

DIGITAL IT OPERATING MODEL

SOLUTION-ORIENTED | PRODUCT-CENTRIC | CAPABILITY-DRIVEN



MAKING IT SOLUTION-ORIENTED, PRODUCT-CENTRIC AND CAPABILITY-DRIVEN

What we do

Faced with competition from digital disruptors, smart traditional players acknowledge that they need to disrupt themselves before someone else comes along and disrupts them. Consequently, some players began developing disruptive business models which rely on digital technologies. However, many organizations struggle in aligning their IT operating model with these new business models. We are convinced that a well-designed digital IT operating model can act as an engine that turns strategy and new business models into effective actions and tangible results. A future-proof IT can respond to changing market requirements by focusing on business solutions based on products that are driven by scalable and agile capability groups. Let's discuss what's next.



**A DIGITAL IT
OPERATING
MODEL **SCALES**
YOUR IT AND
SPARKS
BUSINESS VALUE**

EVOLUTION OF IT OPERATING MODELS

Not only information technology evolved, but also the best practice models to operate IT



Silo-Based IT Operating Model

Mainframe computing is at the core of the IT, which is a siloed, specialized **department** with limited **business interaction**.

<1990

1990 - 2009

Plan-Build-Run IT Operating Model

While computing shifted to **client-server**, the growing IT follows an organizational split according to IT delivery phases with **clear interfaces** and **responsibilities**.



Multi-Speed IT Operating Model

Along with the emergence of **cloud computing**, IT tries to become faster and adopts **lean/agile** methods and **product-centricity**, but **only partially**. Legacy silos remain intact.

2010 - 2019

>2020

Digital IT Operating Model

Constantly changing market and technology environments require a **100% solution-oriented, product-centric and capability-driven** IT operating model.




CHANGING BUSINESS DEMANDS AND CHALLENGES OF IT

Emerging business trends are challenging traditional IT operating models



Diversity of digital business opportunities

Technology-enhanced products and services (e.g. AI, IoT, analytics)



Personalization of products and services

"Lot size one" and new consumerism



Increasing rate of business change

Shortened product cycles and time-to-market



Inevitable technology penetration

Disruptive and dynamic technology skill shift



Inflexible organizational structures
Working model in stifflygrown "silos"



Lack of customer orientation
Missing focus on the business product and outcome



Slow IT responsiveness and execution
Long delivery time and release cycles with limited release windows



Lack of digital IT skills
Outdated methodologies and undefined innovation approach

A DIGITAL IT OPERATING MODEL IS A BRIDGE BETWEEN BUSINESS AND IT



Defines how **business and IT work together** to create value for an organization

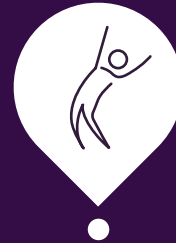


Serves as a **blueprint for the organization of resources and processes** to collaboratively deliver results



Needs to evolve along with the business model and strategy to guide people and produce relevant services





SOLUTION-ORIENTED

Offer relevant business solutions instead of technical artifacts

Achieve business value through customized solutions that meet the customers' needs

Shift the focus of IT from process compliance towards value creation for the business



PRODUCT-CENTRIC

Establish products and platforms as central steering elements of the IT organization

Provide standardized building blocks on benchmark-level for reuse in business solutions

Enable end-to-end delivery of business solutions in a multi-dimensional IT organization



CAPABILITY-DRIVEN

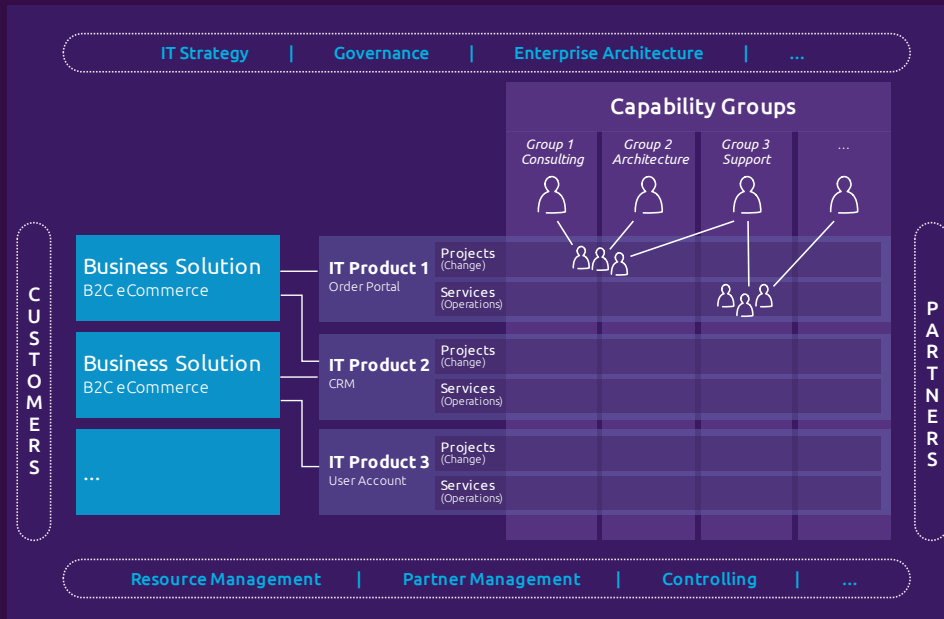
Establish capabilities required for creation and operation of business solutions and IT products

Proactively engage in assessing emerging technologies to build expertise and provide skills and assets

Scale fast and efficiently by leveraging the skills of the workforce across the entire IT organization

DIGITAL IT OPERATING MODEL

The Digital IT Operating Model is driven by scalable capabilities, which are allocated according to business demand



Balance of power

is a central idea of the operating model that enforces collaboration

Budgets

are driven by customer demand and allocated to business solutions and IT products

Resources

mostly reside within capability groups—solutions and products are structured lean

Resource management

supports transparent and dynamic staffing based on capabilities and demands

Scalability

is ensured through global provisioning of required in- and external capabilities

End-to-end delivery accountability

lies within solutions and products, explicitly not with capability groups

CAPABILITY TYPES

IT capabilities can be categorized into three main types: functional, cross-functional and enabling IT capabilities



FUNCTIONAL IT Capabilities

are business-driven and maximize IT value in the business

- May be customer-specific
- Focus on business value creation
- Close interaction with business functions

User Experience Design
Business Consulting
Solution Architecture



CROSS - FUNCTIONAL IT Capabilities

provide resources and scalable assets for all business solutions and IT products

- Generic services across business functions
- Focus on harmonization and cost efficiency
- Delivery with global perspective in mind

Advanced Analytics
Cloud Infrastructure Services
Cyber Security



ENABLING IT Capabilities

support the IT organization with transparency and steering

- Provision of supporting services
- Focus on transparency and steering
- Indirect value contribution

IT Partner Management
Performance Management
Project Portfolio Management

Characteristics

Examples

RESULTS YOU CAN EXPECT

A Digital IT Operating Model provides value for your business



HOW TO GET STARTED

Our approach consists of an **assessment, initial design, and pilots** that lead to a full IT transformation



~ 4 weeks

Assessment

of current IT operating model



~ 2-3 months

Initial design

of business solutions, IT products and capabilities



~ 3-6 months

Piloting and detailing

of design to gain insights and first benefits



~ 1-2 years

Transformation

of the IT towards a digital IT operating model



**A DIGITAL
IT OPERATING MODEL
PROVIDES THE
AGILITY TO PERFORM
IN A FAST-PACED
DIGITAL WORLD**

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