

Tranxcending New Frontiers in Governance



Business Governance: A Strategic Initiative to

Transcend into a more **Effective, Efficient**
and **Competitive** Organization

March 29, 2007



DMG
PROJECT MANAGEMENT SOLUTIONS

*... building professionalism
in project management ..."*

www.tranxcend.com


tranxcend INC.

Agenda

- Introduction
 - Meeting Expectations
 - A Governance Model
 - Our Main Focus
 - Competitiveness: Process Improvement Models
 - Government Regulatory (SOX)
 - Compliance (ISO 20000)
- ITIL
 - Definitions
 - ITSM
 - Business Value
- Plan
 - Getting Ready – “Started”
 - Roadmap
 - Call to Action

A Governance Model

- My experiences in the Corporate World as Microsoft Country / General Manager
 - Culture and People
 - ❖ Discipline
 - Results Oriented
 - ❖ Meet Goals & Objectives
 - Rhythm of the Business
 - ❖ Flat Organizations
 - ❖ Accountability (200%)
 - ❖ Quality, Metrics
 - Global Industry Leadership

Our Main Business Focus

- Vision:
 - To become the leading consulting firm in P. R. in helping our customers enable world-class “*Organizational Effectiveness*” through the implementation of global Industry practices, standards and recognized certifications.
- Our main line of business will be consulting services related to
 - IT and its processes
 - The convergence between them and the top business executives.
- We want to transform IT Cultures into effective Governance organizations by
 - Redesigning processes
 - Reducing their operational costs
 - Increasing competitiveness

Industry Basic Services

- The World is Flat
 - Effective
 - Global competitiveness
- We are looking for
 - Convergence
 - Integration
 - Inter-operability
- Knowledge Enabling Structures
 - Capture, archive Knowledge Experiences
 - Internet, Search Engines and BI Databases
 - Collaboration, Virtual Communities

Competitiveness: A Definition

“The **condition** that allow us to provide **products** and **services** preferred constantly by world wide markets, increasing our exports and improving our people’s quality of life.”

