



TBM CONFERENCE 2015

Accelerating Transformation to a Shared Services Model with TBM

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UXC



A nighttime photograph of a city skyline reflected in a river. The sky is dark blue, and the buildings are illuminated with various lights. A prominent white banner is overlaid on the upper part of the image, containing the main title. The river flows through the center, with a bridge visible in the distance. The foreground shows a walkway and some trees along the riverbank.

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

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





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Overview

- 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
- Unforseen 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



Design & Think

Enterprise Applications

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



Implement & Enhance

IT Infrastructure

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



Operate & Manage

UXC Business Units

UXC Consulting
UXC Professional Solutions
Telsyte

UXC Eclipse
UXC Oxygen
UXC Red Rock
UXC Keystone

UXC Connect

Major Partners



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 ORGANISATIONS 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

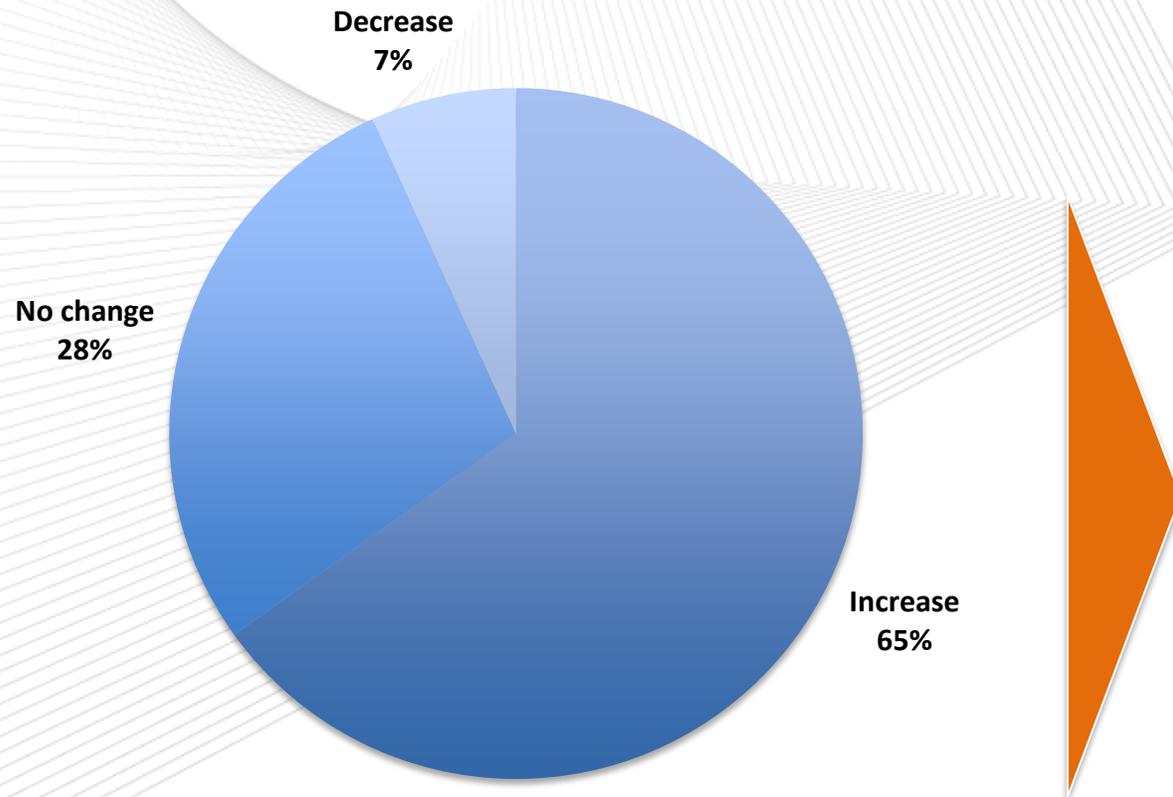


A nighttime photograph of a city skyline reflected in a river. The sky is a deep blue, and the buildings are illuminated with various lights, including warm yellow and cool blue. A prominent white semi-circular building is on the left. The river flows through the center, with a bridge visible in the distance. The overall scene is vibrant and modern.

