For Cloud Professionals, part of the On Cloud Podcast

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Title:	**Cloud governance is critical to leverage its full potential**
Description:	Cloud is largely fulfilling its potential to transform the way business is done. However, many companies are reluctant to fully leverage the cloud's ability to automate some business processes to make them more consistent, efficient, and compliant with regulatory agencies. One reason might be a perceived lack of ability to effectively implement governance in a cloud environment. In this episode of the podcast, David Linthicum and guest, Bob Larrivee, discuss how the cloud can help organizations make their processes more consistent, effective—and potentially more compliant—by providing a central point of data capture and process execution, and the role good governance plays in helping companies fully embrace the transformative potential of the cloud.
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Operator:
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David Linthicum:
Welcome back to the On Cloud podcast, your one place to find out how to make cloud computing work for your enterprise. This is an objective discussion with industry thought leaders who provide their own unique perspective around the pragmatic use of cloud-based technology. Today I'm joined by Bob Larrivee. With more than 35 years of information management and process improvement experience in several sectors, Bob is a recognized expert in applications of advanced technology and process improvement to solve business problems and enhance business operations. In his career, Bob has led many projects and authored hundreds of e-books, industry reports, blogs, articles, infographics, has done Oscar-winning movies – I made that last part up – on process improvement technology application. In addition, he has served as host and guest and subject matter expert on a wide variety of webinars, podcasts, virtual events, and lectured at in-person seminars and conferences around the globe. So, Bob, welcome to the podcast.

Bob Larrivee:

Hey, thanks for having me. And, yeah, basically what you just said is I'm old. I've been around for a while, but thanks. It's great to be here with you.

David Linthicum:
I know a lot of old people in IT, including myself, and they're not as accomplished as this. You should be proud of what you've done in your career. So tell us what you do. What's your day job? You know, what are you focused on?

Bob Larrivee:
Well, I'm running a consultancy firm, and what we focus on is working with various organizations who are looking to improve their operational efficiencies. Today, even though technology is everywhere, one of the things that we're finding as you go into an organization and, while they may be using technology to try and automate some areas of their business, there's a lot of times where manual processes are still injected into the overall operation. So for example, I'll give you the approval process as a point of discussion. You've got a contract or there's some document that needs some approvals and signatures, and it's created digitally. This document gets created digitally, or some people would refer to it as digitally-born, and when it gets time to sign or review and approve and go through that cycle, a lot of times what happens is the document gets printed, then it gets signed, then it gets scanned, or digitized, and brought back into the process. And it's really kind of silly, because we have capabilities today for e-signature, electronic signature, digital signatures that could eliminate those manual steps and really make a huge difference in improving the efficiency, but also improving things like security around that information. And so these are things that I focus on.

David Linthicum:
So automating content-intensive processes, that really kind of comes up a lot these days when I talk to clients and even talking to the press, however, it typically comes under fire in litigation and audits before the technology is questioned. So how do you deal with that? How does technology meet legalities out there in compliance?

Bob Larrivee:
Well, and I'll admit this to you, and I guess I'm admitting it to the world through this podcast. But I do have several friends who are attorneys, and when I discuss various things with them, like there may be a case that's in the news or so on, what they'll typically tell me is technology is the last thing that they're going to challenge. What they view is, if the technology is installed and maintained to the vendor's specifications, then it's doing what it was designed to do, and you can't really challenge that as long as it's documented that you're maintaining it, right. So you can prove that you're doing daily backups, or whatever the administration activities are.

What they will do is look at the way that you're using that technology and the processes around it. And so what they're trying to find is inconsistent practices or inconsistencies within the process. The minute they find one, then they can question your information management practices as a whole. And if you can't defend the reason why there is a difference in that process and the way that you're doing it in Department A versus Department B, then that opens you up for risk. And so the idea is to typically look at your various processes, and, in some cases, it could be globally, right, where I'll use a finance department as an example. In the finance department here in the US, they're doing things a certain way, but in Germany, or maybe the UK, they're doing things a little bit differently. The question then has to become one of is it a regulatory or legal reason why they're doing things differently? If the answer is no, there's no reason they're doing things differently, then that opens up that questionable area. I hope that makes sense.

David Linthicum:
Yeah, it does make sense, and so, what would the risks be? What impact would be there on the business?

Bob Larrivee:
Could be noncompliance with some regulations. It could be that somebody has decided to sue you, or sue the organization, and now what's happening is the attorneys, the defending attorneys, the company's attorneys, will have to defend the information management practices while the plaintiff and the prosecutors would be looking for those inconsistencies. And if they find them, then they can challenge, okay, well you didn't do it this way and perhaps there's a reason. Maybe it wasn't intentional or so on. In some of the regulatory environments, inconsistent practices would open you up to, let's say for example – one of the biggest ones is the General Data Protection Rules in the European Union, where it looks at things like personally identifiable information.

