

# Business System Ownership

## THE PROBLEM

A lack of effective Business System Ownership can jeopardize long-term system viability, benefits realization and value to organisations.

## BSO is an under developed discipline

Business System Ownership (BSO) is under represented in the cannon of IT methods. The focus of system ownership in published best practice is primarily geared towards technical system ownership or operational user involvement in system management processes. Furthermore, the transition of IT systems projects to business ownership, post systems launch, is focused primarily on project closure activity. In practice project closure can be undertaken to the detriment of planning for on-going system success. Legacy systems present a particular challenge to IT departments in terms of on-going business engagement. Typically there will be an under representation of business managers at the right level of the organisation able to provide the required strategic direction and focus required by IT departments to support and maintain systems. As a result, IT can become the de-facto “owners” of the system, discharging their technical responsibilities, but often (understandably) not undertaking many (business) tasks that underpin the future success, even viability, of the system. At best a lack of engaged business owners can result in a potential misalignment of IT resources and priorities. At worst, long-term system viability itself can be compromised by a lack of effective business system ownership as cost control, data management, security, end user training and business process alignment can all drift as systems “age”.

## IN SUMMARY

BSO is a set of responsibilities, processes and interactions (with the technology function and key business stakeholders) that are applied to a system or a group of similar applications. BSO represents the business interests in securing long-term business success of systems. BSO should be focused on business benefits, strategy (viability & futures), changes and integrity. Ultimately business system owners take responsibility for securing overall *system business value and mitigating key system risks*. The technology function plays a vital role in supporting BSO but should not own the processes or its outcomes. In addition to the operational service and risk management aspects of BSO the technology function should help business owners focus on the strategic and planning aspects required by BSO. BSO should be considered complementary to Technical Systems Ownership (TSO), which is wholly the responsibility of the Technology Function.

### WHO SHOULD

### UNDERTAKE THE ROLE?

Business system owners are typically senior business operational managers with responsibility for business processes and data/content that are supported by the business system. Business system owners may own a logical grouping of systems and can therefore discharge their responsibilities for a cluster of applications. This is particularly useful in prioritisation of change and service objectives within a portfolio of systems sharing similar business goals and characteristics. The role holder may delegate some key tasks and the business system owner is supported by the technology function in discharging his or her responsibilities.

## Summary Responsibilities

Business system owners should focus on short and long term value and risk mitigation

### VALUE

The Business System Owner ultimately has responsibility for protecting and enhancing the value systems contribute to organisation success. Value should be seen not just in financial terms but can be seen as having a reputational, stakeholder and strategic dimension. The primary responsibilities in ensuring short and long-term system value are: -

#### Strategic Focus

The Business System Owner is responsible for (i) the system strategy in terms of a high level view of whether to maintain, enhance or divest the system and (ii) represents the system and its stakeholders in business strategy discussions, ensuring long term alignment with business plans.

#### Benefits Realisation

The Business System Owner ensures (i) there is on-going measurement and delivery of business benefits (ii) budget and resources are available for business side systems activity e.g. system training, user documentation, data cleansing etc. (iii) a Total Cost of Ownership (TCO) model is developed for the business system.

#### Business Alignment

The Business System Owner (i) identifies opportunities for business process improvements exploiting the existing systems capability or its potential (ii) becomes the business change authority for the system (iii) reviews and approve all major changes and ensuring there is adequate resourcing and protocols for managing small change requests (CRs) (iv) ensures that major change requests are assessed from a business perspective before submission to the technology function. This is especially important if the user base is diverse and there is no system user group. Assessment of business change requests can be delegated

but there does need to be a gate-keeping role on both the volume and quality of change requests. Business System Owners are not responsible for defining business system requirements but ensuring that they are prioritised and deliver real business benefit (v) If the volume, frequency and impact of change requests are sufficient then the Business System Owner should chair the change control board. Generally change control is applied to a group of systems with similar characteristics so that change requests can be prioritised across systems of similar business purpose.

