



CIO As A Service Broker

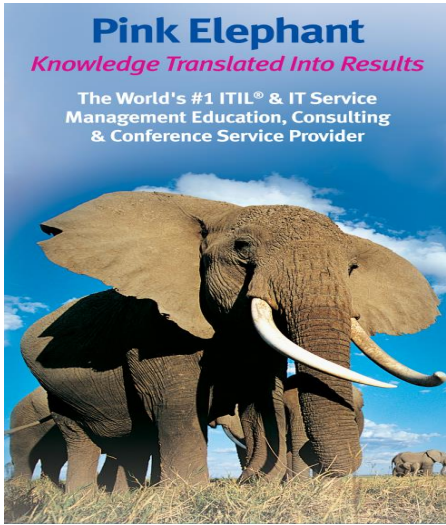


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Pink Elephant – Leading The Way In IT Management Best Practices

Agenda





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- Traditional Management Perspective
- The Evolving Model
- “Tools” Available To CIO As A Broker
- Questions For Monday
- Questions

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Remember When The CIO Was Master Of Her Dominion?



There was one provider to “rule them all”

The world of multiple providers in an “open” environment

Professional Services offshoring/near shoring

And then the world changed...

There Has Been A Shift In The IT Value Stream



Emerging Virtual Service Providers are impacting delivery, control and governance of business critical services



Direction & Oversight

Are IT Services becoming commodities and how can they be managed?

Was Nicholas Carr Right?



- IT has become a commodity – IT is not proprietary but infrastructure
 - IT is a transport mechanism
 - IT is highly replicable
 - The internet facilitates delivery of pervasive generic applications
 - Cutting edge applications are available to all

“...the opportunities for gaining IT-based advantages are dwindling. Best practices are now quickly built into software or otherwise replicated.”

- Are we bearing witness to Carr’s hypothesis
- How can it be managed?

Harvard Business Review

May 2003

IT Doesn’t Matter

by Nicholas G. Carr

One Other Key Driver



Enabling → Alignment → Convergence



How Does The CIO Set & Manage Expectations?



adcap
Passionate. Professional. Powerful.

appia
the cloud at work

WEAPONS
It's not time you felt safe?

