‘Dr Richard Sykes’

Advanced Workplace Associates
Transforming the Workplace

Servicing the Workplace in 2020: Navigating A Triple Transformation in the World of Applied Information & Communications Technology (ICT)

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Three Fundamental & Revolutionary Developments

There are three fundamental & interlinked transformations in play that are steadily (but also radically) re-writing options for exploiting information & communications technology (ICT) in the Enterprise and in Government.

The underlying enabler? Moore's Law at work – a continuing exponential reduction in the underlying cost of data processing.

This reality is endlessly reducing the *cost to deliver value.*

The *value delivery equation?* Remember the three dimensions of '*People, Process and Technology.*

All three dimensions of People, Process & Technology are now in an interactive flux, re-writing the established certainties of sourcing practice.

Three Fundamental & Revolutionary Developments

2x the Technological

The phenomenon of ***Virtualisation***

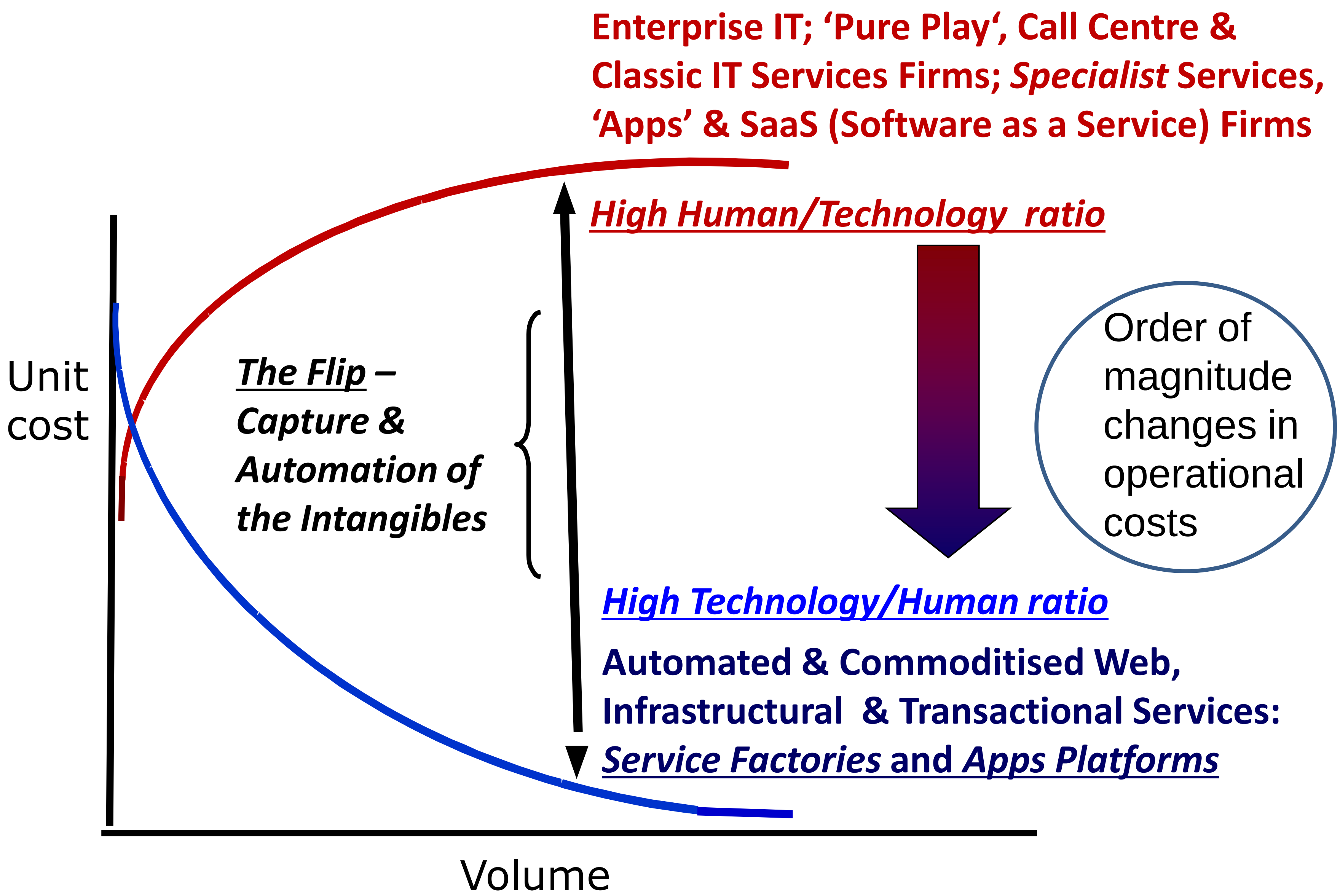
- is enabling automation & transformation in the manufacture of technology services (*the new era of Services Factories)*

- and is enabling practical implementation of *Service Oriented Architectures* (SOA) that underwrite the evolution of the (loosely-coupled) Services Stacks from our legacy of (tightly-coupled) Technical Stacks.

Plus the Commercial

- Lead players in Consumer markets (such as Amazon, Google, salesforce) have exploited *Services Factories* to *deliver standardised business processes as services over the Web,* innovating & transforming the commerce of technology services.

The Automation of 'Bums on Seats' Business Models



But Definitely Not Overnight!

The *new commerce of technology services* can ***potentially***

- Disengage the capital investment decision from the consumption decision: *capex* on the vendor side, client side focused on *opex*.