### **RISK**

Business System Owners are ultimately responsible for managing business risks associated with systems. Whilst the technical risks management component will be delegated to the technology function, business risks can be seen broadly in terms of security, integrity, data, availability and performance.

#### **Security**

Business System Owners are accountable for (i) the policy of controlling user access expressed in terms of user roles and privileges. This is especially important if user roles change on an ad hoc basis after project close-down (ii) ensuring adoption of corporate policy on security and risk management practices.

#### **Data**

Business System Owners ensure (i) adequate compliance with data retention and archiving policy (ii) defined accountability for the maintenance and classification of data (iii) data integrity is maintained through minimising potential losses caused by accidental erasure or amendment through, for example , incorrect user privileges.

#### **Services**

Business Systems Owners (i) identify the criticality of application functions - this can aid in incident management prioritisation (ii) ensure that the technology function understand the business processes supported by the system (iii) set objectives and plans for on-going support/maintenance and small changes (iv) agree service level goals – e.g. availability, mean time to fix etc. via SLAs or service commitments (v) become a business escalation point in terms of major system issues and ensure that root cause analysis of major incidents are undertaken and can aid in communication to the business of any on-going system disruption (vi) ensure that there is budget for, and quality of, delivery in end user training and business systems documentation.

#### **Should the technology function perform the BSO role?**

IT departments can take on some tactical and day to day BSO responsibilities but a lot will depend on the IT organisation maturity model implemented. Where the IT function employs hybrid business/technical staff with established legacy system responsibilities they could be well positioned to take on some of this role as long as there is a degree of empowerment, authority and

communication to the broader systems stakeholder community. Senior IT managers can help set up the governance and control model required to establish BSO and will be involved heavily in working with the business system owner in the development of strategy and planning. However, if the strategic and planning aspects are delegated to IT management then the function will fail to deliver its core objectives. However, there is potentially one area where senior IT staff could discharge the strategic and planning aspects of BSO and this concerns vendor-hosted external systems. If the system has no business representation then IT management could be well placed to manage the strategic relationship with the vendor as long as they have a clear brief and authority from senior business stakeholder.

### When should business system ownership be invoked?

Careful consideration should be given to when to commence BSO either for legacy systems or recently commissioned systems

For new systems business system ownership should be part of the orderly transition from project closure into business and technical operations. For legacy systems with no business systems owners the implementation of BSO is more of a challenge and requires real focus and pragmatism.

#### RECENTLY COMMISSIONED SYSTEMS

For new applications the system owner should assume gradual responsibility from the Project Sponsor during the project closure stage. The Business System Owner and Project Sponsor can typically be the same person which clearly makes for a painless transition, although there needs to be clear explanation of the difference between the responsibilities of Project Sponsor and Business System Owner. If the project has been managed adequately then the quality of products passed to business and technical operations should be quite high, and a key first step is to ensure that there is clear ownership of

#### CAN BSO RESPONSIBILITIES BE DELEGATED?

BSO processes cover strategic, planning, tactical and day-to-day tasks. There should be no issues in delegating tactical and day-to-day tasks as long as some objectives and control principles have been agreed up front. Typically these tasks can be delegated to senior business users or to a business user group if one exists. Business system owners should however be actively involved in, and be responsible for, the strategic and planning aspects of BSO. Appendix XX outlines the responsibilities in terms of initiation, strategy, planning, and tactical/ad hoc activity together with an assessment of broad delegation options and scenarios.

keeping operational products up to date. An ideal formal transition point is for the Business System Owner to attend a project closure meeting. Projects always need a bedding in phase so it is important that the Business System Owner does not take on the responsibility for stabilising the system and its processes. A meeting should be scheduled with key business and technical stakeholders typically six months after launch to go through the how, when and what of BSO responsibilities.

### **LEGACY APPLICATIONS**

Implementing BSO for legacy systems requires a degree of planning, prioritisation and choices to get the focus right.

