Transform IT
Transform the Enterprise

Three IT imperatives for a CIO-led enterprise transformation in a dynamic world.

- Consolidate to Drive Enterprise Visibility and Standardization
- Intuitive, Approachable, and Business-Friendly IT
- Automate to Accelerate IT Responsiveness and Innovation
IT

— It’s the backbone of the modern enterprise, not just another function within it. For businesses to continue to succeed in an increasingly technology-dependent world, CIOs must assume a strategic leadership role and drive change throughout the enterprise. Driving business strategy is not an entirely new role, but it is an added responsibility to the traditional CIO job function. While many CIOs possess the skills and ambition to impact business strategy, existing IT operational models and an aging infrastructure are holding them back. CIOs who have been successful in bridging the divide between IT and the business did it by first accelerating IT transformation.

Today’s successful CIOs transform IT by understanding the challenges of the business and aligning resources and initiatives to corporate goals. They market IT as a business enabler and do everything they can to dispel previous perceptions of IT as nothing but a help desk and a technology custodian. They inspire and motivate IT staff to participate in a service-oriented culture. They enable IT transformation by consolidating fragmented IT systems, by leveraging new sourcing models like cloud, by automating anything possible, and by offering business people an intuitive self-service IT storefront to get what they need to do their job.

During a recent CIO leadership forum, 24 CIOs and other senior IT leaders discussed the role of the IT leader in the modern enterprise. The group shared strategies they used to change IT and assert their organizations as business leaders and innovators. This paper provides CIOs and IT leaders with insight into three IT imperatives these IT executives used to reposition IT and transform the enterprise:

1. Drive enterprise visibility and standardization;
2. Make IT more intuitive, approachable and business-friendly;
3. Accelerate IT responsiveness and innovation.
Consolidate to Drive Enterprise Visibility and Standardization

IT-First Focus

Most businesses grow through geographic expansion and a myriad of acquisitions. While this may be good for the health of the business, it can be detrimental to CIOs that do not take a leadership role and act swiftly to ensure global standards. A lack of standards can result in multiple redundant and fragmented systems and inefficient processes. IT executives are not equipped with the information they need to prioritize initiatives and execute accurate decisions. Improving IT service performance and publishing the value of IT to business peers is almost always elusive. And without changing the IT operating model to enable the modern enterprise, IT executives are at risk of losing control of their own destiny. “IT will transform around us, or with us,” said one IT leader at a U.S. military organization.

For example, a large soft drink manufacturer was coping with more than ten IT service systems acquired over the years. A lack of integration and the existence of multiple repositories for IT assets created inefficiencies that consumed IT budget and resources. And, global processes that differed across geographies and departments couldn’t be improved; without consistency, what metrics could even be used to measure them?

“Everyone had their own way of doing things,” said the global IT director at this large beverage company. “We spent a lot of time standardizing processes.”

It is little wonder that a large percentage of IT executives participating in the CIO leadership forum began their IT transformation initiative by consolidating redundant IT service systems to a single system of record. The common objective among the CIOs was to simplify the IT operating model by creating a baseline for global process consistency. Their vision was to move all IT workflow-driven processes to a single platform. A global platform for IT was simply a “vision” of the participating CIOs, until the introduction of cloud computing and a modern approach to automation.

To effectively and more easily move to a single system of record, the cloud makes tremendous sense. The cloud, after all, frees IT organizations from the dependency on local infrastructure and limitations and complexity of client server software. It can drive change from a central point and also provide a means for CIOs to tear down regional IT fiefdoms and silos in favor of a single IT system of record. As elements intersect, IT is freed from the grunt work and costs of infrastructure maintenance and endless integration chores among legacy tools. CIOs and their teams become...
liberated to centrally manage IT services and focus on the design points and good process for successful service delivery across the business.

“In the manufacturing world an important metric is capital asset utilization,” said Dave Smoley, Flextronics CIO. “You want to use what you bought as much as you can. We need the same thought process with IT systems...One rule will be to look at legacy sprawl and figure out how to simplify it.”

**Automating and Standardizing — IT Taking the Lead**

Service-oriented IT organizations can be a model for their business counterparts. CIOs that participate in business strategy are spearheading line-of-business initiatives with enterprise service automation in mind — leveraging proven IT service models and technology to help their business counterparts operate their own processes more efficiently. As Benjamin Nuttin, NYSE Euronext director of IT process automation and virtualization, noted, “Everything in the enterprise is a workflow that you can model tools around.”

Identifying commonalities in business and IT processes can make the difference in elevating the strategic relevance of IT. Extensible and modern workflow-driven technology and proven IT service models can easily translate into business process automation. For example, Flextronics extends the use of IT service automation technology and combines it with an understanding of their customer’s business problems to get ahead. “You have workflow and approval, and you can apply this to almost any function or process,” Smoley noted. “If you use it in IT and it works, then other functions want to use it. The next step is to determine where else in the company can I then take a system I know is configurable and extensible.”

Key Energy Services, for example, manages environmental health and safety incidents in the field, among other things, with IT practices and automated workflow as a guiding blueprint for business service support. As a result, it is seeing improvements in equipment uptime and crew productivity.

Functions such as facilities, HR, and legal are often good starting points for helping business partners operate more efficiently. For example, HR often is awash in manual and not necessarily auditable processes for on-boarding and off-boarding employees. At Brit Insurance, these time-consuming, disconnected HR processes were replaced by an integrated workflow and service automation system that provides a measurable, transparent and repeatable way to handle these workflows. Brit Insurance now has appropriate integrations between HR and IT so new employees have the tools and resources they need their first day on the job.

