Being the IT leader of an enterprise can feel very much like standing on a burning oil platform. The IT department is going through major transformation and leaders need to acquire new skills and retrain staff to ride the wave of IT as a Service. EMC CIO Connect caught up with EMC Global Marketing CTO, Chuck Hollis, for a chat about new skills the IT leader will have to master.
NEW SKILLS FOR THE SERVICE-ORIENTED IT ORGANIZATION

Preparing to compete

Let’s start at the beginning. We hear a lot these days about IT as a Service and a transformation that leads to a service-oriented IT organization. So what’s the difference between the current model of IT consumption in an enterprise and a service-oriented organization?

I think it’s important to look outside of IT itself and, more importantly, think about the relationship between the business and the supporting IT function. Every day, more business users move away from viewing internal IT groups as the only solution for addressing their needs. They’re more willing than ever to shop around for better alternatives, usually from an external IT service provider. Internal IT is seen as only one potential option, and not the monopoly it once was. Left unaddressed, a form of “shadow IT” develops, in which business users increasingly source IT from outside of the internal IT function.

Of course, IT can attempt to limit this behavior by enforcing draconian policies on IT procurement, for example, or by soliciting equally strong mandates from the executive ranks. But, in many ways, I think this is delaying the inevitable: sooner or later, IT organizations will be forced to compete for internal customers. What’s surprising to me is that many of these IT functions exist within corporations that are themselves incredibly competitive. If nothing else, the task ahead is to extend this same competitive ethos into the IT function.

We’re starting to use the term “service-oriented” to describe IT organizations that look and act like a competitive IT service provider, and less like a traditional technology-and-project organization. The organizational structure is different. Many of the supporting roles and associated skills are different. The measurements and metrics are somewhat different as well.

Another way of looking at this is that competitive IT service providers have access to the exact same technologies and talent pool as do enterprise IT organizations. What’s different between the two is the model.

What we’re seeing–over time–is that most enterprise IT organizations will need to look more like their external competition and prepare themselves to compete for the business.

LEARNING FROM THE NEW ENEMIES

So the traditional systems integrators and services providers who used to be the allies of the IT leader are now, in fact, becoming enemies of the CIO. What can the IT department learn from these new competitors?

A typical service provider has to compete for the business. As just one example, service providers invest in sales and marketing, something most enterprise IT groups don’t even think about. These service providers spend a lot of time focusing on what kind of services people want, and continually improving their offerings. To deliver services more efficiently, they invest in rampant standardization around technologies and processes. Again, something you don’t see too often in traditional enterprise IT organizations.

Competitive IT service providers invest in encouraging people to consume their services. By comparison few, if any, resources in enterprise IT are focused on driving the consumption of internal IT services. If anything, they’re often put in a position of discouraging IT consumption; something an external IT service provider would never do, right?

Today, it’s unlikely that a traditional IT organization would invest in a dedicated team tasked with continually improving their service catalog in an effort to boost consumption of their services. And, despite efforts to the
contrary, we typically see far more ruthless standardization of technology and processes in competitive service providers than we do in most traditional IT settings.

But those are the things that service providers have to do to increase market share.

And, if you agree with me that, sooner or later, enterprise IT organizations will also have to compete for internal customers, you're eventually going to need some of those very same functions within the IT organization.

The other key point is the importance of fostering a mindset change. Ideally, IT would be a “builder-broker” that understands the internal client’s needs and directs them to the appropriate solution: either a service provided internally by IT, or one brokered by the IT organization.

**Answering fundamental questions**

*When I talk to people about this, many claim that they're already doing this today. They are able to deliver services to the business users and can, for example, have a new user up and running really fast.*

Maybe they are, and maybe they aren't. I get involved in some of the same discussions and, typically, they'll point to the fact that they can provision a virtual machine quickly, or a network address or some other obscure element of an IT stack.

I think the key point here is that those are merely some of the components of a service, they are most definitely not the service itself—especially when viewed through the eyes of the people consuming those services.

I'll give an example: Not too long ago, if you were an iPad user at EMC, you'd have to talk to the network guy, the email guy, the security team, etc., etc., and if you followed the word-of-mouth process, sooner or later, you could have a usable iPad experience. But that was frustrating for the user and undoubtedly frustrating for the IT organization as well.

Compare that with what's being done now: if you're an iPad user, our IT team offers a complete service with everything you'll need—one-stop shopping. It's far easier to consume than having to spend days or weeks tracking people down. I also think it's far easier on our IT team as well.

I think it’s also important to point out that, in many cases, the primary consumer of IT services tends to be IT itself. We’ve got solid evidence that large enterprise IT projects move much faster when they're supported by a rich catalog of on-demand services for the IT professionals doing the work. Even if you elect to retain the traditional project-oriented interface between IT and the business, there’s a strong case to be made for organizing the supporting functions into an as-a-service model.