Competitive



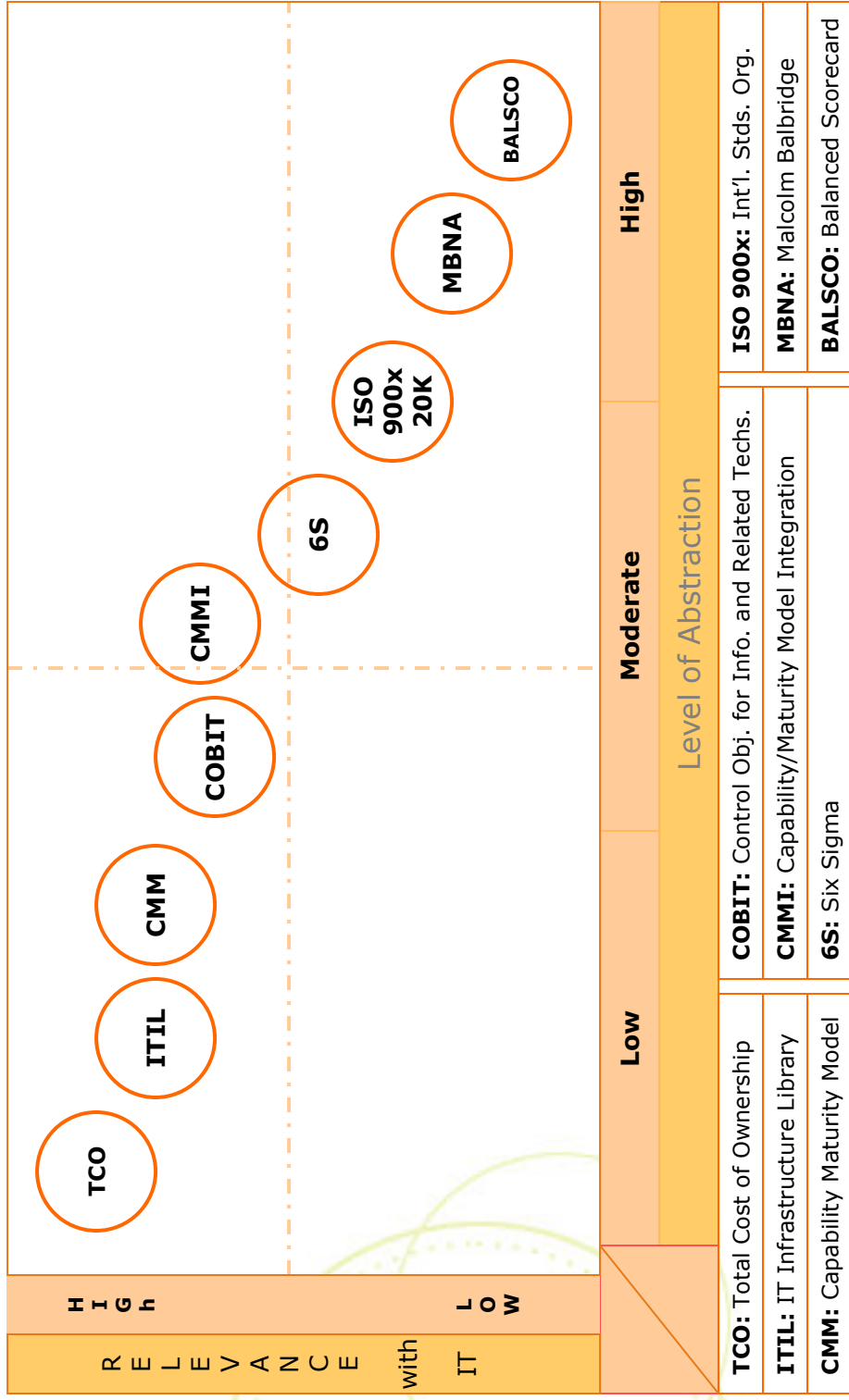
Advantage



Market Share

Note: Definition adapted from OECD.

Competitiveness by implementing Process Improvement Models



Source: CIO Magazine - 2004

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News & Features

Immediate job openings for Information Systems professionals

Blue Cross is a great place to work for people with all kinds of technical backgrounds. There are opportunities for people with mainframe experience to upgrade their skills, as well as opportunities to design and create applications and systems using the latest technologies.

We have a variety of career options from system architecture and programming to project management. The goal of the information systems (IS) department at Blue Cross is to connect our audiences to the information they need, when they need it.

Looking for career development and challenging work in a supportive work environment? Then Blue Cross is the place for you! Plus, we offer competitive total compensation, including incentive pay, tuition reimbursement, fitness facilities, flexible work schedules, childcare center and much more.

Our processes

Blue Cross uses industry-standard project management practices with full consulting, training and support services. An internal Architecture Review Board reviews our adherence to these standards:

- Information Technology Infrastructure Library (ITIL)
- LEAN
- Six Sigma

Your valued skills and experience

- Hardware environment: IBM, SUN, DEC, Compaq, Fujitsu, Cisco, Hitachi, EMC
- Operating systems: Unix (Solaris, IRIX, Linux, Linux), Windows, VMS, VMEware, z/OS, MVS, OS/390