And there are certain criteria around that that if you as a consumer want a company to expunge all your information, get rid of it all, you have the right to ask them to do that and they have to prove that they've done it. Now, while it's an EU regulation, it impacts any company, any organization that's transacting business in the European Union. And so if you're based here in the US, but you have business transactions or even employees over in the EU, then this is something that you've really got to be aware of. And consistent practices and being able to demonstrate and defend those practices is key when it comes to standing up and saying, okay, this is the way we do things and there really isn't any inconsistency.

David Linthicum:
Yeah, I remember when those regulations came out and you look at it just as something that impacts the EU. The reality is it had global impact in terms of everybody who's dealing with the EU. It's pretty much every international business in the world, and so they had to change a lot of their core processes. Some of the social networking folks had to change some of their core processes and how they handle data and how they really comply with the rule. So this is going to be an ongoing shift, and when the regulations shift in a certain direction, we're going to have to figure out how to accommodate it. So how does cloud play a role in relating to capturing of information using mobile devices for physical information, electronic forms, application processing, stuff like that?

Bob Larrivee:
This is where it now starts to get – the e-forms, for example, electronic forms get you a lot more consistency because now what you're doing is you're capturing it on the front end. You go to the company's web site, for example, maybe you're doing an application form for financing, maybe a mortgage or a loan or something like that. And so you get that consistency because the form doesn't really change. The data will change within the form, but you've got consistent forms there. From a physical standpoint, the use of mobile devices now is becoming a very strong player because we can capture pretty much anything. You can capture data through your mobile device, but you can also take pictures and videos. And we see a lot of that today. You see it in the

news, you see it all over the place where people are using their smartphones and they're capturing all of this information, and it's physical information that they're looking at.

I'll give you an example. When there's a disaster that strikes, maybe fires, you know, we have the fires in California and, of course, Australia, what was going on down there. When it comes time to do insurance claims, the insurance adjusters can actually, today, take down all the vital information using an electronic form. So for you as the insured, capture all of the data that they need in relation to you, but at the same time, they can now start taking digital photos of the damaged properties or items, things along those lines, and add it right there on the spot in the field, bring that whole package together to send in for processing, and it really makes a difference in the amount of time it's going to take for approval to happen so you can get funds to recover.

David Linthicum:
So ultimately how do businesses think about the impact of this and where is the risk and where are the opportunities?

Bob Larrivee:
Some businesses are very in tune with it and they do think about it. They think about how can I improve these processes. Some of them still have a reluctance, and I think the reluctance is really the human factor. I'm comfortable with a physical piece of information or something along those lines, therefore – and I would go back to the signature process, the approval process, where I'm more comfortable putting ink to paper than I am using a digital signature. So there's this change management element that comes around with all of this as well, where we have to bring the cultural aspect into it and say, okay, as a culture, are we open to these changes. How do we move the organization in the right direction to go from an analog world to a digital world and give them that level of comfort, not only with the technology, but also the interfaces that they're going to use?

You could build the best software application and capture tools in the world, but if they're not easily usable, then people are going to try to sidestep them. And so this is one of the things that I see in relation to cloud is there's ways to automate processes where I'm in the field. I've got some type of a mobile device, and when I log in, what it's actually doing is getting me into that cloud application, allowing me just to interface directly. I don't have to worry about uploading anything. It's all going to be done. And so simplicity becomes the major factor there.

David Linthicum:
So I'd like to spend the rest of our time talking about cloud governance, and this is something that's near and dear to my heart, and it seems to be something that's extremely important that people aren't necessarily paying attention to these days. So ultimately, how is governance being leveraged and how are companies wrestling with capturing information from files, sharing, cost data and when they may not be aware of when it's being used by what employees and putting guardrails around that, integrating governance with security? What do you think about that? Pretty hot topic.

Bob Larrivee:
Oh, it's a huge topic, and it's one that anytime I bring something like this up, people start to cringe, because I'll typically ask them, you know, where is your information residing; what kind of tools are you using in relation to sharing it; when it's captured and shared, how is it being done; what is the process or the method being used? And so there are file shares, but there's cloud-based applications out there that would allow me to post something up there and then have you come in and get it, and the company that I work for may not necessarily know that I'm doing this. And so these are some of the challenges, because those also present a risk to the organization, that if the information is out there, and it's of a sensitive nature in particular, there's a possibility that it could be leaked, or your security is breached.

And the employees themselves don't necessarily know this, so governance over cloud use and the types of tools that can be used has become a huge topic these days in that companies are trying to standardize and identify the right tools to get the job done. For example, a salesperson may need a certain type of tool that's a little bit different from the finance organization, and so what can we use, how do we use it, who's allowed to use these things, and with regard to keeping information out on these different tools or file shares and so on, what is the policy regarding that? Is it something that I share a file with you, and the requirement that I have is within 48 hours of notifying you that it's there, it will self-destruct? Or, can I leave it out there and it stays forever? And so we have to identify certain types of information and put governance around those as part of the discussion on what the tool is and how we're going to use it. So certain types of information, yeah, maybe I can leave it up there for 30 days, but other types of information has got to be brought back or destroyed within 48 hours.

David Linthicum:
So what about the argument being made that we live in an agile DevOps world and, you know, therefore everybody should be empowered to get at most of the information systems in the enterprise so they can build and be creative and be innovative around building applications and putting these solutions in place is, in essence, becoming the man in terms of not allowing access to things and really putting guardrails around things that developers typically want freedom to get to? So how do we draw the line, and how do we change the culture to understand the value of governance?

