TRANSFORMING TECHNOLOGY FOR THE DIGITAL AGE

PROJECT ONE

real change • real difference

In these technology heavy, digitally enabled, always connected, data filled days, we understand the importance of technology in driving business success. Therefore, the strive to create an IT organisation that offers reliable services, is responsive to business and technology trends, is vibrant and cost-effective and easy to work with is paramount.

So, how do you move to a technology organisation that is delivering real outcomes for appreciative business colleagues? We believe there are six things that need to be worked through.

1. BE AWARE OF WHAT IS GOING ON AROUND YOU

WHAT WE'RE SEEING	WHAT THIS MEANS FOR IT
Business leaders are increasingly 'tech-savvy' (and being driven by an increasingly 'tech-savvy' and demanding set of customers) looking for IT to increase competitive advantage and customer experience	Thought leadership within IT across all business capabilities – right people, right engagement, right outlook
Business leaders want an IT function that is easy to do business with and provides value for money	Business facing (centric) IT organisation at the right size that can talk in business outcome terms
Technology is changing rapidly – much less of bespoke systems and more about configurable solutions	Different IT skills for the future (not coders and testers but configurators and analysts)
Maturing level of supplier management – less large-scale outsourcing	More 'finesse' in finding the right partners with the right solutions, including greater in-house capability
Huge exploitation of cloud and SaaS (software as a service)	Removal of infrastructure capacity and utilisation problems. Focus on end-end performance of solution and increasingly exploit emerging 'elastic' technology solutions
Desire and need for standardisation and simplification	IT function 'clearing out' application estates to make room for new business-configurable solutions

"As CIO I am now talking to C-suite colleagues about their entire business operation and what this delivers in the digital age. Customer expectations are moving forward so fast many companies never catch up and the fallout is all around us. What 'made a company famous' for the last hundred years and caused customers to value their product/service will not endure much longer." – Tim Beggs, CIO

2. WHY TRANSFORM — WHAT IS DRIVING YOUR CHANGE?

There is usually more than one driver for change, considering and **prioritising these as high, medium or low** will help you set up your transformation in the right way with the right outcomes.

1 **LACK OF DATA VALUE UNDERSTANDING -** How this can be exploited by the business
☐ HIGH
☐ MED
☐ LOW

5 **BETTER COLLABORATION -** Connecting people; simplifying processes
☐ HIGH
☐ MED
☐ LOW

2 **LACK OF EXPLOITING NEW TECHNOLOGY -** Cross-sector envy; cross-company envy
☐ HIGH
☐ MED
☐ LOW

6 **BUSINESS PERCEPTION -** Satisfaction with the IT function (real or perceived)
☐ HIGH
☐ MED
☐ LOW

3 **COST OF IT -** Absolute IT spend; spend as a percentage of revenue
☐ HIGH
☐ MED
☐ LOW

7 **POOR PERFORMANCE -** Service; change delivery
☐ HIGH
☐ MED
☐ LOW

4 **BUSINESS GROWTH -** Technology enabled change; better customer interactions
☐ HIGH
☐ MED
☐ LOW

Of course business leaders would like it all! Being clear about these drivers with those stakeholders at the start, will give you confidence you are setting off in the right direction.

3. BE CLEAR ON THE MAJOR THEMES OF YOUR TECHNOLOGY TRANSFORMATION

Successful transformation programmes are clear on the outcomes they wish to achieve. Boiling these down to a **set of key themes** that can be used with your stakeholders and your IT teams, is an easy way of communicating these. This isn't an exhaustive list, However, these are the types of themes that we are seeing:

Customer Focus – improving the overall experience of IT by understanding what customers and colleagues need in order to be successful.

Operational Excellence – delivering the basics: a secure and stable network, reliable apps, quick and easy support, access when you need it. Being agile, responsive and efficient.

Technical Excellence – building a reputation for technical leadership by pursuing cutting edge technology, partnering with tech innovators and exploiting cloud-based opportunities.

Simplification – legacy IT is often too complicated. This is about making life simpler for everyone who comes into contact with technology by simplifying the organisation, the many business and IT processes and systems.

Collaboration – the ability to quickly and effectively collaborate internally and externally is key to business success and innovation. Enabled by staying ahead of the game with effective tools and agile working.

