



## AN EXECUTIVE SUMMARY

### Organized for Business: Building a Contemporary IT Operating Model

Over the last decade, Dell EMC IT has been undergoing a transformation to become a strategically relevant partner to the business. This transformation resulted in infrastructure OPEX savings of over \$212M—while IT infrastructure labor costs were able to stay flat, even though the number of Dell EMC employees nearly tripled. With a robust infrastructure transformation in place, the next step was to build a solid link to the business and transform from a supply-focused organization to a more business-focused delivery model.

This executive summary provides an overview of Dell EMC IT's decision to transform their operating model and how Dell EMC consultants helped the organization begin the transition from a traditional to a contemporary IT model by realigning the organization to proactively serve the business.

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## THE ROAD TO ITAAS

Whether it's called "Contemporary IT" or IT as a service (ITaaS), its emergence signifies that time is running out for the traditional, monopolistic, "business as usual" IT model in which most IT organizations still operate. Now that users have so many outside alternatives readily available, IT organizations must be prepared to have their services compared to the best of the external providers.

The transformation Dell EMC IT decided to undertake wasn't just about eliminating shadow IT or reducing costs, per se—even though Dell EMC IT was under increasing pressure to lower costs and bring workloads back in-house under corporate governance. The tipping point was Dell EMC IT's realization that they simply weren't organized in the right way to achieve both their financial goals and the improvement in service levels necessary to deter internal clients from purchasing services from outside providers.

Dell EMC IT recognized it needed a different approach. Embracing a hybrid cloud architecture and a new ITaaS organizational model would allow IT to spend more time anticipating and delivering needed services at attractive service levels that business clients could consume more easily.

Delivering ITaaS requires changes—not just to the technology infrastructure—but also to the people and processes supporting it. And that means developing a strategy focused on delivering IT services aligned to business needs, rather than being aligned to technology silos.

In this paper, we will talk about how this change in IT strategy and the retooling of the infrastructure based on the move to hybrid cloud led to a need for organizational and process changes and how it impacts the way in which we measure success.

## THE CHALLENGES IN MATURING THE ORGANIZATION

Believing that hybrid cloud is the future of IT and the cornerstone of ITaaS, a number of infrastructure changes were made—including the integration of public and private cloud services with the Enterprise Hybrid Cloud. But, having done that, Dell EMC IT discovered that technology is not the key barrier to offering IT as a service. It is the people, processes, and organizational structures that get in the way of achieving those goals.

Although Dell EMC IT already virtualized the technology infrastructure and combined the infrastructure teams into a unified Cloud Platforms team, the IT organization beyond the infrastructure team was still largely organized to support a legacy IT environment. It was at this point that Dell EMC IT brought in the Dell EMC Services team to help the organization transform from a supply-focused organization to a more market-focused delivery model.

## OPERATIONAL MODEL TRANSFORMATION

While organizational realignment may conceptually seem simple, it's something with which most IT shops struggle. Going from a siloed mentality where each group is responsible for a small component of a higher-level service to an integrated, horizontal model enables more efficient development and deployment of services across multiple business units with common needs. It does, however, require substantial changes to the organizational model.

Many IT organizations still have a legacy organizational model in place, similar to that depicted in Figure 1 which comprises numerous siloed functions like those shown in the infrastructure example below. This approach didn't support the ITaaS delivery model, so Dell EMC IT needed to adapt both their organizational model and processes in order to achieve their objectives.

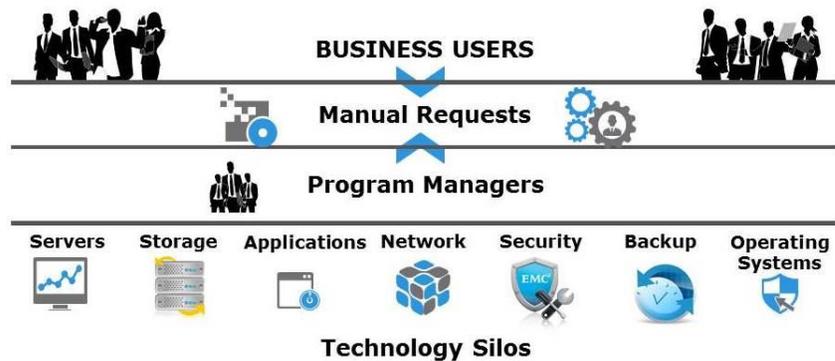


Figure 1: BEFORE. A typical legacy organizational model

### New Organizational Structures for ITaaS

Service centers focus on defining and delivering complete services, rather than delivering just individual components of a service as the traditional siloed approach had done.

Demand centers are responsible for managing IT's relationship with the business units and functional organizations and for mapping business demand to existing or new service catalog entries.

