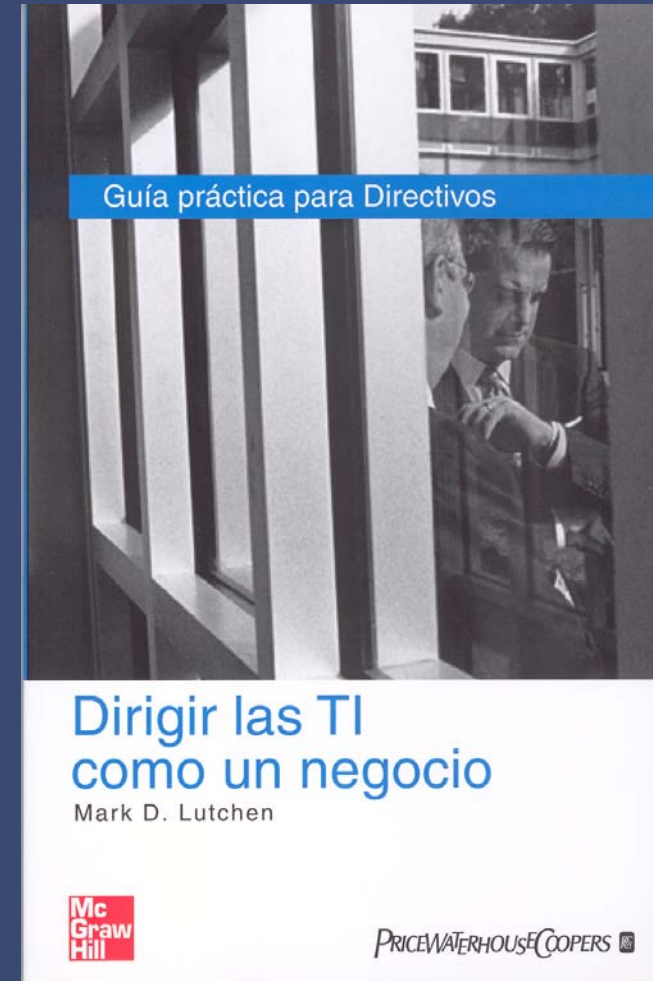


Dirigir las TI como un Negocio *“Managing IT as a Business”*

Mark Lutchen
Senior Practice Partner

CIO Conference
Madrid
6 July 2006



PRICEWATERHOUSECOOPERS 

Buenos días

**Estoy encantado de estar hoy aquí
con ustedes**

Temas clave

- Why IT Has Not Been Able to Contribute
- Dirigir las TI como un Negocio
 - “Managing IT as a Business”
- A Three-Point Plan For Improving Innovation
- Q&A

La tecnología en la “Línea de fuego”

Mercury News – August 2004

New Database Blamed
As Profit Plummets
40%

C/Net – October 2004

Car Rental Company Has Taken a
Multimillion-Dollar Hit on its
Bottom Line Because of Problems
with its IT

FineExtra.com – Sept 2004

Large Bank Brings IT
Back in House

Computing – Dec 2004

IT Chief to go as Focus
Shifts to Cost Cuts

CIO Magazine – May 2005

The Crash of a Critical
Legacy System is a Classic
Risk Management Mistake
that Cost the Airline \$20
million and Badly Damaged
its Reputation.

Factores que impactan sobre el rol de las TI en la empresa

Why IT Has Not Been Able to Contribute

- Strong Market Forces
- Globalization
- Decentralized Business Operations
- Fragmented Approaches to IT Management
- Increasing Customer Demands
- Executive Expectations – The ‘Value’ Requirement
- Need for Increased IT Cost Control/Measurement
- Security Concerns
- Compliance & Controls – SOX
- Lack of Flexibility – Inability to Absorb Change

“Dirigir las TI como un Negocio”
“Managing IT as a Business”