GoDaddy
It's go time

NETGAIN
ADVANCING HEALTHCARE IT

IBM

expedient
DATA CENTERS

Techlogix

PEAK UPTIME

DELL

LightBound

HP Helion

at&t

amazon
web services

lumenate

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Externalization Trends

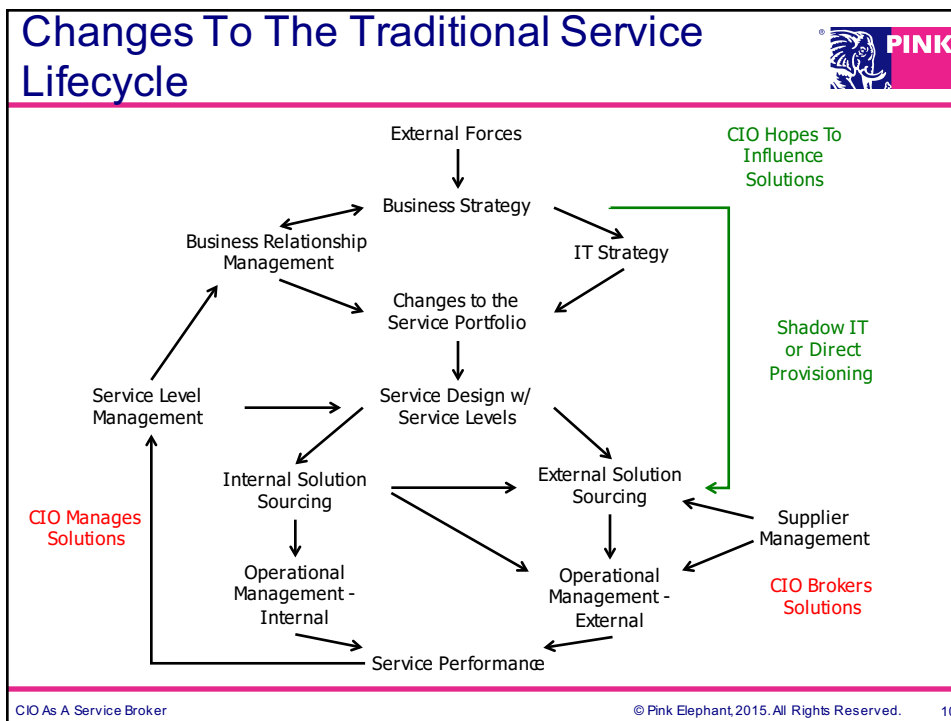
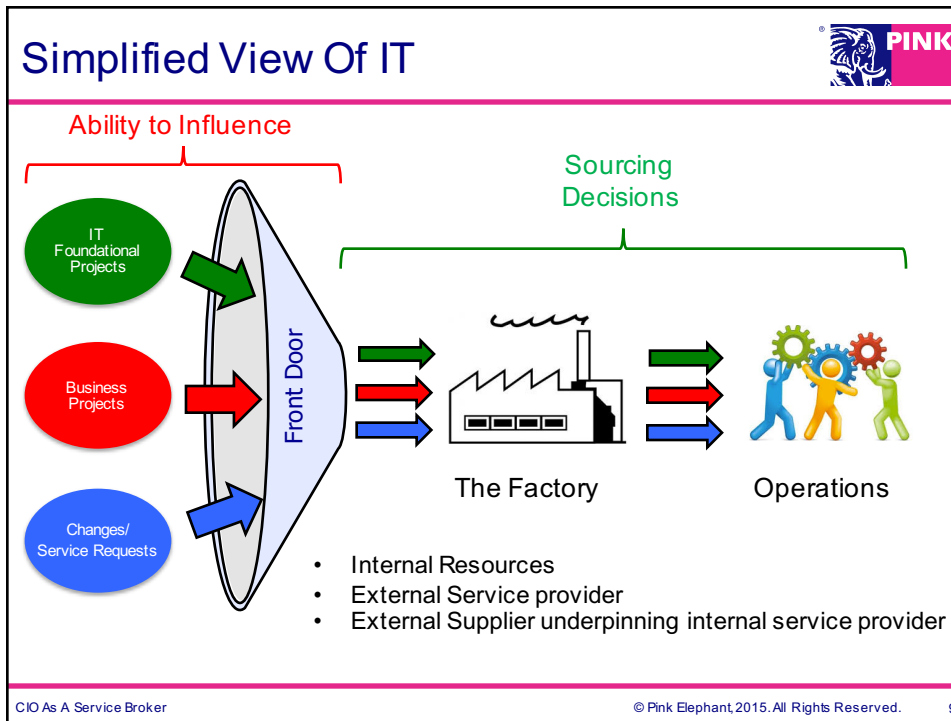