- Sharply reduce operational costs

- Enable high levels of *operational* agility & flexibility

- Speed software innovation, development and re-use – sharply cutting costs and raising speed to implementation

- Sharply simplify procurement, reducing its cost and speeding the process – and for standard services, end term contracts.

BUT: Access to this new commerce requires *significant transformation of how the ICT industry and its clients work - across all the 'three landscapes' of the ICT industry.*

A Triple Transformation Plays Out

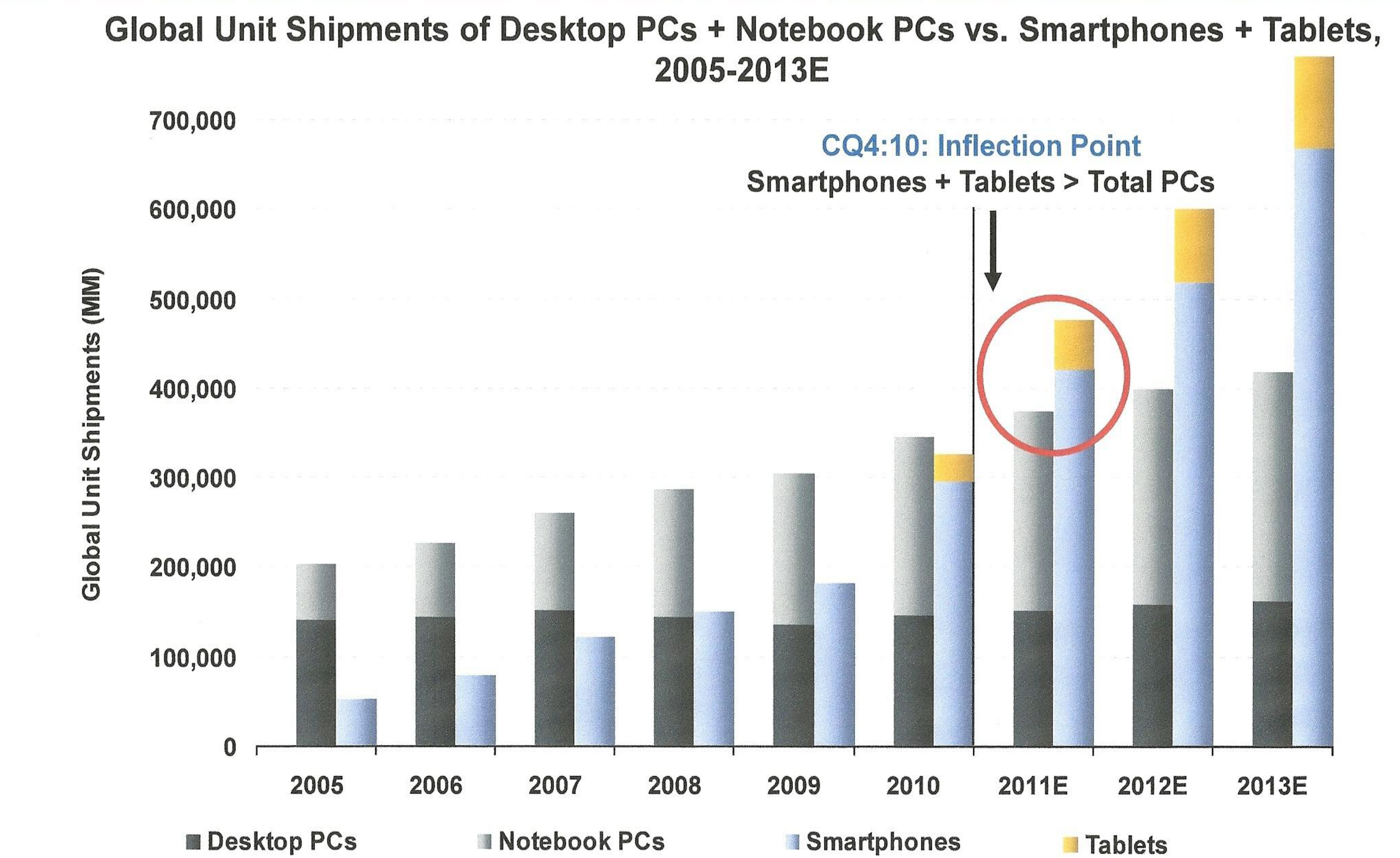
1. Transformation of the *Technology Delivery* Landscape

- Transformed *modus operandi* of the technology: high levels of standardisation/automation = new world of service factories underwriting the new service stack of Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS), Process as a Service: + their accelerating exploitation *via* wireless networking + 'smart ' mobile 'phones, PDAs & Pads for access.

- Fundamental shift of where 'stuff' is held – it is migrating 'into the Cloud' – the '*device*' becomes about access and ensuring & assuring both identity and security.

- Requires new open & proprietary standards plus new operational approaches to delivering key aspects of *assurance* – security, data management, continuity, (seamless) service integration, testing...... *Very much work in progress currently*.