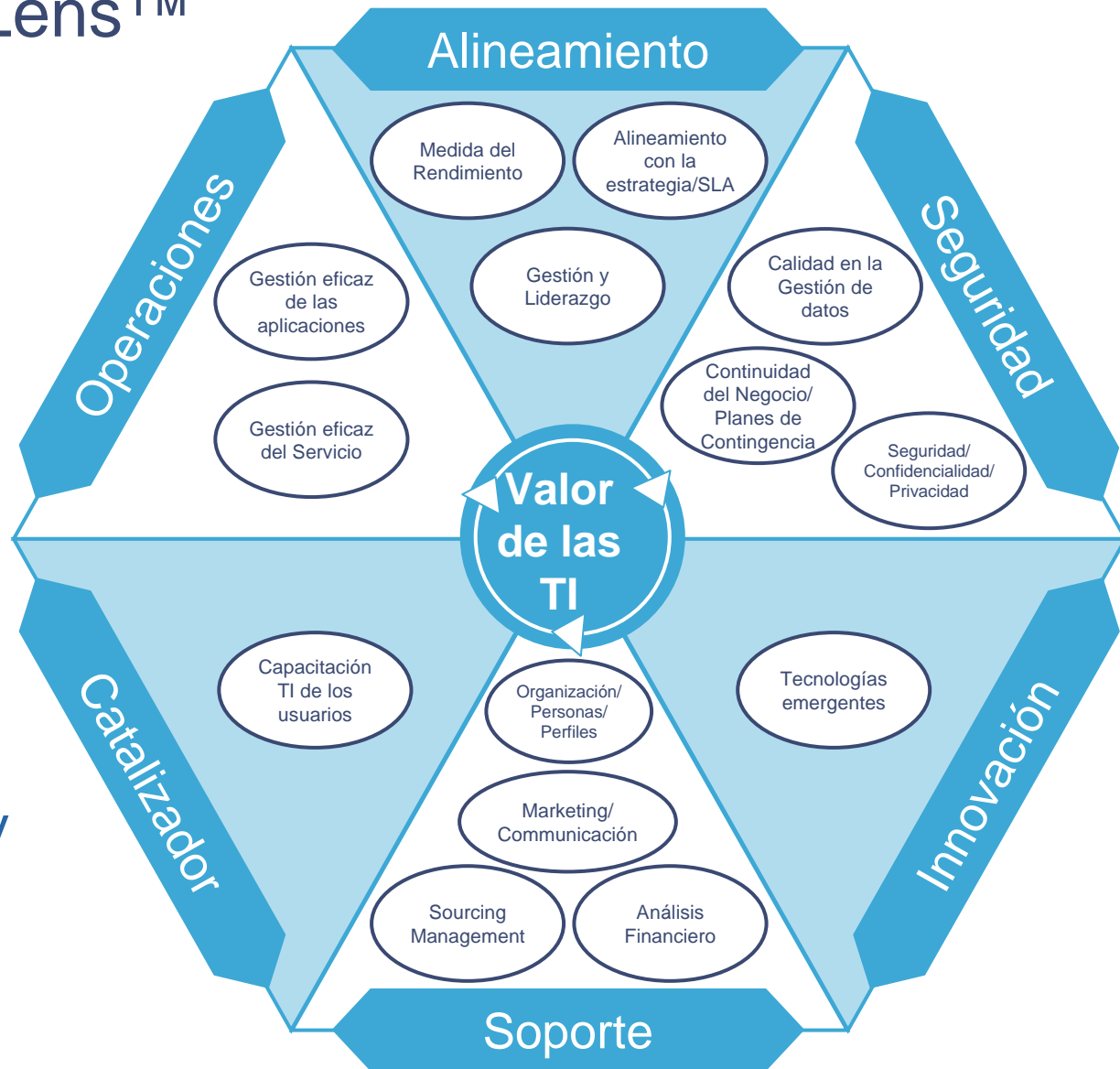
Aplicando disciplinas de medida aceptadas de negocio, fiscales, presupuestarias, organizacionales, de marketing, de gestión, de inversión y rendimiento en el amplio entorno TI de una compañía.