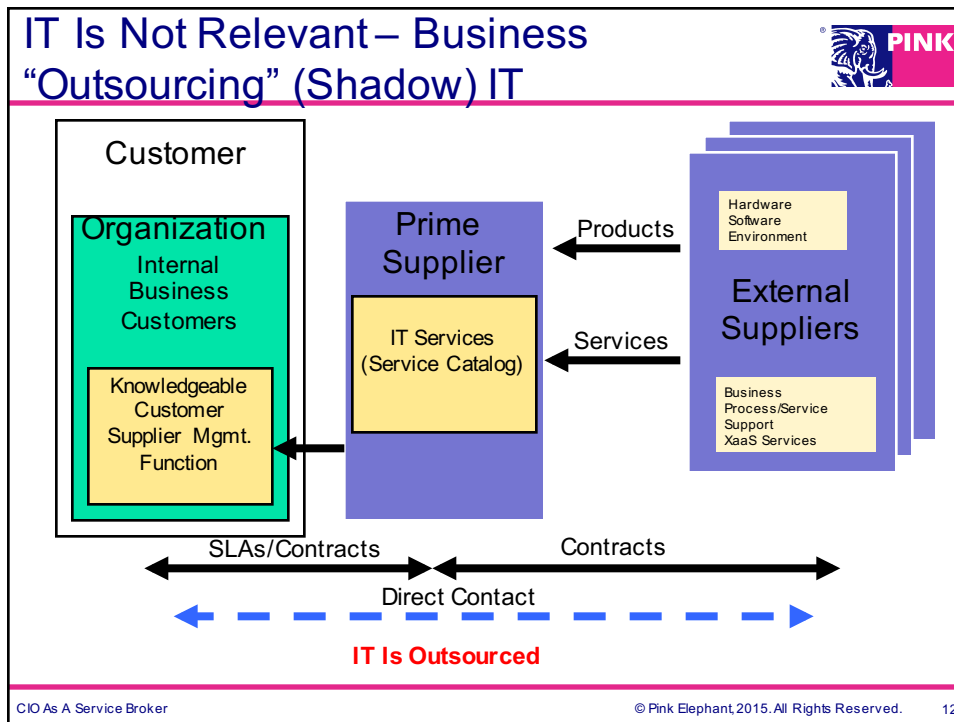
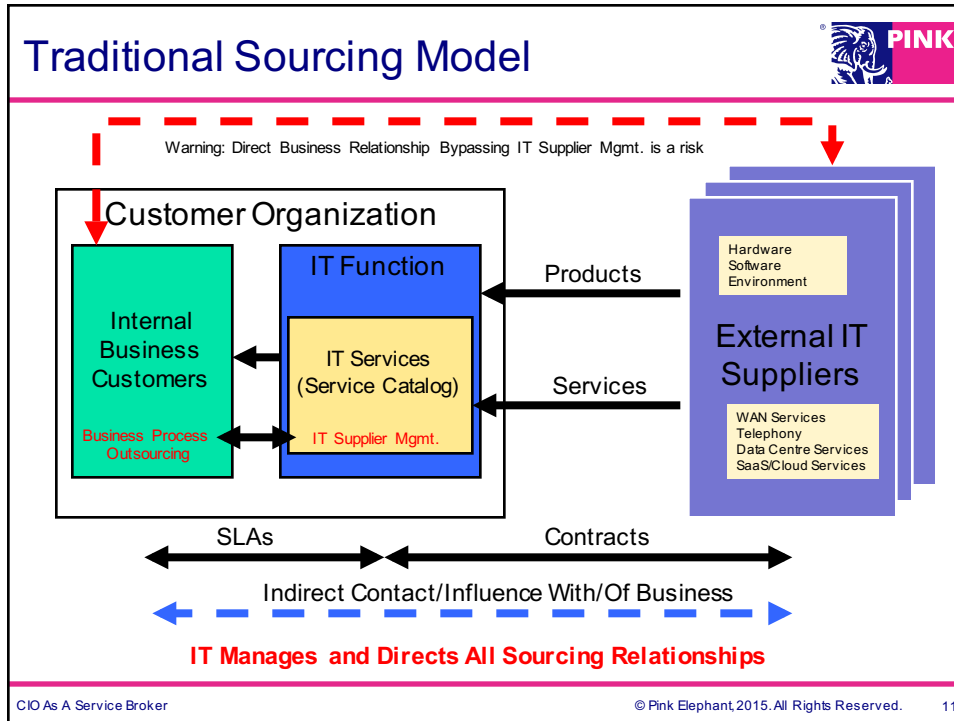
As commoditization increases, the traditional IT role moves to service providers

Anything that doesn't demonstrate differentiating value is a candidate for externalization

Suppliers will develop service solutions, and tools to support them, that an individual organization cannot do on its own

Evolving nature of multi-supplier will drive changes to how IT is organized and managed