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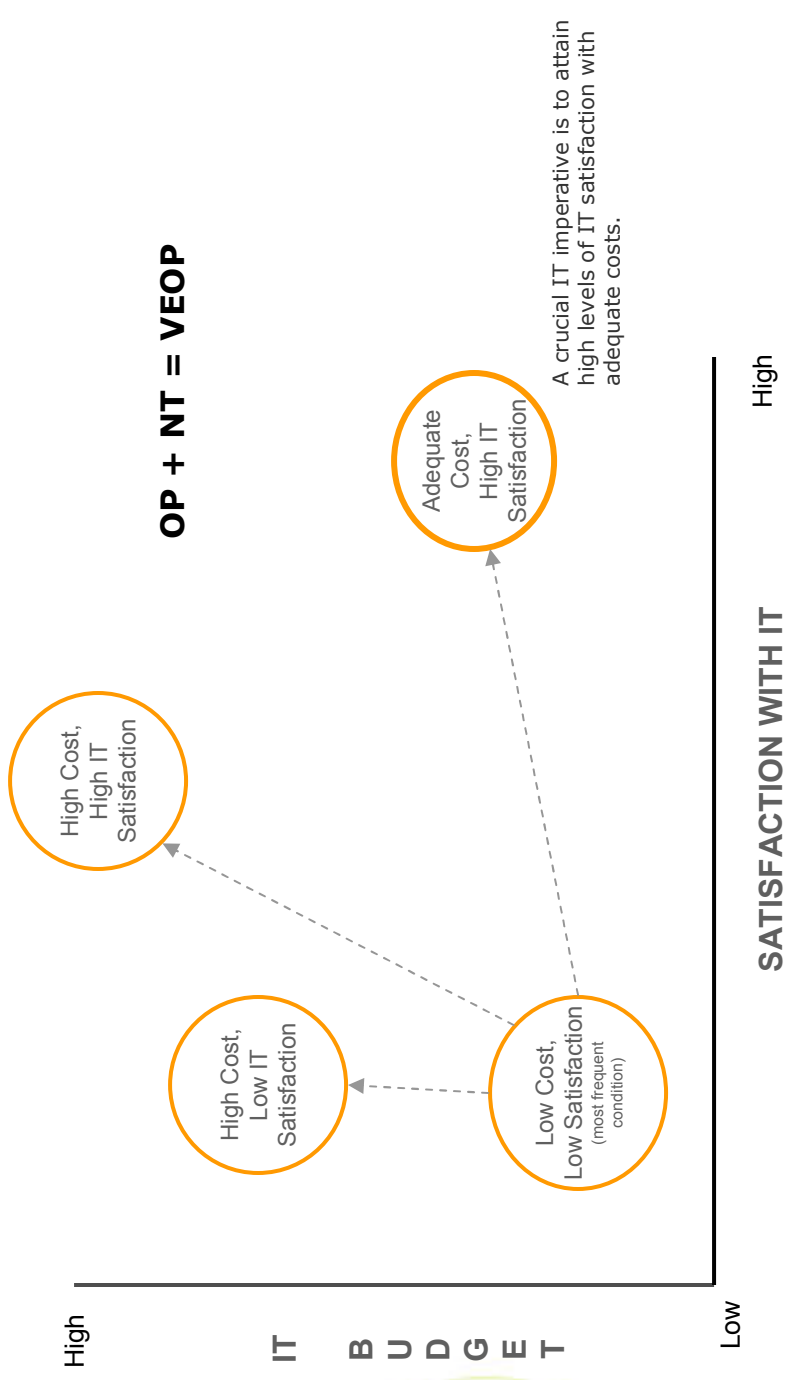
Internet

12:18 Monday

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Archiver - Mobile Device Inbox - Microsoft Out...

Equilibrium of Business Users Satisfaction and IT Costs



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Compliance and Business Value

What is Sarbanes-Oxley Act (SOX)?

- SOX focuses individual responsibility
 - CEO and CFO (302)
 - Auditors (404) for the accuracy of financial information.
- SOX forces the organization to take direct and active control of both
 - their internal business processes
 - their information infrastructure or risk substantial civil and/or criminal penalties.
- SOX forces senior executives to understand, and support, the need for standards-based IT management foundations

What is ISO 20000?



- Is the first formal ww standard specifically aimed at ITSM
- Is derived from and complementary to ITIL
- Audits are already available
- Gartner ISO/IEC 20000
 - “All improvement efforts in SM should be done with ITIL and BS 15000 as a frame of reference and baseline.”
- ISO 20000 is like to become a basic business requirement, in the same way as ISO 9000

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Tranxcending into a more competitive
IT Strategy...

Information Technology Policy

Why an IT Policy for your organization?

- Standards and Best Practices (ITIL)
- Managing Change
- Operational and service continuity
- IT Asset Management
- Sourcing of IT Services
- Knowledge Management
- Transform IT Cultures into effective **Governance**
 - ❖ Reduce operational costs
 - ❖ Efficient and Effective
 - ❖ Increase competitiveness
 - ❖ Redesign processes
 - ❖ Promote convergence between the business areas and the IT strategies

Who should be accountable?