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?



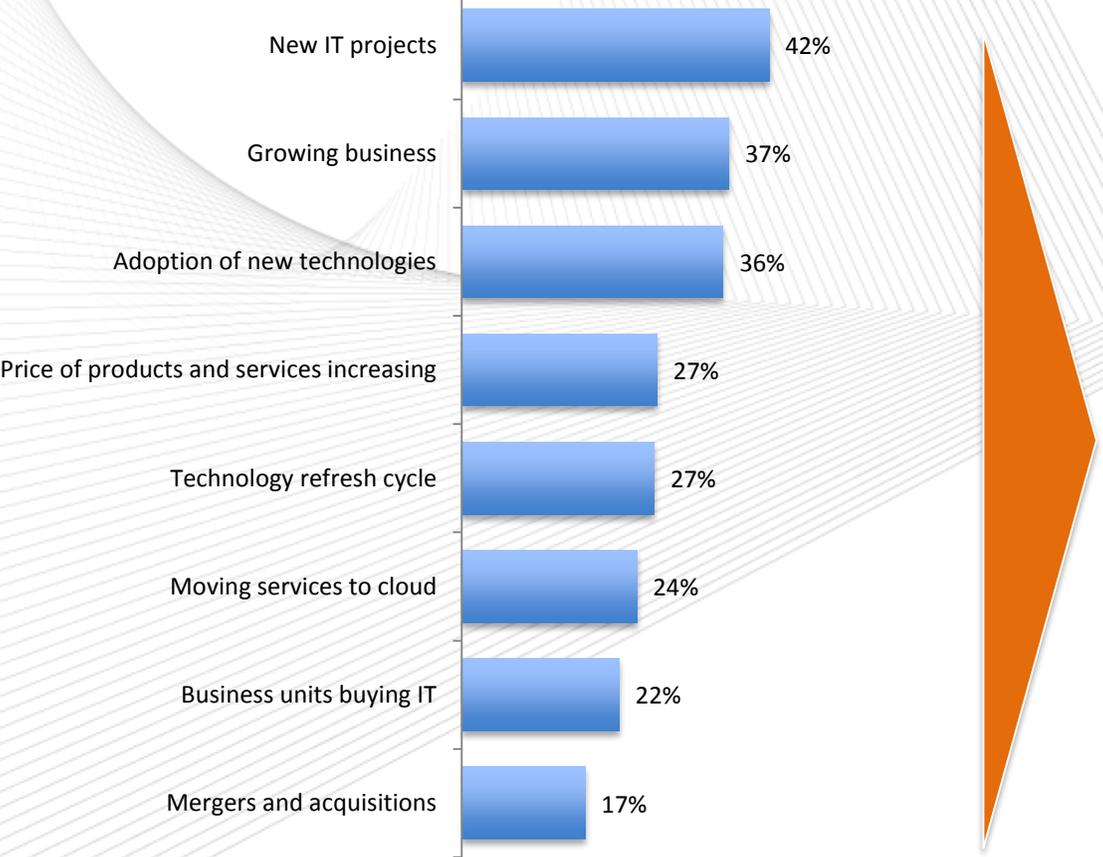
~5%

Average increase in ICT budgets for 2015, similar to 2013-2014

- 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?

