The Role of a Dynamic Infrastructure on IT Governance

CLAB - Congreso Latino Americano de Automatización Bancaria

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people ready

IT Governance

- Specifying the decision rights and accountability framework to encourage desirable behavior in the use of IT. *(CISR at MIT Sloan Management)*

- Five key IT decisions:
  - » IT Principles
  - » Architecture
  - » Infrastructure
  - » Application needs and investments

  (CISR at MIT Sloan Management)

Driving Business Outcomes

The CIO's new Agenda

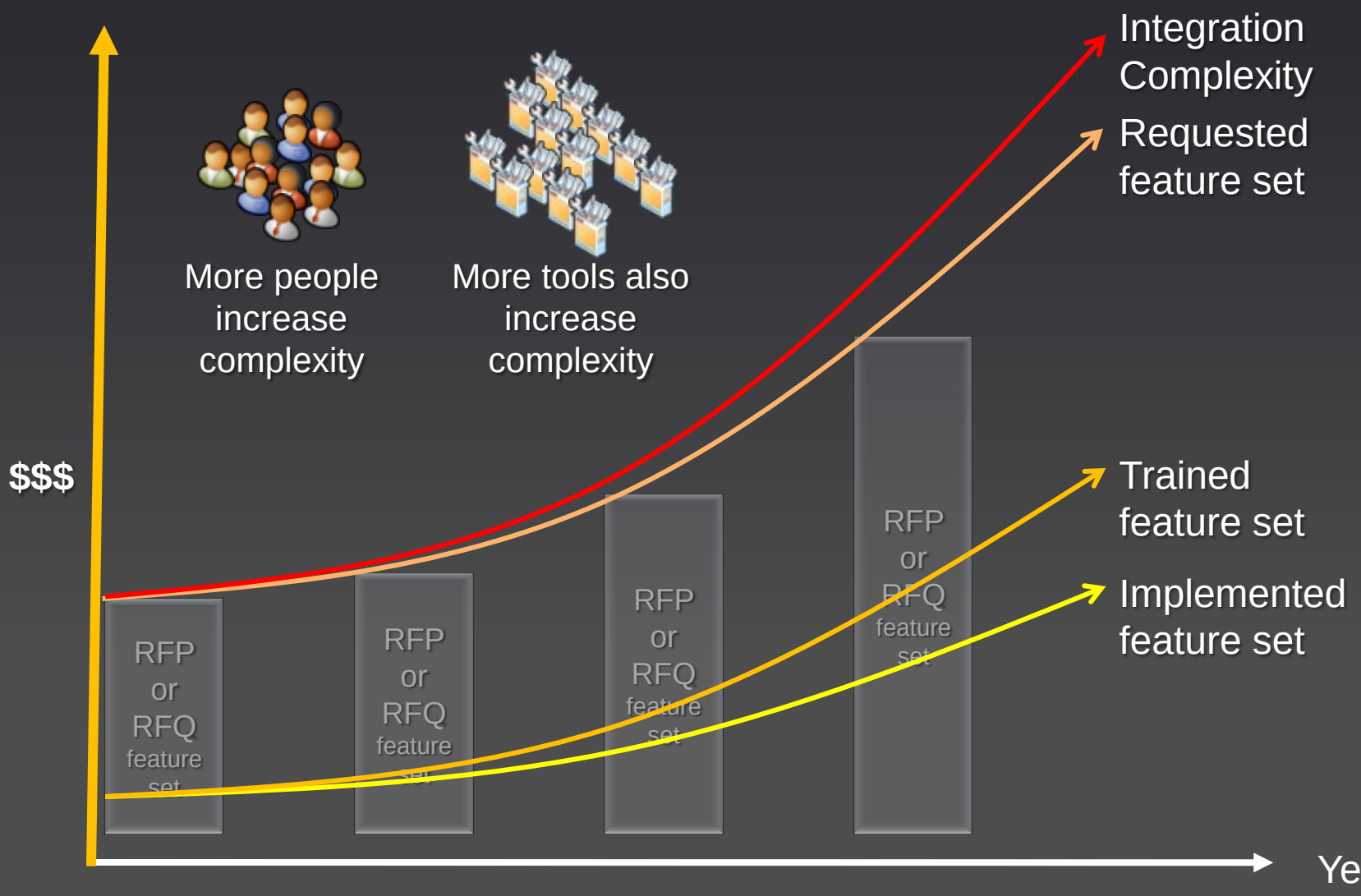
Source: Gartner EXP 2006 Survey, **abridged**