- **Chief Information Officer**
 - Top Level Direct Report
 - Strategist leading and defining organizational processes
 - Change Master
 - “A Servant Leader”
 - Widening scope of IT
 - Quality Management Team (CTO, CFO, CSO, CLO, CGO, other)
 - **ITIL Implementer**

- **Chief Governance Officer**
 - Top Level Direct Report
 - Compliance on local & federal government regulations and IT Processes
 - Legal, Financial and IT Background recommended
 - Behavior Cop with empowerment
 - Dotted Line from subsidiaries’ CGO’s
 - **ITIL Evangelist...**

Source: Gartner

ITIL:

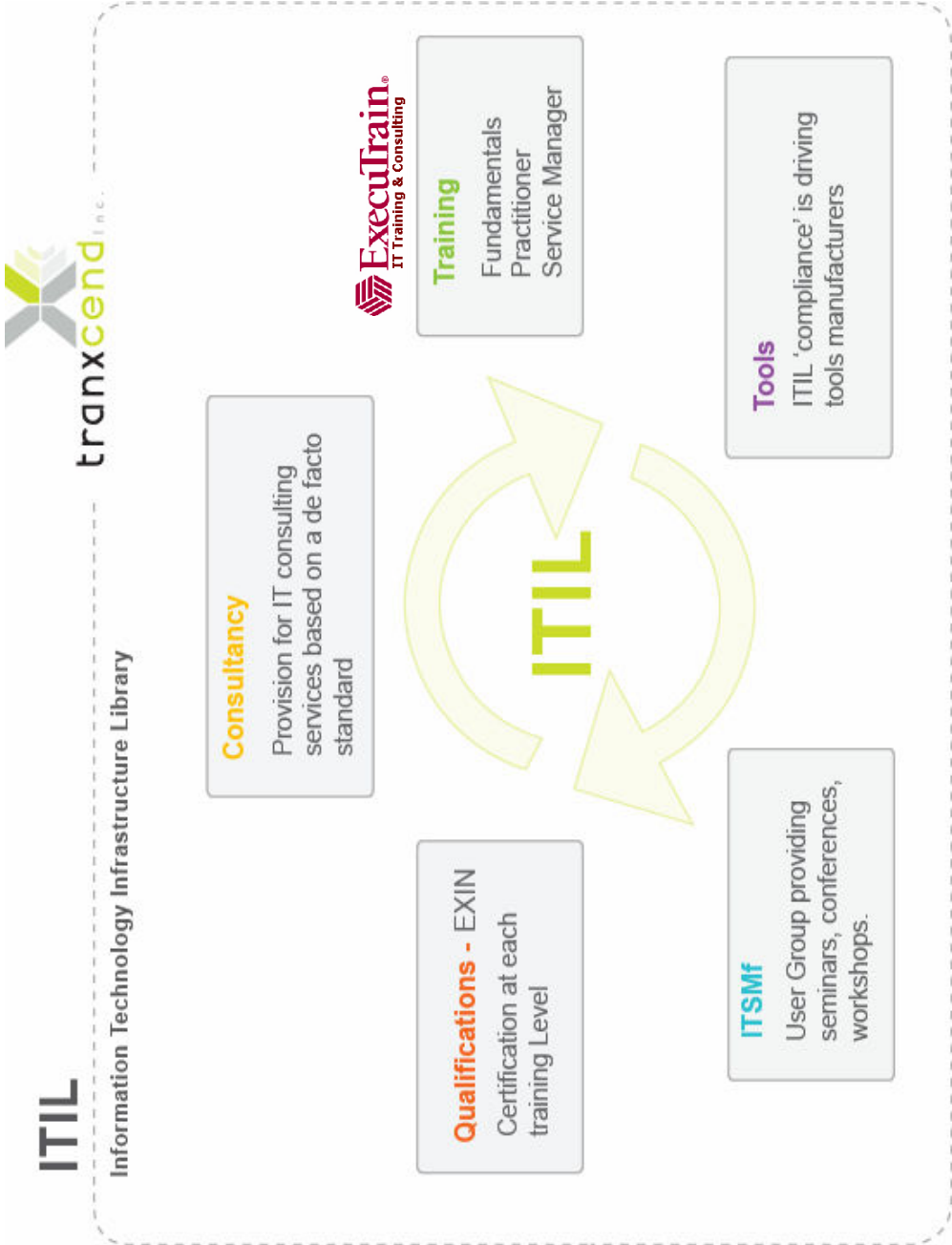
Information Technology Infrastructure Library