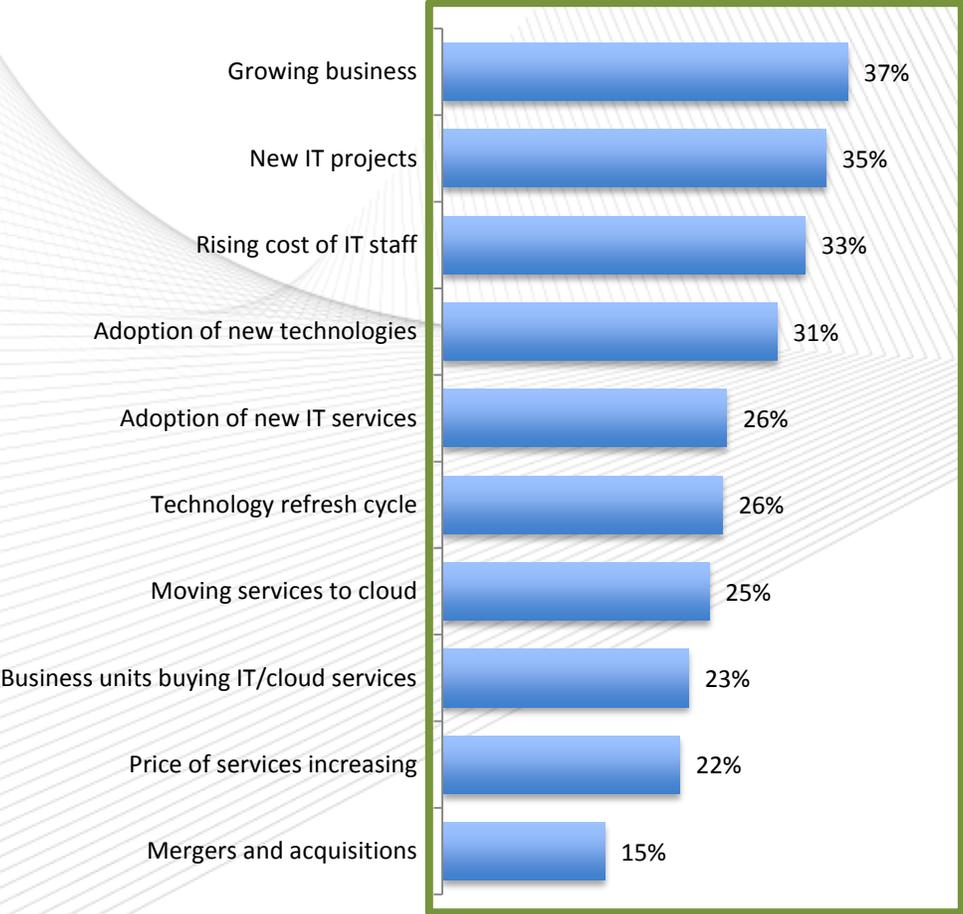


- CAPEX spend in new IT projects and technologies potentially part of transformation or innovation activities to improve productivity and drive down OPEX in the longer term
- CAPEX for smaller organisations (20-49) likely driven by new IT projects, while the large enterprise market (2000+) is spending 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.