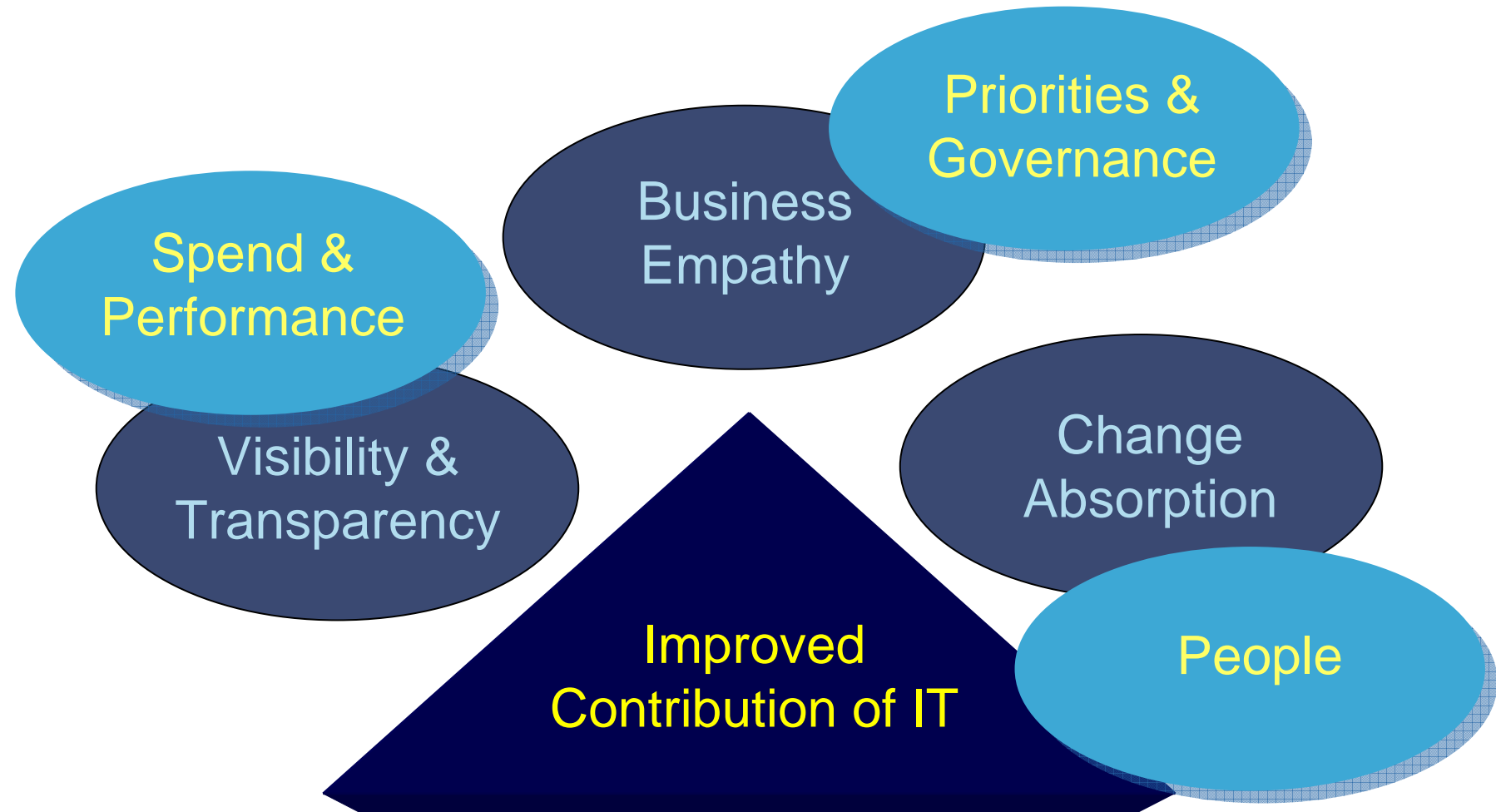
Minimizar Riesgos Clave de Negocio

Lente de Gestión de las TI™ IT Management Lens™

- Seis factores de Riesgo de Negocio de TI/Seis factores de éxito
- 14 Competencias principales
- Enfoque Cualitativo y Cuantitativo



A Three-Point Plan For Improving IT's Contribution



Business Empathy

= IT Governance/Investment Portfolio Management

What Does IT Governance Mean?

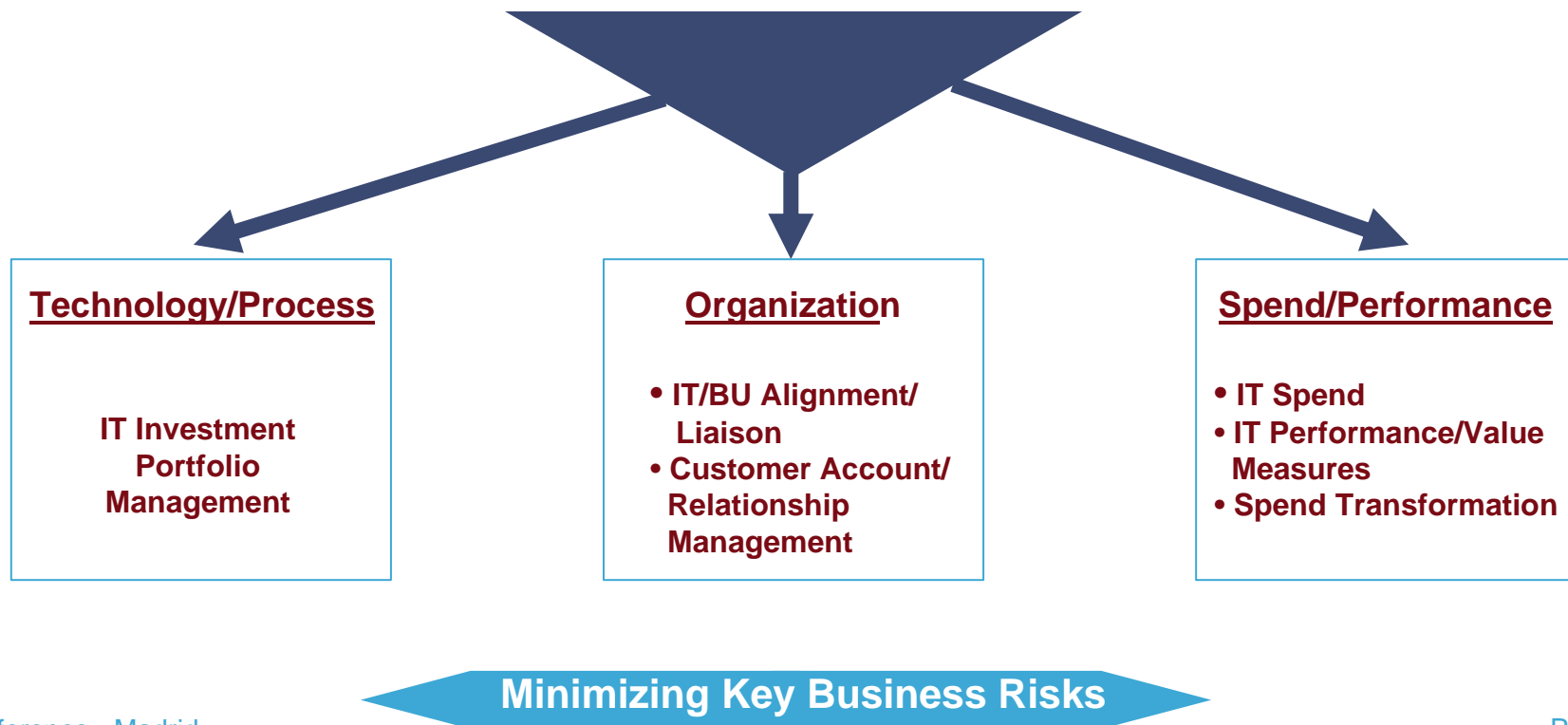
- Setting Project Priorities
- Establishing Overall IT Spend Priorities
- Rules of Interaction Between IT and the Business
- Rationing Resources
- Telling the Business What it Will Get From IT
- Establishing an IT Investment Portfolio
- A Budgeting Exercise
- Getting the Most Money Possible for IT Projects
- Flipping a Coin to See Which IT Efforts Go Forward

IT Governance/Investment Portfolio Management

- Body of Business Connection Rules, Agreements & Standards
- The Way Decisions Get Made
- How Conflicts Get Resolved
- Distribution of Power/Authority & Accountability
- Formal Processes For Service Delivery
- How IT Spend is Transformed

