COBIT 2019

An Introduction

OrbusSoftware

The demands on executives and management nowadays are significant to say the least. From the corporate boardrooms of Wall Street, New York, United States of America to the Non-governmental organizations in Johannesburg, South Africa, to the 'one man band' aspiring to create an empire from his or her garage in a tiny village in the middle of nowhere. For organizations competing in the modern business environment, it really is survival of the fittest. The legal, regulatory and compliance directives alone place a substantial requirement on any organization, of any type, be it a conglomerate, a cash generating profit machine or a charity providing services and support on a not for profit basis. Oil or bananas, manufacturing or supply, media or mining… organizations in any industry vertical are faced with the need to employ some form of governance and management to ensure the effective and efficient operation of their organizations, create value for stakeholders, and meet their needs on a sustainable basis. But besides the functional and 'corporate' governance and management disciplines, there is another enterprise dimension, an integrated thread running through almost every modern day organization – information technology. Enterprise information technology (IT) is today, arguably, the most critical component of businesses in the 21st century, empowering and enabling organizations around the globe. Enterprise IT is woven into the very fabric of organizations, strategic, tactical and operational and has now in its own right earned a 'seat at the table' along with the core operations of business. In fact, IT not only helps organizations to achieve their goals and objectives, but plays an ever increasing essential role in setting the strategic direction of enterprises.

So you can understand that with information technology having become so important, effective governance and management of this Enterprise IT is critical to the success of organizations today. Forming part of the overall enterprise governance and management of organizations, the governance and management of Enterprise IT needs a sound, structured framework to assure organizations are doing the right things, and doing them right when it comes to information technology. Many an IT Executive and Manager has despaired at the very thought of taking on the governance and management of their organization's investment and future in information technology, but they need not have, help is well and truly at hand.

This eBook was first written in 2014, to introduce COBIT 5. 7 years since then, and the opening paragraphs are still just as relevant to organizations. Now, COBIT 2019 is the latest version of the business framework for the governance and management of Enterprise IT. It's become a widely known framework thanks to the success of its predecessor, but if you're still in the dark, read on to start seeing the governance and management of information technology in your organization in a whole new light. Welcome to COBIT 2019.

The Basics of COBIT 2019

COBIT, at origination, was an abbreviation for Control Objectives for Information and related Technology. Nowadays it is simply known as COBIT. Originally conceptualized with a focus on Auditing in the area of Information Technology in 1996, its scope has evolved over the years moving through foci of Control Objectives, Management Guidelines, and IT Governance to current day, where, in its latest release, COBIT 2019, the scope and focus is on holistic Governance and Management of Enterprise IT. This most recent edition provides for an end-to-end business view of the governance of enterprise IT that reflects the central role of information and technology in creating value for enterprises.
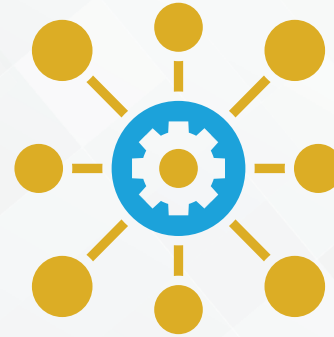
According to ISACA, "COBIT is a framework for the governance and management of enterprise information and technology, aimed at the whole enterprise.

Governance ensures that stakeholder needs, conditions and options are evaluated to determine balanced, agreed-on enterprise objectives. Management plans, builds, runs and monitors activities, in alignment with the direction set by the governance body, to achieve the enterprise objectives." (ISACA 2019)
COBIT 2019 from COBIT 5 in a few key ways. First, COBIT 2019 adds a sixth governance system principle, replacing the previous principle of "a single integrated framework", with 2 new principles:

"A Dynamic Governance System" and "Being Tailored to Enterprise Needs". There is some changed terminology, and additional processes, which will be detailed below. A set of 3 Governance Framework principles has been added. For performance management, COBIT 2019 has switched to the CMMI Performance Management scheme, away from ISO/IEC 33000 which was used in COBIT 5. 11 design factors (which influence the design of the enterprise governance system) have been added with the aim of improving the openness and flexibility of COBIT. Finally, "Enablers" have been removed.
These are not giant changes, and familiarity with COBIT 5 will still be useful when it comes to understanding COBIT 2019.

