



TBM CONFERENCE 2015

# Accelerating Transformation to a Shared Services Model with TBM

## Craig Wishart

Global CIO/CTO

UXC

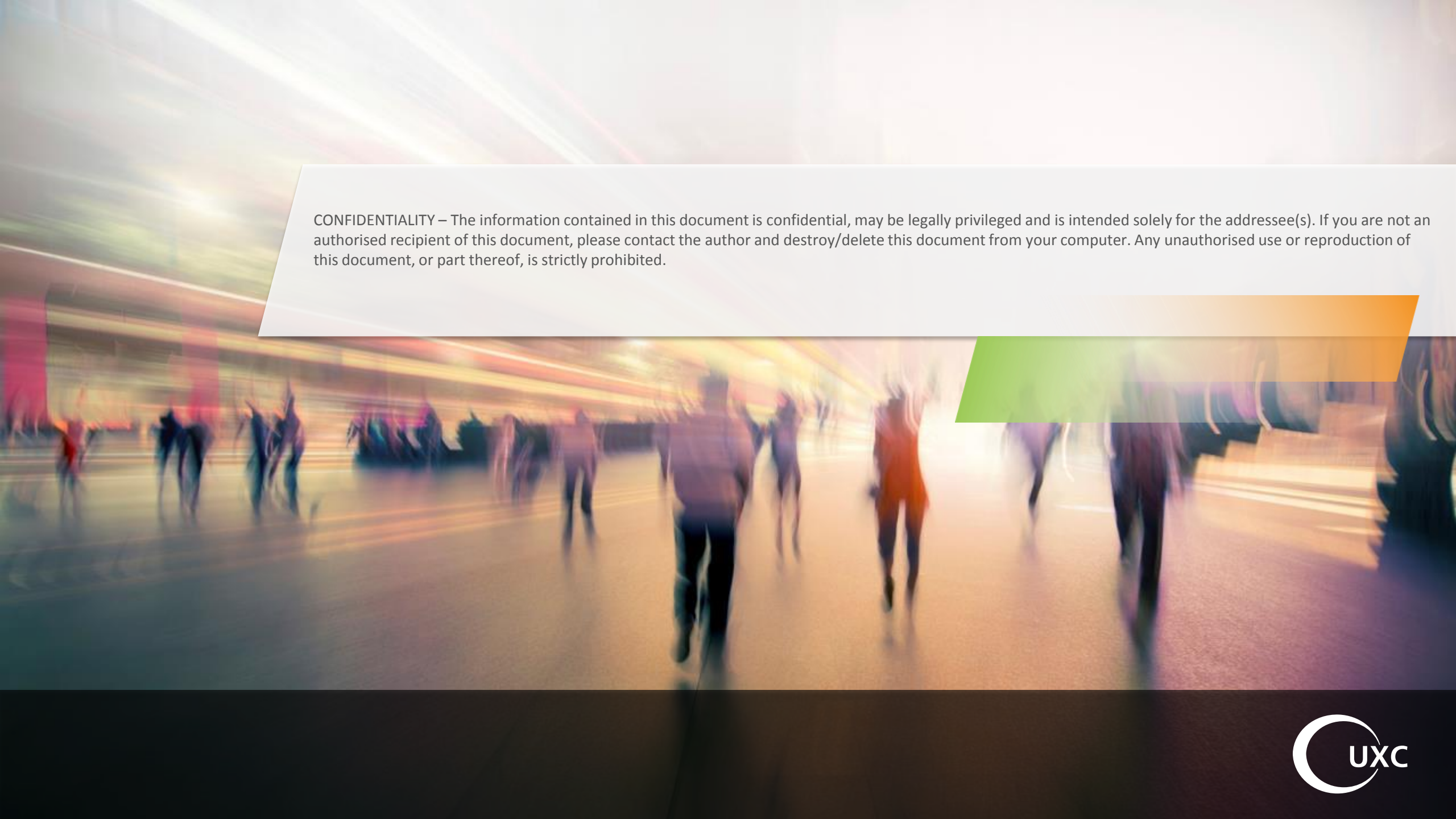




# A Unique Perspective on ICT insights in Australia, TBM and UXC Ltd.

Craig Wishart,  
Group CIO/CTO UXC Ltd  
Chicago, October 2015



A long-exposure photograph of a crowd of people walking at night, creating colorful light trails in the background. The image is used as a background for the document.

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# Overview

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- About UXC and Telsyte acknowledgment
- Emerging trends and patterns – ICT
- Budgets are changing
- Shadow ICT and ICT in Lines of Business
- Apptio and TBM at UXC
- Unforeseen value
- 7 thoughts for consideration

# About UXC Limited

UXC is Australia's largest locally owned IT solutions company, with annual revenue nearing \$700 million, over 2,500 customers and 3,000 employees. UXC is an ASX300 company with operations in countries around the world.