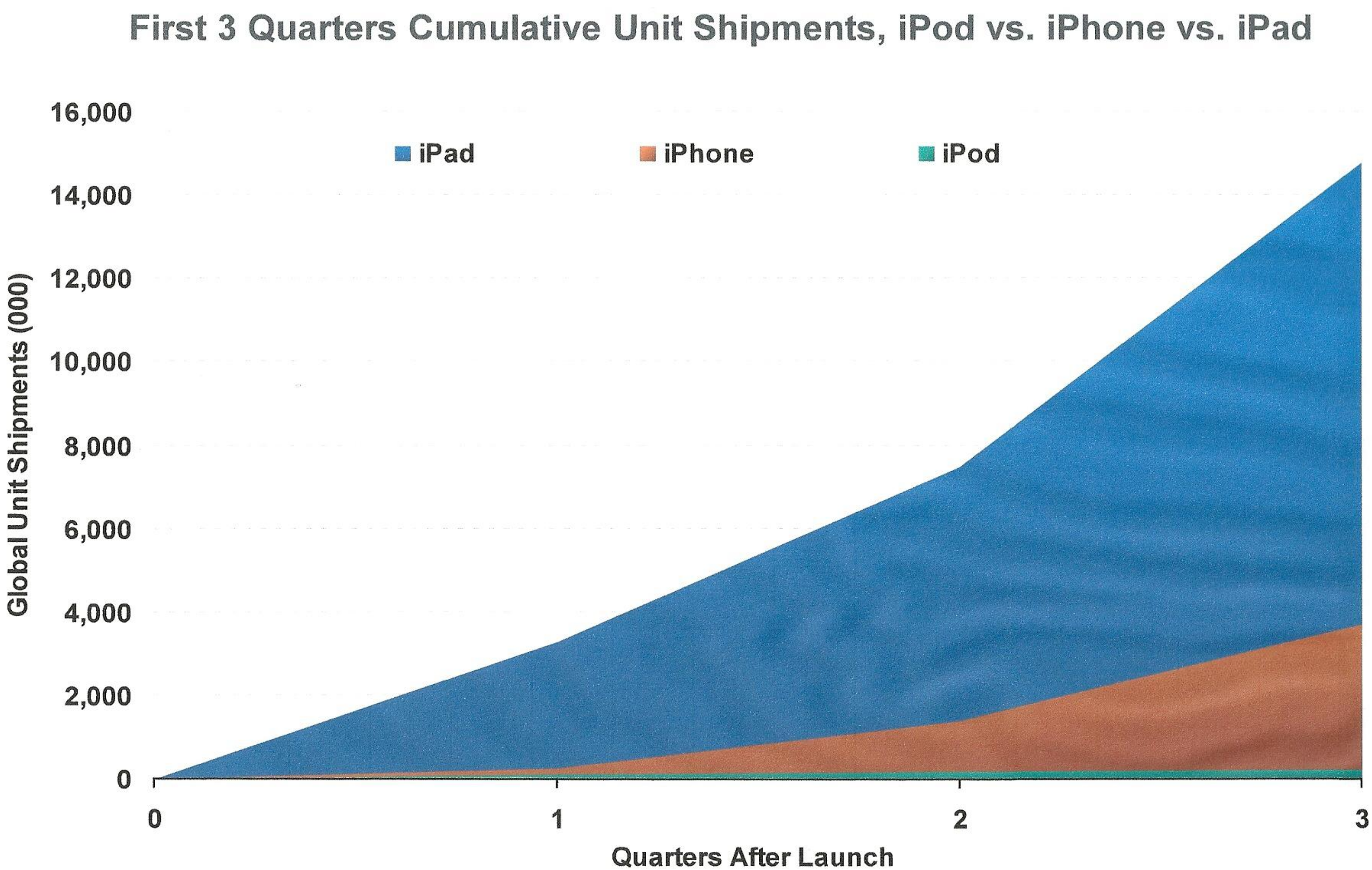
Mobile Devices Hit Critical Mass



Note: Notebook PCs include Netbooks. Source: Katy Huberty, Ehud Gelblum, Morgan Stanley Research.

Source|: TOP MOBILE INTERNET TRENDS Matt Murphy / Mary Meeker, [Kleiner Perkins] 2/10/11

iPods Changed the Media Industry…iPhones Ramped Even Faster…iPad Growth Leaves "Siblings" in the Dust



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But - A Key Challenge – Delivering *Assurance*

How can full Assurance be delivered along the length of a virtual services supply chain?

Security
Data Management
Risk Management
Continuity
Contractual Protections
Regulatory Compliance
Legal Compliance
Reputational Risk
IP Protection

How to ensure clear lines of accountability and responsibility between the client and service provider(s)?

A Triple Transformation Plays Out

2. Transformation of the *Vendor Competitive, Contractual & Behavioural* Landscape

   - The commerce of discrete (technology-enabled, automated) services transforms the basis of competition: business models based on 'bums on seats' re-written by the impact of automation.