Governance and Management

The official definition is listed above – "A framework for the Governance and Management of Enterprise Information and Technology." (ISACA 2092) When forming an understanding of COBIT 2019, it is useful to understand what the words Governance and Management mean, and then specifically, their meaning in the context of information technology.

"Manage" comes from the Italian maneggiare (to handle, especially tools), which derives from the Latin word manus (hand). "Governance", meanwhile, is derived from the Greek verb kubernáo meaning "to steer". Within a wider business context, we of course understand management as being related to the organization of business, while governance relates to the rules and processes which determine how a business is controlled. But what is Governance and Management in the domain of information technology? Let's consider the below definitions from Gartner -

Gartner IT Governance Definition: -

IT governance (ITG) is defined as the processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals. IT demand governance (ITDG—what IT should work on) is the process by which organizations ensure the effective evaluation, selection, prioritization, and funding of competing IT investments; oversee their implementation; and extract (measurable) business benefits. ITDG is a business investment decision-making and oversight process, and it is a business management responsibility. IT supply-side governance (ITSG—how IT should do what it does) is concerned with ensuring that the IT organization operates in an effective, efficient and compliant fashion, and it is primarily a CIO responsibility (http://www.gartner.com/it-glossary/it-governance)

Gartner IT Management Definition: -

IT management services provide day-to-day management and operation of IT assets and processes. As such, they represent the core value components of IT Operations (http://www.gartner.com/it-glossary/it-operations). IT management services are divided into three key sub-segments: operations services (for IT infrastructure), application management services and help desk management services. (http://www.gartner.com/it-glossary/it-management)

Bearing the definition from Gartner in mind and with the emphasis placed firmly on Governance in COBIT 2019, it is important to look at how the IT Governance Institute (ITGI) defines Governance:-
The responsibility of executives and the board of directors; consists of the leadership, organizational structures and processes that ensure that the enterprise's IT sustains and extends the enterprise's strategies and objectives

IT Governance Institute (ITGI)

Business needs are the inputs and drivers for every Enterprise and without Governance and Management in place, an organizations probability of meeting its strategies and objectives would be significantly reduced. Let's now take a closer look at these two critical domains within the COBIT 2019 framework.

Governance

Evaluate

Direct

Monitor

Management

| Plan (APO) | Build (BAI) | Run (DSS) | Monitor (MEA) |
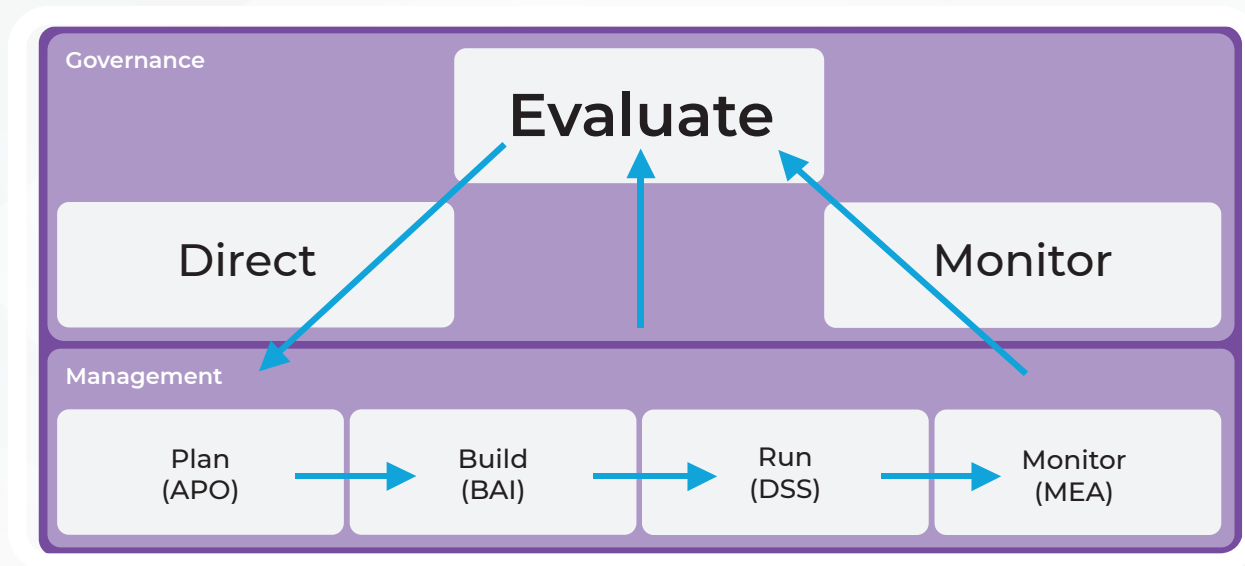
Governance

