



T B M

CONFERENCE
2016

Digital Transformation with a Strategic TBM Strategy

Alex-Paul Manders, TBM Practice Lead,
Americas, ISG

November 10, 2016



ISG
INFORMATION
SERVICES
GROUP®



TBM CONFERENCE 2016

Digital Transformation With a Strategic TBM Program

Thursday November 10, 2016

10:15 – 11:15 AM PST

Alex-Paul Manders

Today's Session

In order to reap the benefits of digital transformation, IT leaders must be more agile and effective when making key business decisions.

In this session, you will be provided with an overview of strategic considerations for driving digital initiatives that leverage the TBM Taxonomy.

Speaker Introduction

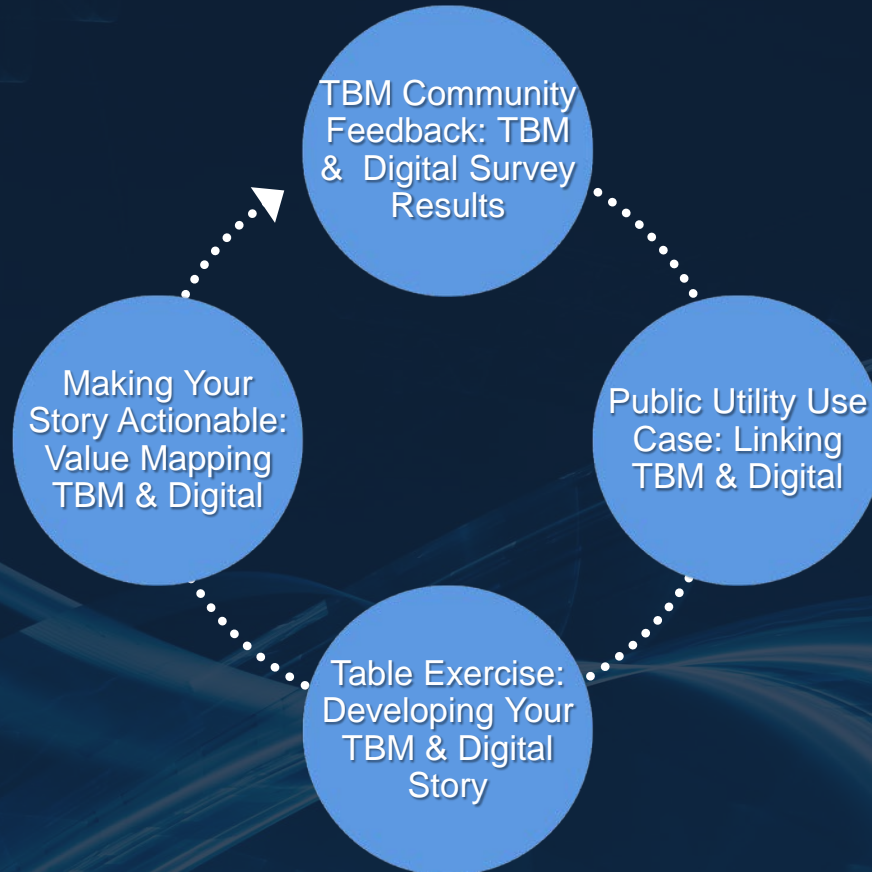
- TBM Journey – Year 6
- TBM Council Contributions and Participation
 - Federal IT COST Commission
 - CFO of IT Workgroup
 - IT Service Provider Workgroup
 - Standards Committee
 - Houston Local Interest Group
 - TBM Council Book – Contributing author
- TBM Taxonomy: v1.0 and v2.0 development
- ISG – TBM Thought Leadership (2015-16)
 - Five (5) ISG TBM Research Whitepapers
 - Ten (10)+ Publications, Editorials, Blogs