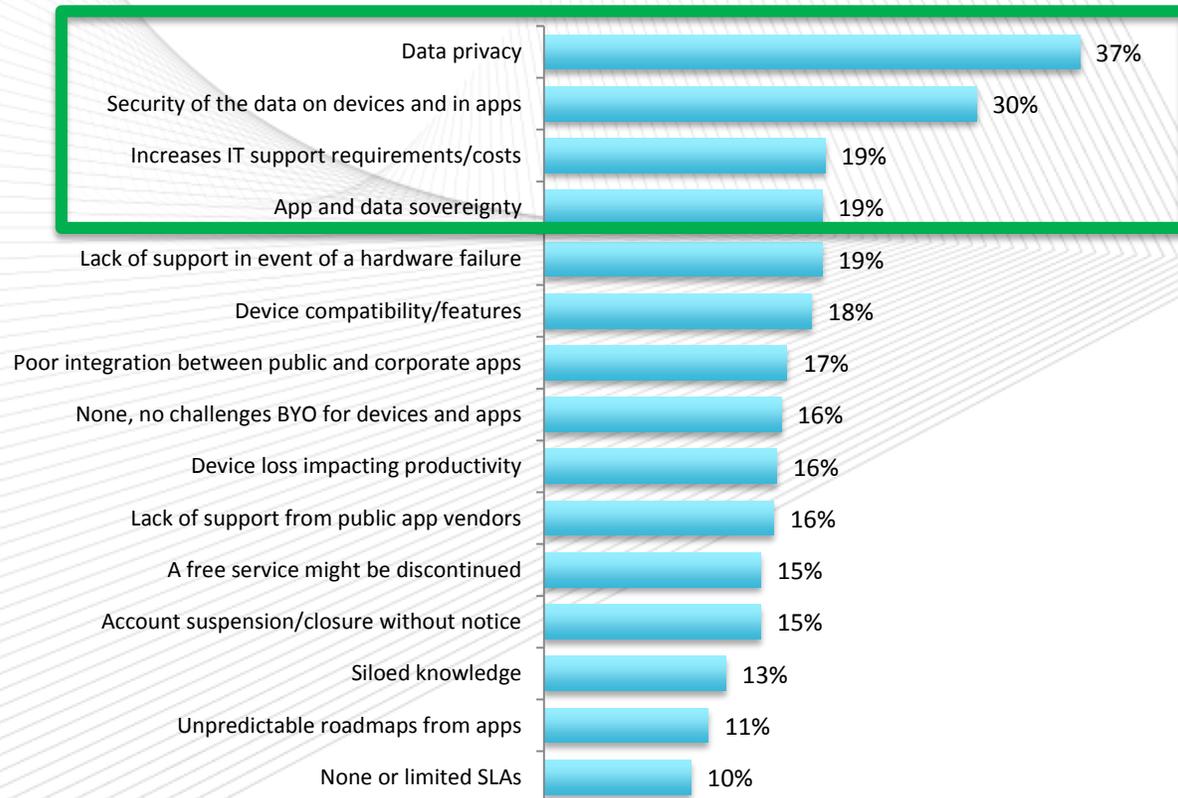
Reasons for decreasing OPEX (n=23)	%
General spending cuts	57
Outsourcing of IT	30
Poor business climate	13

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 background is dark, making the light trails stand out prominently.

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?



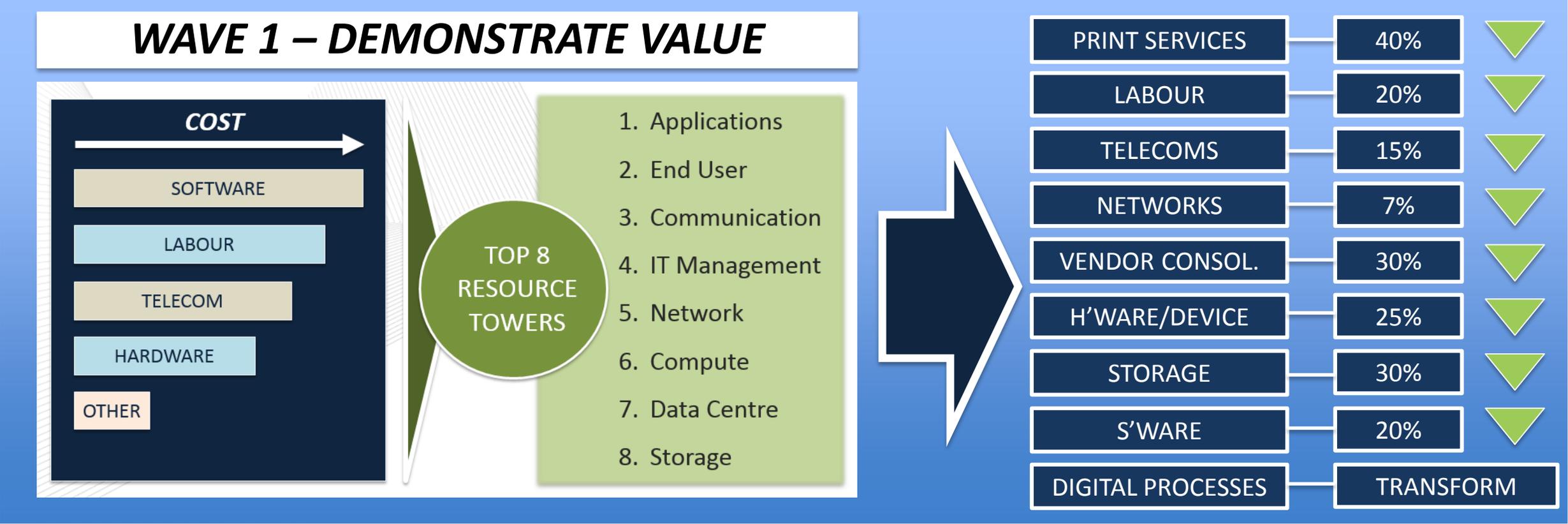
- Telsyte believes BYOA for non-critical business applications without access to company data (e.g. collaboration tools) do not pose a strong privacy or security threat.
- However, the issue arises when the BYO application requires access to business data and other business systems. These third party 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.



