



OAO TECHNOLOGY SOLUTIONS®

A Common Operational Framework to Integrate IT as a Strategic Organization

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Turning Adversity into Opportunity

Companies are always striving to meet the ongoing challenge of sustaining revenue, improving bottom-line results and leveraging technology to create a platform for business growth. However, during periods of an economic downturn, the pressure on executives to meet the challenge is even greater and requires the close evaluation and classification of the operational elements of their company as one of the following:

- Critical to Operations
- Business Differentiators
- Potential Areas of Limited Value

If Information Technology (IT) operations are not core to the business or if IT is seen as a cost center rather than a strategic part of the organization, then the IT function will inevitably be included in the classification process. What if you could take this pressure and turn it into an opportunity to optimize and make IT strategic to the success of the business? This can be accomplished by aligning the IT strategy to business objectives, assessing the enterprise portfolio of solutions and leveraging industry best practices and standards. One best practice approach is to apply IT Service Management (ITSM) principles using a three-phased process focused on *Strategy, Solutions and Results*. When this approach is combined with a structured, repeatable methodology, it can result in a business-focused, mission-critical IT organization.

Strategy

Success begins with setting an IT strategy that correctly aligns with the long-term business goals of an organization. Good business planning determines IT priorities. A strategic, long-range plan defines growth objectives, revenue targets, potential Merger and Acquisition (M&A) activity and market penetration. Also included are technical solutions that can either assist or hinder the business, depending on how they are leveraged. A strategic plan output may look like the example below:

Objectives	Corporate Objectives Details	Functional Owner	Technical Owner	Technical Solution or Project	Comments
1.1. Integrate Global HR Processes	Create a virtual Center of Excellence (CoE) and online library and portal for all HR policies, processes and documents.	Head of Corporate HR	Chief Information Officer or IT Department lead	Implement Microsoft SharePoint Portal to store documents policies and procedures to be accessed by Global HR and employees as needed.	Form Steering Committee and Governance Council including business owners, HR specialist and IT business analyst

Strategic Planning – Aligning Business Objectives with IT

By proactively incorporating technology-focused solutions into the long-range strategic planning process, the IT organization can play a critical role in achieving business goals and objectives

The first step to ensuring proper business alignment is to determine the role of IT in the overall business plan. Alignment is typically achieved by having the Chief Information Officer or IT Department Lead involved in the business planning process. This individual provides strategic input from a technical perspective, sets clear expectations and drives the inputs that feed the IT strategy. The goal is to redefine IT priorities in order of business importance and to ensure that the IT organization assumes a strategic role that is critical to business operations. As a strategic entity, IT is proactively engaged with the business to integrate the systems and solutions that are critical to operations. Therefore, as a business differentiator, the IT organization remains synchronized with the business functions they support.

Solutions

There are many different answers to the question—*What is a solution?* Scientifically, the definition of a solution is a homogeneous mixture composed of two or more substances. By applying that same principle to the IT function, you could say that a solution has multiple, discrete services that, when bundled together, resolves a critical business challenge or customer need. Each discrete IT service requires the basic elements of *People*, *Process* and *Technology*. A good example is an End User Computing (EUC) solution created from services, such as:

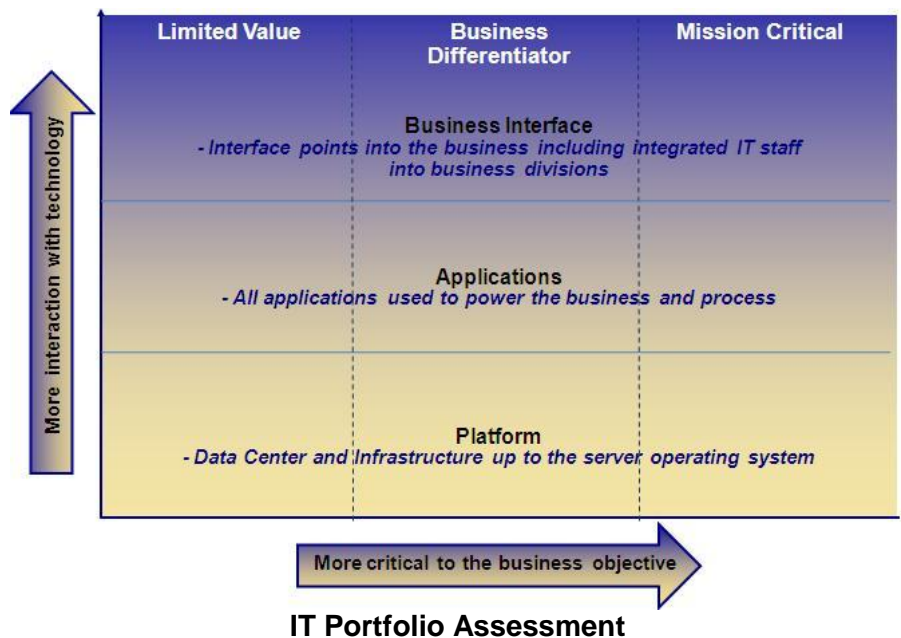
- Deskside Support
- Software Management
- Local Area Network (LAN) Management
- Hardware and Peripheral Support

When these services are combined, the result is a seamless, end-to-end solution that solves a larger challenge of providing EUC support to the business. In addition, IT solutions that are focused on business priorities and performance can be measured using business metrics instead of technical metrics. This transformational approach means that each element of the IT organization is focused on achieving a common set of goals and objectives for the business.