Operationalizing IT Governance

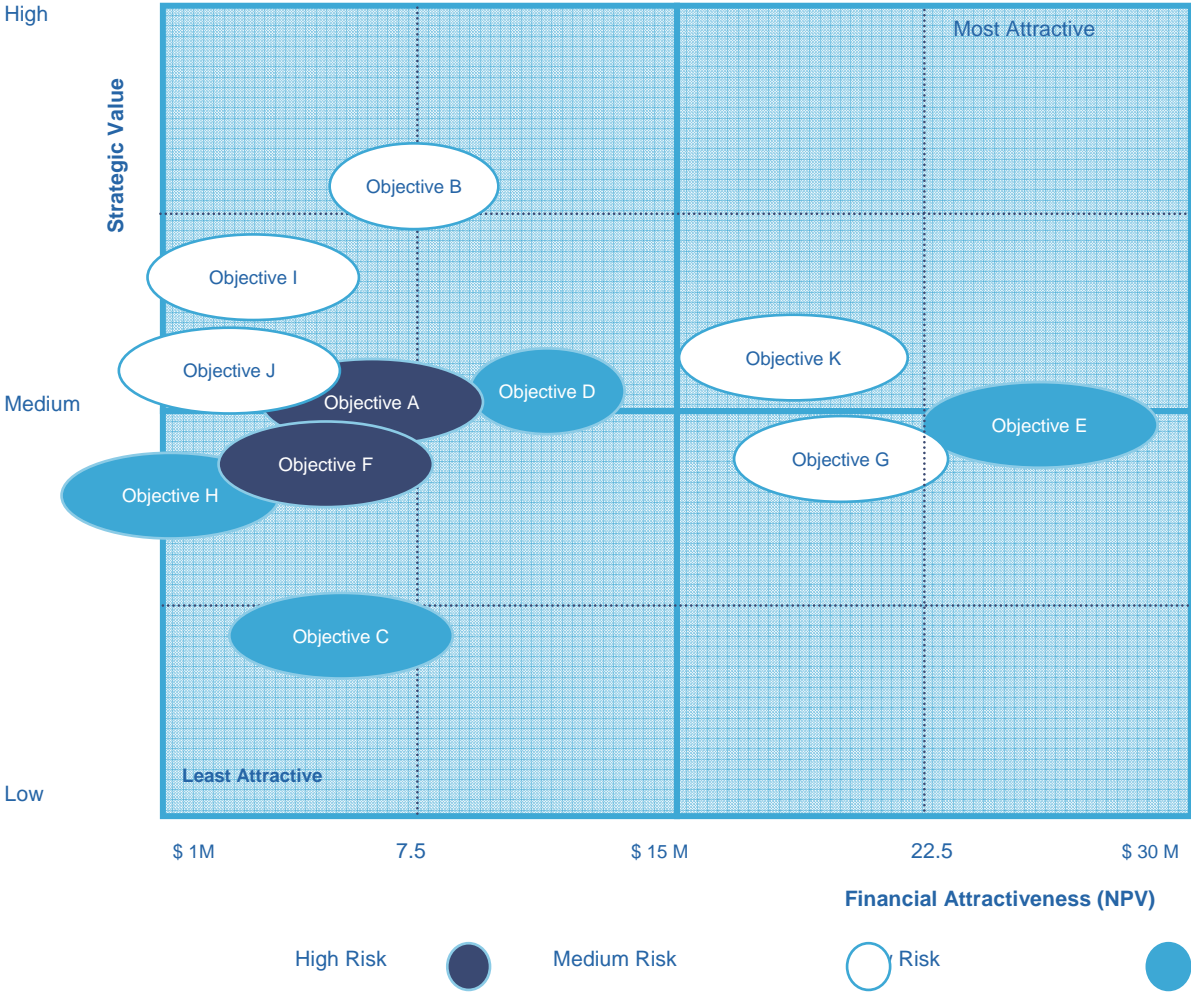
Addressing the issues of IT investment portfolio management, IT-business unit alignment/customer account-relationship management, and IT spend and performance.