IT Governance is an integral part of the overall corporate or organizational governance of the business. The design and operation of the Enterprise IT environment is therefore a critical component, requiring sound governance to ensure that it enables and empowers the organization to realize its objectives.

In COBIT 2019, the governance domain ensures that enterprise and information technology objectives are achieved by evaluating stakeholder needs, conditions and options; setting direction through prioritization and decision making; and monitoring performance, compliance and progress against agreed-on direction and objectives.

Governance objectives are grouped in a single domain, called Evaluate, Direct and Monitor (EDM). These objectives focus on evaluating strategy and directing management to achieve the enterprise's choice.

IT Management forms an integral part of the strategic management of the Enterprise, which is responsible for setting long term organizational goals, and translating these into tactical and short-term goals and objectives.

Management

In COBIT 2019, the management domain plans, builds, runs and monitors activities in alignment with the direction set by the governance body to achieve the enterprise and information technology objectives. The responsibility areas of plan, build, run and monitor each have their own focus:

Align, Plan and Organize (APO) – focus on the use of information and technology and how best it can be used to achieve a company's goals and objectives.

Build, Acquire and Implement (BAI) – focus on identifying IT requirements, acquiring the technology, and implementing IT within the company's current business processes.

Deliver, Service and Support (DSS) – focus on the delivery aspects of the information technology.

Monitor, Evaluate and Assess (MEA) – focus on a company's strategy in assessing the needs of the company and whether or not the current Enterprise IT meets the objectives for which it was designed and the controls necessary to comply with regulatory requirements.

But having Governance and Management domains and sub-domains is not in itself all-encompassing, there is much more to the COBIT 2019 framework. The framework is extensive and comprehensive, and includes Enterprise Governance of Information and Technology (EGIT), Principles, Processes, Practices and Activities, Goals and Metrics, Inputs and Outputs, RACI Charts and Process Capability Assessments. In other words, COBIT 2019 is a single, integrated framework of globally accepted principles, practices, analytical tools and models to not only shape the governance and management of enterprise IT in your business, but that optimizes your investment in information and technology for the benefit of all stakeholders.

What COBIT 2019 does so efficiently and effectively is define and bring together six principles that allow the enterprise to build an effective governance and management framework based on a holistic set of five domains, 40 processes, 3 framework principles and 11 design factors that optimizes information and technology investment and use for the benefit of all stakeholders.

Six Principles

Principle 1:
Provide Stakeholder Value

Provide Stakeholder Value – stakeholders need value to be created by the Enterprise. Value to the stakeholder and the Enterprise means realizing benefits, with optimal risk and cost of resourcing. To meet these expectations, it is essential for an organization to have an enterprise governance objective of value creation.

Principle 2:
Governance Distinct From Management

Governance Distinct from Management – governance and management are not one in the same discipline. The purpose, objectives, activities and organizational structure of each is unique and distinct from the other. As such COBIT clearly separates governance from management in its framework.

Principle 3:
Holistic Approach

Holistic Approach – there are a multitude of standards and frameworks used by enterprises today: COSO; COSO ERM; ISO/IEC 9000; ISO/IEC 31000; ISO/IEC 38500; ITIL, ISO/IEC 27000 series; TOGAF; PMBOK/PRINCE2 and CMMI. COBIT aims to provide a single integrated framework for governance and management of Enterprise IT, spanning all IT activities in the organization and aligned to industry best practices, standards and frameworks.

