GRC in the Digital Age
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Creating Service Value through Digital Transformation

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itSMF® Hellas
The IT Service Management Forum

Microsoft

Promoting the IT Profession in Greece

1. itSMF Hellas was founded in 2006 and currently has 50+ members and 10+ organisations

2. Our mission is to create and maintain a knowledge sharing platform on ITSM

3. Promote the adoption of IT Service Management frameworks such as ITIL® and standards such as ISO20000 including initiatives (Glossary translation) and mechanisms

4. Organize annual conferences and joint events with *ISACA Athens Chapter* and *British Computer Society – Hellenic Section* which portray the value of ITSM to the wider IT community

5. **Annual Conference on 2nd of February, 2017 in Athens, Greece**

2008   **2009**   **2010**   **2011**   **2013**

2015   **2016**

Agenda

- Global ITSM trends

- ITSM trends in Greece

- Digital Transformation

- Service Value Creation

Global ITSM Trends

Source: "Gartner Hyper Cycle for ITSM 2.0"

What's ITSM 2.0?

ITSM 2.0 focuses on improving the quality and efficiency with which infrastructure and operations (I&O) supports end-users and delivers services. I&O leaders should use this Hype Cycle to develop their ITSM strategies and prioritize ITSM 2.0 technology investments.
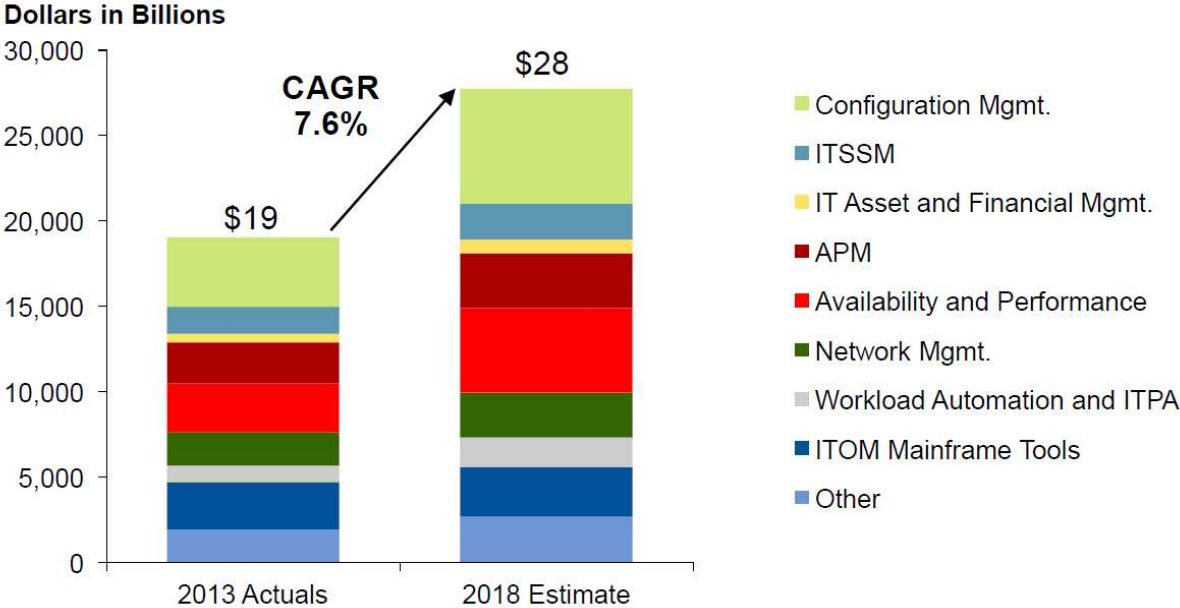
Source: "Gartner Hyper Cycle for ITSM 2.0"

Global ITSM Market Growth

7.6% CAGR by 2018

7.78% CAGR by 2020

Source: Research and Markets
"Global ITSM Market 2016-2020"

Dollars in Billions

Legend:
- Configuration Mgmt.
- ITSSM
- IT Asset and Financial Mgmt.
- APM
- Availability and Performance
- Network Mgmt.
- Workload Automation and ITPA
- ITOM Mainframe Tools
- Other

CAGR 7.6%

$19 (2013 Actuals) → $28 (2018 Estimate)

Source: "Gartner Market Share: All Enterprise Software, Worldwide, 2013" &
"Forecast: Enterprise Software Markets, Worldwide, 2011-2018, 1Q14 Update"

Global IT Security Trends

Total Zero-Day Vulnerabilities

2013 **23**

2014 **24** ˙(+4%)

2015 **54** ˙(+125%)