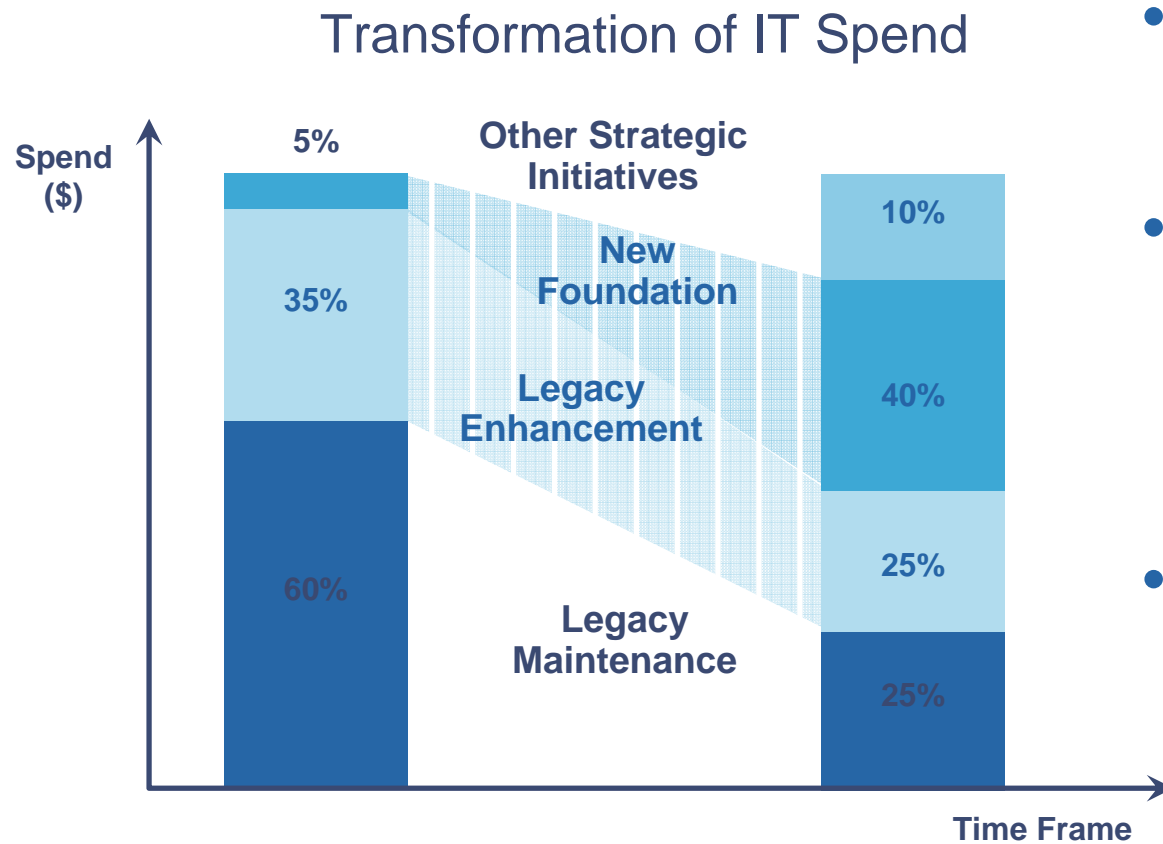
IT Investment Portfolio Management

- Dynamic process, not a point-in-time event
- Driven by business strategy
- Total spend must be considered, not merely projects
- Portfolio approach, analyzing spend across multiple axis
- Ruthless prioritization

Link IT Strategy with Business Strategy - Overall IT Investment Portfolio View



IT Spend Transformation



- Total Spend Remains Constant or is Reduced
- Individual Components & Mix Are Shifted Over Time From Legacy to 'New' Strategic Spend
- Result is a 'more efficient' total spend

Visibility & Transparency

= IT Spend, Performance & Measurement

Cinco Principios Fundamentales

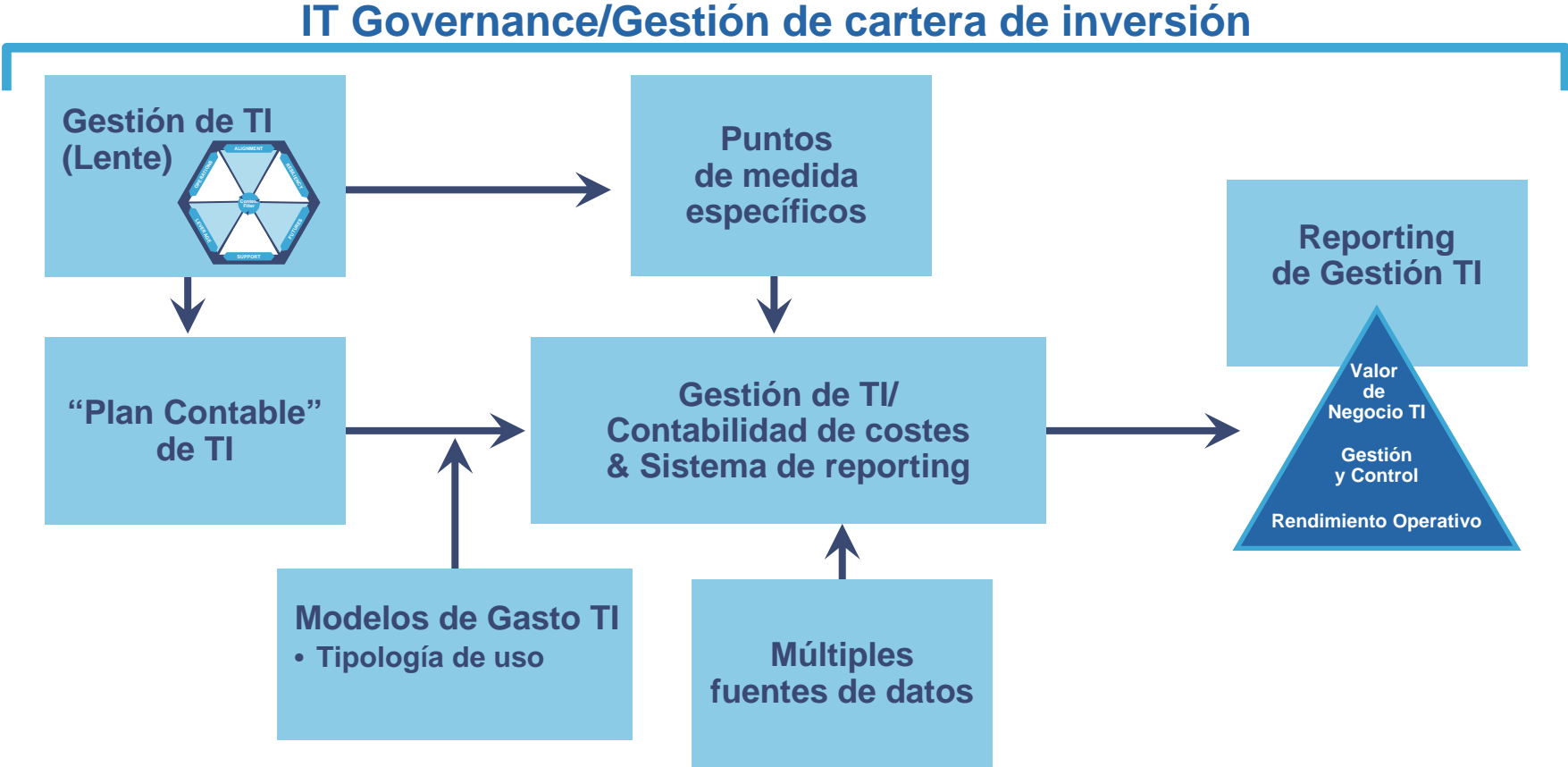
Enlace TI-Negocio
Responsabilidad Directa
Asignación de tareas
Métricas de negocio
Reporting continuo