#### **Common issues with legacy systems**

Legacy systems with no active Business System Owner display many common characteristics

- (i) The technology function will be viewed as the “owners” as service continuity and technical viability are seen as the primary goals for legacy systems
- (ii) Project personnel and senior users may have moved on since the original launch and bedding in period; as a result a lot of tacit knowledge of the system may have been lost
- (iii) User roles and privileges may have changed since project implementation potentially introducing security and system integrity risks
- (iv) Data quality may have been compromised over time and data management rules can change over time without adequate audit trails on their rationale and purpose
- (v) There could be no change “authority” and change requests (CRs) are not (business) prioritised. CRs may be submitted to IT from a diverse and un-coordinated user community. Changes may be based on “LIFO” ( Loudest In – First Out)
- (vi) The Total Costs of Ownership (TCO) may not be known and on-going business benefits is not measured
- (vii) The priority of the system components are not understood within technology making it difficult to prioritise incident management
- (viii) User training may be under funded and the system and business processes not fully documented (or out of date)
- (ix) There may be no service goals for the system

#### **Insight from adapting questions posed in post project reviews**

One of the biggest challenges in reverse engineering Business Systems Ownership into legacy systems is being able to focus initially on priority problem areas, both from a strategic, tactical and operational perspective. The typical questions posed as part of a post project review can however be adapted and used for any legacy system and at any point in its maturity model. Posing these

questions may provide insightful in focusing and prioritising Business System Ownership activity.

Questions to consider: -

- (i) Is the system achieving the benefits expected?
- (ii) Is there any identifiable trend in improving or declining benefits?
- (iii) Are the users happy with the system?
- (iv) Is the system proving to meet quality expectations?
- (v) Is the system as well supported as was expected?
- (vi) Are the IT support staff happy with what they have to support the system?
- (vii) Have there been any unexpected problems with the system and has any root cause analysis been undertaken to explain recurrent issues?
- (viii) Has the system caused new problems? Gaining a quick insight into the responses to these questions could focus any initial remedial activity.

## Implementation of BSO

### PRIMARY CONSIDERATIONS

- (i) Focus on problem business system areas first and consider running a pilot to introduce the concepts in a system which has some issues caused by inadequate business systems ownership but isn't crippled with major technical or data issues
- (ii) Alternatively new systems in the latter stages of deployment can be the easiest candidates to start with and can provide a case study of benefit
- (iii) Try and group systems together which have common characteristics and apply BSO as a portfolio. BSO is going to require business time and effort so grouping say 5-10 systems will significantly reduce the time required, especially on managing the strategic and planning aspects of BSO
- (iv) Introduce the strategic and planning aspects first
- (v) The IT Steering group or its equivalent should strategically monitor the overall corporate BSO activity and should intervene if any major discrepancies occur with the prioritisation of activity.

### RISKS

- (i) Too many BSO responsibilities are pushed to the IT function
- (ii) Service objectives are set which are parochial
- (iii) The strategic and/or planning aspects of BSO are ignored or short changed
- (iv) BSO is seen as a bureaucratic control process

## BUSINESS SYSTEM OWNERSHIP

- (v) Establishing the baseline required for BSO to work properly requires considerable effort and initiative stalls at the early stage
- (vi) BSO requires TSO to work properly. Systems outside of what?
- (vii) A mixed environment with some systems implementing BSO and others not can leave Business Owners short changed??
- (viii) Business System Owners are asked to specify requirements
- (ix) Some underlying issues are more endemic and require a corporate led approach e.g. TSO, data management policies
- (x) Change management aspects of the BSO programme are ignored

### THE SOLUTION

Business system ownership, if implemented properly, can help solve problems that can appear quite stubborn to fix. The rising cost, and in many instances the declining business value, of legacy systems cannot be solved by the IT function alone. In organisations with a large portfolio of legacy systems the proportion of effort required to keep these systems viable can severely hamper more transformative initiatives from getting beyond the concept stage. The proportion of business management and IT executive time at the strategic and planning level needs to be proportionate for the management of legacy systems.