

# Exam Strategy & Topic Review

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## Agenda

- Practice Exam
- Exam Strategy
- Crucial Concepts
- End of Cycle Exam “Cram”



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## Practice Exam

- Link will be available sometime before June 1
  - Will use surveygizmo.com engine
- Scored on 200-800 scale
  - June 6 last date for completion
  - Must enter email address to receive score & answer sheet
- Online review
  - June 8 practice exam review
  - Will critique candidate's rationale of an incorrect answer



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## Exam Strategy: CGEIT Item Development Guide


- <http://www.isaca.org/Template.cfm?Section=Certification3&Template=/ContentManagement/ContentDisplay.cfm&ContentFileID=18842>
- Multiple choice
  - Stem + 4 options
  - Multiple plausible answers
  - Single best / correct answer
- Each item associated with:
  - Single CGEIT domain
  - Knowledge statement in CGEIT job practice



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## Exam Strategy: Maintain a Governance Perspective


- Questions are subtle but not tricky
  - have a CGEIT rationale for selecting the option that you have.
    - Select a response option for reasons related to IT governance: oversight vs. mere management
      - e.g., COSO control activity
    - “Best” answer is the one associated with better governance, not necessarily “better” result from some other perspective
      - e.g., ‘inefficient’ outcome measures vs. ‘efficient’ activity metric



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## Exam Strategy: Apply the Themes


- Exam includes few (if any) items related to the specifics of any particular governance framework
  - Other schemes to certify individuals on specific frameworks (e.g., COBIT, ITIL, TOGAF, BSC ...)
- Seek broadest understanding of item, select answer that is most generally correct
  - Apply the principles underlying a given framework, rather than framework specific details.



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## Exam Strategy: Apply the Themes


- Small number of ideas are pervasive in the CGEIT book of knowledge.
  - Choose question options that are consistent with the relevant principles.
  - If choosing an answer that is inconsistent with the principles, have a good (governance) reason why the exception holds



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## Exam Strategy: Simplify the Question


- Real world governance questions are multi-faceted, but the test items less so
- Identify the single domain from which question was drawn
  - Then, apply general principles of that domain



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## Exam Strategy: Disambiguate


- Items sometimes do not provide enough information to determine an unequivocal 'best answer' -- incomplete 'by design'
  - Be willing to apply your understanding of the most likely context for the question
    - Item writers are affected by their own bias about what is 'generally true' of IT and organizations and may not feel the need to include such information in the question
    - How candidate 'fills in the blanks' indicates the candidate's knowledge of current practice / issues



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## Exam Strategy: Adopt the Right Attitude


- Many test items will seem to be incredibly easy
  - Most common post mortem response is disappointment rather than confirmation
- Take the test serious -- 50% of candidates fail
  - Exercise caution with items that seem overly obvious, subjective or 'irrelevant'
    - Give those items a second or third read,
    - ask 'what might I be missing?',
    - know what governance principle is applied in your answer.



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## Exam Strategy: Guess


- Best of 4 multiple choice test
  - No penalty for guessing / incorrect answers
    - Answer every question
      - Worst case: eliminate those answers that are clearly wrong and then guess 'intelligently'; e.g. pick the option that seems to have most general applicability
    - If simply have 'no idea'
      - Select the longest response option
      - Or, 'option C'



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Review

## CRUCIAL CONCEPTS



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## Rationale for IT Governance

- Need for governance derives from Board responsibility to build long term stakeholder value
  - Build value:
    - Top down strategic directives
    - Ensure appropriate control environment
  - Monitor performance
    - Asset protection [risk reporting] & compliance
    - Effectiveness of strategy
- IT governance is special case of corporate governance
  - “Specialness” derive from intangible nature of asset and indirect value contribution



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## Frameworks

- Frameworks are a mechanism of enterprise governance
- Frameworks represent enterprise commitment to a particular discipline:
  - what needs to be accomplished
  - how will that be accomplished
  - what roles will participate
  - what will indicate accomplishment & quality
- Frameworks can be derived from industry sources or be internally developed



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## Frameworks (cont)

- Frameworks cascade from the top down
  - IT frameworks should instantiate corporate level governance framework (COSO); project planning, etc
  - Partial ordering of frameworks
    - ‘domain’ or ‘task’ frameworks, may provide detail where others are lacking (e.g. COBIT PO10 and PMPBOK)
    - Hierarchical relations need not be strict



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## Frameworks (cont)

- Frameworks vary in breath (application) and specificity (detail)
  - More detail => higher level of standardization => greater maturity



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## Alignment

- IT strategy must support strategy defined by business:
  - IT initiative enables achievement of specific strategic business objectives
    - ‘enables’ = increases likelihood of success
  - IT initiative results in the achievement of specific strategic business objectives, and / or
- Top down: business strategy defines business objectives => IT strategy
  - If IT does not explicitly support objectives as above, then IT is not strategic. IT need not be strategic for all objectives.