Tres Áreas de enfoque primarias

Personas
Prioridades
Rendimiento

- Todos los gastos de TI fuera del Departamento de TI/ ensombrecen los gastos de TI.
- Coste total a lo largo del ciclo de inversión más efectos derivados.
- Disciplinas de priorización y presupuestación – aproximación a ‘Value for money’.
- ‘Priorización firme’ – Racionalizar la cartera actual y centrarse en la responsabilidad y propiedad de costes y factores clave.
- CFO fuerte en contabilidad de gestión de las TI - habilidades de las TI.
- Transformación de gastos TI como un objetivo crucial.

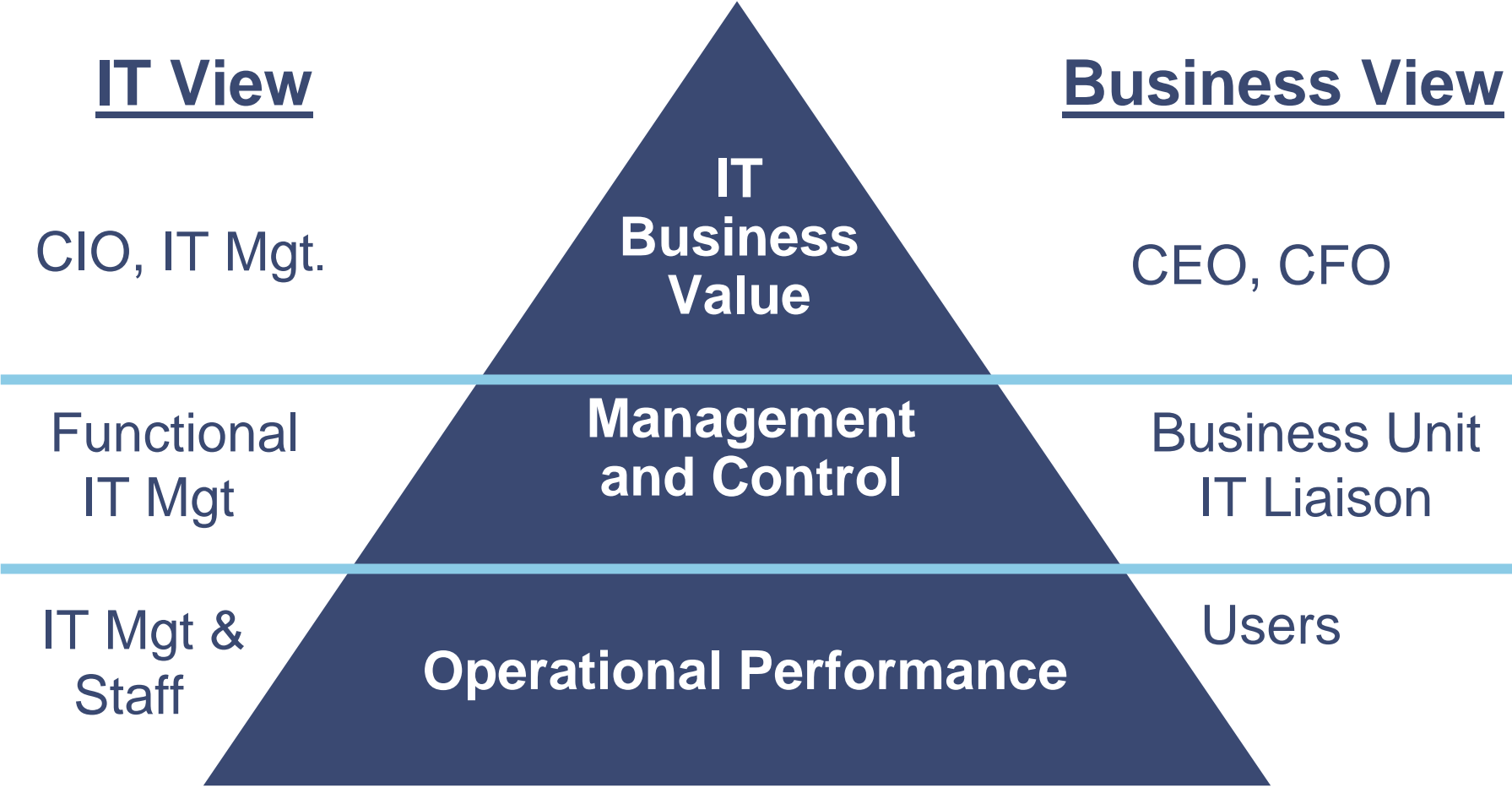
Key Components – Visibility & Transparency



How Do You Currently Measure IT Success?