A New Zero-Day Vulnerability Discovered Each Week

GDPR

EU General Data Protection Regulation

Enters into application on 25 May 2018

THE INTERNET of THINGS

Major security concerns with patchability of devices

Current IT Investments in Greece

Source: GlobalLink "The State of the CIO in Greece"
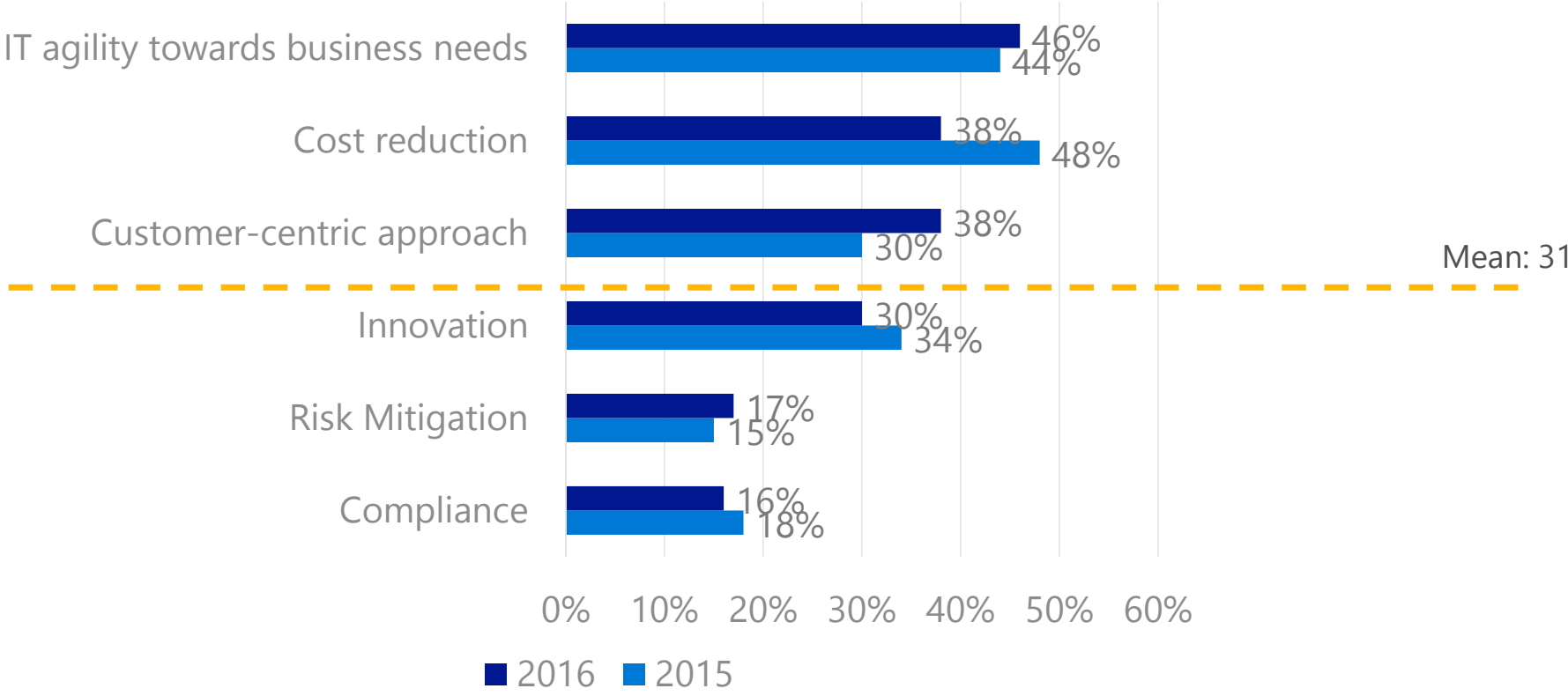
Current IT Investments in Greece

Investment Areas	2015	2016	
IT Infrastructure	66%	71%	Mean: 37
IT Security	27%	32%	
Basic transaction applications	36%	31%	
End user communication and cooperation	32%	28%	
Innovation	27%	23%	

Base n: 213 (up to 2 answers)
Source: GlobalLink "The State of the CIO in Greece 2016"

CIO IT Budget Drivers for 2016

Driver	2016	2015
IT agility towards business needs	46%	44%
Cost reduction	38%	48%
Customer-centric approach	38%	30%
Innovation	30%	34%
Risk Mitigation	17%	15%
Compliance	16%	18%

Mean: 31

■ 2016   ■ 2015

Base n: 213 (up to 2 answers)
Source: GlobalLink "The State of the CIO in Greece 2016"

IT Investment Focus in the Next 3 Years

Investment Areas	2015	2016	
Innovation	49%	46%	
IT Infrastructure	43%	44%	Mean: 37
End user communication and cooperation	35%	37%	
IT Security	29%	35%	
Basic transaction applications	31%	23%	

Base n: 213 (up to 2 answers)
Source: GlobalLink "The State of the CIO in Greece 2016"

The 3 Most Important Areas Considered for Near Future IT Investments

Important IT Areas	2015	2016
Security/Risk Management	50%	56%
Application Development	57%	54%
Analytics	52%	50%
Mobility	56%	49%
Cloud Computing	52%	48%
Digital/Social Networking	21%	26%
Internet of Things	12%	16%

Mean: 43

Base n: 213 (up to 2 answers)
Source: GlobalLink "The State of the CIO in Greece 2016"