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## Alignment (cont)

- Strategic maps and balanced scorecard are ‘best practice’ methods to describe and communicate strategy
  - ‘Cause & effect’ are critical aspect of strategic objective: “what is being achieved and why”
  - Multiple perspectives \ stages of ‘strategy’:
    - ‘corporate capability’ aka ‘learning & growth’
    - ‘internal’ aka ‘operational excellence’
    - ‘customer’ aka ‘product and services’
    - ‘financial’



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## Alignment (cont)

- IT Strategic themes:
  - (support) IT strategy must always include plan to ensure cost effective, appropriately available and robust information infrastructure
    - *Sine qua non* of enterprise IT
    - Usually evaluated from 'learning & growth' and potentially 'financial' perspective



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## Alignment (cont)

- IT Strategic themes
  - (partnership) Support existing business application with deployment of specialized functionality or service
    - Business led
    - Usually evaluated from 'internal' or 'operational excellence' perspective
  - (leadership) Create new lines of business / markets through deployment of innovative technology
    - Potentially IT led
    - Indicates very high level of IT maturity and partnership within enterprise
    - Potentially evaluated from 'customer' perspective



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## Value Delivery

- IT investments should be managed as portfolio
  - Each investment is considered in the context of all IT investments
- IT investments should be valued in terms of effect on business outcome
  - Create or enable business objectives (quantified benefit)
  - Productivity improvement / lower cost => greater value
- Investment returns evaluated on a risk adjusted basis



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## Value Delivery

- Categorize individual IT investments within the portfolio
  - Gives better picture of how funding is being allocated to infrastructure, transactional, innovation, etc.
- Use business cases for evaluation and feedback
  - Should address both financial and intangible values and metrics
- IT Portfolio constantly monitored for full lifecycle of projects—both current and proposed



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## Risk Management

- Risk is owned by the business
  - Risk acceptance determined by business leader
  - Duty to report risk in business terms
  - Duty to report risk on continuing basis
  - Duty to re-evaluate and report risk upon events
- Risk is relevant to all information criteria, not just CIA



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## Resource Management

- Planning based on strategic objectives and IT alignment needs
  - Standardization & process maturity are necessary conditions of resource maximization
  - Driven by enterprise architecture
  - Addresses both IT projects and operations resources
- Prospective outlook on what critical resources are needed and how to source them
  - Enterprise should seek to maximize resource capability in areas of core competency
  - Otherwise seek most cost effective (out)source



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## Performance Measurement

- 2 category of measures; indicate distinct purposes
- Contribution to business objective(s)
  - Cascade from business scorecard
    - Indicates achievement of IT goals
  - Subject to dilution; compensate by collecting multiple measures
  - Diagnostic of issues related to failures in strategy
  - Drives adjustment in strategy & alignment
- Operational efficiency and effectiveness
  - Service metrics marking continuous improvement (or not)
  - Diagnostic indicators of defects / failures in process
  - Drives process improvements



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## EXAM PREP 'CRAM'



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## Final Prep Activity

- Re-Read 'Board Briefing on IT Governance'
- Skim 10 interesting 'CIO Magazine' and 10 interesting Online 'ISACA Journal' articles found using governance keywords
- Study in detail the Appendices of the Board Briefing document w/ particular attention to roles
- Study COBIT M4 processes w/ particular attention to roles & responsibilities
- Still enough time to read recent book on governance
  - Weill & Ross (IT Governance) or
  - Harris et al (The Business Value of IT)
  - Thorp (The Information Paradox)
  - something in an area of personal weakness



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## Overlooked 'Who' & 'How' Topics

- Areas where preparation may be weak:
  - roles & responsibilities
  - 'influence'
    - factors that influence adoption / change
  - governance 'mechanisms'
    - methods to ensure that Board decisions & values are promulgated and incorporated into 'operational' decisions



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## Last Minute

- Confirm receipt & correctness of Exam admission ticket before June 7
  - Know location of exam center \ parking situation, etc
- Ensure supply of #2 pencils
- (for those with weak eyes) Consider bringing magnifying glass. Room lighting may be insufficient given a faintly printed 'fill in the bubble' type answer sheet



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Good Luck

**FINI!**