4. SETTING THE TECHNOLOGY TRANSFORMATION UP FOR SUCCESS

Step back and understand where this emerging picture of your technology transformation sits against the all-important overall business strategy:
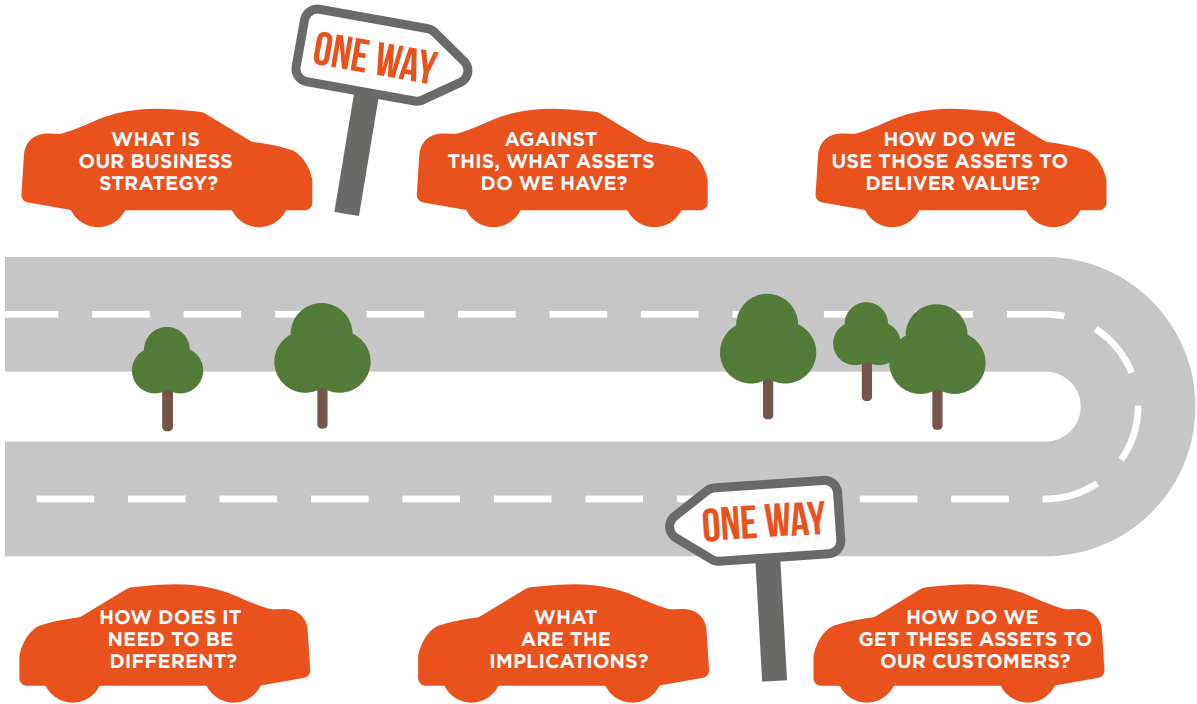
This is important because technology teams need to be a value-adding partner for the business and therefore, any technology transformation must be aligned to the business strategy.

Any implications for the IT organisation will be very real, for example 'how to scale up for additional investment?' or 'how to exploit new technologies with the right outcomes for the business?' or even 'how to reduce costs and still provide great service?'

True technology transformation affects the whole business and is by nature ambitious. Therefore leadership, commitment, the right investment, capability and experience are all important ingredients.

"TRUE TECHNOLOGY TRANSFORMATION AFFECTS THE WHOLE BUSINESS"

"A good question to pose at the start of any transformation initiative is 'This will be a digital business, now where does that take us?" – CIO, financial services company

5. CONSIDER WHAT MIGHT NEED TO CHANGE

Now you have understood what is happening around you, the driver for your transformation, the major themes you need to tackle and the alignment to your business strategy, you need to work through what elements of your IT organisation need to change. Typically, these fall into a few categories:

- IT Operating Model
- People, Capabilities and Leadership
- Organisation
- Supply Strategy

- Management
- Application rationalisation and transformation
- Infrastructure transformation

The trick here is to understand what these mean for you and your business. For example, your crystal ball gazing might tell you to consider new technologies – therefore, you'll need to consider the capability to develop and support these.

"WORK THROUGH WHAT ELEMENTS OF YOUR IT ORGANISATION NEED TO CHANGE"
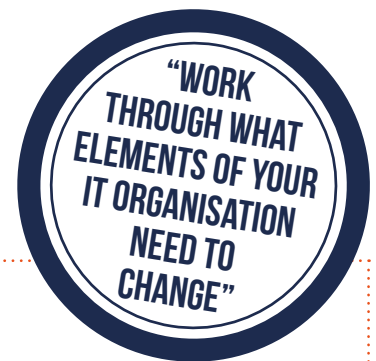
EXTRA CONSIDERATIONS...

WILL YOU GROW THAT CAPABILITY IN-HOUSE OR USE A NEW SUPPLIER TO HELP YOU?

WILL THIS BE ADDITIONAL TO WHAT YOU ALREADY HAVE, OR WILL IT REPLACE EXISTING CAPABILITIES AND THEREFORE RETRAINING OR REORGANISATION MIGHT BE NEEDED?

6. AVOID THE COMMON PITFALLS!

Much like any transformation, technology focused or otherwise, there are pitfalls that must be avoided in order to be successful:

- **Lack of clear vision –** a simple vision that articulates why technology is transforming (drivers for change), how this aligns to the business strategy

- **Lack of leadership –** leadership commitment to that vision and the will to make the tough decisions needed to drive real transformational change, along with staying power for what is typical a 2-3-year journey.

- **No single point of accountability for the programme –** ensure there is one IT leader dedicated to driving delivery of the overall programme.

- **Lack of the right investment, over the right time –** the ambition is often bigger than any investment. Be realistic. Truly transforming IT takes investment over that 2-3 year period and 'top-table' commitment.

- **Lack of insight of the current state –** need to understand the current base – people, finances, application and infrastructure estate etc. In order to drive the right change with the right priorities.

- **No clear governance of the programme –** the right PMO that balances empowerment and control with oversight of interdependencies, integrated plan and macro level status, risks, issues, budget and communication.

- **Not signposting the outcomes for the business –** there are always quick wins, however some elements of change will take longer (e.g. infrastructure transformation). Be clear with the business when outcomes will materialise.

"THE BEST OP-MODELS ARE NOT 100 PAGE DOCUMENTS, THEY ARE SIMPLE AND CLEAR"

SUMMARY

Many people don't like the phrase 'operating model' but the best operating models are not complicated documents. They are simple, well thought through, validated, and articulate. Most importantly they are supported by a programme of change to communicate, drive and embed the changes needed into the organisation.

Technology transformation is often hard and complex, which is why some organisations never move far away from the 'talk and PowerPoint pictures'. However, at their core there are a few things that with good consideration can be made very simple, and guide the whole transformation journey.

Get these right and add in the ingredients of leadership, commitment, investment, capability and experience to drive the change, and you will create a technology transformation that is very real.

About the author

Dave Chatham
Project One Account Director
Phone: 07799 824364
Email: dave.chatham@projectone.com