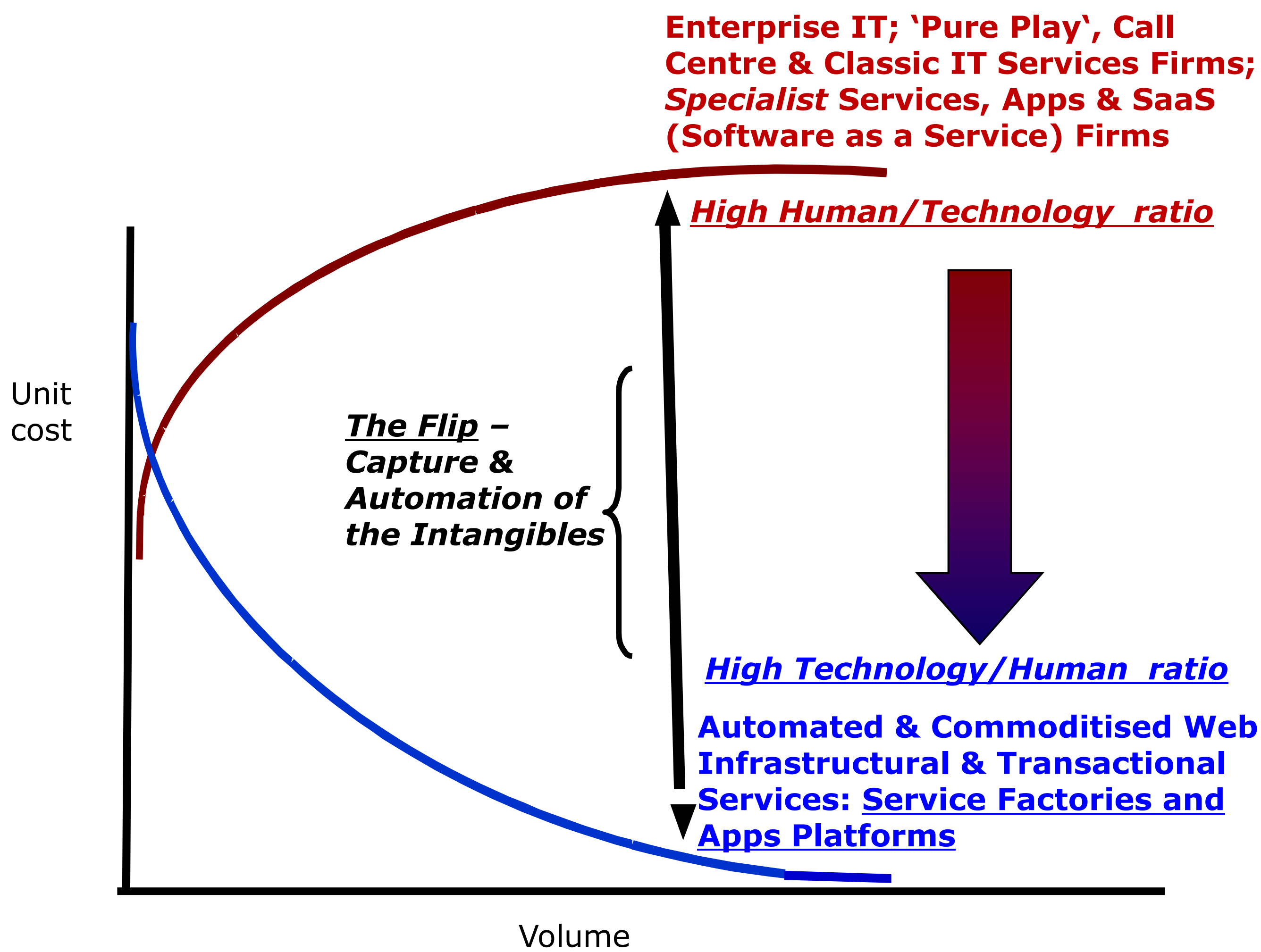
   - ICT Facilities Management (Tech FM) models of outsourcing replaced by Direct Sourcing of Services (DSS): '*offshoring*' replaced by the practical practice of *internationally traded* services.

   - SI as *Service Integration* replaces SI as *Systems Integration*:

   - Marketing, sales and channels to market transformed: customer interface & relationship management significantly automated.

   - For standard services commercial practice of the multi-year deal gives way to the commercial practice of sourcing 'on demand': Vendor investment no longer underwritten by multi-year contracts, but by market positioning, market judgement and market success.

Vendor Differentiation: Resource & Market Focus



Focus: delivering high application specificity: Specialty end-application-aligned services

Tuned to specific end-market requirements. Strong partnership orientation & commercial capabilities

MARKET & CUSTOMER FOCUS INTIMACY TEST

Focus: making technology 'sweat the assets' (high utilisation, reliability, security & flexibility):

Commodity manufacturing skills plus service orientation & capabilities

SERVICE & FACTORY MANUFACTURING TEST

Courtesy of The Leading Edge Forum .