Driving Business Outcomes

IT fuels profitable revenue growth	Top 25% of IT capable firms grew revenue 6.8% faster per year
Firms with better IT have more productive employees	Top 25% of IT capable firms realize 23% higher revenue per employee
IT gives managers more insight and control	Managers in IT capable firms state they have significantly better insight and control over key dimensions of their business

Source: Enterprise IT Capabilities and Business Performance, Marco Iansiti, David Sarnoff Professor of Business Administration, Harvard Business School George Favaloro, Principal, Keystone Strategy, Inc-March 2006

Purchasing does not mean acquiring a capability



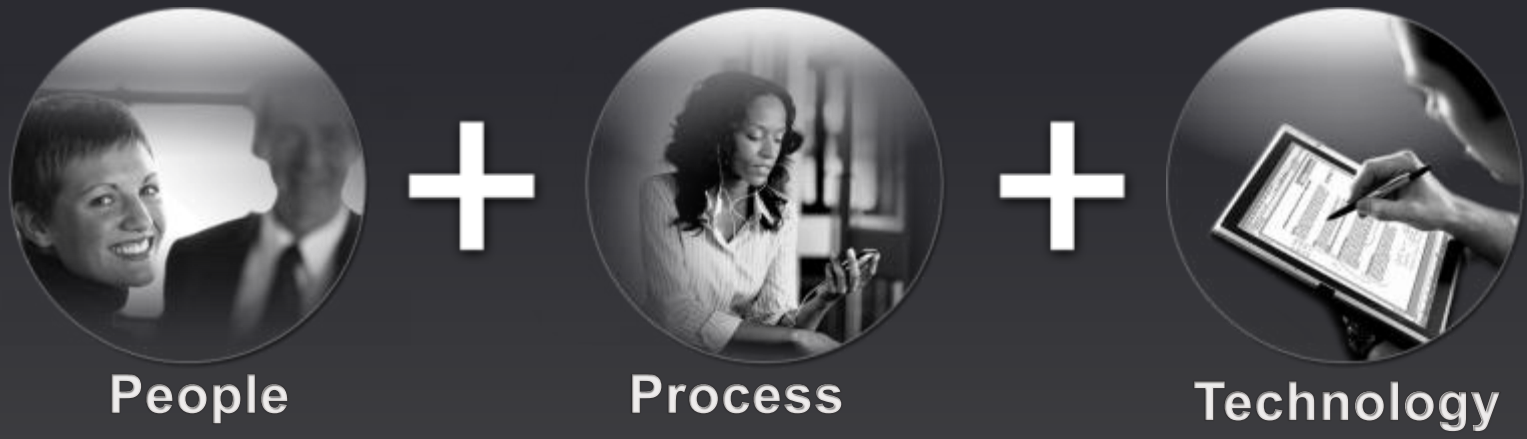
Integration complexity is not solved by tools

- Will newer HW alleviate growth needs?
- Does backing up mean we are prepared?
- Will newer versions of the software increase operational efficiency?
- By adding more people will we be able to get more operational reach?
- Are we compliant, on which layer… application, network?

- Will more management tools increase our control? Or our operational quality?
- Will more security tools decrease our threats ?
- When we develop an application, does it consume from our existing operational best practices?
- By having a single network directory do we simplify application access?