## Industry Focus

- Healthcare
- Energy & Utilities
- Retail
- Finance & Banking
- Higher Education
- Engineering & Construction
- Manufacturing & CPG
- Public Sector
- Resources & Mining
- Telecommunications

## Services

### Advisory & Consulting

Specialist advice, quality delivery and focused training

### Enterprise Applications

Global leader in Microsoft Dynamics, Asia Pacific leadership in Oracle and Service Now ANZ leadership in SAP

### IT Infrastructure

IT managed services and solutions helping customers do things faster and smarter, thus giving them sustainable competitive advantage



Design & Think



Implement & Enhance



Operate & Manage


## UXC Business Units

UXC Consulting  
UXC Professional Solutions  
Telsyte

UXC Eclipse  
UXC Oxygen  
UXC Red Rock  
UXC Keystone

UXC Connect

## Major Partners

Alcatel-Lucent 

 APPTIO

  
CISCO

 hybris

**Microsoft**

ORACLE

 SAP

servicenow

splunk>



# ICT spending – emerging patterns...

## INFORMATION TECHNOLOGY INCREASINGLY STRATEGIC:

**60%**



OF ORGANISATIONS PROVIDE  
REGULAR UPDATES ON IT TO THE  
BOARD OF DIRECTORS

**50%**



OF IT BUDGETS ARE NOW  
SPENT ON  
TRANSFORMATION OR  
INNOVATION

**TWO  
THIRDS**



OF CIOs BELIEVE LOB IT  
SPENDING MIGHT EXCEED  
IT DEPARTMENT SPENDING  
**5% SAY ALREADY MORE**

BUT KEEPING THE LIGHTS ON STILL IMPORTANT:



**#1**

**IT SECURITY  
PRIORITY**  
THREE YEARS IN A  
ROW

GROWING IMPORTANCE:

**IMPROVING  
CUSTOMER  
SERVICE**



... ACROSS ALL  
TOUCH POINTS

PCS MAKING A COMEBACK?

**30%**



INTEND TO INCREASE  
SPENDING ON PCs /  
NOTEBOOKS  
DESPITE BUYING  
MORE TABLETS &  
SMARTPHONES



# Australian workplaces rapidly changing...



**ONE THIRD** OF EMPLOYEES  
EXPECTED TO BE AB  
WORKERS

**TWO THIRDS**  
OF  
ORGANISATIONS  
WILL SUPPORT  
**ACTIVITY BASED  
WORKING**  
BY 2019

THE DESK PHONE IN  
PERIL?

**>30%**  
ARE CONSIDERING  
REPLACING DESK  
PHONES  
COMPLETELY



NEARLY **THREE QUARTERS**  
OF ORGANISATIONS  
HAVE  
AN ESTABLISHED  
SOCIAL MEDIA  
PRESENCE



SPENDING ON MOBILITY TO INCREASE:



BUT FOCUS SHIFTING TO  
**MULTI-PLATFORMS AND  
APPLICATIONS MANAGEMENT**  
RATHER THAN DEVICES

**46%**



OF  
ORGANISATION  
S NOW  
SUPPORT **BYOD**  
DRIVEN BY  
ADOPTION OF  
**MDM**  
PRODUCTS



OF  
ENTERPRISES  
ALREADY ALLOW  
STAFF TO BRING  
THEIR OWN  
WEARABLE  
COMPUTERS

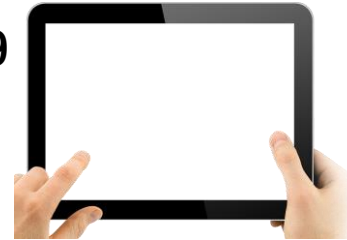
# ...and so are working and IT spending habits...

## MORE STAFF USE BYOA

THAN BYOD IN ORGS  
THAT ALLOW IT.  
50% OF BYOA STAFF  
USE A PUBLIC  
EMAIL SERVICE FOR WORK



## ALLOWING TELEWORKING TO REACH 50% BY 2019



## ONE THIRD

OF CIOs SAY  
INCREASING IT  
COMPLEXITY IS  
LEADING TO  
MORE STAFF HIRING



## SELECTIVE SOURCING

NOW THE DOMINANT  
OUTSOURCING MODEL:

“OUTSOURCE SOME  
FUNCTIONS TO BEST-OF-  
BREED PROVIDERS, BUT  
BUNDLE WHERE THERE ARE  
COST AND CAPABILITY  
SYNERGIES”

OPPORTUNITY:



ONLY **50%**  
OF ORGS MANAGE IT  
CHANGE IN-HOUSE

CLOUD INTENTIONS STILL STRONG:

**84%**

INTEND TO  
INCREASE,  
OR MAINTAIN,  
CLOUD SPENDING IN 2015



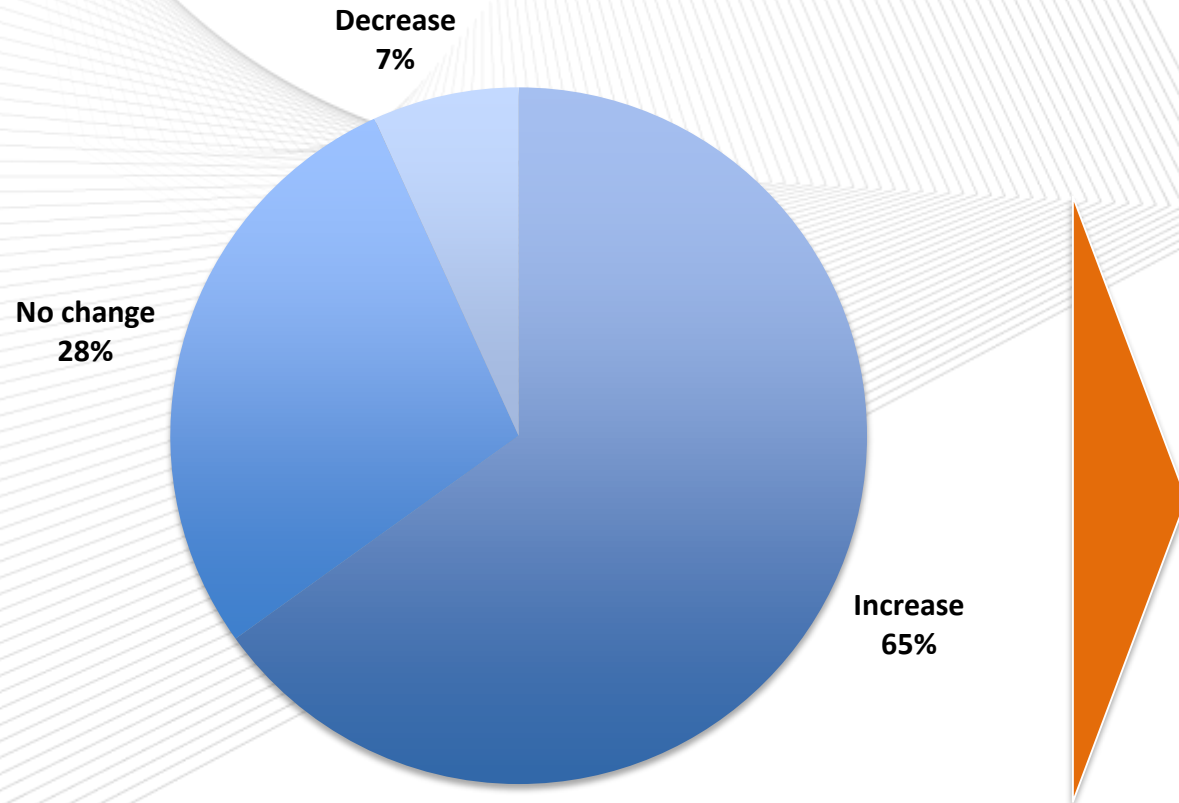




What about ICT spend and budgets...

# IT budgets likely to increase with accepted strategic importance of technology across the Business...

Q: How will your organisation's total annual ICT budget change in 2015 compared to last year?



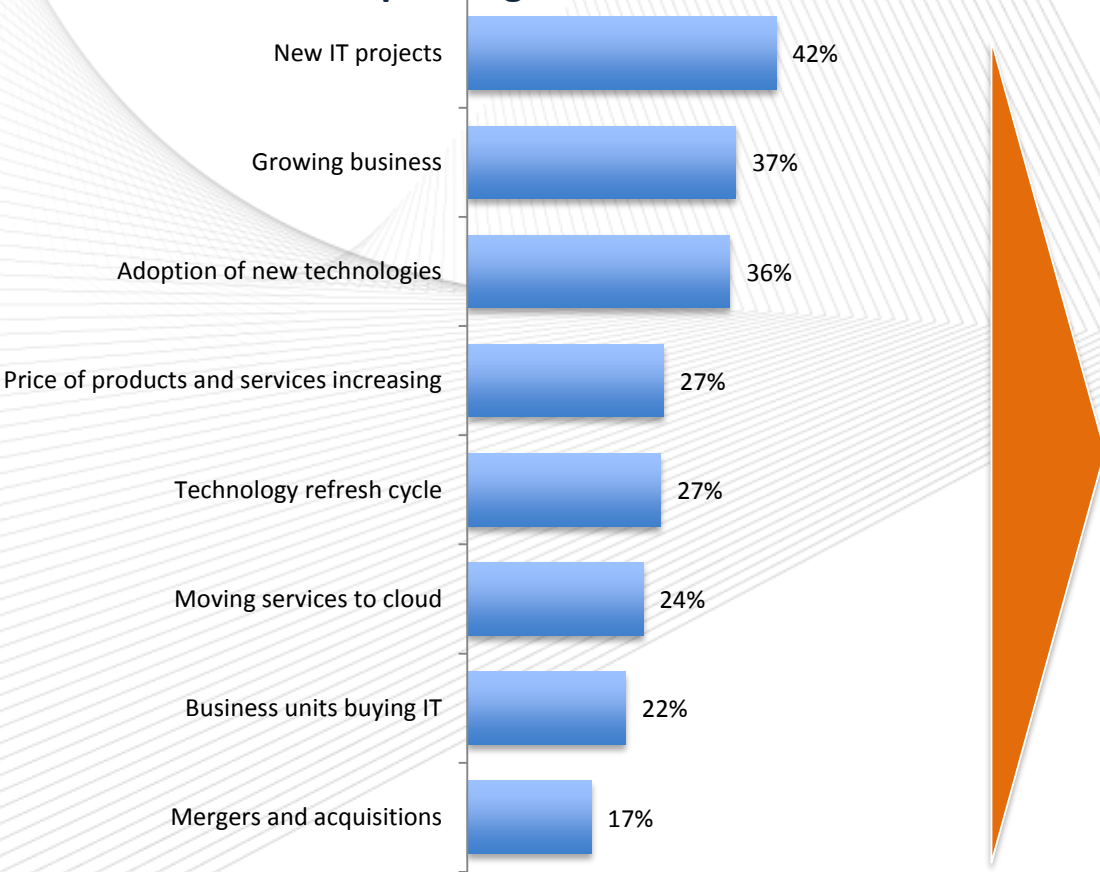
~5%

Average increase in ICT budgets for 2015, similar to 213-2014

- Australian CIOs are planning to increase overall (CAPEX and OPEX) budgets in 2015.
- In 2014, there were significant activities around cloud, mobile and big data as well as changes in how organisations procure ICT.
- Overall, there decision makers are confident that the IT spending is delivering value to the business – from both in-house and external providers.
- Strong intentions from mid-market (200-499) firms to increase IT spend, while larger enterprises (500+) likely to be more conservative in 2015.