A Triple Transformation Plays Out

3. Transformation of the *Enterprise Operational, Systems, Behavioural & Contractual* Landscape

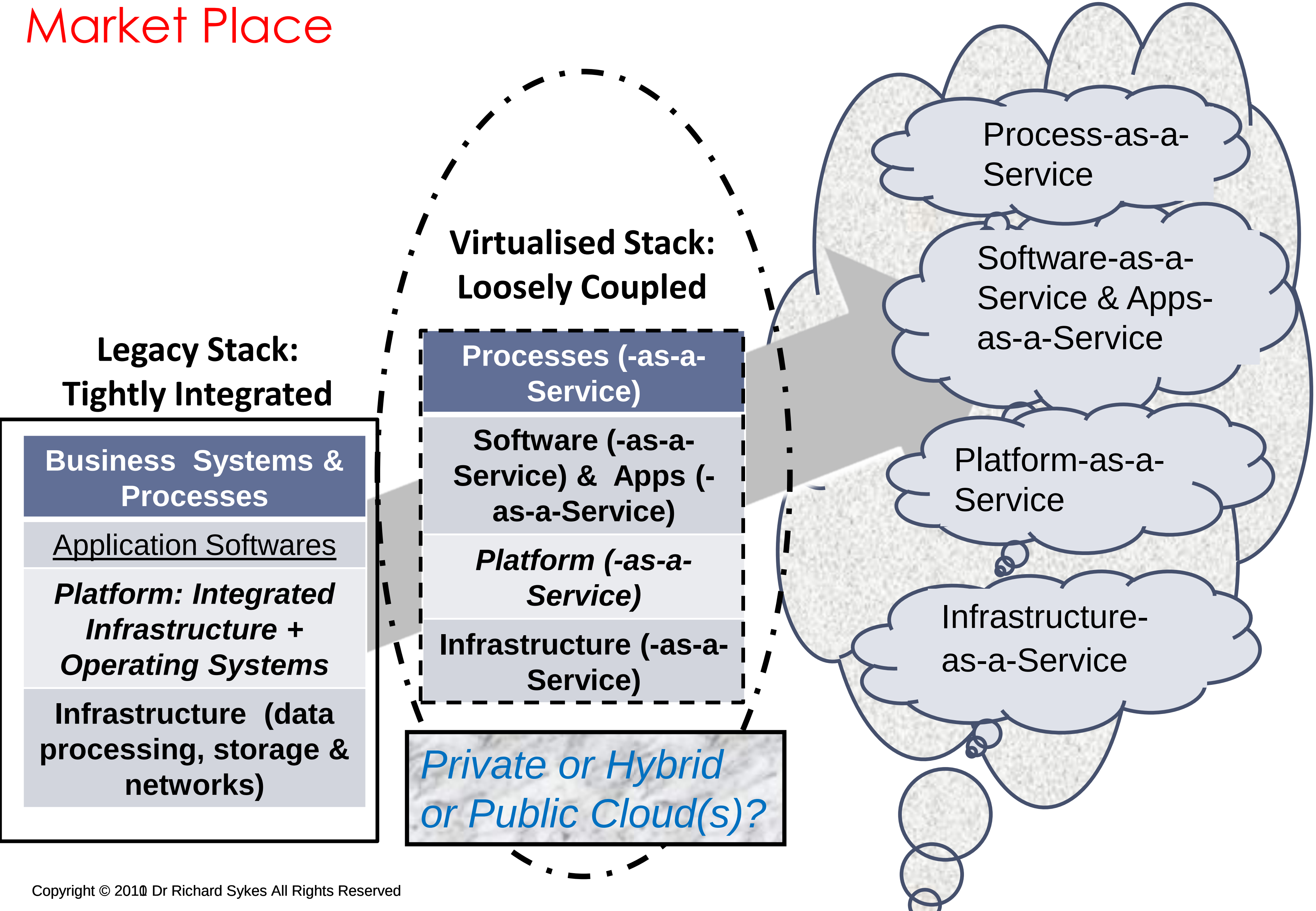
   - SOA-driven restructuring around *directly sourced* standard back & front office *transactional* and supporting *infrastructural* services that can be procured ‘on demand’ on an arms length basis ;

   - Transformation of legacy systems sprawl is the chief restraint – but potentially liberates in-house resource to focus on front line core competencies & client-close & market-deep operations;

   - Younger generations of employees work ‘outside’/subvert the ‘discipline of the corporate’ – the progressive enterprise builds on the now natural ‘social enterprise’ habits of their employees.

   - Opportunity to radically rework the fabric of established vendor contractual relationships. Identification of (potentially new) vendor partners with deep expertise in the Enterprise’s markets & able to strengthen core competitive competencies – the intimacy test.

