

Mr. Paul Wohlleben, Partner, Grant Thornton LLP, on behalf of the Information Technology Association of America

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TESTIFYING ON BEHALF

OF THE

INFORMATION TECHNOLOGY ASSOCIATION OF AMERICA

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

OF THE

U.S. SENATE

ON THE VA'S INFORMATION TECHNOLOGY STRUCTURE

OCTOBER 20, 2005

Good morning. My name is Paul Wohlleben. I am a Partner with Grant Thornton LLP of Chicago, Illinois, an international accounting and management advisory services firm.

In my role as a witness before you, I am representing the Information Technology Association of America. ITAA provides global public policy, business networking, and national leadership to promote the continued rapid growth of the Information Technology (IT) industry. ITAA consists of more approximately 350 corporate members throughout the U.S. and a global network of 67 countries' IT associations. ITAA members range from the smallest IT start-ups to industry leaders in the Internet, software, IT services, ASP, digital content, systems integration, telecommunications, and enterprise solution fields.

Modern organizations, whether commercial or government, use IT to help them achieve their missions. For most organizations, IT is both a major component of cost and a key resource in managing business operations and satisfying customers. This morning, I will describe how many of ITAA's member companies employ, align, and operate their IT assets to best align them with their organization's missions, improve productivity, and maximize the return from their investments. Additionally, this discussion will address our position on the placement and role of the Chief Information Officer (CIO) in any large enterprise.

Let me begin by stating that leading companies operate using an organizational strategy drawn from their major business and mission objectives. In developing such a strategy, leading companies consider the role of all key resources in accomplishing that strategy, including IT. It is the position of ITAA that in most cases, a successful organization's CIO will be part of the senior management team that develops that overarching strategy. Such involvement by the CIO increases the probability that IT will be properly leveraged to achieve the desired outcomes.

Once an organization's business and mission strategy has been defined, including the basic contributions expected from IT, the CIO needs to develop the strategies and plans that define how IT will be best deployed across the organization to make those contributions. I will refer to this as the IT strategy. The CIO must ensure that the IT strategy is aligned to the organization's business and mission strategy, meaning that each IT investment can be linked back to the organizational goal or objective that it supports. Ideally, the contribution of the IT investment can be measured in terms of how well it supports the relevant overarching organizational goal or objective.

A key component of the IT strategy is the enterprise architecture (EA). The EA provides views into how the organization operates, its key desired outcomes, the technology infrastructure that provides computing capability, the data that is used in the organization, and the application systems that support the organization. In leading organizations, the EA consists of both a current snapshot of the organization's IT infrastructure, called the 'as is' architecture, and a snapshot of the target infrastructure, called the 'to be' architecture. IT modernization plans are then developed with the intent to move from the 'as-is' to the 'to-be' states. ITAA believes it is imperative for the CIO to have sufficient authority to produce, deploy and maintain the IT strategy, including the enterprise architecture. It is particularly important that the CIO be free to keep them current with a changing business and mission environment and to ensure that they serve as the standard roadmap for all IT investment planning and execution.

The development of the IT strategy, and the use of the strategy to guide the organization during the implementation projects designed to move the organization from the current 'as-is' to the target 'to-be' states, cannot be accomplished by the CIO's organization alone. The entire enterprise will be affected by the IT strategy; the entire enterprise must be represented in the process that develops and oversees the execution of the strategy. This is, in effect, a component of organizational governance. ITAA believes that the CIO must have appropriate authority, organizational placement, and peer relationships to ensure that an effective process exists for organizational governance.

I have touched on a number of key CIO roles that must be successfully addressed to ensure that an organization's IT investments are both efficiently and effectively utilized. The CIO must have effective control over the planning, authorization, resourcing, and implementation of all IT. Effective control means that the CIO can delegate the implementation of IT as long as the CIO retains oversight and sufficient management mechanisms in place to ensure compliance with CIO-approved plans. We believe the CIO should not delegate enterprise-level planning, authorization and resourcing responsibilities.

Let me turn attention to the organizational placement of the CIO. While ITAA recognizes the impact that attributes like culture and management style have on determining how to organize to

optimize effectiveness, we believe that an organization is best able to leverage its IT if a CIO reports to the organization's most senior official. Such placement sends an important signal to the rest of the organization about the value of IT and its management and better enables the CIO to ensure an effective IT governance process. It better positions the CIO to develop working relationships with other key senior executives in an organization's leadership.

We also believe that with such high organizational placement comes a responsibility to reach out to the organization to develop effective collaboration and governance processes. A seat at the executive table must be used to inject IT into the strategic mainstream, not isolate it from the rank and file. Elevating the CIO will help ensure that the broad needs of the organization are reflected in IT requirements and that efforts to standardize both IT and business processes receive appropriate representation.

To summarize, IT is a critical component in helping organizations like the VA realize their strategic objectives. To harness the value of IT, the CIO maps agency mission and business process objectives to an information technology strategy. An enterprise architecture translates IT strategy into an actionable blueprint for moving from the here and now to the where we want to be. Although the CIO is ultimately responsible for the effective alignment of IT performance with agency mission, goals and objectives, this individual does not and must not operate in a vacuum. To be effective, the process must enjoy widespread agency support and buy-in, and must originate from the top down.

I thank you for the opportunity to testify before the Committee on Veterans' Affairs. I will be pleased to address any questions you may have. ITAA will also be glad to work with the Members of the Committee and their staffs on the important issues raised in this hearing.