# CAPEX spending driven by IT projects and adoption of new technologies...

## Q: What are the reasons for more Capex spending?



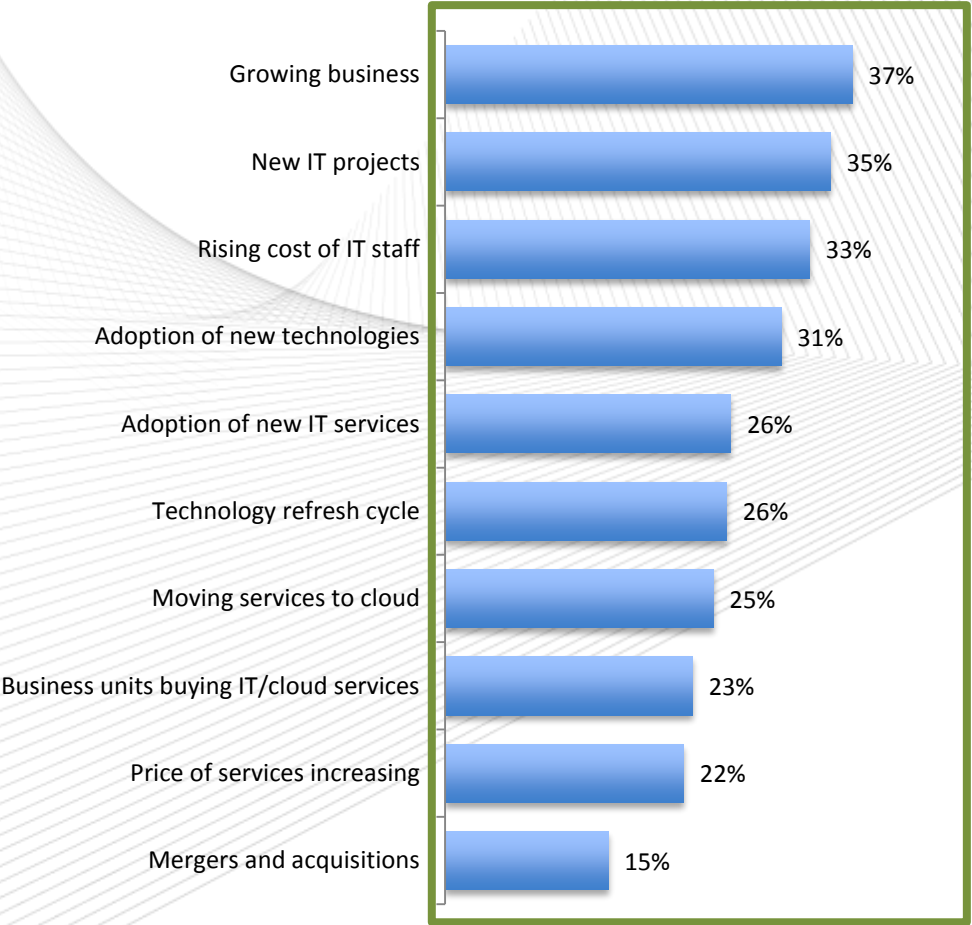
- CAPEX spend in new IT projects and technologies potentially part of transformation or innovation activities to improve productivity and drive down OPEX in the longer term
- CAPEX for smaller organisations (20-49) likely driven by new IT projects, while the large enterprise market (2000+) is spending more on CAPEX due to new technology.
- IT decision makers are pointing to cloud and outsourcing as key reasons for future reduction in CAPEX.

Reasons for decreasing Capex (n=39)	%
General spending cuts	39
Outsourcing of IT	26
Moving services to the cloud	23



# Organisations are increasing operational IT resources in order to support business growth...

Q: What are the reasons for more OPEX spending?



- New IT projects and growing businesses are the main reasons for the IT OPEX increase.
- The large enterprise market (2000+) is likely to be spending more on OPEX due to new IT project work.
- Spending by non-IT business units yet to be a key driver of OPEX (similarly for CAPEX), but is showing signs of gaining traction among Australian organisations.