“When IT morphs into workflow delivery experts, there’s a lot of value in that”, the global IT director at the large soft drinks company commented.
IT Self-Service

“Help desk” — the name is often associated with very negative connotations for most IT professionals. Today’s IT department has moved well beyond providing break-fix, one-to-one phone support. Yet, it’s often how business people describe their IT department. CIOs that participated in the leadership forum unanimously agreed that it is the duty of IT to change how their business peers perceive them by marketing IT as a leader in innovation. Many CIOs turned to employee self-service as a first-step cure and a means to modernize the highly visible service component of IT.

Business people typically interact with IT when they need to order something or get help. When the employee’s personal online shopping or support experience is compared with their workplace experience, it’s no wonder why IT is viewed as lagging behind. Simplifying and modernizing the interface between IT and the business at the point of service — a place of high business and IT interaction — can help to close this gap and immediately elevate the perception of IT.

“Today we send people to an actual help desk, the opposite of what we should be doing, and we’re going to question that model,” said a manager of integrated service operations at an insurance provider. “Those calls are going through the roof and the talk is that should be the last place you go.”

Or, as Smoley noted, “Get IT [staff] out of the equation, and get people to help themselves.”

Self-service not only caters to the expectations of today’s employee, it can also generate more efficient and controlled support processes. When implemented correctly, the self-service portal becomes the IT storefront — the interface that communicates what IT offers to the business in terms the

Enable Intuitive, Approachable, and Business-Friendly IT

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Driving Enterprise Self-Service

As IT tunes itself to become a service-oriented partner to the business, the business will begin looking to IT for direction. By demonstrating to colleagues in other disciplines the benefits of service automation, CIOs can further cement or even regain lost influence with their peers as business partners in their own right.

“IT has been losing influence in the business,” said Frank Slootman, ServiceNow CEO. “Now we are in a situation where IT is once again leading the business, saying we can rapidly automate processes at a very acceptable cost. That is the biggest transformation to which we can envision or aspire.”

And for many companies, the time is right to realize those aspirations. “We are so connected now to the business. Every part of the business is responsible to improve service and increase revenue and IT is enabling those organizations from the technology perspective,” said the VP of IT sourcing at a major retail chain. “We are tightly integrated with all the business’ major objectives. There is much better alignment that really wasn’t there until last year.”

IT can capitalize on this momentum by facilitating shared services through a consolidated service and request catalog. Employees quickly get what they need to do their jobs on their own terms. Automated workflows back-ending the catalog enable the appropriate routing of requests or information delivery to the necessary service providers, whether the user’s need is to obtain business cards, to resolve an invoicing problem with finance, or request vacation days from HR. Shared services hit full stride when the business service catalog leverages other shared resources such as graphical workflows, notifications, work queues, and reporting.

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Supply and demand is perhaps one of the most fundamental concepts in business. In the case of most IT organizations, IT is not positioned to keep up with business demand. As business demand mounts and resources become thin, IT has two options: Say, “No, get what you need from someone else,” or reprioritize project workload.

Both have a severe negative impact on the strategic relevance of IT. The “no” option results in the business sponsor going around IT to get what they need. In most cases, the business sponsor isn’t buying a self-sustaining product — they are committing corporate resources to an initiative that contributes to enterprise architecture. And in more cases than not, IT will end up with responsibility for the technology at some point. The other rebound effect of “no”, is that it can negatively influence how the business will involve IT in the future — which also leads to inefficiency, sprawl and loss of control.

Reprioritizing project workload is a standard IT practice and one that will likely never subside. However, the type of projects that get reprioritized can define the IT organization. Ideally, CIOs will be able to balance maintenance activities with strategic initiatives. To do this, IT leaders must accelerate IT transformation to simplify the infrastructure, identify scalable fulfillment models, such as cloud, and drive an automation-first mentality across the enterprise. The result is a self-sustaining infrastructure and more time spent on strategic initiatives.

Modern IT depends upon automation for its existence, and IT organizations should look to automate services to reduce their own management responsibilities and deliver capabilities in a lighter, faster, “zero-touch” way. Automation does the work faster, more consistently, and in an auditable and cost-efficient fashion. When IT workers embrace it, capturing their

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knowledge and scaling it for the benefit of all, they elevate themselves out of the world of manual and mundane tasks and into one where they can help the organization pursue more strategic endeavors.

Consider the power of automation combined with the power of self-service. The IT storefront becomes a front-end for workflow automation. Employees can trigger systematic workflow to provision and retire virtual instances, run diagnostics on their own machines or submit requests for packaged goods and services.

But it’s also important for IT leaders to understand that service automation doesn’t need to be limited to standard IT operational activities. In other words, free the mind to discover the possibilities of automation without limitation. Frank Slootman pushes the boundaries of the impact IT expertise can have on other parts of the business. For example, he points to a sizable telecom company that uses ServiceNow to create line-of-business incident records. Once created, a set of automated workflows spring into action, including running diagnostics to automatically populate a record with useful information, and perhaps resetting a device as a result.

“So the incident from conception to close is micro-seconds, and never touched by a person,” he said.

Parting Thoughts

Driving fundamental IT change involves shifting the model of IT from a maintenance function to one fully centered around service orientation. IT must re-tool to help their business partners transform operations and processes that deliver change and advantage. IT should embrace a vision of completing work of every type in microseconds. Rather than just managing services and operations, IT needs to automate them, with human intervention designated only for activities that cannot yet be automated.

When business processes are standardized and automated, and IT is consolidated across the global enterprise to create a single system of record, IT departments are positioned to save time, and CIOs position themselves to focus on improving other aspects of their business with IT resources.

Clearly, IT transformation that is defined by and carried out with respect to the three IT imperatives of consolidation, self-service, and automation will position CIOs to lead their organizations to a brighter future.