Enablement centers support shared services, such as finance, HR, and marketing communications.

The new structure adopted by Dell EMC IT addresses both the internal and external customers that it serves and enables the team to provision a new service much more quickly—often in less than one hour through orchestration and automation. The first step in the process was to eliminate the technology silos of the legacy structure. For Dell EMC IT, the reorganization evolved over a period of time, culminating in the current model (Figure 2) where many silos were replaced with the seven service centers depicted below.

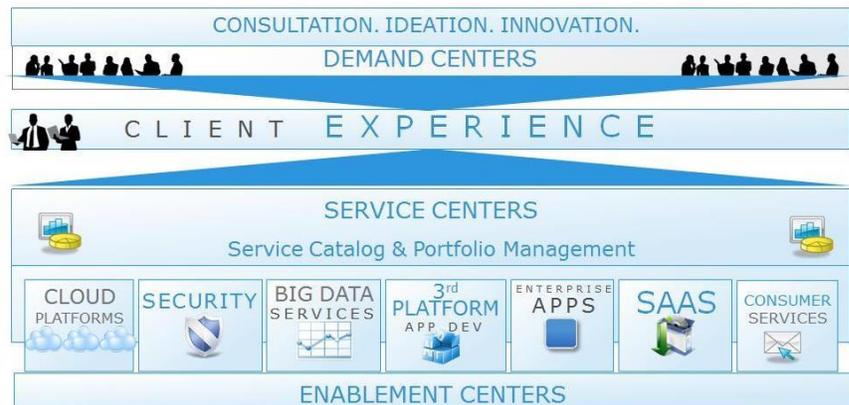


Figure 2: AFTER. The new ITaaS organizational structure

Each service center has a suite of services offerings that comprise multiple technology components. Now, when the business users request a new service, the portfolio management team defines the service in the service catalog and makes it visible in the portal, where users can easily access and self-provision the service.

## ROLES AND SKILLS TRANSFORMATION

The move to ITaaS had significant implications for roles and skills needed within Dell EMC IT. Throughout the process, roles may need to be newly created, redefined or expanded—or they may become obsolete. To fulfill the full promise of the new ITaaS model, Dell EMC IT is redefining many current roles and creating new roles, as seen in Figure 3.



Figure 3: Defining new roles and responsibilities

Skills and experience have had to broaden and become more cross-functional, spanning a wider range of technologies, service components, use cases, and areas of the business.

As ITaaS roles become more cross-functional in nature, Dell EMC IT staff has found that it is necessary to communicate and collaborate across the entire enterprise and understand the business requirements in order to be able to lead discussions with the business and anticipate, not just respond to the needs of their stakeholders.

## PROCESS AND GOVERNANCE TRANSFORMATION

Dell EMC IT has followed best practices for process and orchestration changes over the course of the initiative:

- Put in place the right processes and systems

- Align them with the core Dell EMC IT values
- Adapt key ITIL processes to support ITaaS
- Eliminate IT “silos” and realign the IT structure around services instead of technologies
- Create a governance superstructure that enables IT to manage the interactions among the service centers and address regulatory and compliance issues

To support the creation of greater value for the business, key ITIL processes were adapted and incorporated. But while ITIL plays a part, it does not define the transformation as a whole.

Dell EMC IT eliminated “silos” in order to realign the IT structure to seamlessly span multiple consumable IT service areas and better serve the needs of diverse stakeholders.

The ITaaS governance model was created to manage the boundaries and interactions of the newly created service centers and the performance measurements being applied. There are two governing bodies:

A steering committee comprising four decision-makers: a member of the leadership team, a senior consulting partner, a human resources executive, and a back-office IT systems and process leader

An IT governance council staffed by senior team members from the service centers and the service portfolio management team

## SUMMARY

Dell EMC IT has become more agile in responding to the business—through the creation of service centers that have replaced the siloed approach of years past and of demand centers that have enabled IT to more closely align services to meet the demands of the business. The incidence of shadow IT is also decreasing in direct proportion to the rising level of satisfaction that business units have experienced under the new organizational model.

## KEYS TO SUCCESS

For years IT was measured on cost and risk reduction, so changing to a strategy of business enablement is no small feat. To address that fundamental change in strategy, a corresponding organizational construct was needed to support moving from a “one size fits all” IT to a contemporary IT model that focuses on business enablement.

In the final analysis, it was all about creating greater value for the business and a better user experience across the enterprise by:

- Leading change
- Articulating organizational values
- Establishing new measures of success aligned to the revised vision
- Clearly defining roles and responsibilities
- Establishing accountability
- Empowering employees

- Ensuring ongoing communications
- Focusing more on creating business value than creating value for IT

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