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IT Governance for SMEs

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Abstract

IT Governance is placing information technology (IT) and information systems (IS) on the agenda of CEOs. However research on the IT/IS value proposition is elaborate and strongly focused on large firms. Despite the numerous successes illustrating the advantages of IT Governance in organizations it is commonly accepted that the processes of developing and using IS are not straightforward. The focus of this research is the complex relation of IT/IS and small and medium-sized enterprises (SMEs) in an outsourced environment.

Keywords: IT Governance, SMEs, Nomological IS network, Outsourcing

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INTRODUCTION

IT Governance is placing information technology (IT) and information systems (IS) on the agenda of CEOs. However research on the IT/IS value proposition is elaborate and strongly focussed on large firms. Despite the numerous successes illustrating the advantages of IT Governance in organizations it is commonly accepted that the processes of developing and using IS are not straightforward. The focus of this research is the complex relation of IT/IS and small and medium-sized enterprises (SMEs) in an outsourced environment. We conducted a multiple case study research strategy. Considering the current state of the research we have formulated two general research objectives: 1) to extend our knowledge of IT failures in an outsourced SME environment (OISF) and 2) to clarify the link between OISFs and the principles of IT Governance. These objectives have been broken down into the following research questions: 1) Why do IT projects fail in SMEs? 2) How do IT projects fail in SMEs? 3) How do SMEs manage their IT projects? and 4) Why is there not enough IT Governance in SMEs?

FRAMEWORK

A generic framework for detecting OISFs has been developed (see Figure 1). The basic underpinning lays within the nomological IT network extended with constructs from theories already used in IS research: agency, prospect, trust, lemon market, and incomplete contract theory.

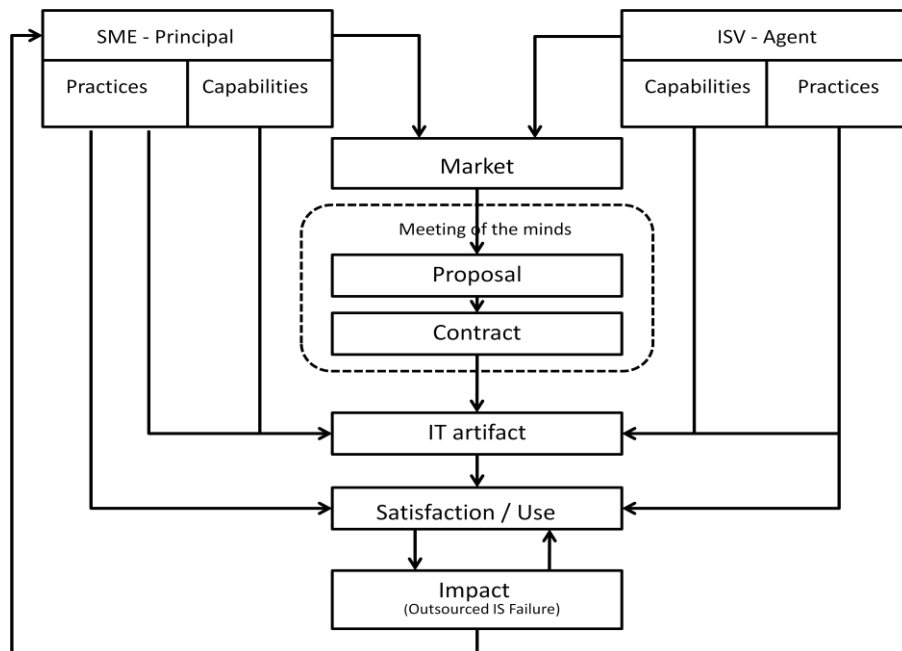


Figure 1. The OISF framework.

The contributions of our framework are threefold. First, the framework is solely constructed from an SME perspective and draws on a qualitative approach of real business cases.

Secondly, the framework is generic and not based on a particular technology. Thirdly, the framework allows for spelling out the characteristics of IT Governance in SMEs. The focus on OISFs allows a complete view of IT Governance since it encompasses the complete cycle of plan-do-run and check.

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