Assessing the Current State

Once the strategic business priorities have been identified, performing a high-level assessment helps to drive improved business to IT alignment.

An assessment of the current IT portfolio can help classify systems based on business priorities and requirements, such as the example illustrated on the right. Inevitably, there are systems that will fall out of bounds or will be considered core to the technology delivery platform. Although EUC, servers and networks are now perceived as commodities, there are still service costs associated with providing high-quality user support.



A critical step in optimizing cost in IT is to classify systems in order of importance to the business requirements

The assessment process should also include supportive technologies such as enterprise monitoring and systems that are transparent to the business, but required to maintain critical business processes and provide quality service delivery. The goal is to leverage existing assets by optimizing their function and role and then invest in technologies to fill any gaps that are discovered during the assessment.



Creating the Solutions Strategy

Technical solutions deliver business value using an IT service-based methodology. IT Service Management guides organizational capabilities and assets and is used to set objectives and performance expectations by identifying, selecting and prioritizing business requirements. This approach also ensures that organizations are in a position to manage the costs and risks associated with their services. The end-product is a comprehensive list or catalog of services that defines the business priority, technical solution and governance model for long term service sustainability.

Why Best Practices and Standards Matter

A strong service management model can be developed by using IT industry best practices, such as the following:

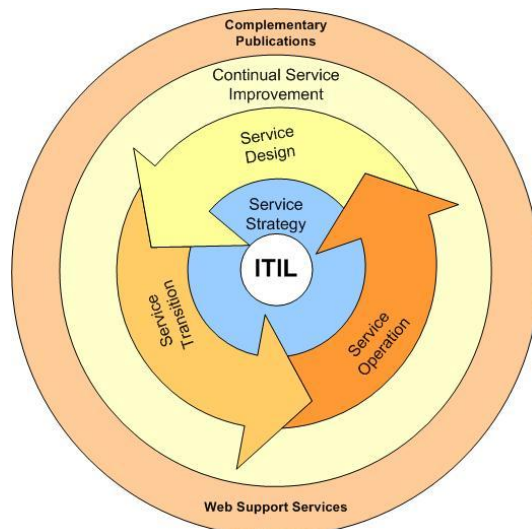
- IT Infrastructure Library (ITIL)
- Enterprise Architecture (EA)
- IT Service Management (ITSM)
- Capability Maturity Model (CMM)

Using IT best practices resolves most problems, while also producing cost savings. A great example of the benefits of a common operational framework that also leverages best practices is the Southwest Airlines model. Although this is not a technology best practice, it does illustrate the power of a standards-based approach and the positive business impact.

Southwest Airlines flies one type of aircraft and has designed their sales, operations, maintenance and business approach to this one type. This methodology reduces costs in employee training, parts and services, as well as the entire supply chain associated with flight operations. The result of this best practice is reduced cost of operations and lower-priced airfare for passengers.

Using a common operational framework in IT along with a standards-based approach applies not only to processes, but to the physical IT architecture and implementation as well. Standardizing hardware, software and database platforms aligns IT functions and improves the cost model for training, licensing, applications, integration and the entire IT Service Management lifecycle.

Applying the Southwest Airlines model to IT can yield the same results and begin to align the IT organization to business functions. The table on the following page highlights how best practices, such as ITIL, EA, CMM, Capability Maturity Model Integration (CMMi), International Organisation for Standardization (ISO), etc., help to optimize and better manage the IT enterprise.



ITIL Framework Life Cycle

ITIL Service Management is an example of applying best practices to positively impact business results



Southwest Airlines Model	IT Best Practices Model
Flying one type of aircraft optimizes cost for: <ul style="list-style-type: none"> • Employee training • Parts • Service • Sales • Entire flight operations supply chain 	Leveraging IT best practices optimizes cost for: <ul style="list-style-type: none"> • Employee training • Licensing • Applications • Integration • IT Service Management lifecycle

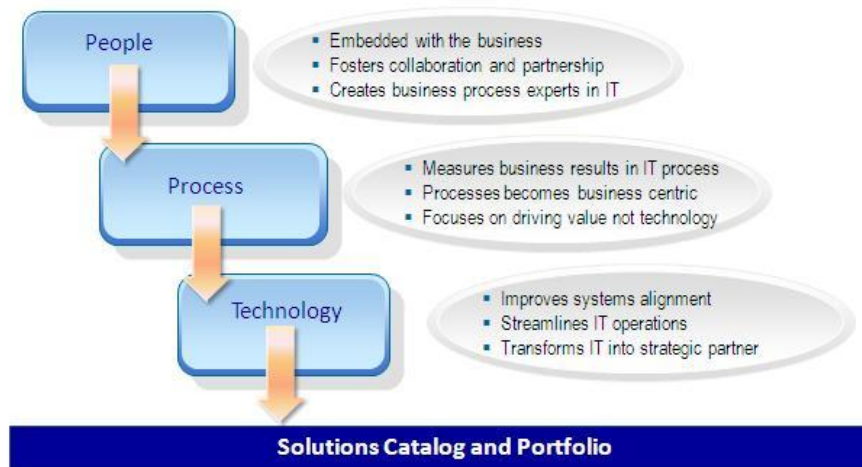
Benefits of Standards-Based Approach

Standardizing platforms, technologies and best practices reduces cost and improves IT operations across the entire IT enterprise