Alex-Paul Manders
TBM Practice Lead, Americas



Today's Agenda



TBM Trends

Things We're Seeing In The TBM Community

- Market
- Trends and Survey Results



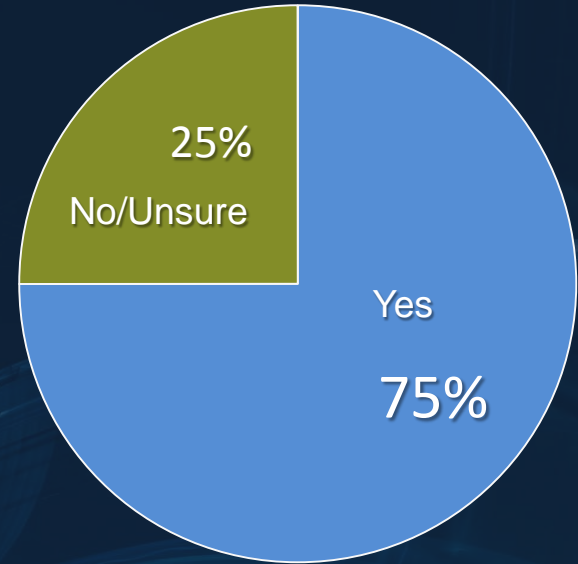
What the Market is Signaling

Our traditional belief system regarding the **business value of IT** is insufficient when comprehending **digital value**.

What the TBM Community is Saying

TBM & Digital Survey

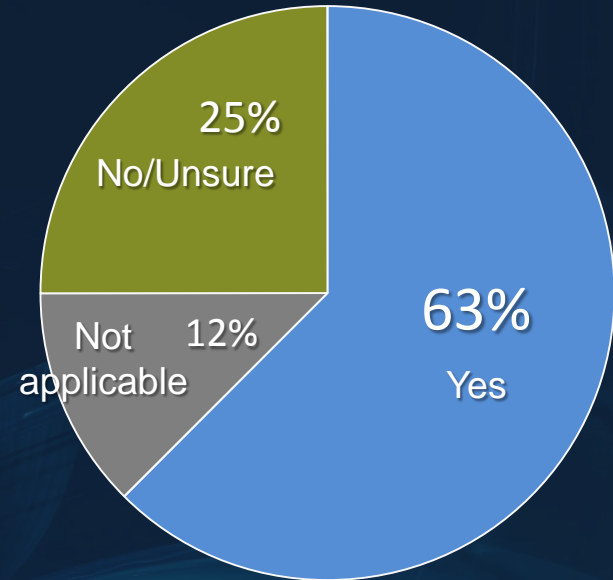
Is your organization
pursuing some type of
digital transformation?



ISG & TBM Council Workgroup – Survey Results (Q3', 2016)

TBM & Digital Survey

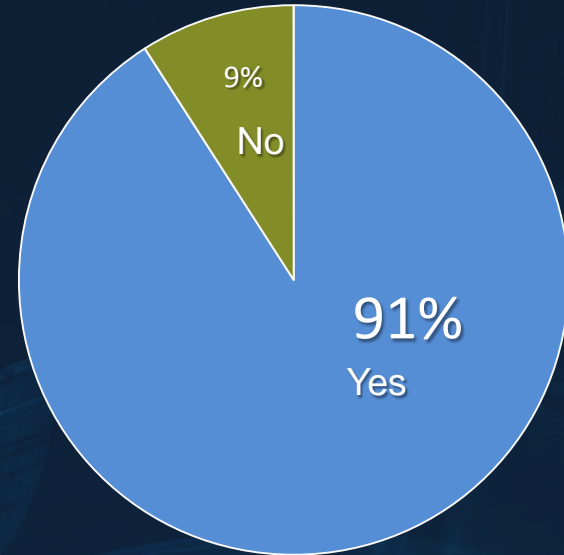
Do you have an interest in becoming involved with digital initiatives within your organization as they relate to IT cost transparency?



ISG & TBM Council Workgroup – Survey Results (Q3', 2016)

TBM & Digital Survey

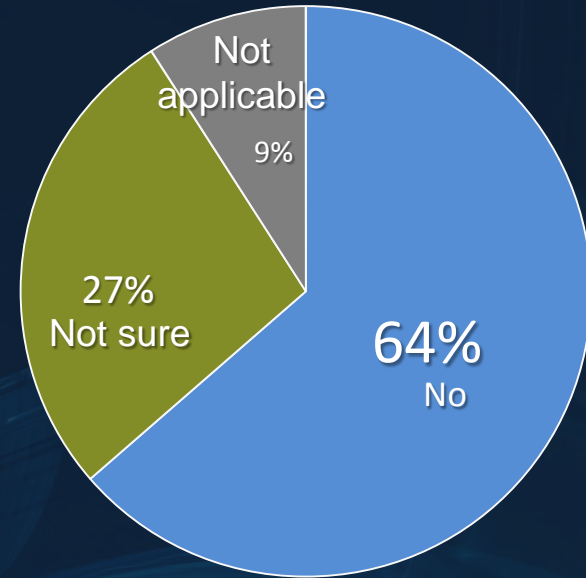
Do your IT costing efforts interact with IT service management functions (such as Procurement or directly with Service Providers)?