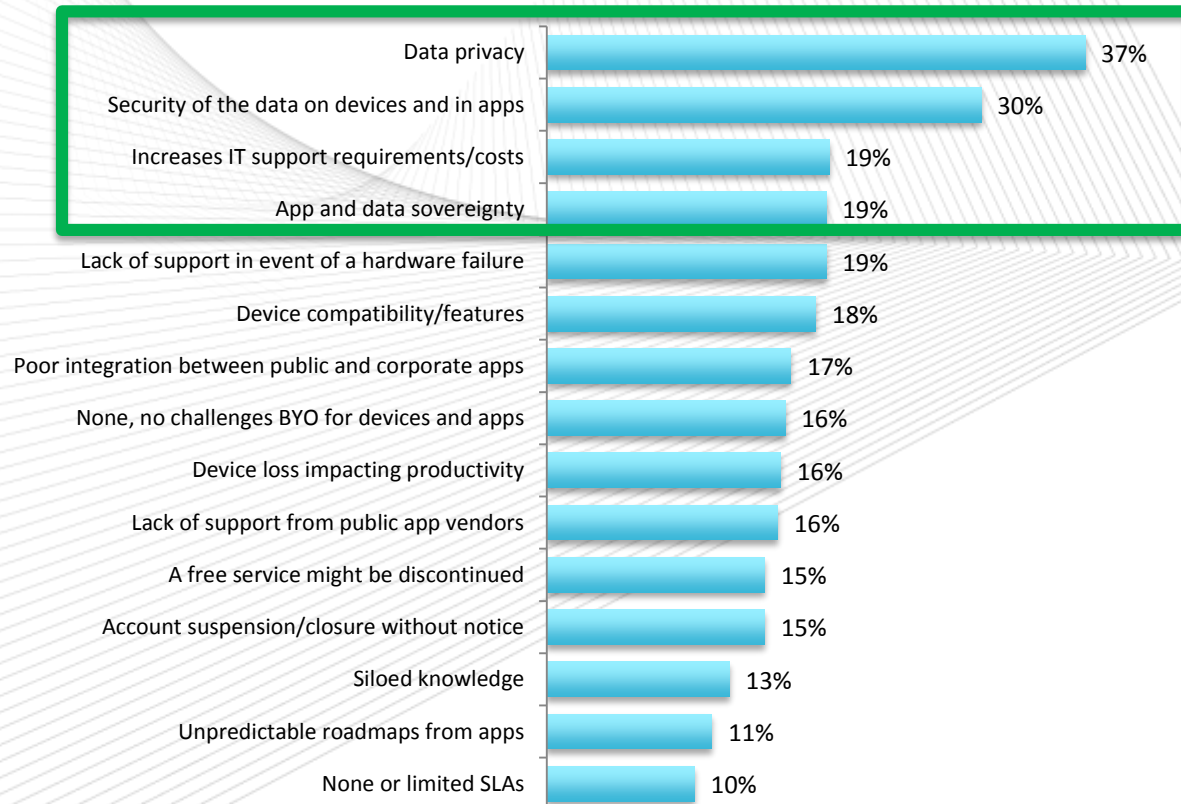
Reasons for decreasing OPEX (n=23)	%
General spending cuts	57
Outsourcing of IT	30
Poor business climate	13

A long-exposure photograph of a city street at night, showing vibrant light trails from cars and streetlights in various colors like blue, green, yellow, and red. The scene is dynamic and futuristic.

## Technology Spending by non-IT business units...


# IT decision makers remain highly concerned with privacy, security, and data sovereignty...

**Q. What do you think are the biggest challenges for the organisation when staff use personal devices and public apps for work purposes?**



- Telsyte believes BYOA for non-critical business applications without access to company data (e.g. collaboration tools) do not pose a strong privacy or security threat.
- However, the issue arises when the BYO application requires access to business data and other business systems. These third party applications can potentially be security vulnerabilities.
- Unlike BYOD where various MDM solutions are available for common OS and devices, IT organisations currently have far less control over BYO applications. These applications are far more difficult to lockdown than BYO devices.



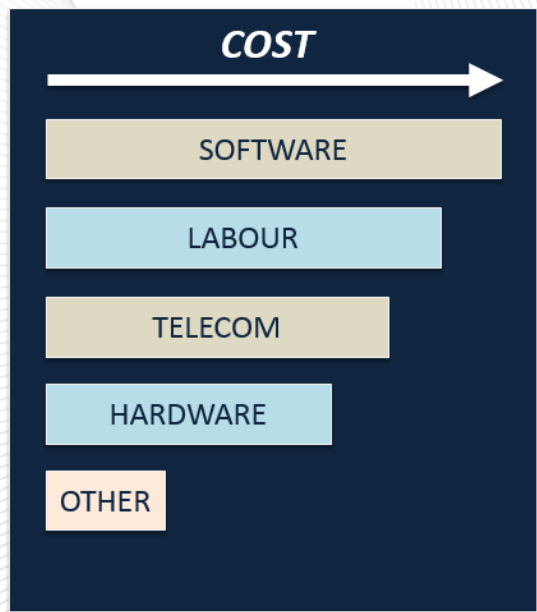
A man and a woman are smiling and looking at a tablet together. The man is wearing a light blue button-down shirt, and the woman is wearing a white top. They are both looking at the tablet with interest. The background is a blurred office setting. On the left side of the image, there is a decorative graphic consisting of concentric, curved lines in a light gray color. A semi-transparent blue rectangle is overlaid on the image, containing the text.

Apptio & TBM at UXC... a  
new way of working and  
thinking...

*It's not about the number being too high or too low, or programs being right or wrong...what's important is the integrity of both and what you do next...its not just about cost take out, its also about where best to invest and create tangible value...*

The Apptio Platform findings were consistent with other global insights...consolidation, simplification and shared services will deliver significant benefits...de-duplication a focus for uplift...