You can take all of these actions and only increase complexity !!!

Applied Governance: A Different Approach Is Needed



Operational habits are what deliver results

An approach that…

- Holistic
- Addresses existing complexity
- Creates an integrated, uniform environment
- Adopts to proven Best Practices
- Recognizes Role Based Productivity
- Prioritizes and sequences IT projects in a structured, systematic manner

Dynamic IT for the People-Ready Business

Governing Principles

Dynamic IT infrastructure:

- Easily adapts IT services to changing business needs
- Empowers people with access to information, when they need it
- Automates processes and reduces complexity
- Keeps security and compliance under control
- Optimizes for cost, service levels and agility

Research Approach Leading to Infrastructure Optimization Initiative

Benchmarked IT Departments (breath & depth)

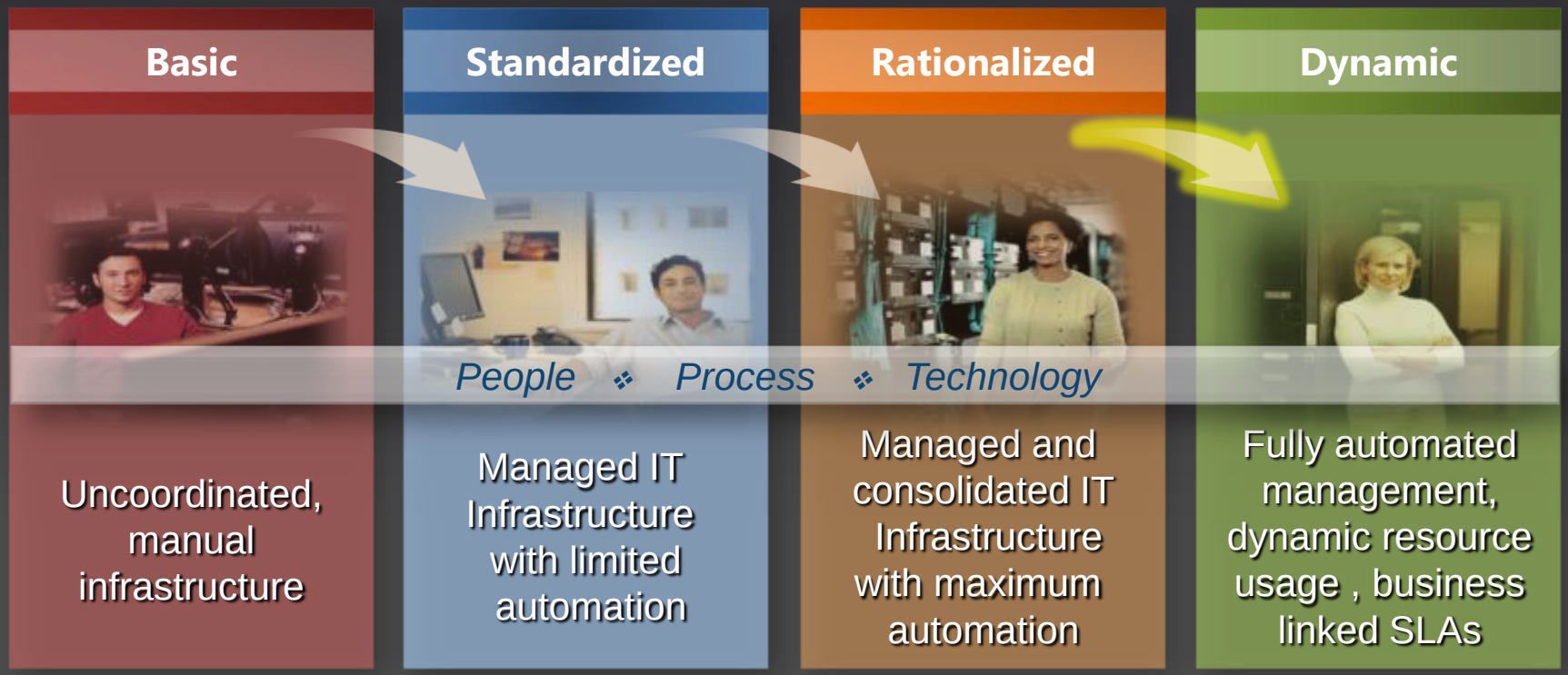
Tracked Assets, IT Processes, Staffing Levels, Service Levels, Agility