When you start thinking about IT as-a-service, there are a few very hard fundamental questions that need to be answered.

*How does that service get identified and created? How is it justified and paid for? How is it continually updated and enhanced? How is it marketed and promoted to potential users?*

Now we’re getting to some of the more interesting challenges. We’re essentially talking about a new function that doesn’t exist in many enterprise IT organizations.
DEVELOPING SOFT SKILLS

Let's get to the meat of the discussion: what are some of the key skills required of both the IT Leader and his team. Can the same people remain on board, or do we have to look for some new profiles to make this work?

I tend to break things into two buckets: areas where you can move existing roles forward and entirely new roles for which there might not be a logical predecessor to evolve. Obviously, the second category is more difficult than the first.

If you already have a fairly robust virtualization team, those people are usually good candidates for transitioning to cloud-like service provider models, at least from a technology enablement perspective. As an example, EMC offers a “cloud architect” certification that can take relatively senior architects who are proficient at virtualization, storage, networking, security, etc. and help them with the design patterns they'll need for building large, shared infrastructure pools.

Another example is process engineering. If you have a strong IT process engineering team, it's not all that difficult to train them on the key management processes they'll need in this new model. Another example might be application project managers who get stuff done around specific projects. They need to learn to graze and consume from the service catalog instead of sticking to their own dedicated environments.

Along those lines, we've also started to offer a cloud concepts course for general IT staff so they can gain an appreciation of how things are changing.

These are areas the IT department is relatively comfortable with, I guess. These are skills that are still relatively technical in nature. But there are probably a few more difficult areas, where there's often no strong foundation to build from.

Quite true. A good example is the business analyst function—the key interface between IT and the business. Traditionally, these people would be passing requirements and project status back and forth. In this new world, they're now the sales force, if you will, for the internal IT service provider. It's a very different profile—engagement skills tend to matter more than deep expertise.

Another example is the team chartered with defining and continually improving the offerings in the service catalog. Basically, they are product managers trying to come up with things that people will want to consume. Again, not a perspective and skill set one usually finds in an enterprise IT setting, but incredibly common in the business world.

Along those lines, the IT finance model is very different as well – the goal is for IT to create services that people want to consume vs. trying to ration IT consumption, which, if you think about it, really doesn't belong in IT at all. IT should be tasked with creating competitive and attractive IT services that others want to consume. Ideally, finance should be in charge of rationing IT consumption, much like they ration headcount expenses, travel, and other variable business inputs.

There are other examples, but hopefully you get the gist. One of the more popular services we're now offering helps our customers assess their current talent pools and maturity levels in an effort to quantify how much effort and investment will be required.

The tricky part is coming up with a sequence of organizational models that allow a relatively logical progression between the as-is IT model, and the emergent, service-oriented one. And, like most organizational sequences, they all end up looking a bit different, although we’re starting to see similar structural elements in many of them.
Moving forward

That looks like an enormous change process. How do you encourage people in the rank and file of IT to move forward and acquire these softer skills?

Well, there's no simple answer, of course. Talking openly about IT transformation—and the new career opportunities that will inevitably result—certainly is a step in the right direction.

EMC's internal IT function found itself creating entirely new job descriptions, career tracks, and compensation models as a necessary key step in getting people to invest in cross-skilling. At the time, there weren't many external examples to model ourselves on, but I hope that the situation has improved in the meantime.

As most IT organizations don't have the luxury of hiring a bunch of new people, the more gradual approach is not to do one-for-one role replacement when there's the inevitable attrition. In other words, hire around the new model vs. perpetuating the old one. When people can visibly see that older roles are being phased out in favor of newer ones, that, in itself, is a pretty powerful stimulus.

IT'S PEOPLE, STUPID!

It really looks like much of the IT staff will have to migrate from a more technical role to a more consultative position. Many IT people will see this as blasphemy; they still view technology as a competitive advantage, don’t they?

I do understand the mindset, but unless that technology is effectively consumed by the organization, it’s merely a theoretical advantage and certainly not a practical one.

Recently, we brought together over 100 IT leaders for two days to discuss the topic of IT transformation. There was general consensus that technology is no longer the limiting factor—there's more than enough proven technology out there to support the new models.

The real challenge in everyone’s mind was people: what kind, what skills and roles, what organizational model, and, more importantly, how do you get from here to there in a logical and relatively non-disruptive manner?

Although there are no easy answers, we are starting to see more and more repeatability in people's experiences as they go through their respective transformations to a service-led business orientation. Our EMC IT team has even come up with an acronym: SOOA, for service-oriented organizational architecture, to describe the new model and how it's very different from the old one.

Some people debate whether this is a revolution in IT, or simply evolution. I tend to view it as the latter—it’s the natural consequence of IT being indispensable to more and more business models and business consumers realizing that they have more attractive choices than ever before.

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