*“ITIL is a roadmap for carrying out repeatable steps
for managing IT.”*
Gartner

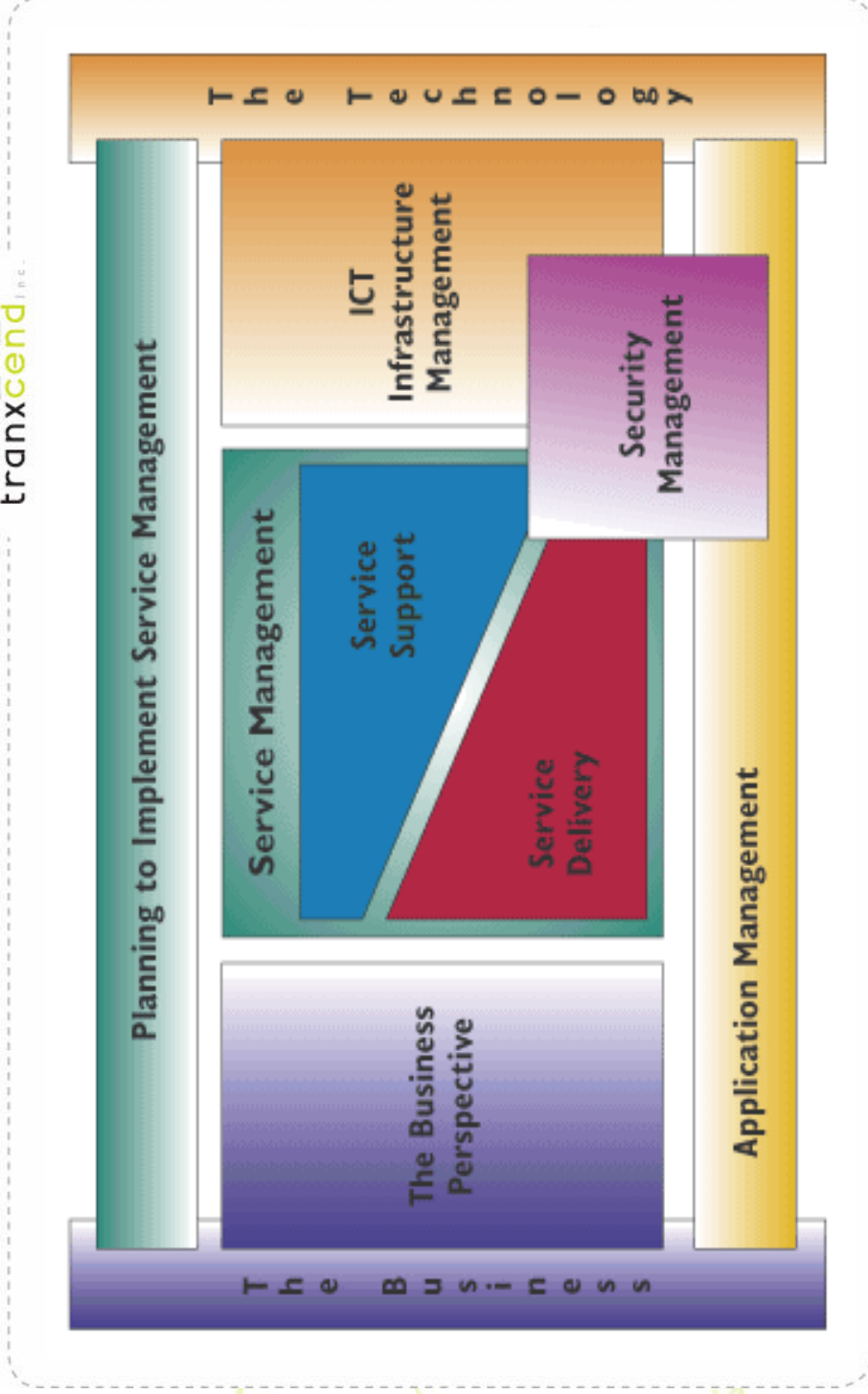
What is ITIL?

- Consists of an inter-related set of **best practices** to lower the cost and improve the quality and level of IT services in an organization.
- Background
 - 1980s: 40-volume set of IT principles
 - Computer and Telecommunications Agency (UK)
 - Today Office of Government and Commerce of England
- Today: abridged into 7 volumes of best-practices published and maintained.

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ITIL Model



ITIL Service Management Processes

Service ***Delivery*** Processes are forward looking and always proactive.