The Enterprise CloudSourcing Journey: SOA & the Market Place



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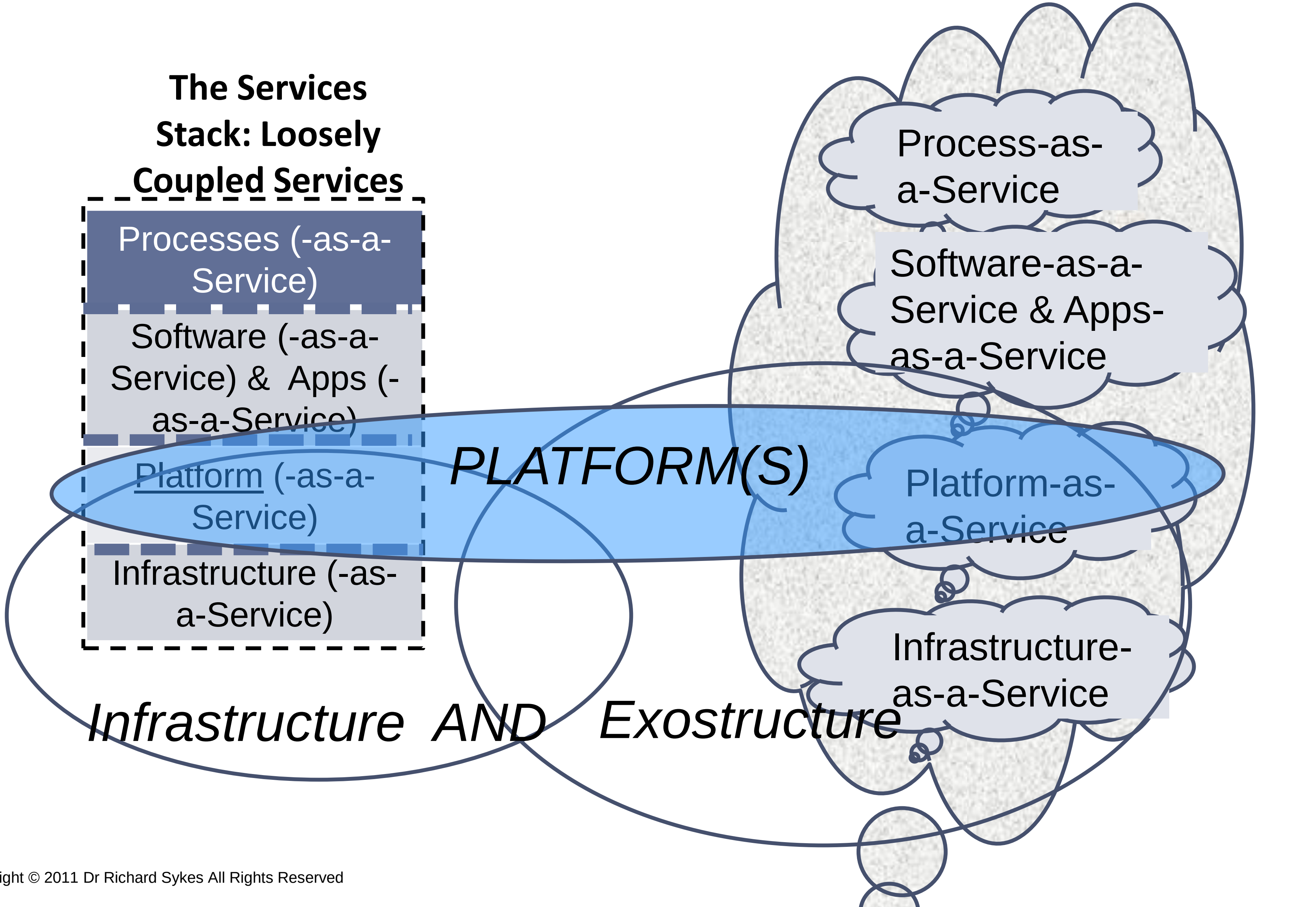
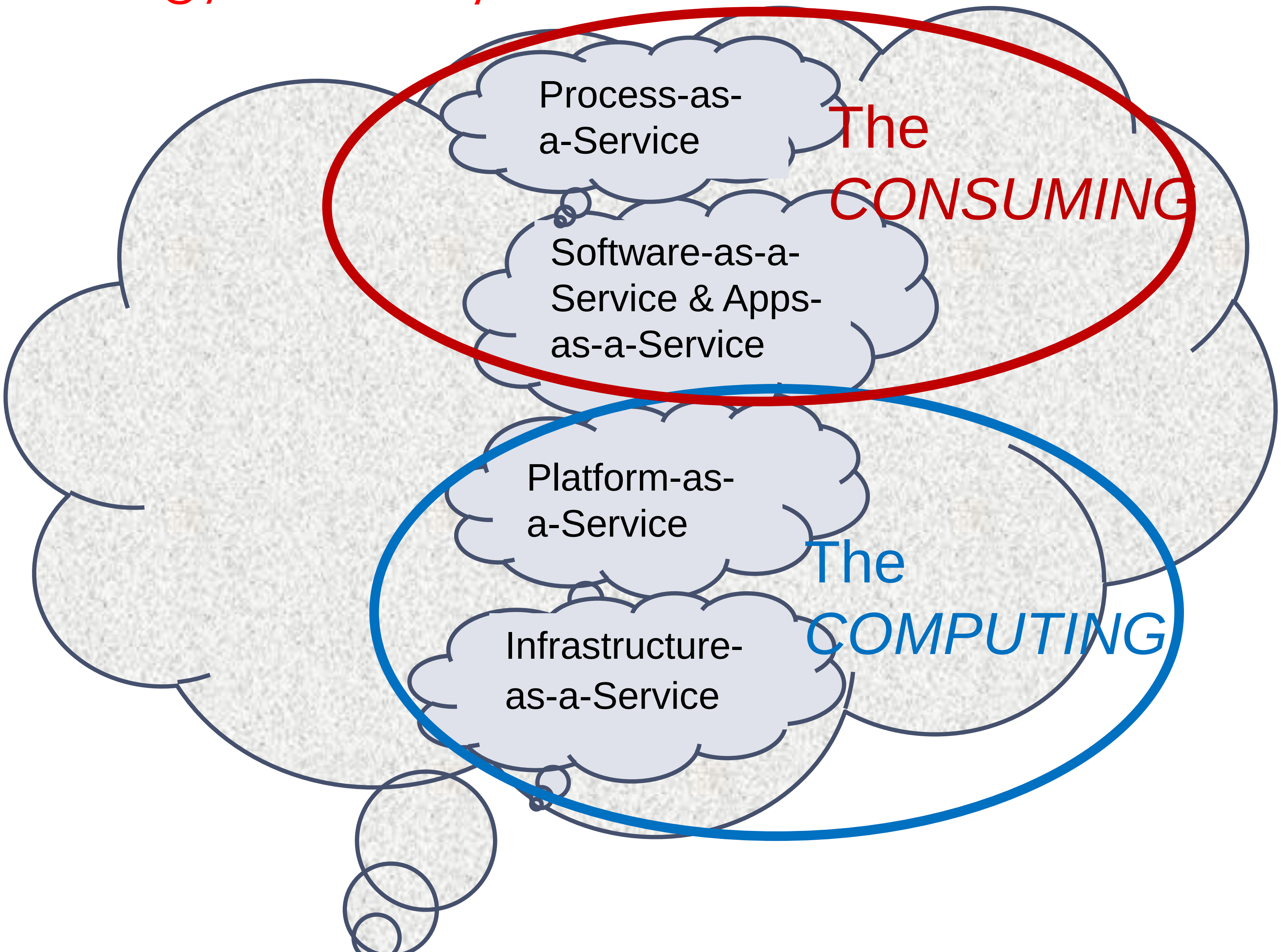


