

THE DYNAMIC IT **ORGANISATION**

Since technology became a fundamental part of every business, there have been numerous attempts to structure the IT organisation, often flip-flopping between business alignment and standardisation across the enterprise. Mozaic recommends how to create a new, dynamic organisation that re-shapes itself to the current business demands.

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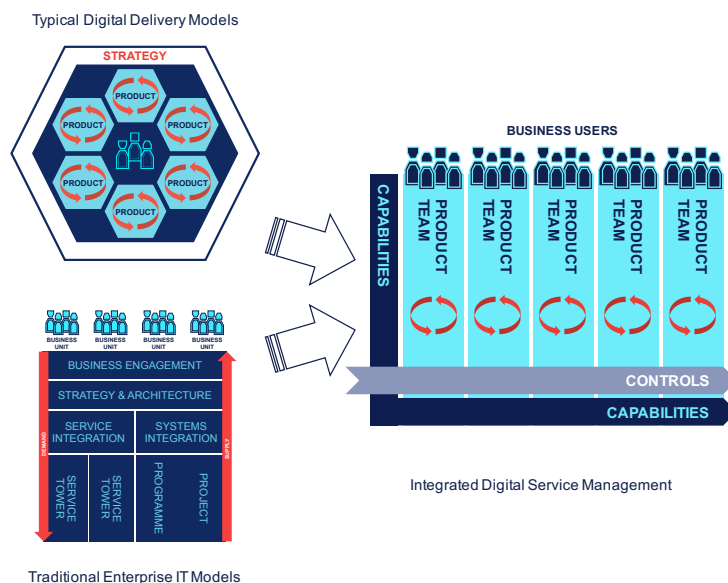
No more IT Operating Model change!

IT organisations restructure more frequently than most other corporate business functions. This is usually motivated by a need to drive efficiency, reduce cost, improve service or increase pace of delivery. The pressure is only going in one direction as the digital capabilities and their business potential continue to evolve. Transformational change programmes are often established to create new ways of working, update governance, change sourcing models and implement organisational agility. Consulting firms, such as Mozaic, are often engaged to help design and implement these new Operating Models, which tend to remain relevant for a while before the organisation determines that another change is needed.

Analysing the reasons for these changes, there is a common cycle of “we need to become better aligned to our business needs” through to “we need drive improvement through standardisation”. The balance between these two, often opposing, needs has been hard to find.

More recently the Digital revolution, and the increased rate of change demanded by businesses and their customers, has frequently left IT organisation with two separate IT delivery structures; the typical Digital Delivery Models, with the customer at the centre and delivering using Agile methods, and the Traditional IT Enterprise Model, which runs the core capabilities using strong Service Management and governance to ensure service performs to expectation and that efficiencies are driven across the estate. These so-called bi-modal capabilities are often disconnected and can be perceived very differently by the businesses that they support, with digital services seen as ‘value creators’ and enterprise services seen as ‘cost centres’.

Mozaic believes that there is a better, more dynamic, IT delivery structure. One which is constructed to flex with the business strategy, new idea or challenge, or indeed be at the forefront of it whilst maintaining the enterprise view and control. This model is designed to continually evolve and reshape itself, and hence preclude ever more disruptive IT operating model transformations. This approach builds upon, and integrates, the best of the Digital and Traditional IT worlds as shown below:



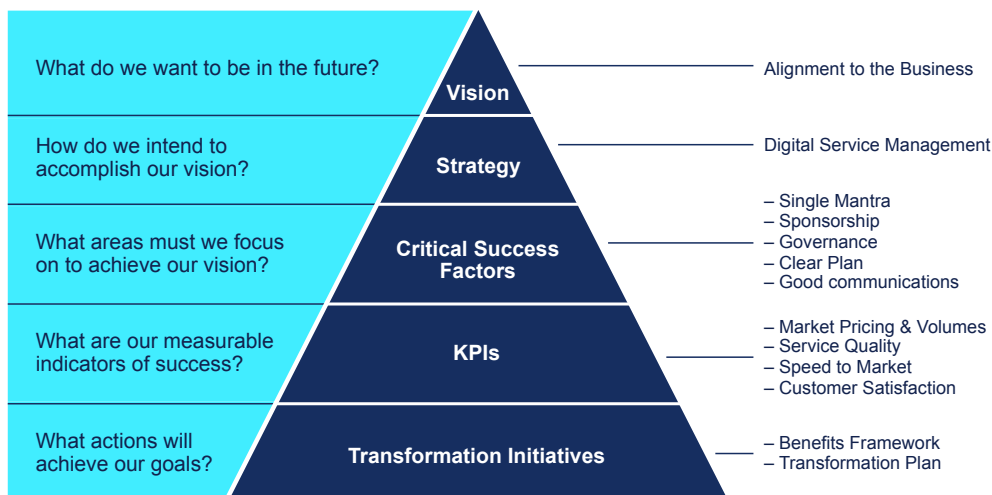
Digital Service Management (DSM) is based around a simple matrix concept, with two orthogonal dimensions. The ‘vertical’ dimension comprising a series of customer-facing product groups which own the entire value chain and life-cycle of product development from concept through to design, development and operation. The ‘horizontal’ dimension comprises common capabilities, processes, tooling, architecture, governance and standards. This model is described more fully in a separate white paper found here:

<http://mozaic.net/thinking/>

Implementing DSM

To implement this model, there are a number of key focus areas:

1. **One Team:** As with all change, clarity of the vision and how it is to be implemented is fundamental. With much of this activity focussed on the way in which the IT staff and teams are formed and interact, this is even more important. Everyone need to be able to talk the same language and drive towards common aims. We need to find a way in which “*squads, chapters, tribes and guilds*” are as relevant to the Service Management teams as “*incident, problem and change management*”.



2. **Product Ownership:** Identify the product teams and if the business does not have their own Product Owners, appoint your own from the IT business engagement community. Integrate these product owners into the business and use them to understand the current priorities and align all work to those priorities. Make this the primary structure for all business engagement. Ensure that the cost of this delivery is understood and presented through the Product Owners – this will ensure that IT is seen as a fundamental “creator or value” and not just an unwanted “cost centre”.
3. **Agile Methods:** Use Agile methods for management of every activity, whether it is project or operationally focussed. For larger enterprises, we use Scaled Agile Framework (SAFe) to build alignment with more corporate governance mechanisms. In “Digital Native” organisations, or those that are most progressive in digitisation, these techniques and tools may have already moved out of IT delivery with adoption as standard ways of working widely across the organisation. The CEO and the management team may already have a backlog.

4. **Standard Capabilities:** Appoint all individuals into a common capability aligned to their own skills and attributes. These may be technology, service, or people focussed capabilities. These capability teams should share skills, knowledge, experiences and continually strive to enhance themselves.
5. **Dynamic assignment:** Assign staff from the capability groups into the Product Teams. Continually review and cycle individuals between the product teams to meet current demands and ensure that the product teams do not become a new set of siloes.
6. **Automation:** Use tools to automate delivery. Remove the burden of monotonous tasks, whilst using the tools to capture the information needed to be able to effectively manage the estate. Integrate the Continuous Integration tooling used within the Product Teams with the IT Service Management tools to control workflow and ensure full knowledge across the Enterprise.
7. **Measure:** Continually measure the performance of both dimensions. Are each of the Product Teams meeting the business expectation for agility and innovation? Are the capabilities delivering standard reusable services (technologies, platforms, skills, etc) that are demonstrably good value for money and performance?
8. **Implement the approach in an Agile way:** Use the Agile techniques to build this new approach. Quickly develop the roadmap, appoint the right leadership across the two dimensions and then use short sprint cycles to deliver the change. Don't over design the model – be ready to trial and fail fast or gain success and continuously improve. Be ready to move wholesale into the new ways of working quickly – half-hearted models are unlikely to work.

Breaking the cycle

As described earlier, Operating Model change tends to cycle between two, seemingly opposing forces:

- the desire to tightly integrate technology delivery to business needs, to drive innovation and pace into delivery, and give more control to the consumers of IT services. This force often results in loosely governed, decentralised or federated Operating Models.
- The desire to improve the quality and value for money of delivery by applying standardised and leveraged technology and ways of working. This force often results on centralised, procedurally driven Operating Models.

Digital Service Management breaks this cycle by enabling the desired outcomes of both forces. Product teams are established to integrate tightly with their customers, and constantly drive innovation, improvement and value. They are given high-levels of autonomy, with process control and governance being selectively applied. Product teams are flexed, created and disbanded dynamically to respond to changing business needs and priorities. Capabilities are equally driven to innovate and reduce the costs of their services, and focus on the needs of their customers, the product teams. New innovative technologies and ways of working that can deliver value across the enterprise are introduced, probably after first being adopted within a product team.

This structure enables the whole operating model to dynamically flex as it is pulled by either of the two forces, eradicating the need for fundamental operating model transformations.

About Mozaic

Mozaic is a specialist in IT Consultancy. We offer client-side advice and operational support, always acting impartially to best serve our client's needs.

Mozaic believe we have four characteristics which make our approach a good fit with our clients:

Specialisation - We specialise in IT assessment, operating model design and transformation. Our models and methods have been proven and refined in the field. We are independent, which means our approach is unbiased and recommendations are always focussed on delivering maximum value to our clients.

People - Our people have a healthy balance of operational knowledge and consulting experience. We are very comfortable working alongside clients to help identify the right recommendations and gain buy-in and acceptance with client teams.

Established materials and method – we use these to quickly understand how you manage IT today, confirm and optimise the form of your future roadmap, and value the benefits that transformation will deliver.

Demonstrable track record – We have experience in working effectively at senior levels in complex organisations, across a wide range of industry sectors.

Please call us on +44 (0)203 709 1625 to discuss your thoughts on our white paper; we would be delighted to hear from you.