Opening of the XV RCCB IT Conference

Speech delivered by Mr. J. Hasselmeyer, Executive Director, at the occasion of the opening of the XV RCCB IT Conference at the Bank van de Nederlandse Antillen.

Ladies and gentlemen, good morning.

It is a pleasure for me to welcome you today at the Central Bank of the Netherlands Antilles to the XV Annual Conference of Regional Central Banks' Information Systems Specialists. Eleven years ago we hosted the fourth conference in this series. For some of you this may be the second time that you are visiting our island to attend this meeting. I am therefore happy to welcome you again.

The theme for this conference is: "IT Governance: Managing IT Resources efficiently in Central Banks".

This topic, ladies and gentlemen, is very opportune and timely. The recent scandals that have affected many national and global corporations have brought the need for corporate governance to the forefront. More and more organizations are beginning to realize that the rules of corporate governance should also apply to the area of Information Technology. The vital role that information management plays in today's business world, has made it even more important. Not only has it become increasingly necessary for organizations to establish and maintain a certain minimum standard of internal controls, but those controls have to be subject to periodic review. For information managers that are responsible for electronic information, the need for strong information technology governance has never been more pressing.

In today's global marketplace, the competitive advantage of companies are highly dependent on the way they manage their information and other intangible assets. Given the strategic nature of these issues, oversight of the technology function is critical. The necessary foundation for effective IT management is a structure for setting operational priorities for both the short and long term and for making investment decisions. Thus, IT governance is the mechanism by which companies establish IT procedures, objectives and investment guidelines.

The function of IT governance should be that of standardizing and controlling enterprise's information technology in order to ensure that:

- principles are established by which IT function will operate;
- IT objectives congruent with the company's business goals are set;
- business investments in IT are optimized; and
- IT-related risks and opportunities are appropriately managed.

It is therefore important to create an environment conducive to the strict adherence to IT governance responsibilities. Clearly, stated objectives have to be in place to guarantee the proper execution of IT governance. In this regard I am pleased to inform you that here, at the Central Bank of the Netherlands Antilles, we have adopted frameworks like ITIL, Prince2 and COBIT which are all based on best practices. Our IT objectives are therefore being measured against international standards.

Ladies and gentlemen, as stated before, IT governance provides a process oriented operation which in turn enables the pursuit of excellence. This means that these processes should be managed to achieve:

- an optimization of efficiency and effectiveness among processes;
- the integration of tasks and processes that are more or less similar;
- clear accountability of all participants; and
- the provision of multi-support

It is important however, to align these objectives with the business strategies. Therefore, it has to be clear to all involved what exactly the values, rules, objectives and measurements are. The theme of this conference indicates that you will have ample opportunity to discuss and debate these processes, objectives and measurement techniques.
There are many challenges to be overcome in order to align IT with business strategies. Some key factors for success are that both management and the IT staff are committed to work towards a process oriented organization. There should be a clear goal and measurement of goal realization in terms of strategic direction. In addition, stakeholders must be well-informed and have a good understanding of business processes and their corporate importance. There should also be general acceptance of innovation and new ways of working according to

internationally accepted best practices. A proper understanding of these factors will form the basis of a successful execution of IT governance.

In many companies, IT investments represent as much as 50% of corporate capital spending. The value of IT, however, is often difficult to measure and sometimes the links between IT initiatives and overall corporate strategy are not easily established. Successful IT departments will demonstrate their value by effectively communicating to management how it is spending time and budget and what its impact is on an organization's performance and bottom-line. This can be more readily made visible using principles of IT governance.

Ladies and gentlemen, as I stated, the timing of this conference is very opportune for all of us. I hope that you will be able to look back at this conference as the one that laid the groundwork to establish and or accelerate the implementation of the necessary framework of IT governance for the Central Banks in the region.

I wish you a productive and fruitful meeting.