Industry Trends Interfacing with ITSM

DevOps

IT4IT

Cloud

ISO
20000/27001/22301/31000

Set of Practices

Architectural
Framework
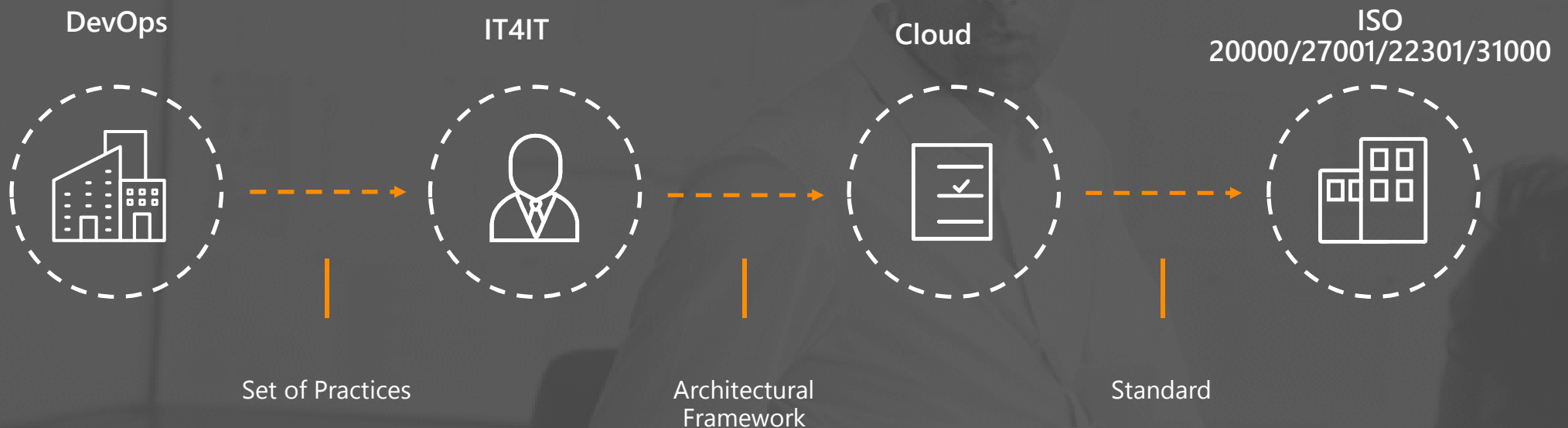
Standard

Digital Transformation

Digital Disruption and Corporate Darwinism

Since 2000, 52% of companies in the Fortune 500 have either gone bankrupt, been acquired or ceased to exist

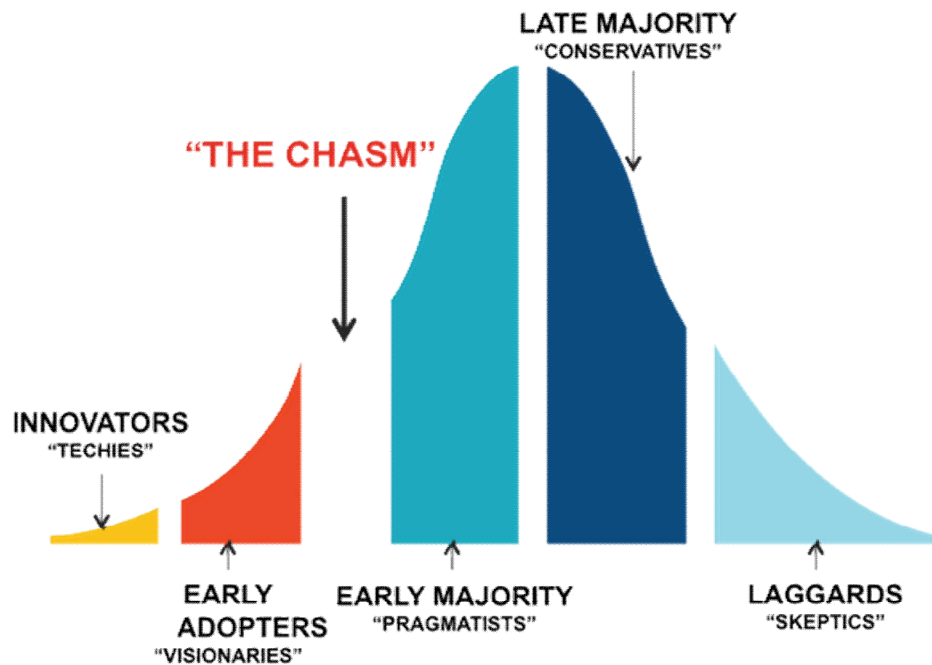Fortune 500 firms in 1955 vs. 2014; 88% are gone

Crossing the Chasm

A market is defined as:

- a set of actual or potential customers
- for a given set of products or services
- who have a common set of needs or wants, and
- who reference each other when making a buying decision