Bob Larrivee:
That's a really interesting one, and this is part of the cultural challenge. Having been in a development community, I fully agree with the whole idea of, I should have access to everything, and I should be allowed to be innovative as a result of the things that I have access to, but there comes a question – and this is the whole transparency discussion – what types of information do I really or should I really have access to, based on my role? So if I were a software developer, for example, does that mean that I should be allowed to have access to human resource files? The answer is no. First of all, I'd be violating some legal and regulatory constraints, but I shouldn't be able to see what your pay levels are and what your medical histories are and anything else that the company keeps on you. So we really have to, when it comes to governance, it kind of gets back, again, to what is the information, who should be using it, who needs to use it, and then putting those guardrails around the information in that way that, yeah, if there's a need for you to have it, you're going to have it. But if it's something that's of a sensitive nature, and there really is no valid reason for you to see it, then you're not going to be able to get to it.

David Linthicum:
So the answer is we have to put limits on what people can see and share and also protect ourselves from ourselves. If you think about it, governance really is not necessarily restricting access by people within the organization. It's about protecting data from people making mistakes, accidentally deleting things and moving things into a different server, even shutting down systems, closing off APIs, create outages, and outages mean the business is down for a while. So governance provides a value there in not necessarily making things too restrictive, but creating policies around ensuring that we have guardrails in place

to make sure that people don't run off the road and kind of, if you let them do whatever they need to do, they're going to run off the road from time to time, not necessarily maliciously, but people make mistakes. I've made thousands of them in my career, accidentally deleting files and things like that. And if there's some sort of governance restriction from doing that, I'd be much better off and so would the enterprise.

Bob Larrivee:
Absolutely. I'll give you an example of – I'll call it a level of flexibility, but very tightly-controlled governance. There's an agency within the federal government, and I can't identify who it is. But suffice to say that they had requirements that said you have the right to know that some information exists, but you do not have the right to just blatantly access it. And so what would happen is, if you were searching for the information, it would come up in your hit list, but it was not an active link. And what they would do is identify the source of that information so that you could approach the individual maybe that authored a particular document and make a request of that individual for the information that you need, and that individual, based on your clearances and so on, would either approve or deny and provide that information to you. So you had the right to know it was there, but you didn't have the right to actually just go access it. And in some cases, if you didn't have the right to even know it existed, it would not show up on your list.

David Linthicum:
Yeah, I think we need to understand how that stuff works. You're preaching to the choir with me. I write and speak a lot about governance systems, but you know, the reality is that when you talk about governance and management monitoring and things like that, those are just – those just aren't sexy topics, and people have a tendency to kind of, you know, eyes roll back in their head and they want to think about other things, they want to think about containers and serverless and, you know, DevOps kinds of things. So how do we promote this to the world?

Bob Larrivee:
Well, I think there has to be a value. Like anything, there has to be some type of value statement. Why would I want to pay attention to this? And it's easy to turn around and point to risk, you know, use the fear factor. Well, if you didn't do this, then you're going to be fined tens of millions of dollars if you're caught, and so on. But I think the other part of it, when you start looking at value, is to show just exactly how governance can help an organization become more efficient. So, for example, if we had the governance that I talked about just a moment ago that said if you don't have the right to see it, it's not going to show up on your list, that means that the individual in search of information has a lot less to go through, the haystack is smaller to find that needle. From an automation standpoint, there are a lot of tools available now that will do curation based on certain elements of certain profiles. And so we can leverage governance in that sense, that we can set up key profiles, we can set up key parameters that folks could use, and this is the tool that you're going to use as an organization, this is what we standardize on. And so I think that's part of it too is that, you know, we profess the value of it, that instead of taking two hours to find the information, it'll take you ten minutes. It's got to be realistic too, you know.

David Linthicum:
Yeah, realistic is important. Has to have some sort of pragmatic application. So where can we find out more about your work on the web?

Bob Larrivee:
Well, my web site is boblarriveeconsulting.com.

Bob Larrivee:
L-A-R-R-I-V, V as like Victor, and two Es. L-A-R-R-I-V-E-E dot com. And if you Google Bob Larrivee, you'll not only come up with that, but I do a lot of writing and, as you mentioned earlier, and folks will be able to find all kinds of things that I've done in the past as a result of that.

David Linthicum:
So check out Bob's work this is important stuff let me tell you it's gonna be something were going to have to rassle with as we make cloud computing work and really technology in general. So if you enjoyed this podcast, make sure to like and subscribe on iTunes or wherever you get your podcasts. Also check out our past episodes including On Cloud Podcast hosted by my good friend Mike Kavis on his show Architecting the Cloud and his book by the same name. So if you would like to learn more about Deloitte's cloud capabilities, check out DeloitteCloudPodcast.com all one word, and if you'd like to contact me directly you can reach me at DLinthicum@Deloitte.com. Until next time, best of luck with your cloud projects. We'll talk again real soon. Take good care.

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