## WAVE 1 – DEMONSTRATE VALUE



### TOP 8 RESOURCE TOWERS

1. Applications
2. End User
3. Communication
4. IT Management
5. Network
6. Compute
7. Data Centre
8. Storage

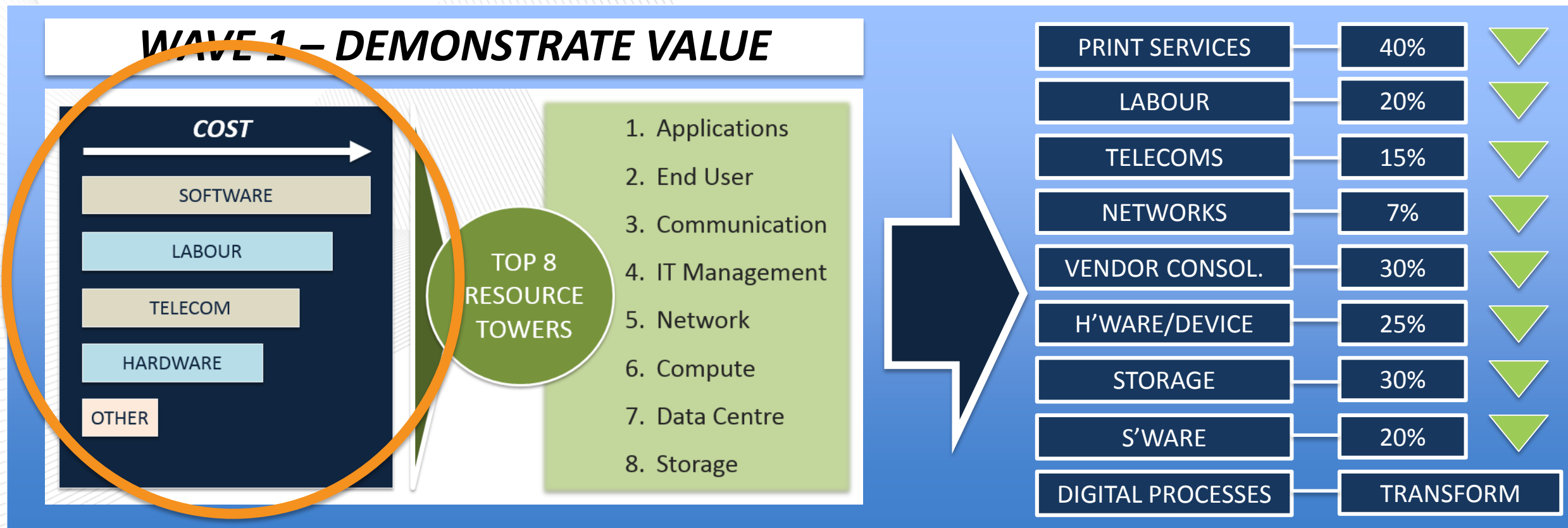


PRINT SERVICES	40%	▼
LABOUR	20%	▼
TELECOMS	15%	▼
NETWORKS	7%	▼
VENDOR CONSOL.	30%	▼
H'WARE/DEVICE	25%	▼
STORAGE	30%	▼
S'WARE	20%	▼
DIGITAL PROCESSES	TRANSFORM	

Findings led to change programs which focused on end user experience, information sharing and collaboration, consolidation of service management and deduplication of processes...self funded and executable...