Principle 4:
Tailored Enterprise Need

Tailored to Enterprise Needs – Governance systems should not be one size fits all but tailored to each enterprise, using a set of design factors to customize and differentiate each system.
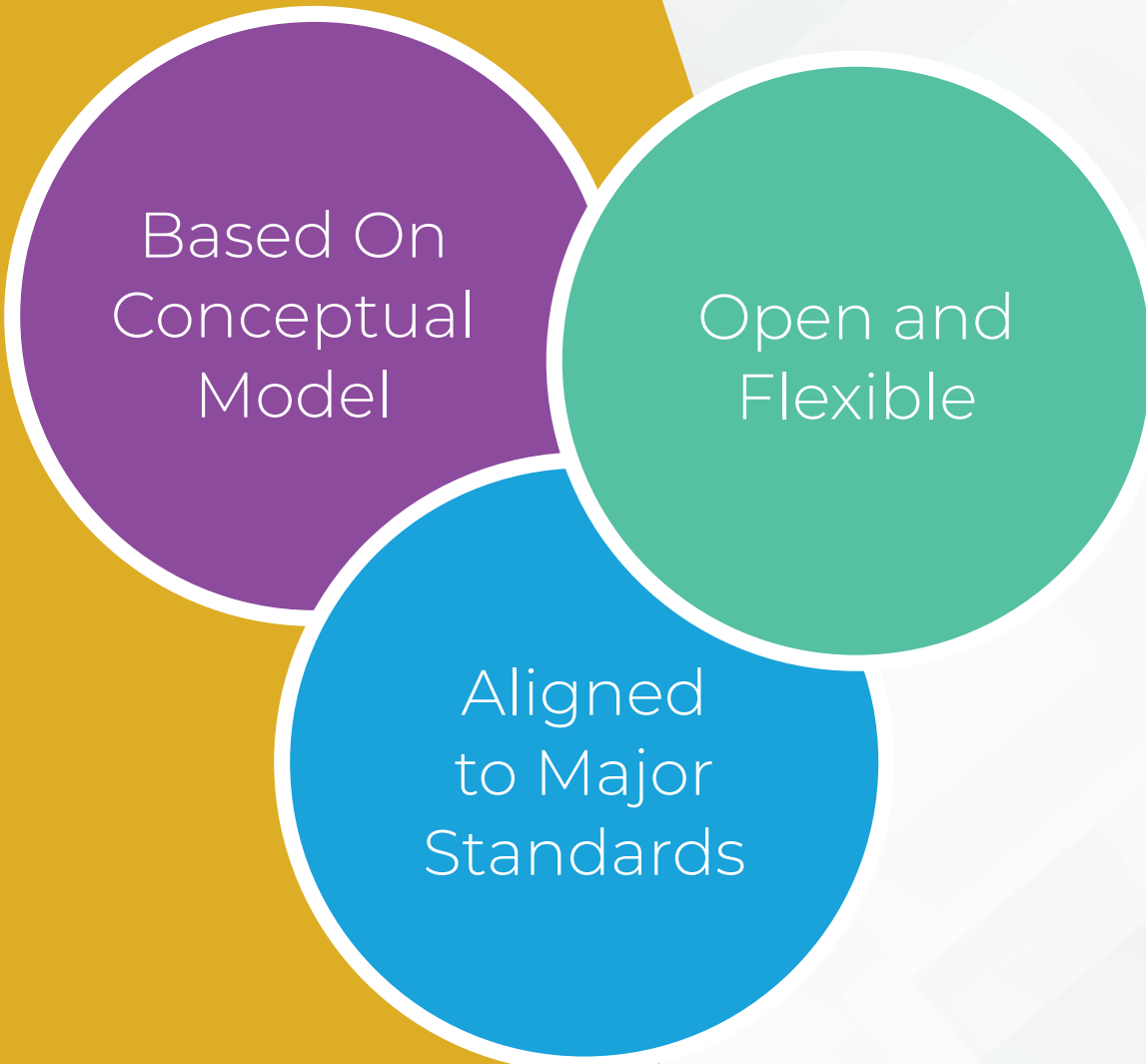
Principle 5:
Dynamic Governance System

Dynamic Governance System – a dynamic governance system is one in which changes to the design factors of the system have clear and understandable impacts on overall enterprise governance. By adopting a dynamic approach, enterprises can future proof their governance system.