Mitigating The Evolving Model

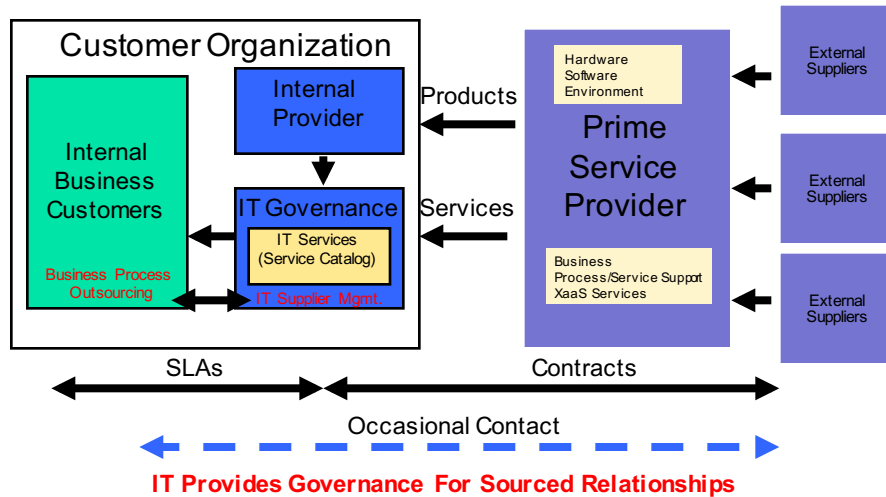


Broker - A Mediator between a buyer and a seller

Source - Wiktionary



IT Brokers A Service Provider Relationship – Blended Approach



“Tools” Available To CIO As A Broker



Business Relationship Management

Service Ownership

Portfolio Management

Architecture

Supplier Management

Business Relationship Management



Establish and maintain a business relationship between the service provider and the customer

Identify customer needs and ensure that the service provider understands and is able to meet these needs

Assist the business in articulating the value of a service

Ensure services deliver value and a high level of customer satisfaction

Understand how services meet customer requirements from a strategic and tactical level

**Shape The Demand
As A Trusted Advisor
Or
Strategic Partner To
The Business**

Role Of Service Owner



Service Owner

Accountable for the quality and end-result of a particular service (Customer Outcomes)

Service Owners represent the Service.
Evolving approach is alignment of IT
Services with Business Services

Service Management evolution – BSM and ITSM

Establish the Service or Service Line
Strategy – Input To Service Strategy
Source The Best Solution



Service Portfolio Management



Maintain the definitive portfolio of services

Ensure the right mix of services to balance investment

Track the investment in services

Ensure clear definition of services and linkage to
business outcomes

Enable decisions on which services to offer and when
to retire services



Architecture And The Tyranny Of Technical Debt



- Interest paid on Technical Debt = Unplanned Work
- Impacts key budget ratio eroding Factory Capacity
 - Project Budget/Keep the Lights On
- 4 Sources
 - Inadequate risk management during transition
 - Inadequate preparation for post-deployment in Operations
 - Aging or unsupportable infrastructure
 - **Complex or "one-off" architectures**
- Reduce Technical Debt
 - Identifying failure sources through Root Cause Analysis and dedicate projects to eliminate the source
 - Build testing and deployment plans into the design – DevOps
 - Establish a % of the project budget focused on infrastructure improvements
 - **Reduce the complexity and standardize designs**