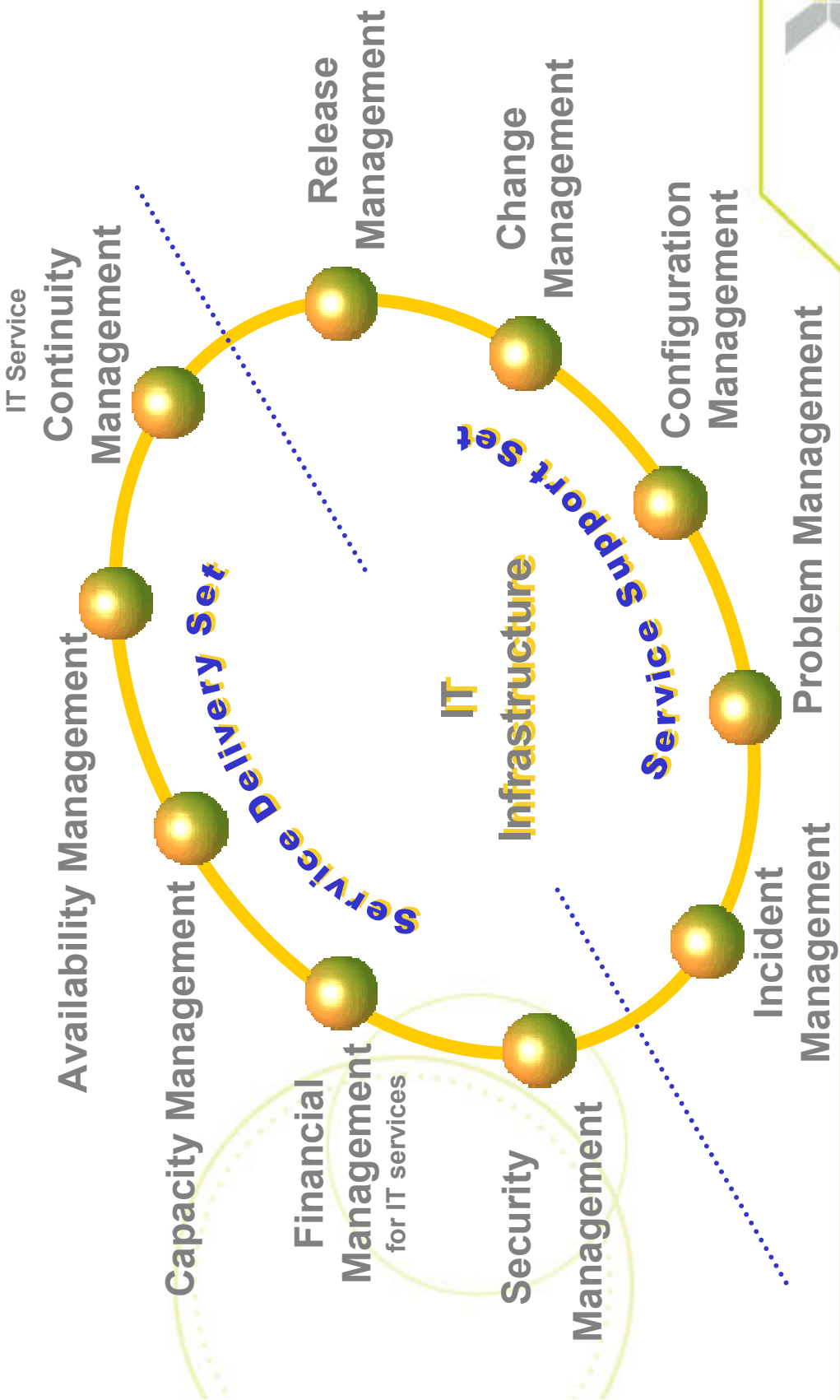
- ❖ Service Level Management
- ❖ Financial Management for IT
- ❖ Availability Management
- ❖ Capacity Management
- ❖ IT Service Continuity Management
- ❖ Security Management

Service ***Support*** Processes are operational and normally reactive.

- ❖ Service Desk (function)
- ❖ Incident Management
- ❖ Problem Management
- ❖ Change Management
- ❖ Release Management
- ❖ Configuration Management

Your Organization
Service Management Framework
(YO-SMF)

ITIL Service Management Processes



Why a Service Management Framework?