The Chasm

The Early Market

The Mainstream Market

The Chasm

Technology Enthusiasts

Visionaries

Pragmatists

Conservatives

Skeptics
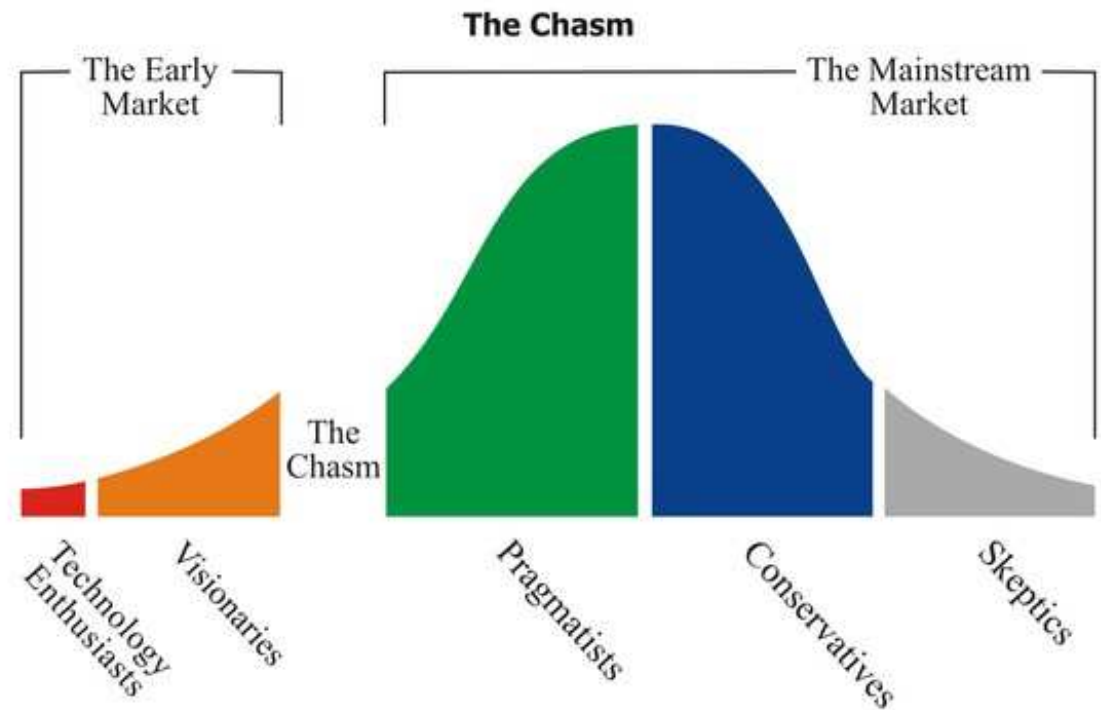
Crossing the Two Chasms

Jay L. Chatzkel claimed that visionaries should also be involved at the end of the chasm for the renewal process

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In the Silicon Valley, venture capital investment in the first three-quarters of 2014 was only surpassed by the peak of the dotcom era in 2000.

99

Three Quarters of Incumbents Responded Late to Digital Disruptions

There are three broad and linear stages to disruption[5]. The first stage, Onset, is typically within the first year of the arrival of disruption. That is marked by the entry of a disruptive startup that either brings forth a new technology, or a new technology-enabled business model. The next stage, Spread, typically takes place two or three years post the arrival of a disruptive technology/company. In this stage, the main disruptor starts growing in popularity, and there are multiple me-too services that mimic the disruptor. The final stage – Mainstream Adoption – is when the disruption reaches large-scale acceptance and is over four years from its arrival.

Our research found that nearly 74% of companies responded to digital disruptions only after the second year of their occurrence. Worryingly, over 38% of incumbents responded[6] to the emergence of a disruptive company after the fourth year. This is the period when the disruption starts to move more mainstream (see Figure 2). Our research also showed that the vast majority of companies that went bankrupt responded only when the digital disruption had already firmly taken root.

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Nearly 74% of companies responded to digital disruptions only after the second year of their occurrence.

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Figure 2: Response of Incumbents to Digital Disruptions by Stage
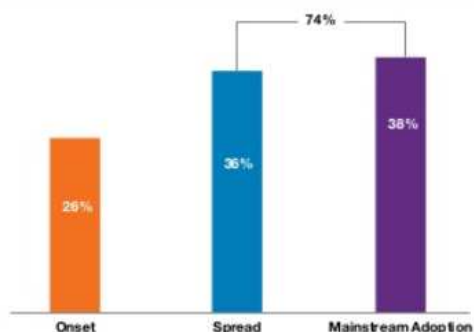
Successful Responses to Digital Disruptions

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48% of successful companies relied on hiring specialist digital talent in the wake of a disruption.

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We studied the strategies adopted by organizations that have successfully withstood digital disruptions (see research methodology at the end of the article)[7]. We found four dominant responses to disruptions adopted by these organizations: acquiring digital talent, mimicking the competition, acquiring the disruptor/ competitor and taking a judicial approach. Most successful companies adopt a combination of these responses to ensure a robust and well-rounded approach. In this section, we examine each of these winning responses in detail.