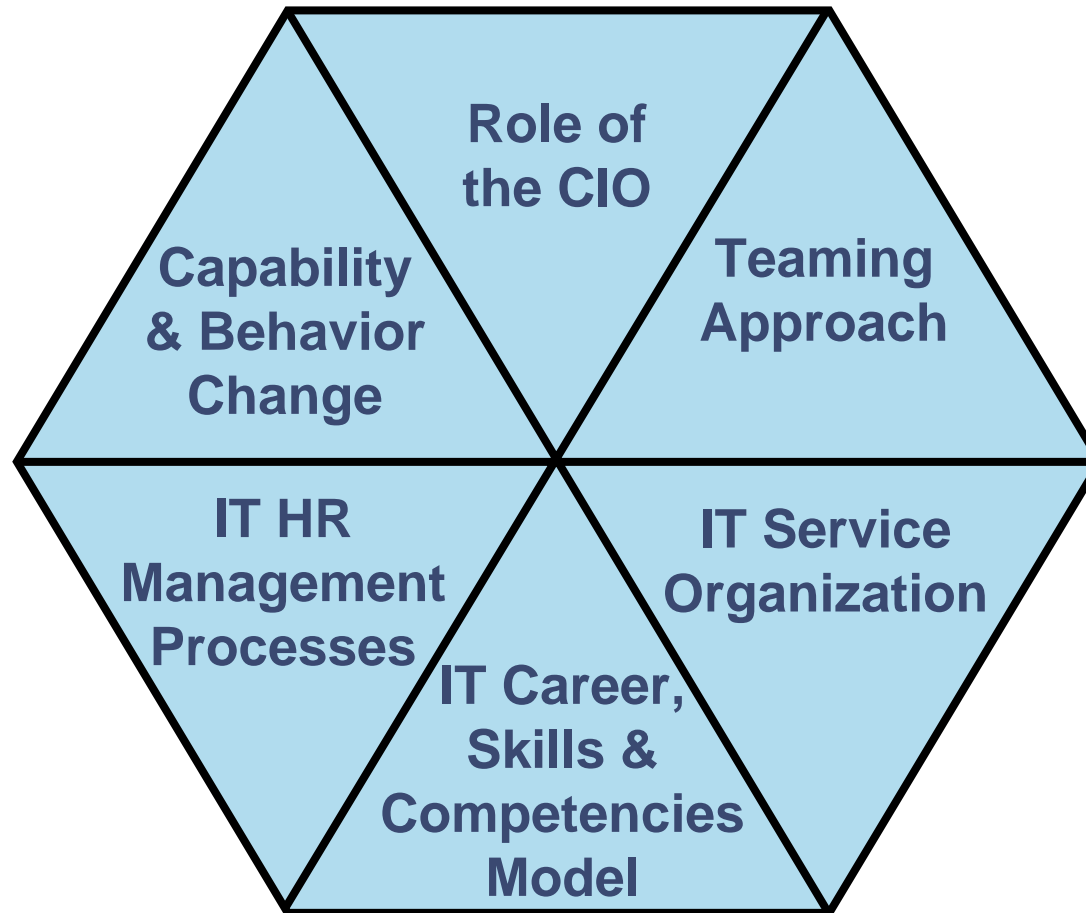
- My PC and e-mail are working
- No catastrophic failures
- No calls at midnight
- ROI/Payback period or other financial metrics
- Project completion
- IT contribution to business success
- Other

Measuring Performance and Value

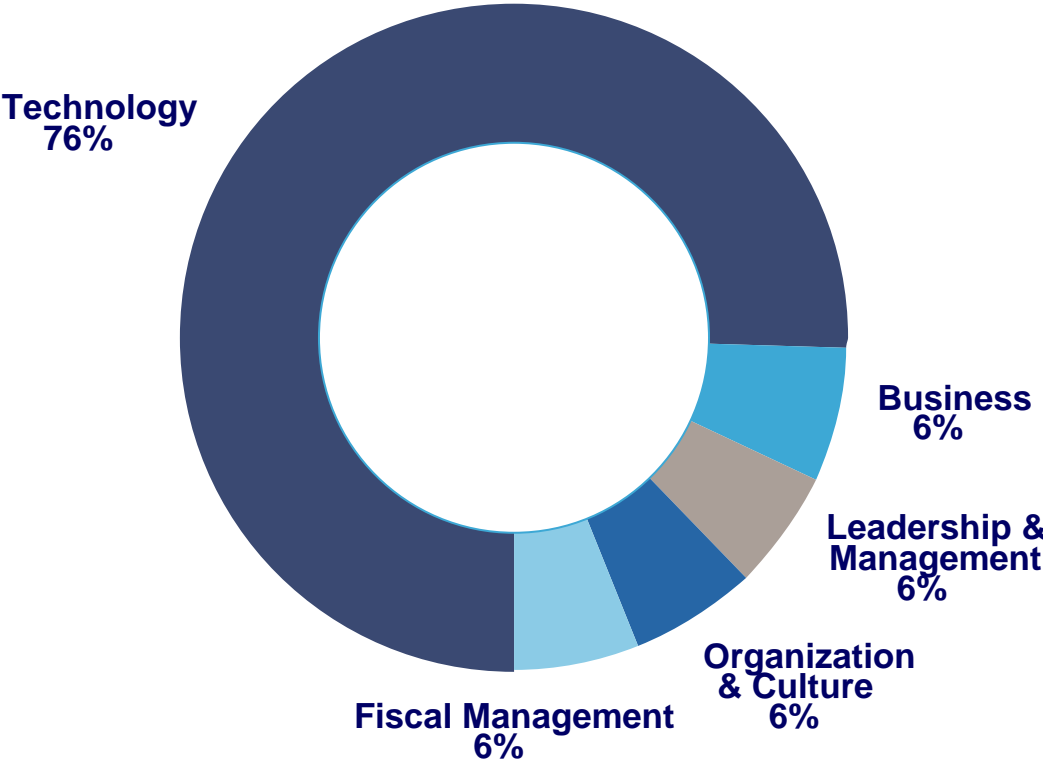


“Culture of Accountability”