Identified Common IT Processes within Top Performers, Best Practices and Quantified IT Labor

Categorized Organizations by Core Infrastructure Optimization level based on the Best Practices adoption

The road to Dynamic IT: Infrastructure Optimization

Infrastructure Optimization is a structured, systematic process of assessing maturity across IT capabilities, then prioritizing projects to progress towards a Dynamic state



Three Infrastructure Optimization Models

IT Governance

- Specifying the decision rights and accountability framework to encourage desirable behavior in the use of IT. (CISR at MIT Sloan Management)
- Five key IT decisions: IT Principles, architectures, infrastructure, application needs and investments. (CISR at MIT Sloan Management)

Core Infrastructure Optimization (Core IO)

- Access & Identity Management
- Desktop, Device, & Server Management
- Security & Networking
- Data Protection & Recovery

IT and Security Process

Core Infrastructure Maturity Level—Basic

Basic	Standardized	Rationalized	Dynamic
			

Unstructured and lacking central control, infrastructure based on manual processes, ad hoc security and disparate resources

- Inconsistent or non-existent policies for security and compliance
- Unknown health of services due to the lack of tools and resources
- No vehicle for sharing accumulated knowledge across IT
- Environments are extremely hard to control
- Very reactive to security threats
- Software deployments, patches and services are provided through high touch

Core Infrastructure Maturity Level—Standardized

Basic	Standardized	Rationalized	Dynamic
			

Standards and policies to manage desktops, mobile devices, and servers introduce controls and operational consistency

- Active Directory® is used to manage resources, security policies and network access
- The value of basic standards and policies are recognized but not yet implemented broadly
- Deployments, patches and desktop services are provided at medium touch
- Inventory of hardware and software assets are maintained and license use managed
- Security is improved with a locked down perimeter, though internal security may still be a risk

Core Infrastructure Maturity Level—Rationalized

Basic	Standardized	Rationalized	Dynamic

***Costs** involved in managing desktops and servers are at their lowest, with integrated IT management policies, tools, and processes*

- Security is proactive and response to threats is rapid and controlled
- The use of zero-touch deployment helps minimize cost and time
- Minimal number of desktop images and low-touch management
- Hardware and software inventory is managed, with optimal license use
- Security measures involve strict policies and control

Core Infrastructure Maturity Level—Dynamic

Basic	Standardized	Rationalized	Dynamic

Highly responsive and efficient IT infrastructure; automated processes and flexible resources drive business agility and competitive advantage

- Costs are fully controlled
- Integration between users and data, desktops, and servers; collaboration is pervasive
- Mobile users have nearly on-site levels of service and capabilities
- Processes are fully automated, often incorporated into the technology itself
- Additional investments in technology yield specific, rapid and measurable benefits
- Self-provisioning software and quarantine-like systems allow automated processes