66

Mimicking Enables Incumbents to Have a Ready Offering

We found that 32% of successful companies launched services that mimicked those of a disruptive competitor (see Figure 4). In some cases, the incumbent can throw significant resources at creating competing solutions. For instance, even though Apple's iPod, iPhone and iPad are known to be path-breaking and breakthrough innovations, they were not the first of their kinds. A number of digital music players existed before the iPod was launched[14]. Similarly, a number of tablet PCs were launched in the 1990s and early 2000s, but it was the entry of the Apple iPad in 2010 that sent the tablet market soaring[15]. Apple's focus on creating products that dramatically improve on competing offerings from disruptors in its industry has enabled it to continually stay ahead of competition.
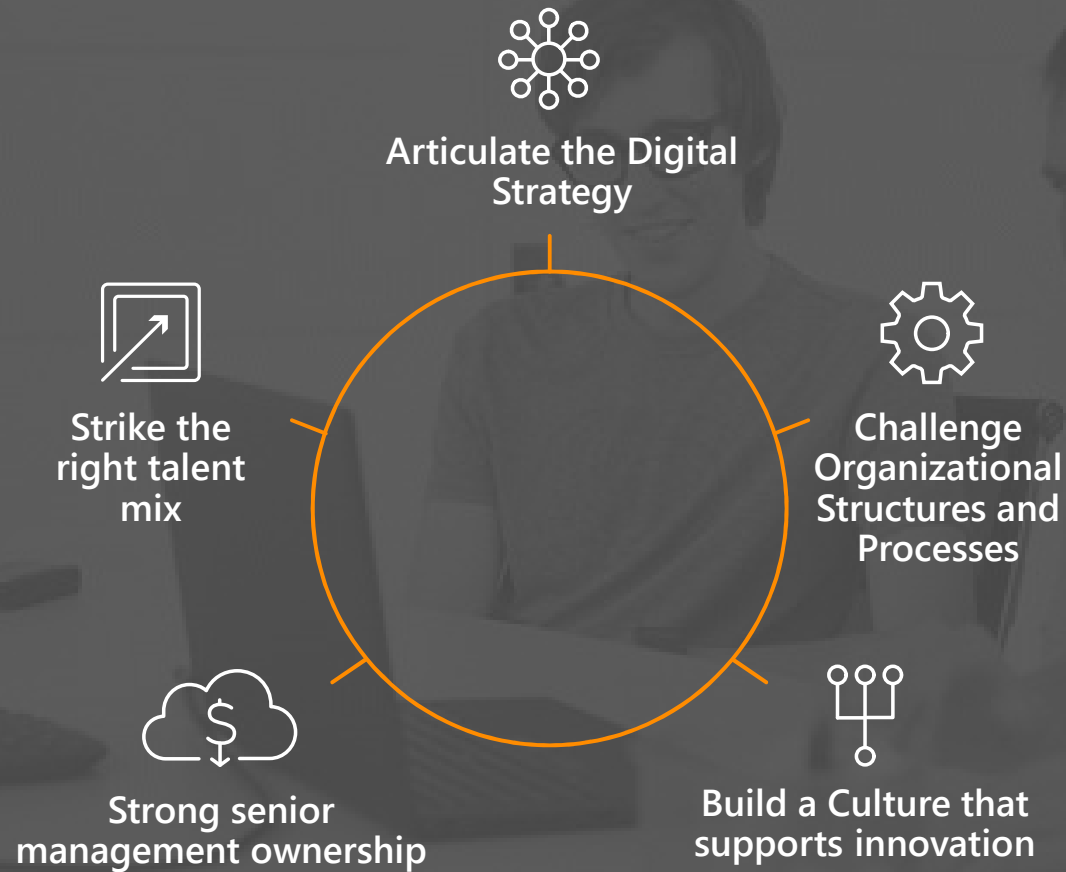
66

32% of successful companies launched services that mimicked those of a disruptive competitor.

99

An example of the former category is Walmart. The company, through its Walmart Labs arm, has over the years acquired multiple startups in innovative fields and subsequently folded the teams into their operations. Luvocracy is an example. The startup was an online community of half a million members that allows consumers to discover and buy products recommended by other people. Walmart subsequently closed the service and absorbed its key technologies into existing and proposed Walmart platforms[16].