ISG & TBM Council Workgroup – Survey Results (Q3', 2016)

TBM & Digital Survey

As part of your TBM office and program design, do you have a formal mechanism to track and align KPIs to specific enterprise goals and missions?

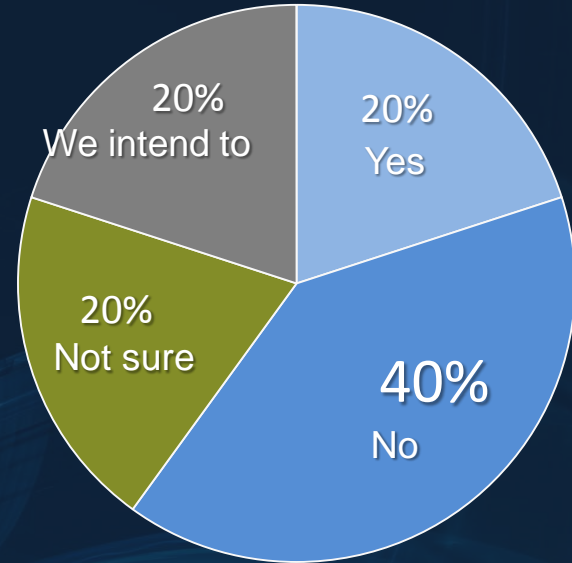


0 "yes" responses

ISG & TBM Council Workgroup – Survey Results (Q3', 2016)

TBM & Digital Survey

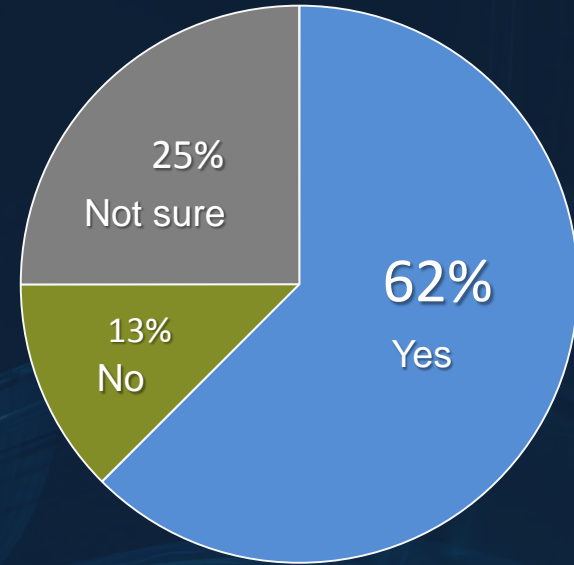
As part of your current IT costing efforts, have you developed any IT metrics around Digital?



ISG & TBM Council Workgroup – Survey Results (Q3', 2016)

TBM & Digital Survey

Do you feel that IT cost transparency efforts, and/or TBM should be aligned to organizational digital strategies?



ISG & TBM Council Workgroup – Survey Results (Q3', 2016)

TBM & Digital

Opportunities:

- Digital transformation initiatives are already underway.
- TBM community stakeholders want to be involved.
- They understand the interaction between IT Costing and IT Services, and the value of aligning IT Costing and TBM to larger digital strategies.

Gaps:

- Lack of clear formal processes for measuring and tracking KPIs and IT Costing efforts around digital initiatives.
- Need specific methodologies and a clear vision for achieving digital transformation.

So
What?