The proper ongoing governance, management and support of the best practice ensure that the organization runs efficiently to meet short- and long-term business objectives. Although there are a variety of tools available to assist with governance, tools alone do not solve problems. Success is based on the organization or IT outsourcer’s experience and how the best practice is applied to solving a problem.

Results

Ultimately, focusing on business-level integration, metrics and alignment allows IT executives to optimize operations and costs. Using standards and leveraging best practices facilitates the development of a common goal framework and further embeds the IT organization into the business strategy. This business strategy and IT solution integration is illustrated below.



The Solutions Result

The integration of IT into the business strategy results in the proper positioning of the IT organization within the environment

Using cost savings and improved performance as a catalyst to operate a more service-focused organization results in enhanced business value, which can be measured using the following five field measures:

1. **Customer Success** – solving complex business issues and deriving greater business value
2. **Reduced Cost** – streamlining cost models while seeking ways to improve operations
3. **Business Integration** – driving technology integration into revenue-generating business processes
4. **Business Partnership** – transparently integrating IT operations into the strategic business plan
5. **Effective Operations** – delivering value-added services to the business

Once these field measures become a part of the common goal framework and IT is aligned with the business goals and objectives, they set the foundation for sustainable governance and ensure increased cost savings by removing duplicative or inefficient processes, as demonstrated in the following case study.

Bridging the Gap – A Service Evolution Methodology Case Study

One of the world's leading technology companies was facing a significant compliance challenge in their data centers. Trying to achieve ISO 20000 certification, they wanted to provide their customers with mature service delivery and manage the most stringent IT demands. When the project began, the IT operations were analyzed and the gaps documented across their existing service management processes. Then the customer's methodology was tailored to address their Data Center Management environment and a phased, minimum-risk service delivery approach was delivered that encompassed the following:

- **Assessment** – provided a thorough evaluation of existing operations
- **Transition** – ensured a seamless transfer of IT services support
- **Transformation** – commenced service delivery while enhancing service quality
- **Service Evolution** – implemented a continuous process improvement lifecycle

As a result of this project, OAO Technology Solutions, Inc. saved the customer approximately \$900,000 within the first three months by improving the internal, high-level process framework. We also facilitated the customer's goal of becoming ISO 20000-certified. This was the first data center in the region to obtain this certification.

Contact For More Information

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About the Author

Cameron Chehreh joined OAO Technology Solutions, Inc. (OAOT) in October 2007 as Chief Technology Officer. In addition to that role, he also serves as the Senior Vice President and General Manager, Strategic Business Solutions. He is responsible for leading the company's Applications Outsourcing expertise and providing a full complement of application, architecture and IT alignment services for our customers. He also leads the Human Capital Management Solutions division, providing IT Staffing services and supporting customer requirements through rapid access to today's top talent.

As CTO, he manages the expansion of the company's Global Managed Information Technology (IT) Services and Solutions portfolio to address a wide range of customer challenges. His technical and business expertise establishes him as an IT Industry thought leader, and he was a guest speaker at a Gartner event on the topic of Case Management and Service-Oriented Architecture (SOA) strategies.

Cameron began his career in the staffing industry as an Account Manager for the Maxim Group. At Tek Systems, he provided helpdesk and field location support and was the PeopleSoft technical lead. Following this, he has held positions as Senior Applications Engineer at USinternetworking and Enterprise Architect for COTS solutions at Digex, Inc. During his tenure, Digex was recognized with CIO 100 and Infoworld 100 awards and ranked #11 on the prestigious list for systems integration projects.

Immediately before joining OAOT, Cameron was the acting Chief Technology Officer and Enterprise Solutions Architect for Northrop Grumman Information Technology's Enterprise Resource Planning (ERP)\Customer Relationship Management (CRM) division of the Civilian Agencies group. As Technical Director, he designed and implemented an application-focused Center of Excellence with core technologies from Oracle, PeopleSoft, Siebel, SAP, and Microsoft that supported rapid prototyping solutions to support the business development efforts of the corporation. Cameron holds a Bachelor of Science degree in Audio Engineering and Mass Communications from Middle Tennessee State University.

About OAOT

OAOT (www.aoat.com) is a global leader in Managed IT Services and Solutions to Fortune 500 corporations, global outsourcers and government agencies. The Company's expertise includes applications outsourcing, data center and infrastructure management and staffing solutions. Headquartered in Greenbelt, Maryland, our 1,600 worldwide employees are located throughout the United States, Canada and Europe.