Transitioning to the Digital Enterprise

Pillars of Digital Transformation

Articulate the Digital Strategy

Challenge Organizational Structures and Processes

Strike the right talent mix

Build a Culture that supports innovation

Strong senior management ownership

Challenges to Digital Transformation

Traditional Ops

Productivity through Mobility

Cloud

Big Data

Social

IoT

Regulatory Compliance
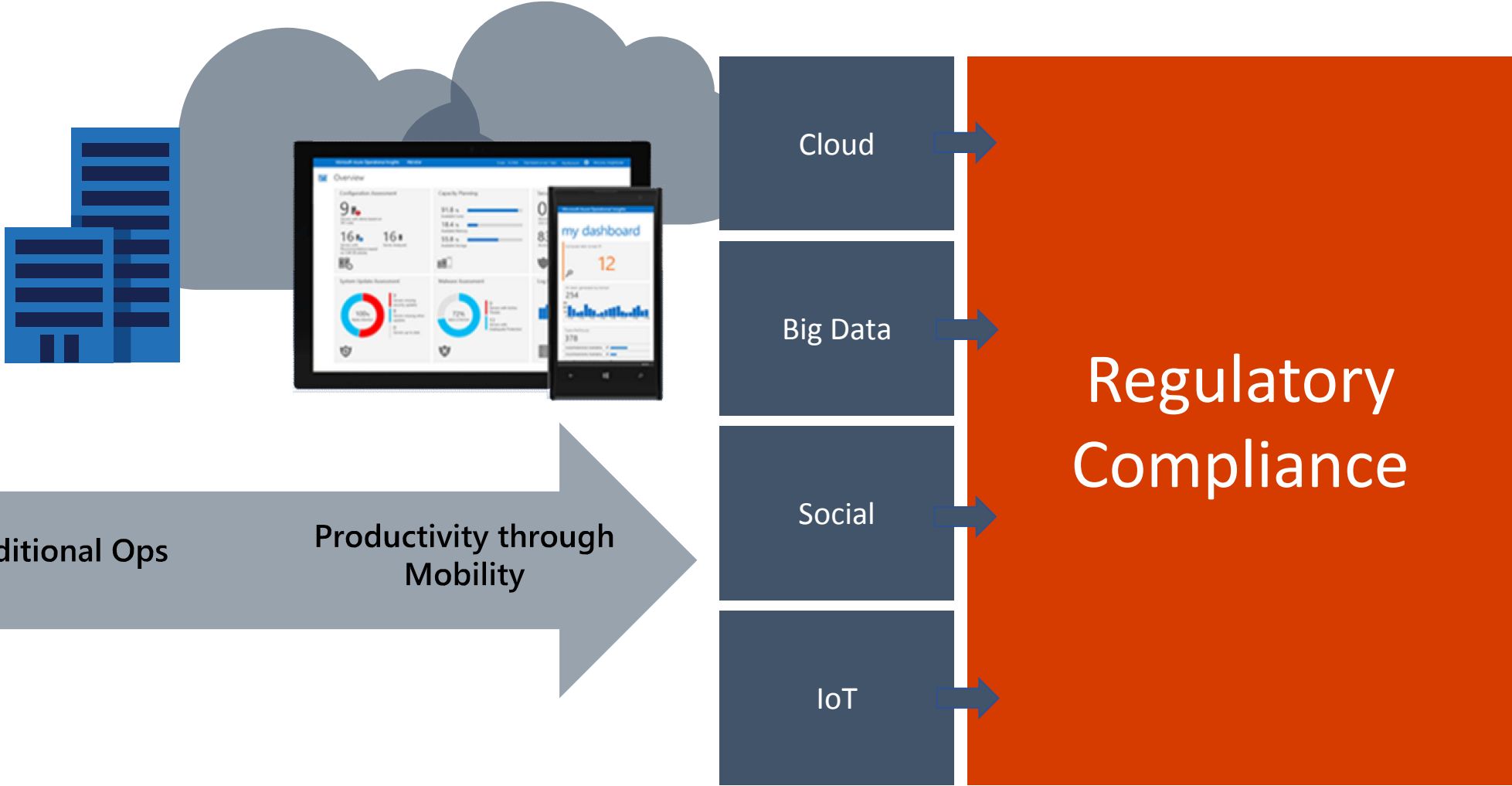
Figure 10 Getting, analysing and using information is key to the current and emerging technologies that CEOs see as most important

Q: How strategically important are the following categories of digital technologies for your organisation?