ISG & TBM Council Workgroup – Survey Results (Q3', 2016)

Client Use Case – Public Utility Company

Extending the TBM Taxonomy into Digital Strategy

- Client Story – Phillip Zeringue. Director, IT Applications



Background

Challenge Organizational constraints in trying to keep “heads above water” with capital asset obsolescence and refreshes

Questions

- How do we stop approaching ‘obsolescence for the sake of obsolescence’?
- Is there a better way to plan our IT portfolio of applications and services?
- Can we instead use obsolescence to drive a digital transformation of business process?



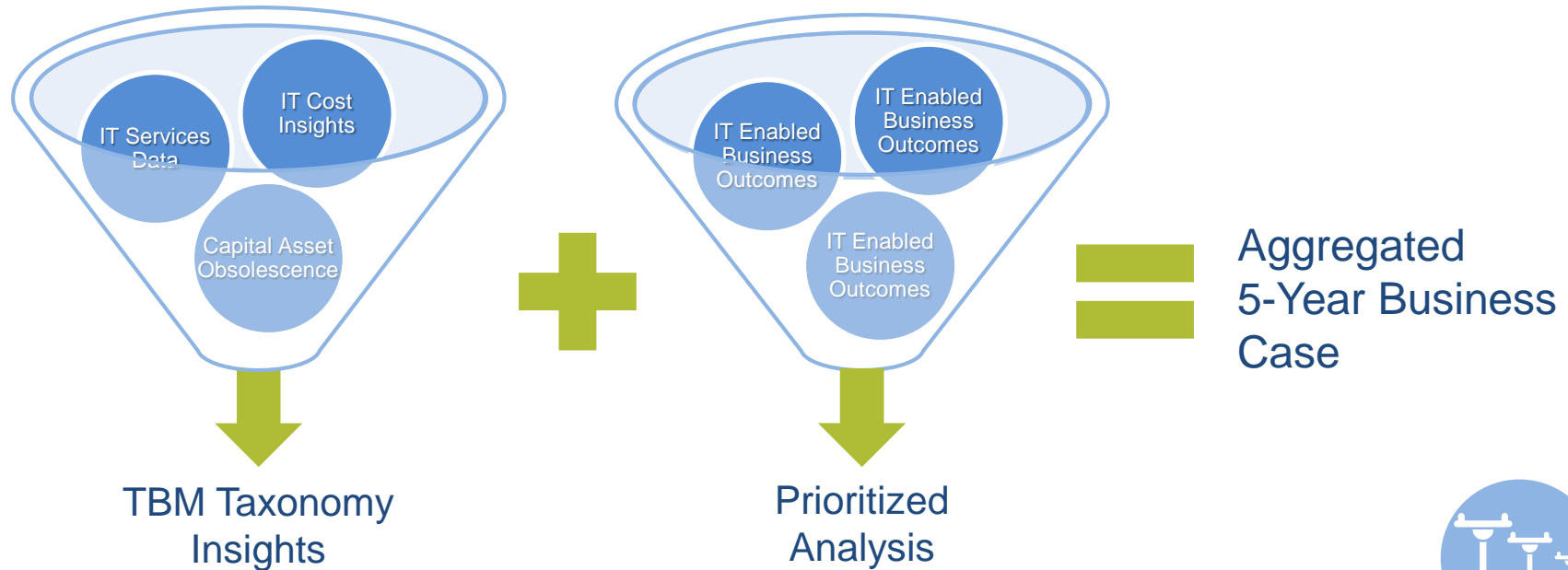
Background

- ## The Vision
- Think about asset obsolescence in terms of supporting the future Enterprise roadmap
 - Develop a plan to aggregate short - and long term IT capital asset refresh horizons, and align the plan to strategic business initiatives
 - Drive “business” conversations – not “IT” conversations
 - Use cost insights provided by the TBM taxonomy to understand key facts for financial business cases

“If you want to do amazing things – you have to be organizationally aligned.”
– Phil Zeringue