The New Commerce – The Supply & the Procurement of (Technology-Enabled) Services



Five Leading Infrastructural Service *Platforms*

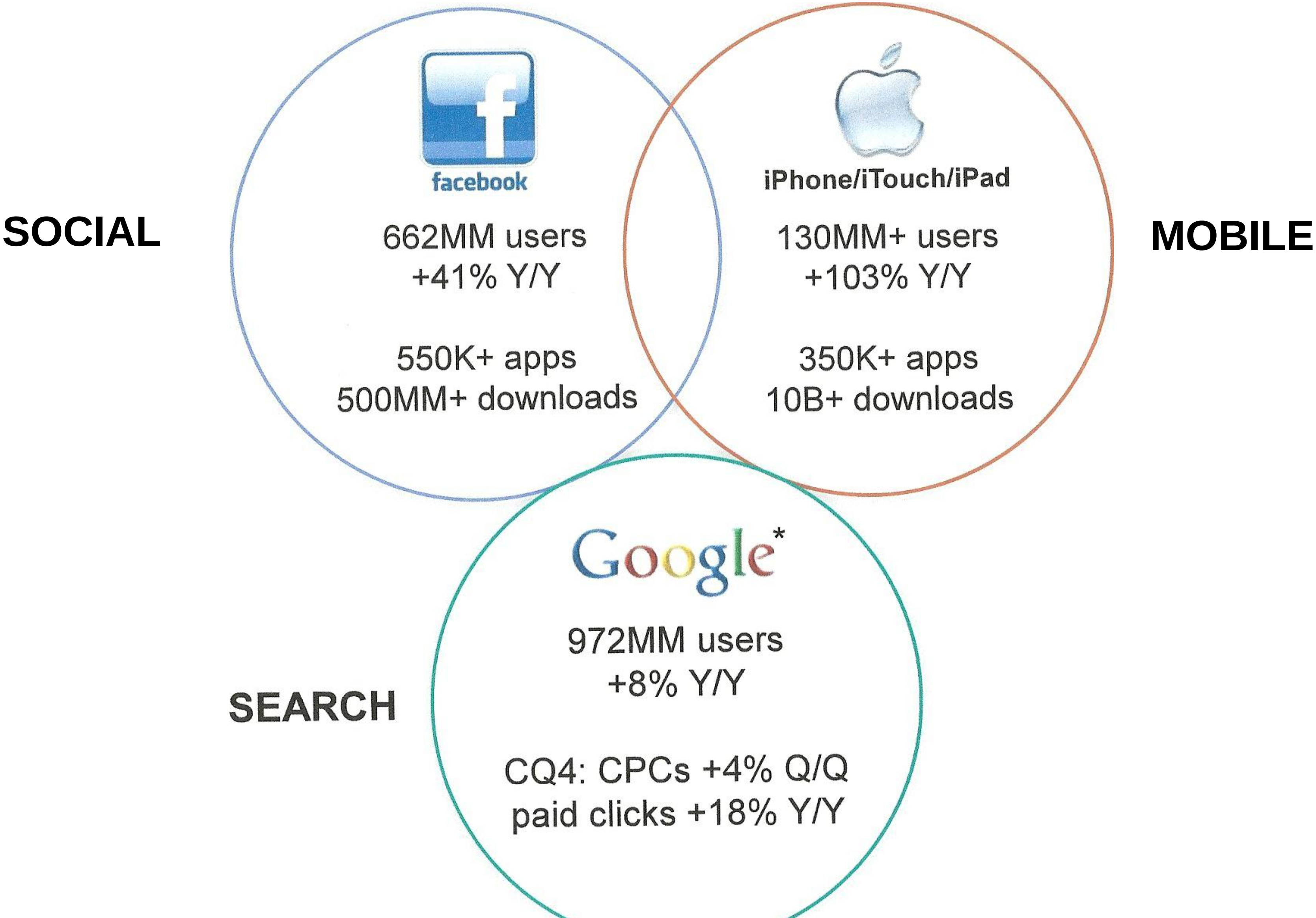
Infrastructural Services delivered over the Web from highly automated Service *Factories* tightly integrated into the Web

Amazon 'Elastic Cloud'	[Amazon Web Services]
Google App Engine	[Google Apps*]
Microsoft Azure	[Microsoft BPOS*]
Salesforce.com's Force.com	[salesforce CRM^]
Apple iApp Platform	[Apps for iPhone]