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

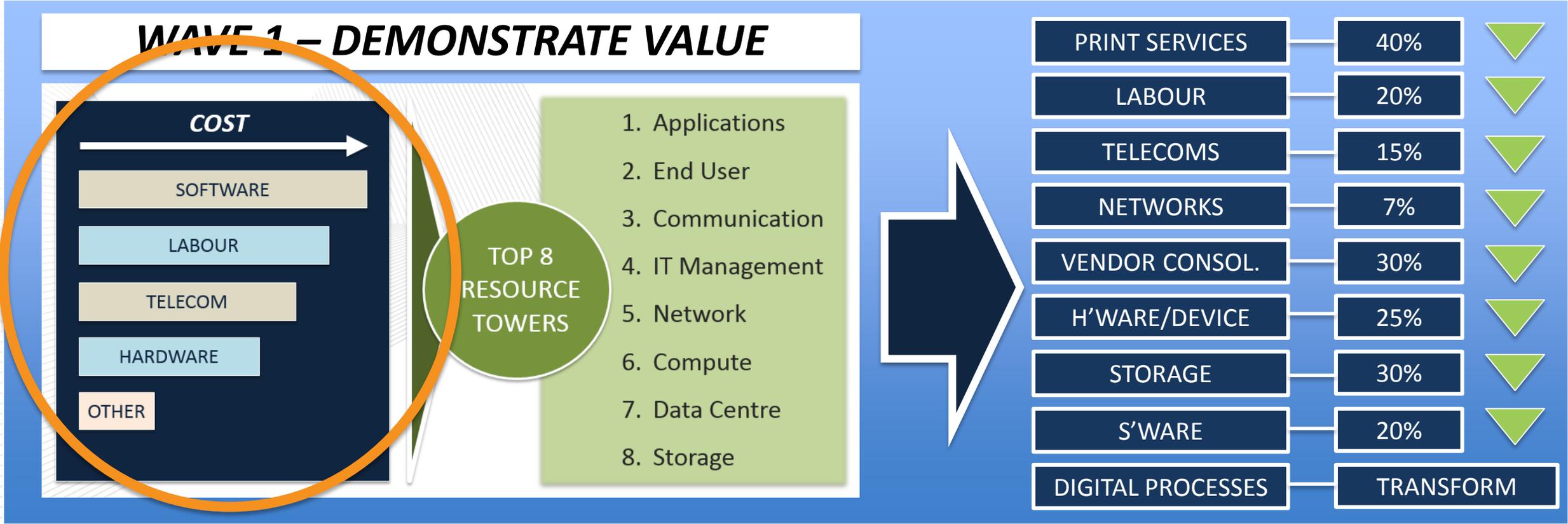
It's not about the number being too high or too low, or programs being right or wrong...what's important is the integrity of both and what you do next...its not just about cost take out, its also about where best to invest and create tangible value...

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...