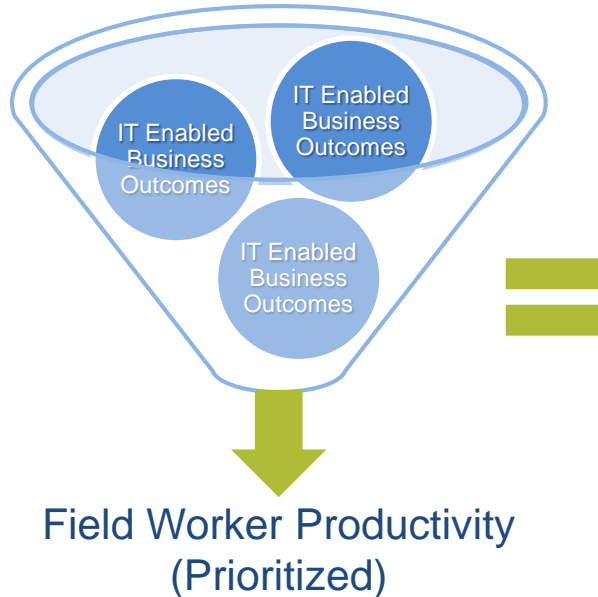


The Approach



The Outcome

Performed a deep dive analysis on “Creating a Digital Field Worker”



Analysis showed that this use-case had the highest potential for cost savings opportunity over a 5-year horizon.

Cost benefit

- Double productivity
- Halve labor cost

Innovation benefit

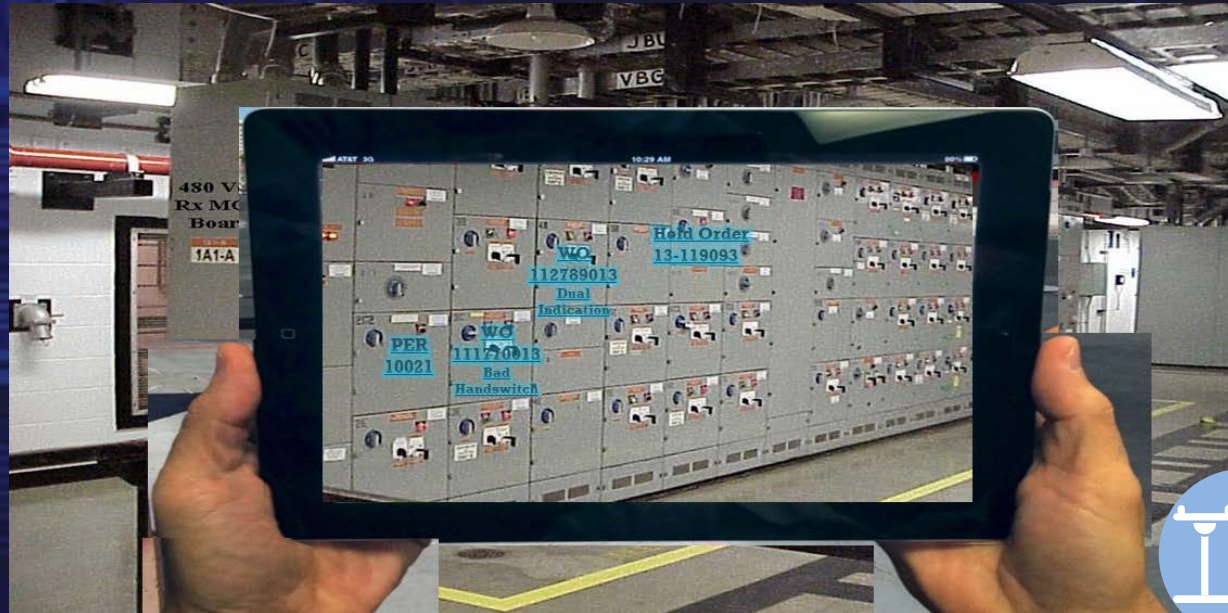
- Technology can be leveraged by other IT Enabled Business Outcomes
- Putting computers in pockets instead of PCs on desks