81% — Mobile technologies for customer engagement

80% — Data mining and analysis

78% — Cyber security

65% — Internet of Things

61% — Socially enabled business processes

60% — Cloud computing

47% — Battery and power technologies

37% — Robotics

33% — Wearable computing

27% — 3D printing
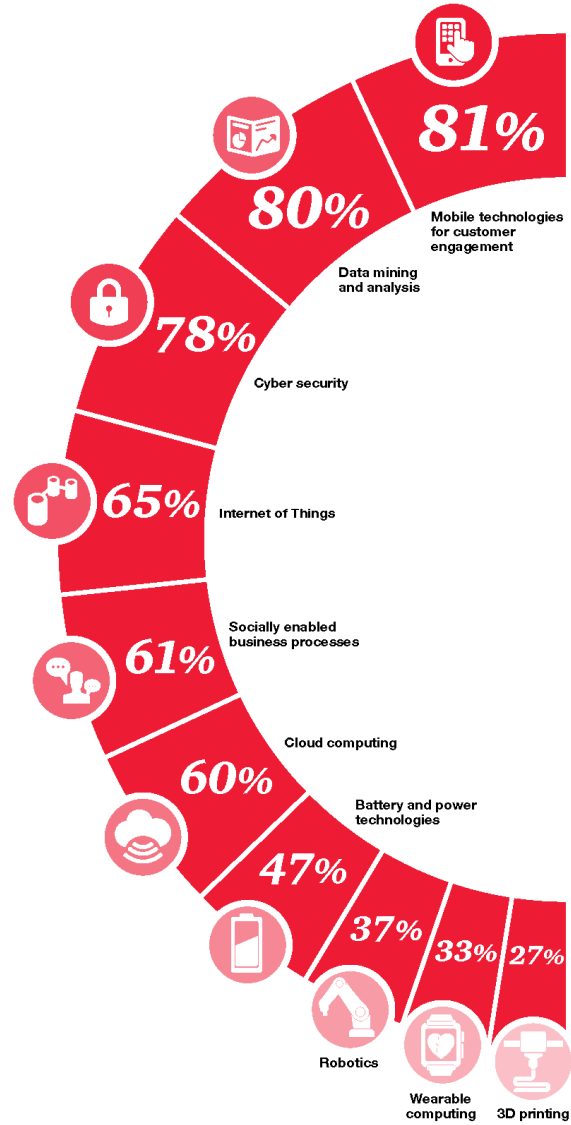
Lean Culture

- Lean has specific values linked to, first, a common goal

- Lean has very specific and explicit ways of reasoning

- Lean has specific and uniquely recognizable tools

- Lean also has specific common practices

- Lean has clear preferences for some types of solutions

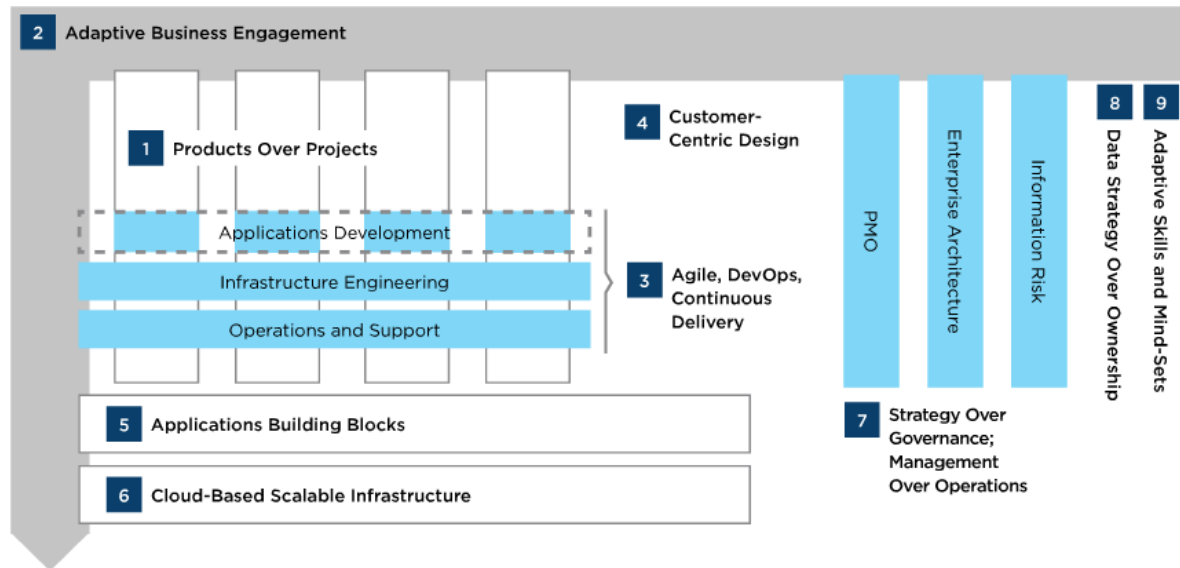# Sociology on Digital Transformation

Outlined five possible ways that members of the American society could respond to success goals:

- Ritualism
- Retreatism
- Innovation
- Rebellion
- Conformity

CEB Research – The New IT Operating Model for Digital

1. Faster Clock Speed

2. Heightened Volatility

3. Blurred Technology Responsibility

64% of employees wait to be told by leaders what to do during a change.

Wait

2 Adaptive Business Engagement

1 Products Over Projects

Applications Development

Infrastructure Engineering

Operations and Support

4 Customer-Centric Design

3 Agile, DevOps, Continuous Delivery

PMO

Enterprise Architecture

Information Risk

8 Data Strategy Over Ownership

9 Adaptive Skills and Mind-Sets

7 Strategy Over Governance; Management Over Operations

5 Applications Building Blocks

6 Cloud-Based Scalable Infrastructure

1 Products Over Projects: Priorities and budgets are set for business capabilities and products, not projects.

2 Adaptive Business Engagement: Business engagement approach flexes based on business context.

3 Agile, DevOps, Continuous Delivery: Integrated delivery, engineering, and support boost responsiveness and output.

4 Customer-Centric Design: Customer-journey mapping is used to guide design.

5 Applications Building Blocks: APIs, platforms, data, and reusable services reduce

**6 Cloud-Based Scalable Infrastructure:** IT automation and cloud platforms cut time to scale.

7 Strategy Over Governance; Management Over Operations: Central groups refocus on facilitating strategy, innovation, change, and enterprise data.

8 Data Strategy Over Ownership: Coherent strategy and guidelines around data allow for rapid exploitation by distributed teams.