*messaging and collaboration solutions

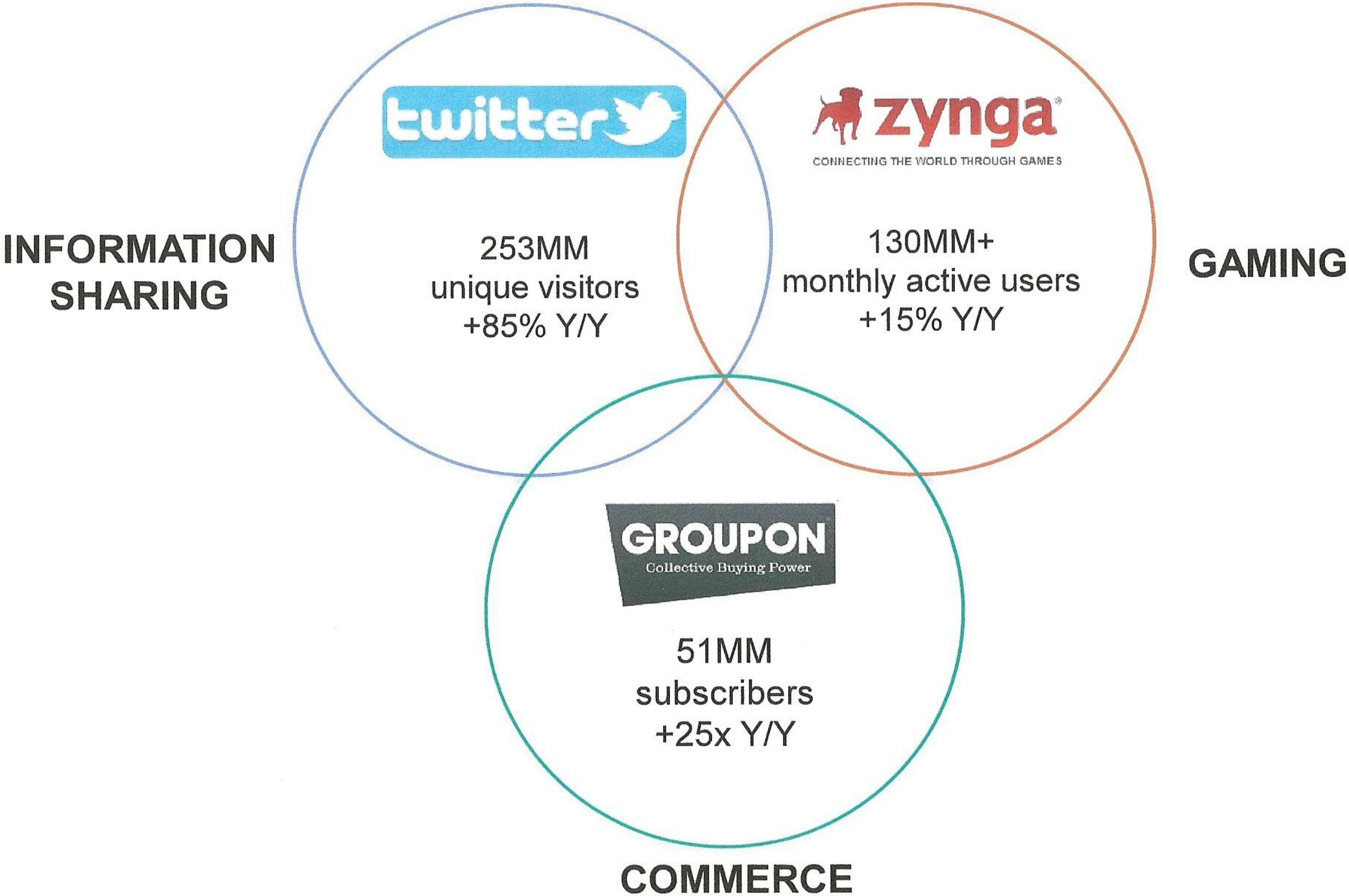
^ customer relationship management

Different Types of Platforms: Facebook + Apple + Google



Source: TOP MOBILE INTERNET TRENDS Matt Murphy / Mary Meeker, [Kleiner Perkins] 2/10/11

Emerging Types of Social Networks…More to Come



Source: Groupon, Twitter, Zynga.

Source|: TOP MOBILE INTERNET TRENDS Matt Murphy / Mary Meeker, [Kleiner Perkins] 2/10/11

The ‘Platform’ and the ‘Agile’

The UK Government is the focus of transformational proposals:

‘Platform’

‘......a shared, government-wide approach to simplifying elements of IT. The aim of the platform is to bear down on costs, reduce duplication and establish shared standards. The focus here is on commodity procurement, coordinating delivery of common IT facilities and services, and setting common and open standards to support interoperability. ‘

‘Agile’

‘.........about becoming much more flexible, responsive to change and innovative. Development is modular and iterative, based on user involvement and feedback. Early delivery of core working functionality is the priority.’

Source: ‘*System Error*’ Report by Institute for Government March 2011

Re-Drawing the Vendor Competitive Landscape

Competition will push vendors to focus:

In automated, commoditised Web-based infrastructural & transactional services: the business of service factories and major volume apps platforms; ***OR***

In specialised people-intensive services, speciality Apps & SaaS

Infrastructural (data processing, data storage, data networking) and major platform services, and standard back & front office services, will be the domain of major ventures with big (& strong) balance sheets – this is capital intensive territory, high asset productivity stuff.

Services based on delivering high application specificity, specialty end-application-aligned services and those tuned to specific end-market requirements will be the domain of smaller to medium ventures with deep domain experience in particular market verticals: – this is the agile, people intensive territory where the experiential counts.

IBM is the exception – it is positioning in the 'heavy lifting' territory where highly complex project delivery is the issue: traffic in cities!

‘Facilities Management’ in 2020 – an ICT Viewpoint

What (technology-enabled) services
Do People in the Enterprise need?
Do the buildings that the People in the Enterprise need?

People? It will all be in the Cloud. Staff need *means of access* (their kit - wirelessly linked), *identity control* and *assurance* in the fullest sense. Because it is all in the Cloud, staff can work genuinely location free.

Buildings? Buildings there still will be – with clear purposes! Enveloped in effective wireless broadband, with security & assurance as required.

The FM Team – have evolved as *Service Procurers, Integrators & Assurers* – the ‘Platform’ folk.

The IT folk have specialised into the ‘Agile’.

And the HR folk and the Accounting folk? The distinction between Platform and Agile plays here as well.

QuickStart Global is in the Platform business

NB: In 2011 ***Quickstart Global*** already provides companies with the ability to implement sales, operations, and supply chain management strategies around the world. Its **In-House Anywhere ™** model delivers the most effective and lowest risk solution for companies seeking to setup and maintain full time employees in foreign countries. With its **Subsidiary Anywhere ™** it is able to provide companies with a one stop, turnkey solution for setting up and maintaining an international subsidiary.

www.QuickStartGlobal.com

Thank You!

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A strategic advisor & communicator in the transformation *as business services* of technology and business process sourcing, outsourcing and offshoring business models, including through the agency of 'the Cloud'.

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