Principle 6:
End-to-End Governance System

End-to-End Governance System – EGIT is an integral part of enterprise governance, and needs to encompass the entire Enterprise end-to-end. EGIT extends to all functions in the organization, where IT is present, therefore covering the Enterprise integrally and holistically.

Framework Principles

Introduced in COBIT 2019, the three framework principles are intended to be provide a framework for the construction of a governance system for an enterprise. This differs from the six principles, which merely describe the requirements of a governance system.

Principle 1: Based on a Conceptual Model - A framework should be based on a conceptual model, identifying the key components and relationships among components.
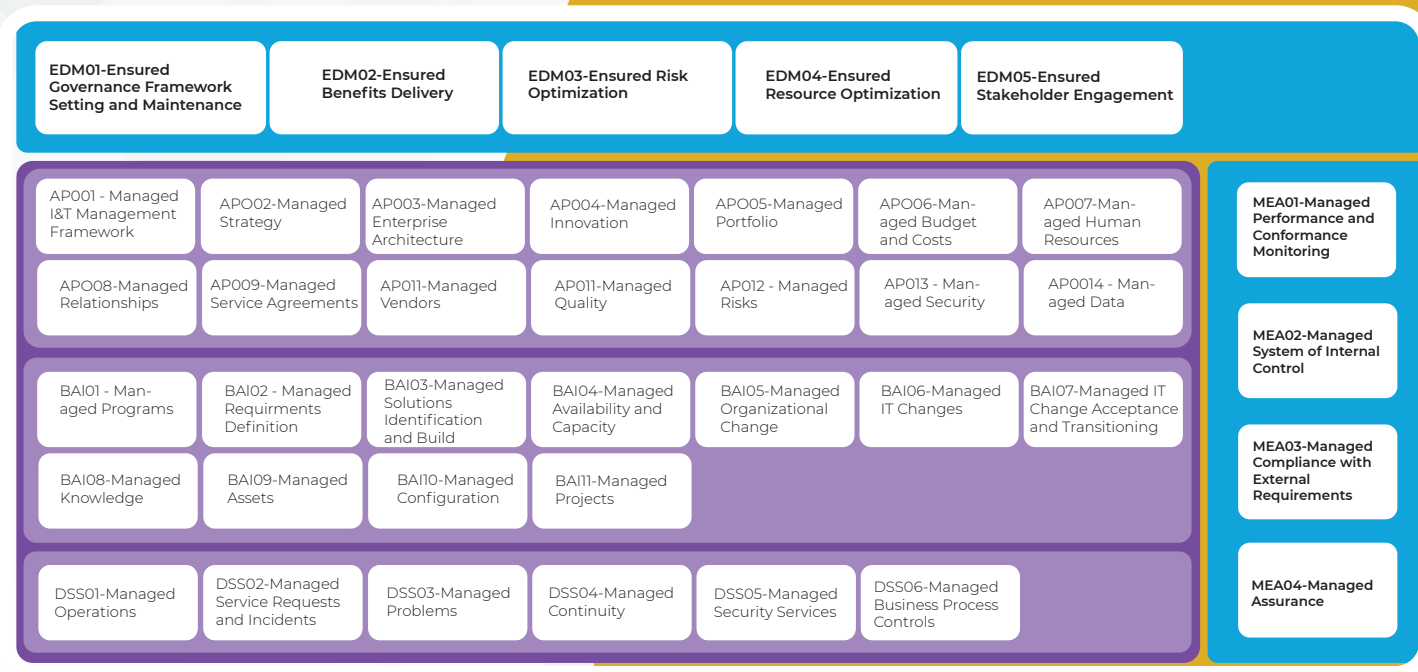
Principle 2: Open and Flexible - It should allow the addition of new content and the ability to address new issues in the most flexible way.