9 Adaptive Skills and Mind-Sets: Staff become technically versatile, collaborative, and open to innovation.

CEB Research – 6 KPI Categories Every IT Leader Should Track

1. IT Spending

2. Operational Excellence

3. Cybersecurity

4. Customer Satisfaction

5. Application Development

6. Project Performance
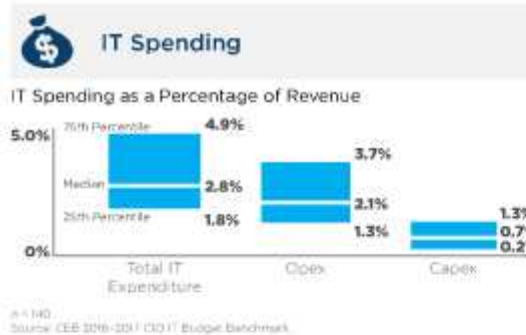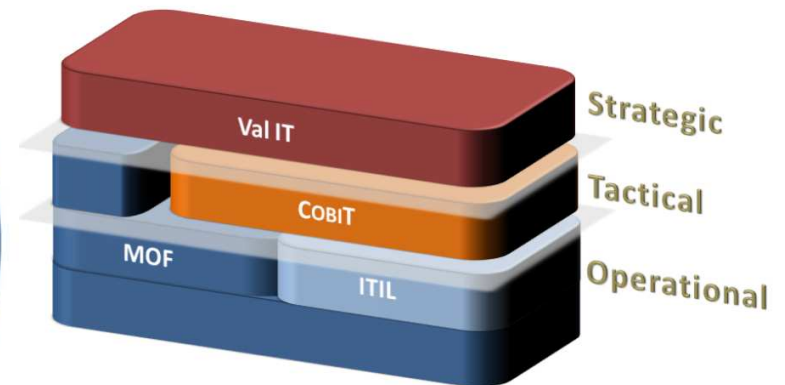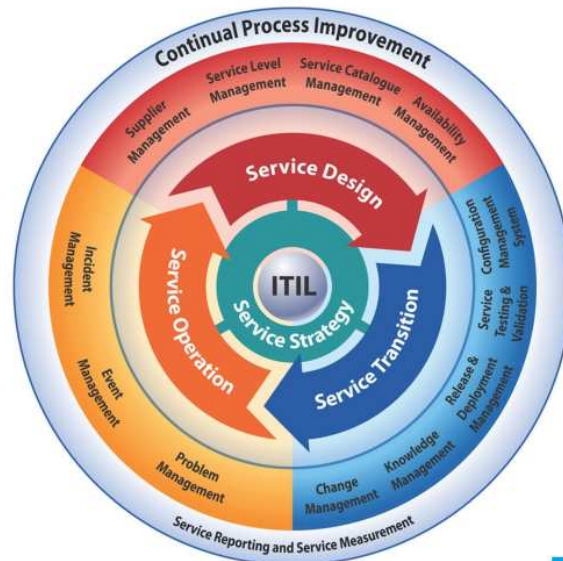
European e-Competence Framework 3.0

- **Dimension 1** reflects five e-competence areas, derived from ICT business processes: Plan, Build, Run, Enable and Manage.

- **Dimension 2** defines a set of e-competences for each area, with reference definitions for 40 different competences in total

- **Dimension 3** sets out proficiency levels (e-1 to e-5) of each e-competence, which correspond with levels 3 to 8 in the European Qualification Framework (EQF).

- **Dimension 4** provides examples of knowledge and skills that

European e-Competence Framework 3.0 overview

Dimension 1 5 e-CF areas (A – E)	Dimension 2 40 e-Competences identified	Dimension 3 e-Competence proficiency levels e-1 to e-5, related to EQF levels 3 – 8				
		e-1	e-2	e-3	e-4	e-5
A. PLAN	A.1. IS and Business Strategy Alignment				■	■
	A.2. Service Level Management			■	■	
	A.3. Business Plan Development			■	■	■
	A.4. Product/Service Planning			■	■	
	A.5. Architecture Design			■	■	■
	A.6. Application Design	■	■	■		
	A.7. Technology Trend Monitoring				■	■
	A.8. Sustainable Development				■	
	A.9. Innovating					■
B. BUILD	B.1. Application Development	■	■	■		
	B.2. Component Integration		■	■		
	B.3. Testing	■	■	■	■	
	B.4. Solution Deployment	■	■	■		
	B.5. Documentation Production	■	■	■		
	B.6. Systems Engineering			■	■	
C. RUN	C.1. User Support	■	■	■		
	C.2. Change Support	■	■	■		
	C.3. Service Delivery	■	■	■		
	C.4. Problem Management		■	■	■	
D. ENABLE	D.1. Information Security Strategy Development				■	■
	D.2. ICT Quality Strategy Development				■	■
	D.3. Education and Training Provision	■	■	■		
	D.4. Purchasing		■	■	■	
	D.5. Sales Proposal Development			■	■	
	D.6. Channel Management			■	■	
	D.7. Sales Management			■	■	■
	D.8. Contract Management		■	■	■	
	D.9. Personnel Development		■	■	■	
	D.10. Information and Knowledge Management			■	■	■
	D.11. Needs Identification			■	■	
	D.12. Digital Marketing		■	■	■	
E. MANAGE	E.1. Forecast Development			■	■	
	E.2. Project and Portfolio Management		■	■	■	
	E.3. Risk Management		■	■	■	
	E.4. Relationship Management			■	■	
	E.5. Process Improvement			■	■	
	E.6. ICT Quality Management			■	■	
	E.7. Business Change Management			■	■	■
	E.8. Information Security Management		■	■	■	
	E.9. IS Governance				■	■

Service Value

Global ITSM & Governance Frameworks

Source: "Gartner"
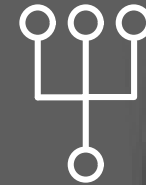
A Continuous Cycle to Human Attention

Risk and Health Assessments

New Technology Deployments

Architectural & Design Reviews

Technical and Operational Roadmaps

Process Optimization

Education and Training

Knowledge Transfer Sessions

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Thank you!

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- **Questions?**
- Comments
- **Thoughts?**

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