What the Business Saw

Augmented
reality in a
technology demo

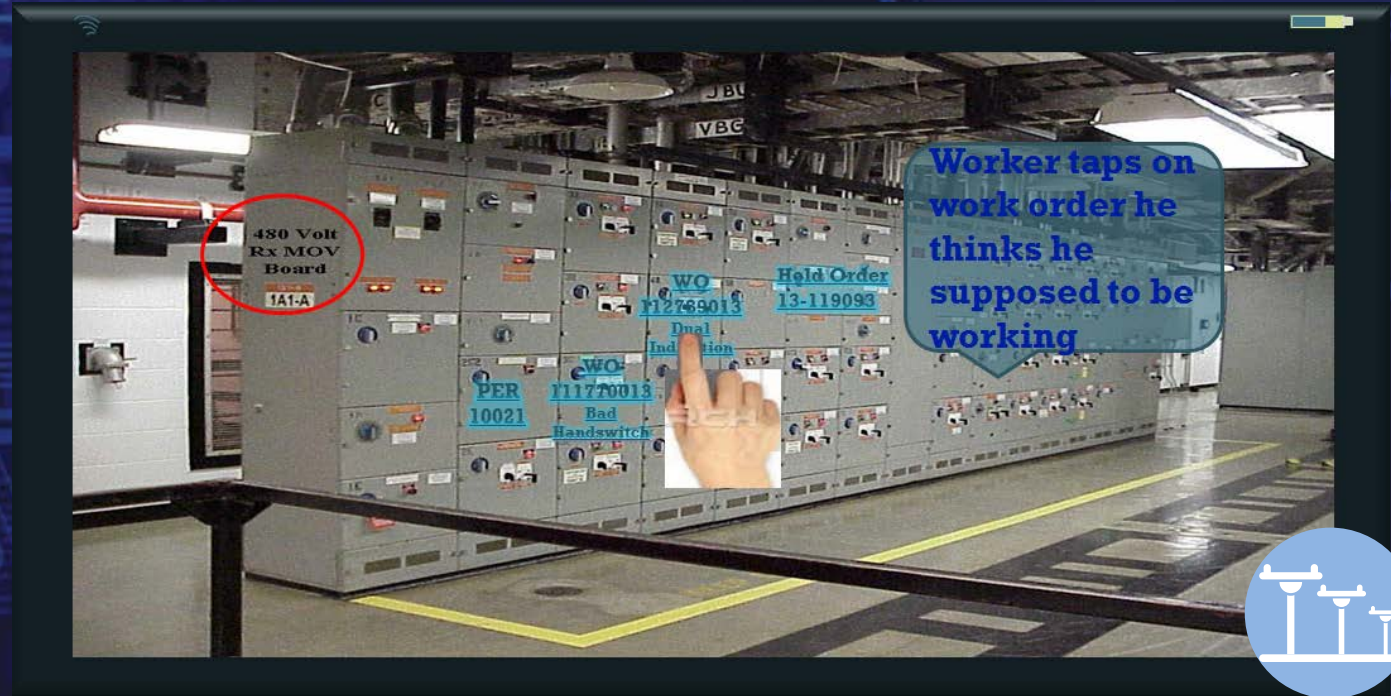
Augmented
reality drives
remote
monitoring
activities



What the Business Saw

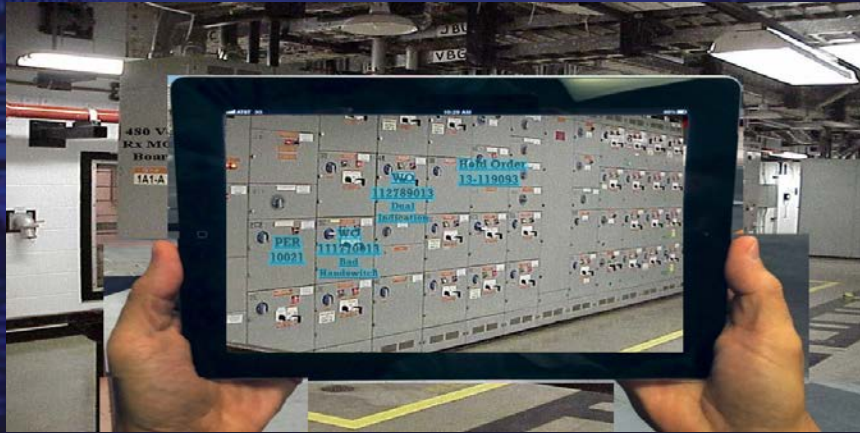
Digital data
drives predictive
analytics that
benefit:

- The Business
- The Field Engineer
- The Consumer



What The Business Thought

“Why not just kick off a project for the digital worker?”