Principle 3: Aligned to Major Standards – The framework should align to relevant major related standards, frameworks and regulations.

Based On Conceptual Model

Open and Flexible

Aligned to Major Standards

Process Reference Model

There are 40 process within the COBIT 2019 framework, spread across the Governance domain (5 processes) and Management domain (35 processes), covering everything required for governance and management of Enterprise IT. The latter 35 processes of the Management domain can further be broken down across the sub-domains as follows:

- Align Plan and Organize (APO) – 14 processes

- Build Acquire and Implement (BAI) – 11 processes

- Deliver Service and Support (DSS) – 6 processes

- Monitor Evaluate and Assess (MEA) – 4 processes

EDM01-Ensured Governance Framework Setting and Maintenance	EDM02-Ensured Benefits Delivery	EDM03-Ensured Risk Optimization	EDM04-Ensured Resource Optimization	EDM05-Ensured Stakeholder Engagement	
AP001 - Managed I&T Management Framework	APO02-Managed Strategy	AP003-Managed Enterprise Architecture	AP004-Managed Innovation	APO05-Managed Portfolio	APO06-Managed Budget and Costs / AP007-Managed Human Resources
APO08-Managed Relationships	AP009-Managed Service Agreements	AP011-Managed Vendors	AP011-Managed Quality	AP012 - Managed Risks	AP013 - Managed Security / AP0014 - Managed Data

BAI01 - Managed Programs	BAI02 - Managed Requirments Definition	BAI03-Managed Solutions Identification and Build	BAI04-Managed Availability and Capacity	BAI05-Managed Organizational Change	BAI06-Managed IT Changes	BAI07-Managed IT Change Acceptance and Transitioning
BAI08-Managed Knowledge	BAI09-Managed Assets	BAI10-Managed Configuration	BAI11-Managed Projects			

DSS01-Managed Operations	DSS02-Managed Service Requests and Incidents	DSS03-Managed Problems	DSS04-Managed Continuity	DSS05-Managed Security Services	DSS06-Managed Business Process Controls

MEA01-Managed Performance and Conformance Monitoring

MEA02-Managed System of Internal Control

MEA03-Managed Compliance with External Requirements

MEA04-Managed Assurance

Design Factors

New in COBIT 2019, Design Factors are a set of 11 factors that can influence the design of a governance system.

Enterprise Strategy – what the enterprise is trying to do e.g. a growth strategy

Enterprise Goals – aspects which support the enterprise strategy e.g. a growth strategy is supported by the goal of product innovation

Risk Profile – the current IT risks the enterprise faces

IT-Related Issues – more general IT problems experienced by the business

Threat Landscape – external issues that may affect the business. The landscape can be categorized as Normal or High

Compliance Requirements – The level (Low, Normal or High) of compliance an enterprise must meet

**Role of IT** – the extent to which IT is critical to business operations

Sourcing Model for IT – how IT services are provided within the enterprise

IT Implementation Methods – ways in which IT implements its services, e.g. Agile.

Technology Adoption Strategy – how quickly an enterprise moves to adopt new technologies

Enterprise Size – size as determined by number of employees

Enterprise Strategy	Enterprise Goals	Risk Profile	I&T-Related Issues	Threat Landscape

Compliance Requirements	Role of IT	Sourcing Model for IT	IT Implementation Methods	Technology Adoption Strategy	Enterprise Size