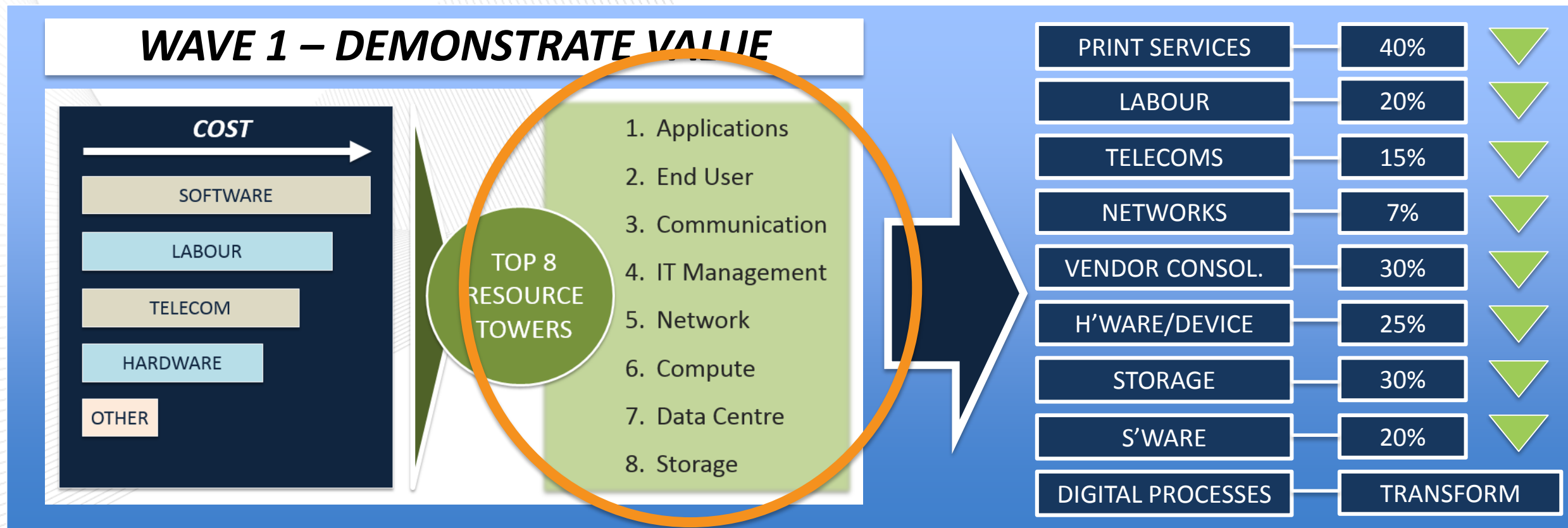


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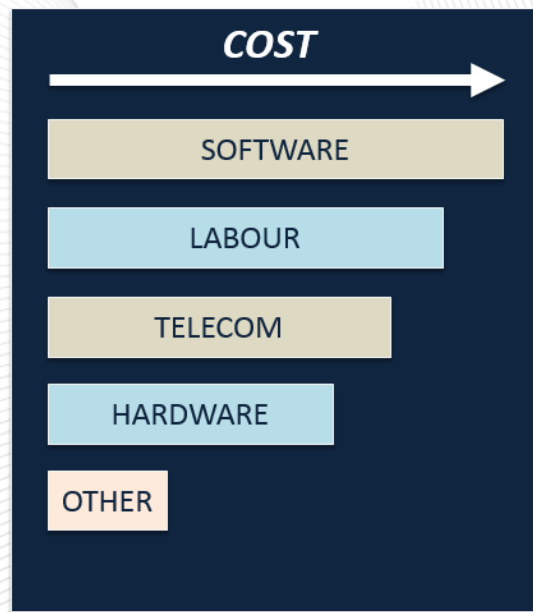
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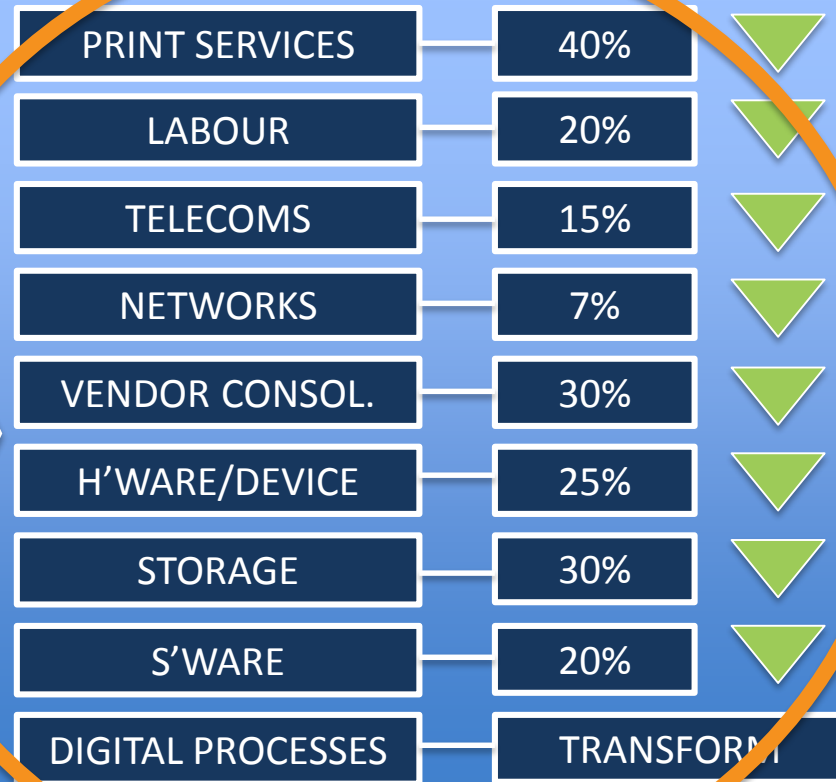
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# UXC ICT Services are delivered two ways...Localised Business Unit delivered & Shared services...value creation led the change...

## | Key Drivers for Change remain clear

1. Cost Transparency
2. Clarity of investment slate decisions
3. Integrity of analytics
4. Streamlining of team engagement
5. Shift from reports to insights

## | Relationships, Education & Engagement

1. Language and operational rhythms
2. Creating Trust and shared objectives
3. Communication and shared wins
4. Waves of change as opposed to surfing change



# So what is the outcome of 'Wave 1' TBM ?– Bill of IT and Cost Transparency

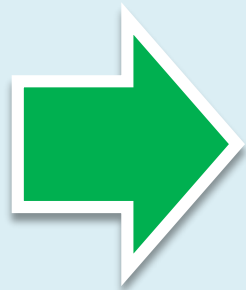
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## | Business Insights and Programs

- Sourcing, Procurement & Governance – **partners vs vendors** and licencing
  - **Cloud first** Infrastructure, Networks and Communications – SAAS, PAAS, IAAS
  - Platform consolidation & simplification – **debunking** the need for **complexity** and **uniqueness**
  - Services and support – **leverage-X-sharing** capabilities
  - Devices and '**ways of working**' – BYOD, BYOA – **ceasing BYOP**
  - **Collaboration** – Identity Management, Permission/Authentication – becoming truly **boundary less – virtually, physically and symbolically**
- 

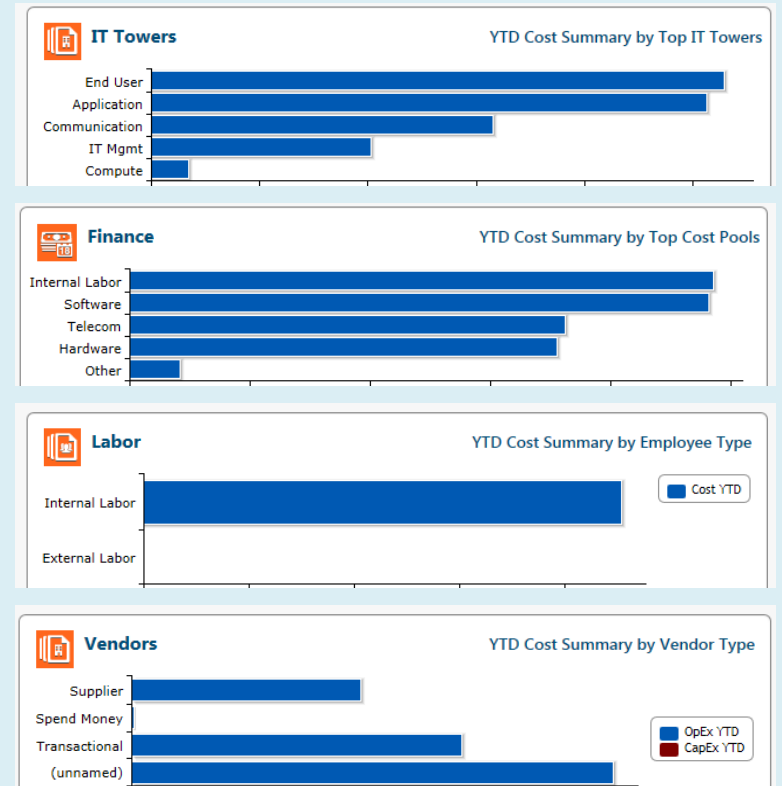
Transaction based pricing & consumption models – longer term target state...flexibility to meet scale and competitiveness

# Unforeseen value presented with recent due diligence processes... the power of Apptio and TBM in flight...



45

**SECS TO PRODUCE  
INSIGHTS FOR  
COST POOLS.**



*Information and detailed management reports provided insights. Where are the synergies, where are the opportunities and how can we best leverage the capabilities of both Businesses...*



| 7 thoughts to consider when approaching the TBM journey...