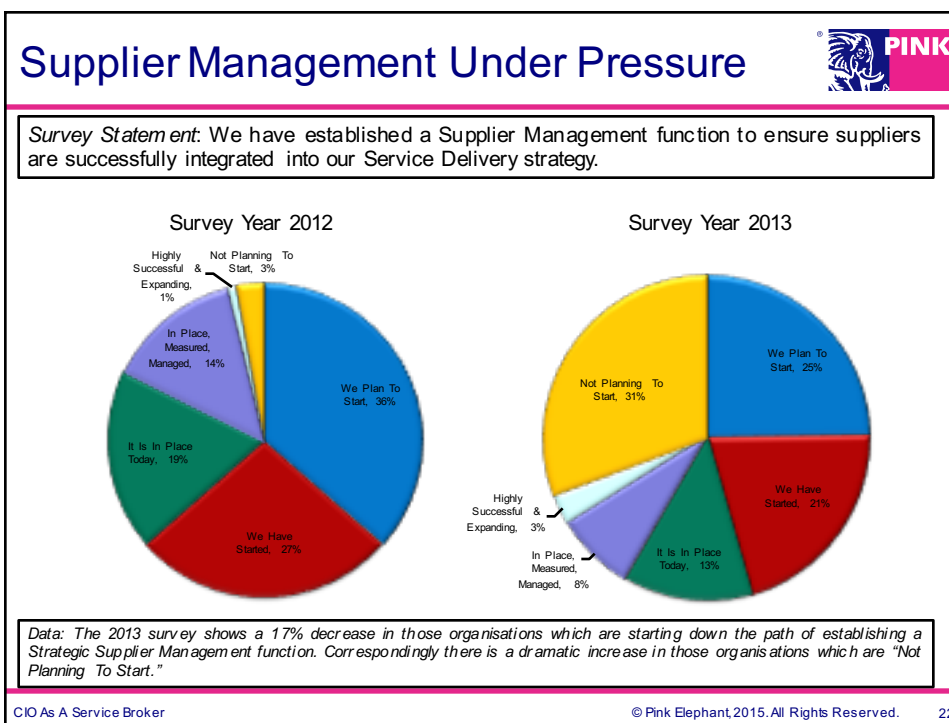
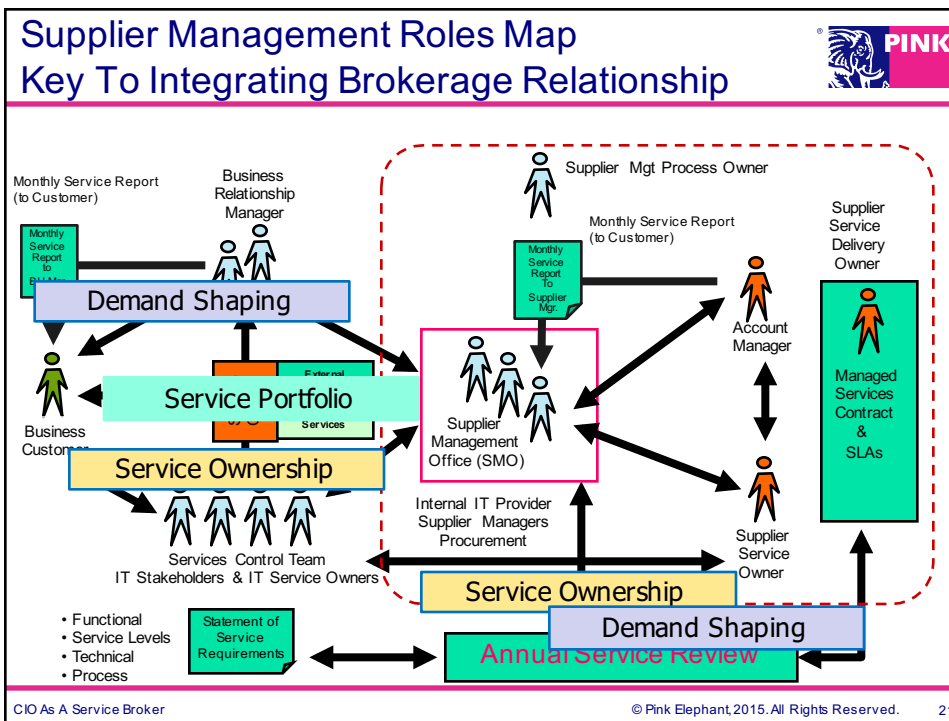
Supplier Management – A Viable Tool



Manage IT-related services provided by all types of suppliers to meet enterprise requirements, including the selection of suppliers, management of relationships, management of contracts, and reviewing and monitoring of supplier performance for effectiveness and compliance.

It is essential that Supplier Management processes and planning are involved in all stages of the Service Lifecycle from strategy and design, through transition and operations, to improvement.

Minimize the risk associated with non-performing suppliers and ensure competitive pricing.



Questions For “Monday”




- Does the Business Relationship Management function provide bi-directional feedback regarding business needs and IT direction?
- Who and how can influence business decisions?
- How well understood and integrated are Business Services with IT Services?
- How are value creating decisions made for the organization and how does risk management influence those decisions?
- Who can sign a contract for IT services?
- Do you have a Supplier Management function and established processes?
- What criteria are used to categorize your suppliers?
- Is your Supplier Management strategy aligned with the Service and Architectural Strategy?
- Does the business understand and support the Service strategy?

Questions?



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