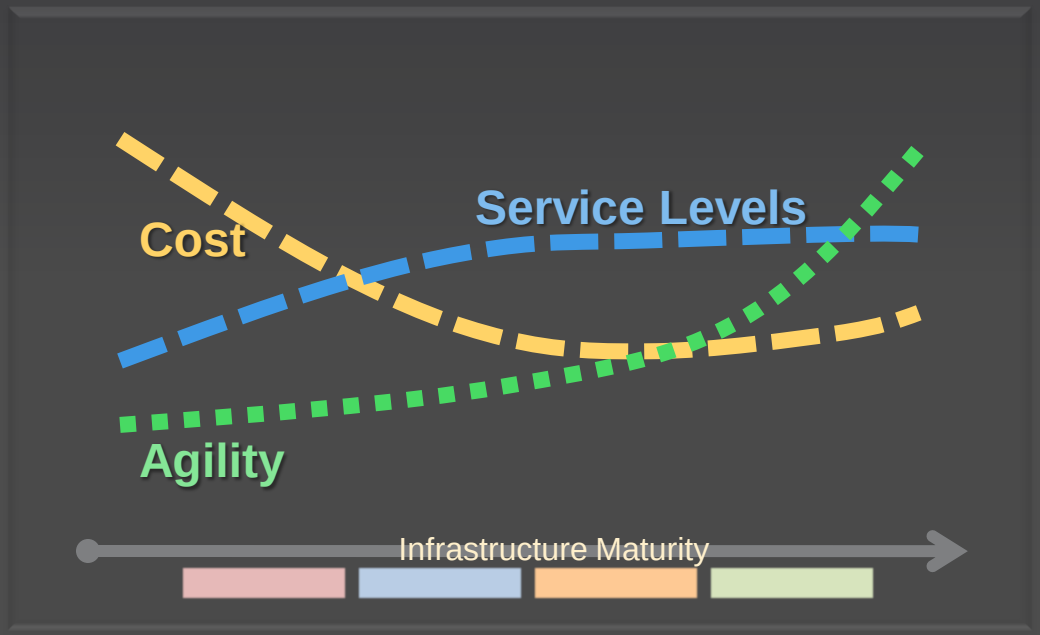
Latin America Financial Sector Analysis

Core Infrastructure Optimzation Model Sub Capability Summary				
Business Productivity Infrastructure Optimization Model Summary				
Application Platform Infrastructure Optimization Model Summary				
Application Platform Infrastructure Optimization Model	**Total Accounts**			
	Basic	**Standardized**	**Advanced**	**Dynamic**
SOA and Business Process				
Process, Workflow & Integration	81%	19%	0%	0%
Data Management				
Custom Line of Business – Data Infrastructure	91%	8%	0%	0%
ISV Line of Business – Data Infrastructure	64%	28%	7%	0%
Relational Data Warehousing	67%	24%	8%	1%
Development				
Development Platform	51%	46%	3%	0%
Software Development Lifecycle (SDLC)	63%	32%	3%	1%
Custom Applications	29%	44%	20%	7%
Business Intelligence(*)				
Performance Management	67%	28%	4%	1%
Report & Analysis	56%	41%	2%	1%
Data Warehousing	52%	22%	18%	8%

256 Financial Institutions Analyzed (>500 Employees)

Benefits of Optimized Core Infrastructure

Control Cost	Improve Service Levels	Drive Agility
Simplify, automate and centralize IT operations to optimize resource utilization	*Integrate management and security tools to maximize system uptime*	*Adapt the IT infrastructure rapidly according to business needs*