1. Complexity of your Business shouldn't be a stall point, it **should be a 'motivator'**
2. **Establish TBM Principles** – Guiding and Intent
3. **Relationships** *trump* 'being right'
4. **Establishing** target outcomes - **foundations** for *new ways of working* is fundamental
5. **Listen, Educate, Influence, Change** – *in that order*
6. **Operational Rhythms** – a must have
7. **TBM** is not '*another way of working*' or *something else to do* – it must become the **backbone** for management decisions



# Thank-you

**Craig Wishart** | UXC Limited CIO/CTO  
UXC Limited  
Level 19, 360 Collins Street  
Melbourne VIC 3000  
P (03) 9224 5718 | M 0408 862 506  
[craig.Wishart@uxc.com.au](mailto:craig.Wishart@uxc.com.au)



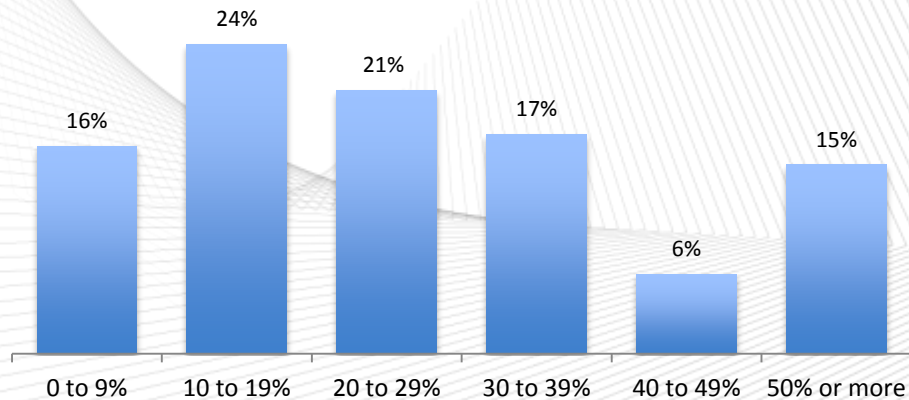
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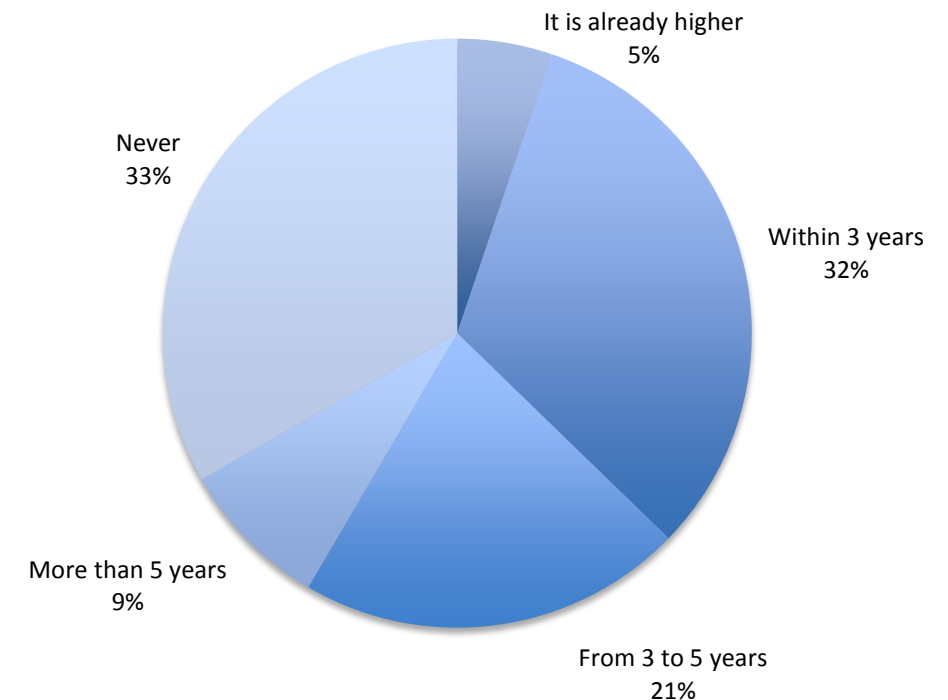


# Two thirds of organisations think LOB IT spend can exceed current IT-only budget, 5 per cent already do...

Q: Compared with the dedicated ICT budget, what percentage is spent on IT by non-IT business units?



Q: When will ICT spending by non-IT lines of business exceed the dedicated ICT budget?



- On average, 72% of IT spend is still attributable to the IT organisation. However, the increasing number of organisations allowing non-IT business units to procure IT may change the mix in the future.
- Alarming, two thirds of organisations that allow non-IT business units to procure IT have indicated that spend may exceed to budget of the IT organisation in the future.