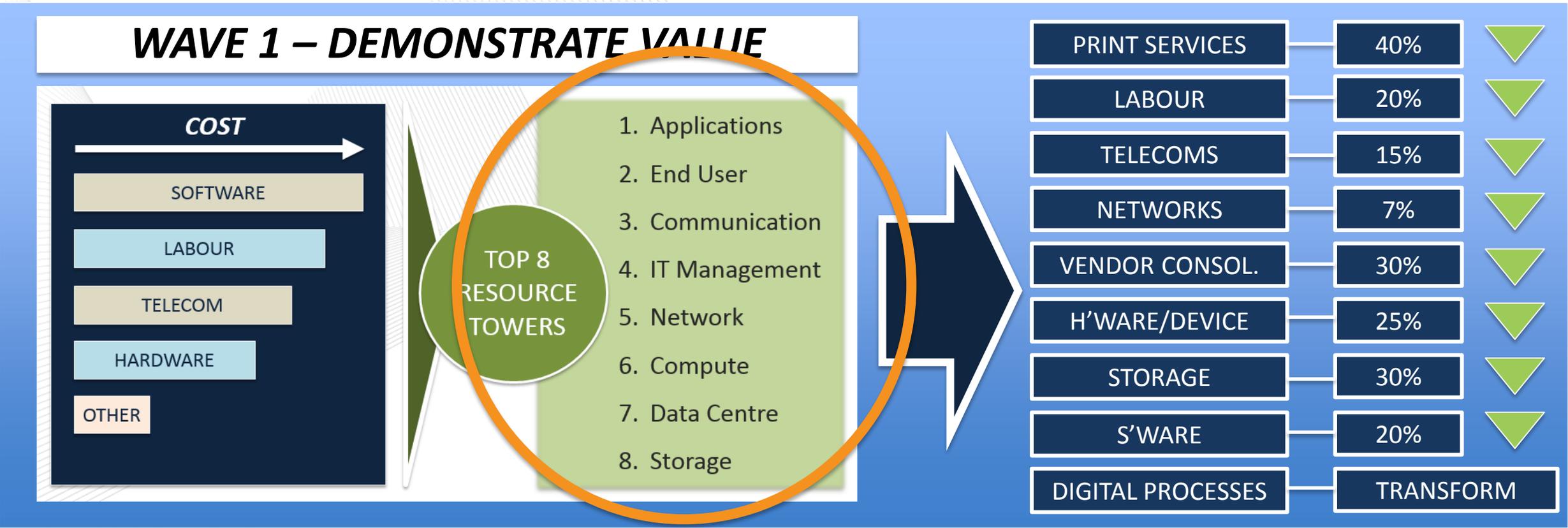
Findings led to change programs which focused on end user experience, information sharing and collaboration, consolidation of service management and deduplication of processes...self funded and executable...

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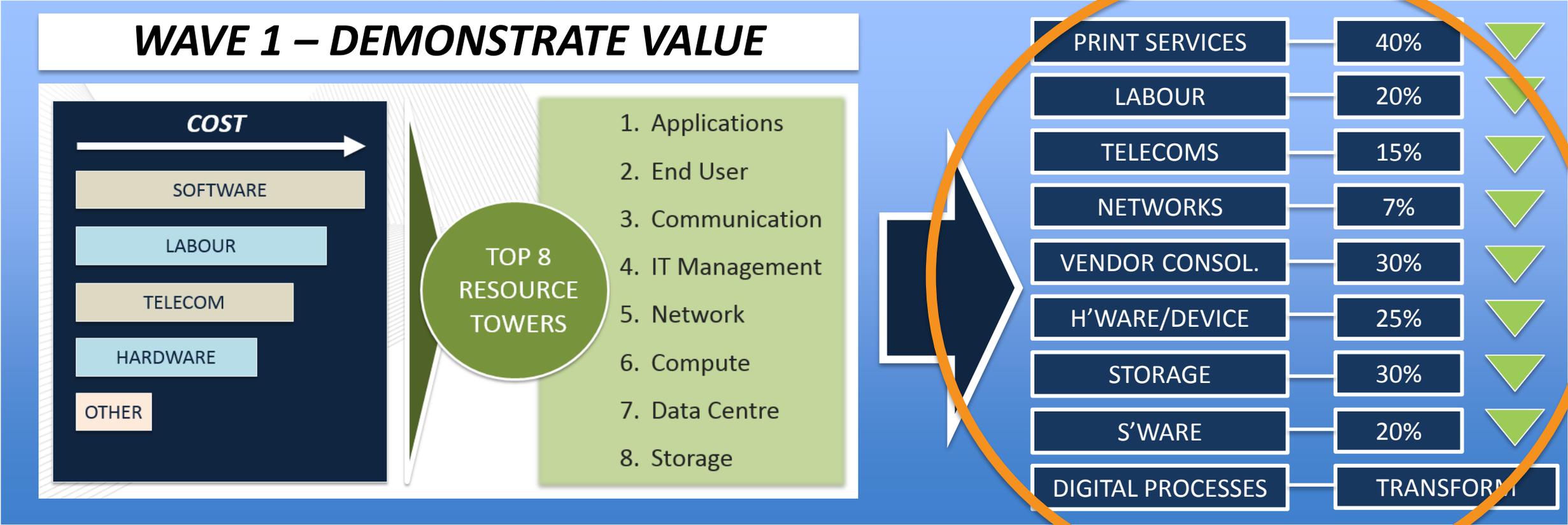
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UXC ICT Services are delivered two ways...Localised Business Unit delivered & Shared services...value creation led the change...