- Common language across the subsidiaries
- Reduction costs in managing and delivering IT services to operational areas/subsidiaries
- Improved value for money
- Improve resource utilization and service quality
- Increased flexibility and adaptability the IT Area to service the subsidiaries and constituents
- Better productive IT resources
- Improved **job satisfaction** through better understanding of capabilities and managed expectations
- Enhanced **user satisfaction** as Service Management personnel know and deliver what is expected
- SOX Compliance
- ISO 20000 Compliance

SOX and ITIL

- **SOX forces organizations to build an information services infrastructure that:**
 - is consistent, reliable and secure
 - has processes well documented
 - anchored on generally accepted standards
 - has control frameworks supported by technology solutions
 - is responsible to implement and maintain the infrastructure that forms the foundations for appropriate reporting solutions
- **ITSM frameworks start with IT and work up into the broader business**
- **SOX controls find and effective enabler in an effective ITSM centered IT infrastructure**

ISO 20000 and ITIL as a Competitive Advantage



- ITIL is a set of guidelines
- ISO 20000 is a set of universal requirements
- Minor differences in scope and grouping
- ISO/IEC20000 Certification
 - Provides a basis for providing that an organization has implemented best practices and using them consistently across the organization
- ISO IEC 20000 does not specify ITIL
 - But-ISO 20000 would be difficult to achieve without ITIL
 - ISO 20000 checks ITIL has been adopted intelligently
- <http://www.isoiec20000certification.com>

Framework for top companies

ITIL Extensions

- ❖ A Model for Functional Management
- ❖ ASL: Application Services Library
- ❖ BDM: Business Dev. and Mgmt. Methodology
- ❖ BioLogic
- ❖ CobIT: Control Objectives for Info. & Related Tech.
- ❖ **Hewlett-Packard ITSM Reference Model**
- ❖ **IBM: IT Process Model**
- ❖ IPW
- ❖ ISM: Integrated Service Management
- ❖ ITIL: Information Technology Infrastructure Library
- ❖ MDBI: Managing Delivery of Business Information
- ❖ MIP: Management of Information Provision
- ❖ **Microsoft: Microsoft Operations Framework**
- ❖ MSP: Managerial Step-by-Step Plan
- ❖ SIMA: Standard Integrated Management Approach

ITIL Users

Blue Cross Blue Shields of Minnesota

Procter & Gamble

Hewlett Packard

IBM

BMG Financial Group

Daegeo

Pfizer

Amgen

Dow Chemical

Caterpillar

Harley Davidson

New York Life

Nationwide Insurance

Province of Ontario

Federal Government Agencies

Raytheon

Bearing Point

Accenture

Ernst & Young



Suggested Plan

- Getting Ready
- Roadmap GHSP – SMF
- Call to Action

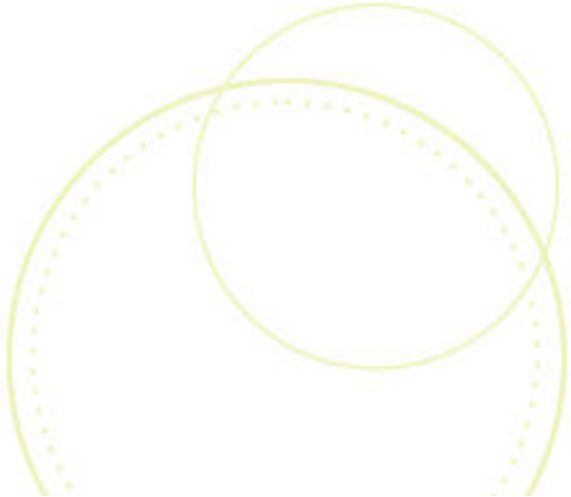
Getting Ready – Apollo 13

- An intense, 1-day training in which 8 CEO's experience all the benefits of **ITIL best practice** solutions
- The participants have to use all their knowledge of best practice process management to bring the astronauts home safely
- The uniqueness of the 'Apollo 13'
 - All ITIL processes are addressed within the simulation
 - The whole lifecycle of a service is used within the learning process
 - Balanced set of **performance indicators** for service delivery are used
 - Service level reporting is required at the end of each round
 - Real-life situation is used as reflection

Roadmap

- Transition Culture into ITIL through leadership
 - Assessment (Business and IT Areas)
 - Knowledge
 - Operational and Business CXO's – 1-Day Apollo 13
 - IT resources – 2-Days ITIL Foundation with 1-hr EXIN Certification exam
 - Select Prototype Approach
 - Pick 3-4 Management Processes based on the impact of
 - Revenue Growth
 - Service to Constituents
 - Competitive position in the market

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Call to Action?

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