Reasons:

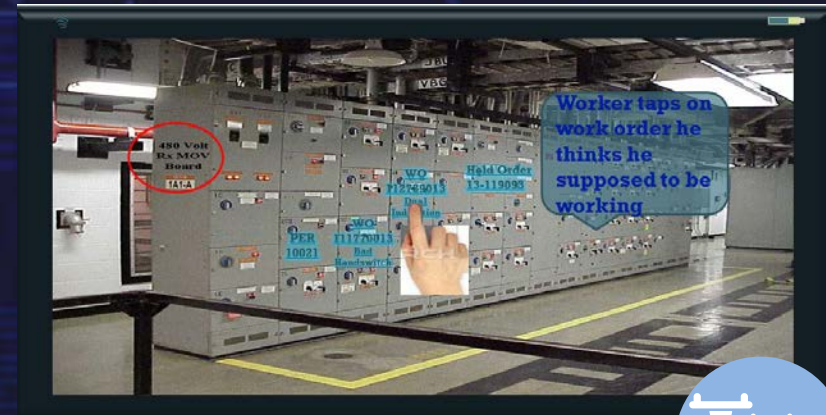
- Knowing that we have to replace 15 systems over the next five years, this or any other singular use case would not achieve required ROI
- We can obtain incremental ROI over what we have to spend anyway for obsolescence
- This use case is enabling technology that the business can re-use for many, many use cases and job functions