Future Factors
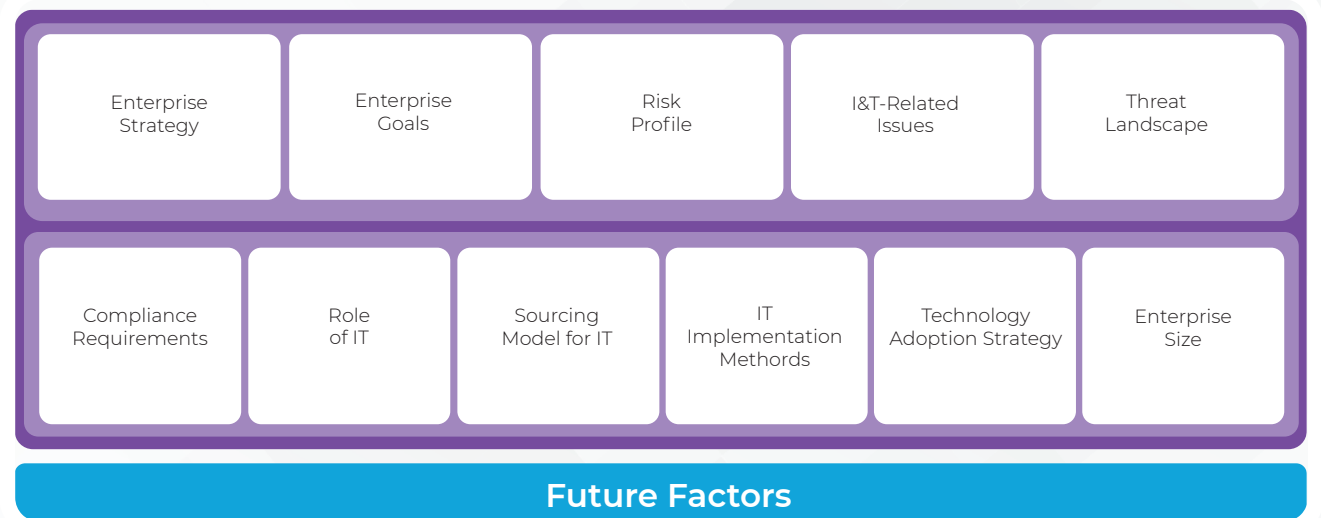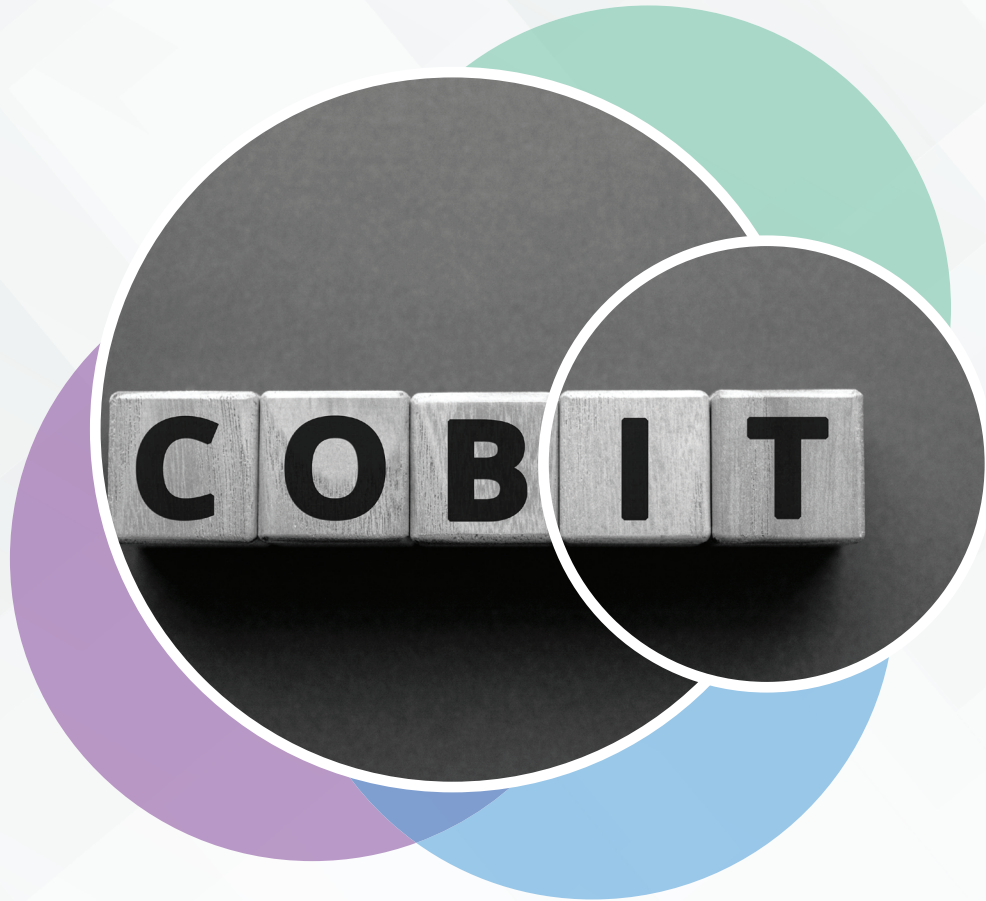
To realize the benefits of the COBIT 2019 framework, of course, it needs to be implemented in your organization. It's also important to understand that implementing COBIT 2019 is only the beginning, the start of your journey into the governance and management of Enterprise IT in your organization. The emphasis in a COBIT 2019 implementation is on a continuous lifecycle.