| 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



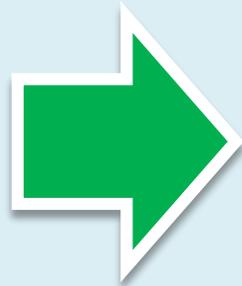
So what is the outcome of 'Wave 1' TBM ?– Bill of IT and Cost Transparency

| 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**
-

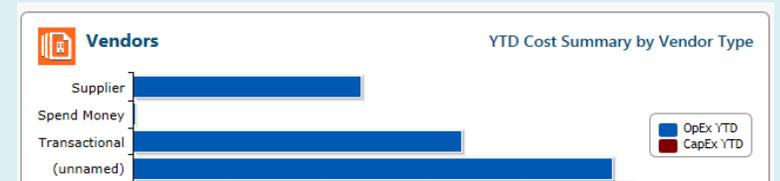
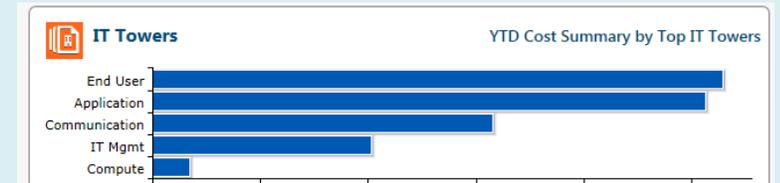
Transaction based pricing & consumption models – longer term target state...flexibility to meet scale and competitiveness

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

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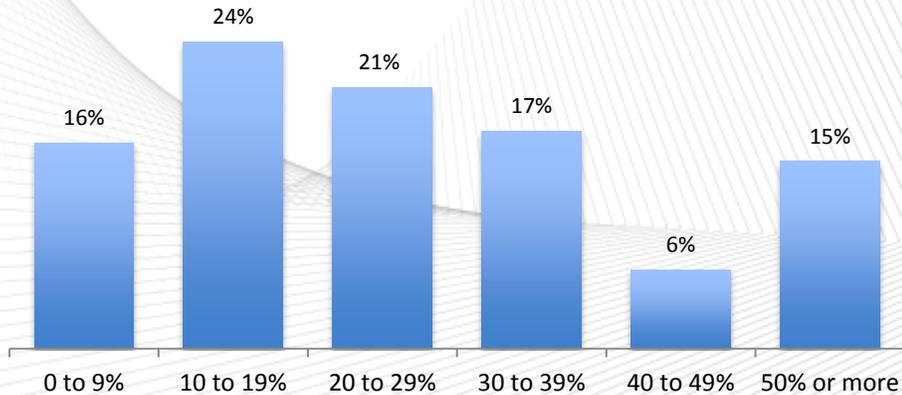


Notes only



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?



- 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.
- Alarmingly, 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.

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