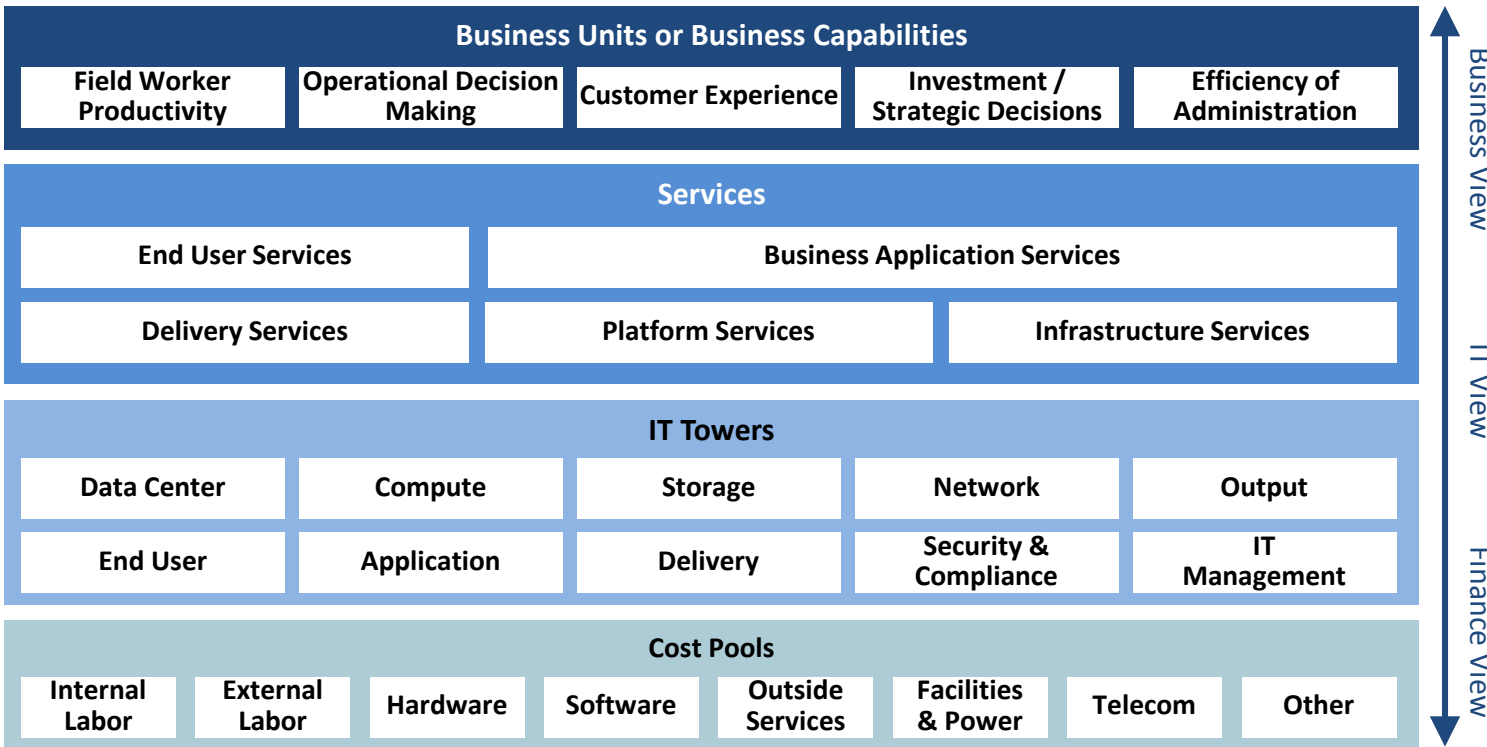
What the Business Determined

- This is what the future looks like
- Without data being digitalized with technology, this isn't possible
- Field worker productivity is higher priority than back office automation
- If we do obsolescence intelligently, the digital field worker can do his job better

Bringing your business case to life with augmented reality



Tying It Together



Community Working Exercise

Part 1

Blue Paper

- Populate Survey (5 mins)
- Will be collected for a live survey result (at end of presentation)

Part 2

Orange Paper

- Respond to Part #1 (only)
- Exercise will carry into second half of presentation

Taking Action – Let's Make This Real!

Value planning and road mapping exercise

- Approach
- Exercise



TBM - MDF

Multi-Dimensional Framework. IT Strategy.



Assess your approach
to TBM in order to **baseline**
success with the Taxonomy,
and drive **Enterprise IT strategy**

Write down notes on Orange handout

Getting Started

Value planning and road mapping exercise overview. Break down key operating model components into chunks. Develop a roadmap, sketch a project plan. Execute.



Write down notes on Orange handout

“If you want to do amazing things – you have to be organizationally aligned”
– Phil Zeringue, Public Utility Co. (TBM and Digital Alignment)

EXAMPLE

Analysis Methodology (Effective regardless of TBM Maturity)

Align

Analyze

Recommend

Activities

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> Review IT Strategy Survey stakeholders and business partners Baseline key priorities | <ul style="list-style-type: none"> Perform round-table workshop Align prioritized strategic enterprise use case(s) to TBM Design organizational alignment Identify financial business case inputs | <ul style="list-style-type: none"> Recommended Initiative Roadmap (aligned to People/Process, etc.) Project milestone plan Financial business case analysis |
|--|---|--|

Outcomes

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> Stakeholder and business partner survey results Alignment of survey results to the TBM taxonomy and Enterprise strategy | <ul style="list-style-type: none"> Stakeholder assessments Prioritized list of use cases that can be supported by the TBM taxonomy Draft organizational alignment plan | <ul style="list-style-type: none"> Target operating model proposal Project plan and timeline Roadmap to execute the alignment of use case to TBM Taxonomy |
|--|---|--|

Write down notes on Orange handout

Making Your Value Map Real

Your completed Orange sheet represents a practical approach to drive IT strategy and Digital initiatives supported by the TBM Taxonomy.

?

Now
What?



Thank you; Questions and Answers; Follow-up Roundtable

Alex-Paul Manders, ISG
TBM Practice Lead – Americas
Global Thought Leader
Alex.Manders@isg-one.com
Twitter: @AP_Manders

Our legacy of the finest companies in the world for research and consulting:



Founded 1989



Founded 1980



Together 2012

ISG is a leading technology insights, market intelligence and advisory services company, offering clients one source for support in driving operational effectiveness.



Acquired 2011



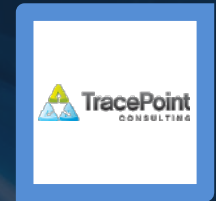
Acquired 2014



Acquired 2015



Acquired 2015



Acquired 2016

Many organizations **struggle** to make significant changes to critical business operations.



Auto



Banking



Consumer



Energy



Manufacturing



Telecom

ISG believes **operational excellence** is the product of **informed research, data** and **analytics** of prevailing trends in the industry, a sound strategy, a buttoned-up **management model** and the **right sourcing** to ensure ongoing success.



TBM
CONFERENCE
2016



ISG
INFORMATION
SERVICES
GROUP®

www.isg-one.com



let's connect...

imagine your future™