Implementation

The recommended approach for the implementation of COBIT 2019 is via a seven phase implementation lifecycle. Each phase contains Program Management, Change Enablement and Continuous Improvement components which ensure the implementation program is managed effectively, behavioral and cultural aspects are addressed and that it is not a once-off initiative.

The implementation lifecycle moves through seven phases from when the need to act is recognized, the desire to change established and programme initiated in Phase 1, all the way to Phase 7 where the effectiveness of the programme and sustainability of the improvements are reviewed, new requirements for governance and management of Enterprise IT identified, and the essentiality of continual improvement reinforced. Then the lifecycle starts all over again.

Phase 1

Asks What are the drivers

Phase 2

Asks Where are we now?

Phase 3

Asks Where do we want to be?

Phase 4

Asks What needs to be done?

Phase 5

Asks How do we get there?

Phase 6

Asks Did we get there?

Phase 7

Asks How do we keep the momentum going?

The Seven Phases and the three components within each phase provide an integrated, cohesive and comprehensive implementation lifecycle.

Benefits

The COBIT 2019 framework, focused on governance and management of Enterprise IT, is today helping organizations around the world to realize significant benefits. Some of these benefits include the ability to:

- Provide quality information for effective enterprise decision making

- Govern and manage Information

- Maximize trust in and value from Information and Technology systems and investments, for internal and external stakeholders

- Maintain high-quality information to support business decisions

- Achieve strategic goals and realize business benefits through the effective and innovative use of IT

- Achieve operational excellence through reliable, efficient application of technology

- Maintain an acceptable level of IT-related risk

- Optimize the cost of IT services and technology

- Simplify complex standards

- Support compliance with relevant laws, regulations, contractual agreements and policies

Conclusions

Many refer to the 21st century as the information age. There is no question that information and the technologies which supply and demand it, continue to become exponentially pervasive in everyday life. Both information and information technology have become securely embedded in the strategic management of the modern day organization.

This strategic position has duly warranted a heightened focus on governing and managing all aspects of information technology in the Enterprise. After all, as with any critical asset, tangible or intangible, one would want to be assured that value is being generated, and that costs and risks are optimized. In fact, board and executive stakeholders not only seek this assurance, but demand it, as an essential component of the organization's enterprise governance and a measure of enterprise performance. The pressure and challenge of defining and implementing IT governance and management processes has resulted in many organizations falling short when it comes to the governance and management of their enterprise IT. If only they had been fortunate enough to know about COBIT 2019 and the COBIT 2019 family.

COBIT 2019 not only provides a business framework for the governance and management of Enterprise IT, it focuses on reducing risk, optimizing cost and maximising value and returns from your investments in information technology. It is no surprise that it is arguably the most comprehensive, generally accepted and in use framework focused on governance and management of Enterprise IT globally.

The need for Governance and Management of Enterprise IT is undisputed, and so too should be the choice of framework to use. In COBIT 2019 there is a practical and available means to govern and manage information and technology, which can be used by a multitude of stakeholders in any organization anywhere in the world to drive business value and enable the achievement of business goals and objectives. COBIT 2019 really is the smart choice for the Governance and Management of your Enterprise IT.