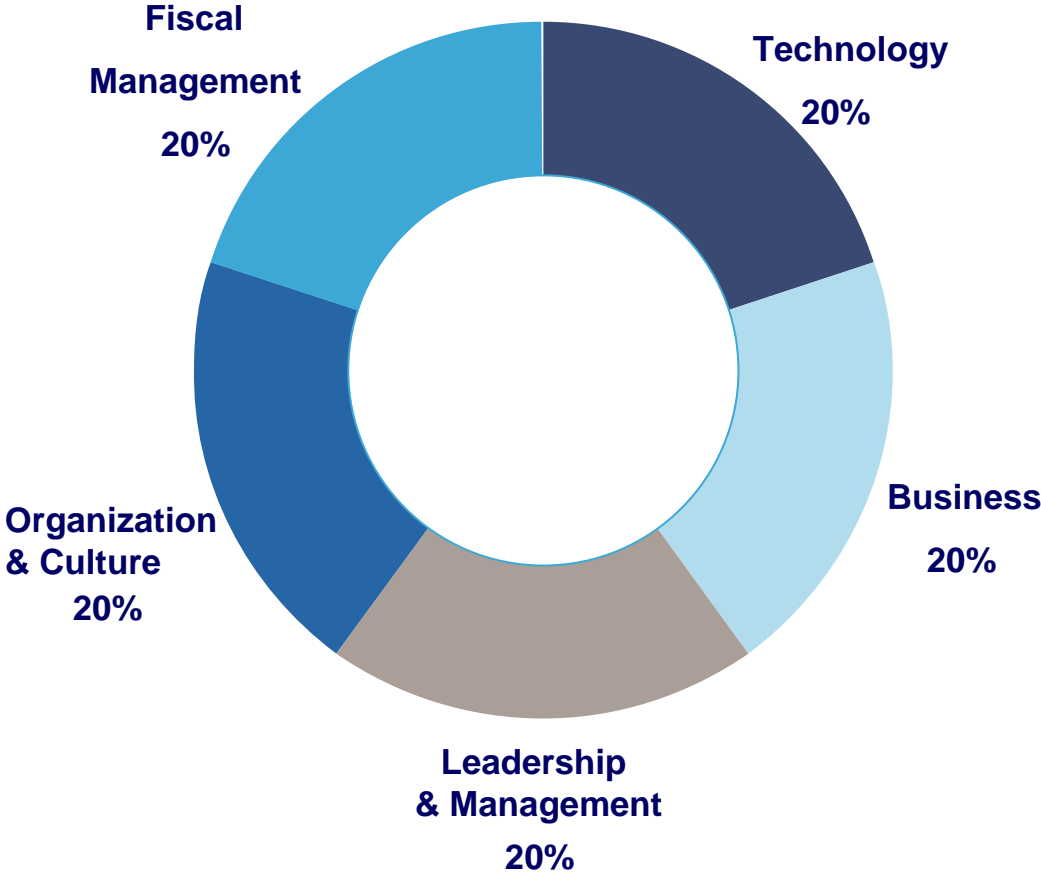
Change Absorption = IT Human Capital Management



CIO Skills – 1990s



CIO Skills – 21st Century



Changing Role of the CIO & IT Organization

“Today, the CIO and his or her management team are expected to be the CEO and senior management team of a professional services organization (PSO) that services the core business as a client in a completely accountable business-like manner.”

Source: “How Can HR Help: Companies Address the Need for New 21st Century IT Management Competencies,” HR.com, March 2004.

Teaming Approach to IT Organizational Management

- Skills-based 'Professional Services' model.
- High-Performance, High-Quality teams to address both 24X7 activities and project-related efforts.
- Continual reshaping of teams based on business needs and IT resource pool capabilities.
- Virtual team environments (domestic, global, insourced and outsourced).
- Follow critical team-focused organizational design principles.
- Adopt a '*Plan-Build-Run*' model.

How Do People in IT Organizations Advance?

- Building Their Skills
- Consistent Performance
- Understanding the Options Available
- Making Appropriate Choices
- Communicating Issues and Desires
- Taking Control of Their Own Careers
- Being 'Survivors'
- Leaving the Company

IT Career, Skills & Competencies Model

- Skills-Based Career Development
- Competency Driven
- Employee-Owned Choices and Decisions
- Clearly Defined Progression Paths
- Performance-Oriented Rewards Based on Agreed Expectations
- Competitive Market Compensation
- Joint Employee-Employer Responsibility
- Open and Honest Dialogue

Capability & Behavior Change

- Culture of Accountability, Ownership & Change

Objective:

An Agile, Capable, Adaptable, Change-Embracing Workforce

- Collective Ownership of Results
- Adaptive Culture with Processes Geared Towards Regularly Absorbing Massive, Multiple Changes
- Ability to 'Scale' – Both Size and Speed
- Open and Candid Two-Way Communication
- Visibility and Transparency of Performance Measures

La “Nueva” Organización TI

Antes

- Gurúes de Tecnología
- Amplio personal interno de especialistas TI
- Outsourcing reducido – Comprando servicios externos de vez en cuando
- Gestión eficiente de las operaciones TI

Coste

Futuro (Presente)

- Un equipo de individuos con múltiples habilidades – técnicas y de negocio
- Hacer más con menos
- Previsión y entrega de ROI
- Dirigir relaciones complejas
- Operación de tecnología del negocio innovadora – Generando ventajas competitiva y resultados medibles
- Disciplina de medida del rendimiento y resultados financieros
- Gestión de complejas relaciones interdepartamentales

Generación de Valor

¡Muchas gracias!

For more information, please visit:

www.pwc.com/es