HSBC Mexico – Core IO Progression


5400+ ATMs

1600+ Branches

10+ Sites

2200+ Wintel Servers

28,000+ Employees

23,000+ PC's

ATM Environment

Branch Environment

Trading Environment

Business Environment

Desktop Environment

Infrastructure Environment

IDENTITY & ACCESS MANAGEMENT

DESKTOP, DEVICE & SERVER MANAGEMENT

SECURITY & NETWORKING

DATA PROTECTION & RECOVERY

ITIL / CobIT Based Management Process & Governance

SECURITY PROCESS

Service Desk

Change Management

Release Management

Incident Management

Problem Management

Configuration Management

Service Monitoring

Service Administration

Customer Satisfaction

people ready

HSBC Mexico – Core IO Progression

IDENTITY & ACCESS MANAGEMENT	DESKTOP, DEVICE & SERVER MANAGEMENT	SECURITY & NETWORKING	DATA PROTECTION & RECOVERY	ITIL / CobIT Based Management Process & Governance	SECURITY PROCESS
Basic					
Standardized					
Rationalized					
• All environments controlled via Group Policy	• Reduced the deployment time of application to the Branch Environment from months to days • Controlled Inventory management and configuration management	• Managed Virtual environment with same tools as physiscal • Implemented Services Views	• Central and Branch Backups with SLA's	• Reorganized the systems administration groups • Defined and implemented SLA's • Implemented a Capacity Planning process • Automated up to 50% of the alerts • Implemented Reports for: • Systems Availability, Performance, Resolution Time , and Change Management.	• Provided VPN Access for Administrators , • Reduced the Administrator Passwords • Implemented Security Audit Reports for: Sarbanes Oxley

Customer Satisfaction

- Users report now less than 2% of all service failures.
- Significant Client Satisfaction Improvement
- "Before, it took us two months to deploy new products. Now, in two days we can deploy whatever we need to the branches or the ATMs. So from a business perspective, IT is no longer a bottleneck."
- " HSBC Mexico estimates that effective management of IT resources will help it support up to 30 percent growth with its existing infrastructure."

Gabriel Pepe, *Distributed Systems Director, HSBC Mexico*

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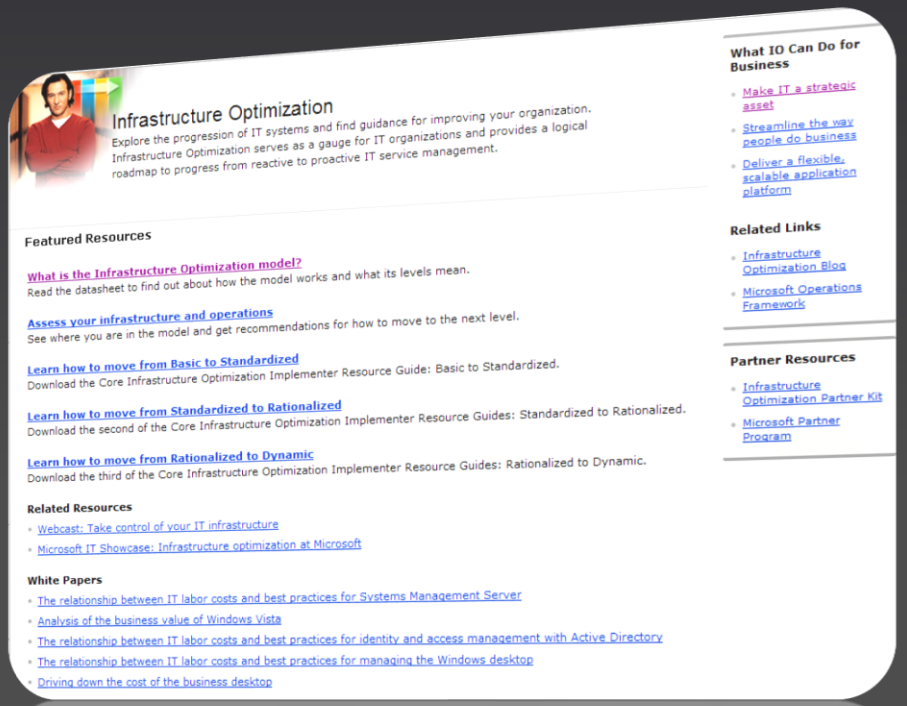

http://www.microsoft.com/io

We recommend

Assess your Infrastructure Operational Maturity

Prioritize core infrastructure capabilities for further analysis

Develop an implementation roadmap

Best Practices for Infrastructure Optimization

Papers Located //www.microsoft.com/technet/io (Desktop, AD, & SMS)

people ready

Thank you !!!

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Please remember to fill in your evaluations