. ³³

³³ Ji, Kevin. "Build the Right Justification for Moving to the Cloud." Gartner Database, May 2017.

Overall Analysis and Recommendations

Traditional enterprises run into two major issues when moving to cloud:

- The existing business applications were created using the traditional IT paradigm. As a result, these applications are typically monolithic and configured for fixed/static capacity in a few data centers. Simply moving them to the cloud will not magically endow them with all the dynamic features of the cloud.
- The typical technology workforce of an enterprise is well versed in developing business applications in the traditional IT framework. Most of them need to be reskilled or upskilled for the cloud environment.

As a result, despite overall increased cloud investment, enterprise cloud adoption is maturing slowly. Many enterprises are stuck supporting both their inefficient traditional data-center environments and inadequately planned cloud implementations that may not be as easy to manage or as affordable as they imagined. While some forward-thinking companies have been able to pursue advanced enterprise cloud implementations, the average enterprise has achieved less than 20 percent public or private cloud adoption.³⁴

To clarify, *movement to the cloud is increasing* – but because of this slow maturation, many of the promises of the cloud are not yet being achieved. One immediate benefit of moving to the cloud is immediate access to out-of-the-box administrative features and governance guidance, replacing non-existent or ineffective governance practices and helping organizations more quickly recognize the value in their cloud investments, such as Office 365.

As Sue Hanley points out, organizations need to pause and re-examine their approach:

“The biggest challenges for organizations moving to the cloud is re-thinking about what capabilities you want to enable and re-visiting some previous governance decisions – because many capabilities are new or may not have been possible earlier. More importantly, the capabilities and features are evolving. All organizations need to monitor changes and new capabilities as they are released. Not all changes impact governance, but when they do, there may be a need for a new policy or new training.”

The following are some of the most common pitfalls of cloud adoption:

- Anticipated cost savings don’t materialize
- Vendor lock-in
- Data security and privacy
- Compliance and regulatory risks
- Hybrid cloud integration³⁵

³⁴ Bommadevara, Nagendra, et al. “Cloud adoption to accelerate IT modernization.” McKinsey & Company, Apr. 2018, [mckinsey.com/business-functions/digital-mckinsey/our-insights/cloud-adoption-to-accelerate-it-modernization](https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/cloud-adoption-to-accelerate-it-modernization).

³⁵ Deloitte. “The Cloud is Here: Embrace the Transition.” Deloitte, 2018, [deloitte.com/content/dam/Deloitte/ca/Documents/consulting/ca_cloud_pov_EN_doc.PDF](https://www.deloitte.com/content/dam/Deloitte/ca/Documents/consulting/ca_cloud_pov_EN_doc.PDF).

States Sanil Solanki, Research Director at Gartner:

“Despite the hype, the uptake of cloud computing as a solution has not been as rapid as first anticipated, in part because of the confusion created around the financial benefits. While it’s said to be cheaper than on-premises, cloud gets push-back from the finance function because it increases operating expenditure (OPEX) costs. IT departments let finance take the lead on this decision, and this stalemate is rarely broken.”³⁶

Stacy Deere-Strole points out the common mistake of reducing or removing governance planning, which only exacerbates the problems of a struggling cloud migration:

“9/10 of companies 5 years ago would cut back on governance before anything else even though it is one of the most important things to use resources on; it would be cut first if money was an issue, but now that is not as much of an issue since companies have lived and breathed that disaster and have no choice with how fast things are changing to focus on governance.”

When it comes to cloud adoption, the biggest challenge isn't technology—it's the people and processes that must change and adapt. Time, cost and security are the most common challenges. Moving data is a slow process because it requires a lot of bandwidth and man-hours. There are also security doubts, and companies often prefer to keep their data on local servers.³⁷

Our advisory panel echoes these assessments, with Nicki Borell stating:

“Governance is a platform issue since individual workloads are becoming more as one. From an end user perspective, Office 365 is talked about as a whole, not individually as workloads. We have a big family of tools in Office 365, so it makes more sense to look at governance as a whole.”

Nick Brattoli adds this point:

“Governance has to be done at both of those levels: individual workload and platform. You need a high-level governance plan to determine the structure, classifications, rules, etc., but also policies and procedures to dictate how things work at the individual level so you can avoid shadow IT and sprawl.”

³⁶ Goasduff, Laurence. “The Financial Case for Moving to the Cloud.” Gartner Database, Aug. 2015.

³⁷ Forbes Technology Council. “13 Biggest Challenges When Moving Your Business to the Cloud.” Forbes, June 2017, <https://www.forbes.com/sites/forbestechcouncil/2017/06/05/13-biggest-challenges-when-moving-your-business-to-the-cloud/#234b6f639b0e>

Based on our research and the feedback from our advisory panel of experts, we recommend the following actions to help organizations prepare to move to the cloud – or for recently moved organizations to make more effective use of their new cloud platforms:

1. **Create (or improve/extend) your governance committee**

One of the essential steps to successful Office 365 governance is the creation of an oversight committee, tasked with the ongoing operational review of the platform as it is planned, deployed, extended, and supported. The goal of this team should be to regularly review the state of operations, monitor changing business needs and evolving technology capabilities, ensure that information architecture, security and regulatory requirements are being met, and to track end user adoption and engagement.

2. **Conduct a detailed self-assessment**

Leverage the Governance Maturity Model and similar tools and expert guidance to conduct a detailed assessment of your systems and tools, information architecture, and business goals to better understand what is in place today, how it maps across to the Office 365 tools and capabilities, and where there may be gaps. With this baseline in place, you will be able to properly plan for future system and tool deployments and business requests.

3. **Incorporate change management into your culture**

An effective change management process is the key to transparency, and should be led by your IT organization or Project Management Organization (PMO) to provide a formal front-door process for business and feature requests, to provide issue tracking and status updates, and to work with end users and management alike to ensure that what is delivered meets expectations.

4. **Expand your information architecture**

Technology is changing so rapidly, the information architecture designed for your earlier SharePoint deployment is likely grossly out of date and should be updated to reflect the growing usage of other workloads, such as Microsoft Teams, Yammer, OneDrive, and others. Whether or not your organization employs a formal intranet, understanding where your information assets sit and how to access them is essential.

5. **Invest in training and adoption**

Do not assume that the initial training conducted when Office 365 was initially rolled out will be sufficient for long-term success. Provide a blend of self-help and ongoing productivity training for all employees, and leverage some of the “Customer Success” best-practices provided through Microsoft and the expert community to look for ways to continually inspire and encourage end users to collaborate and stay engaged.



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