The Role of Service Owners in an IT Organization

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At the highest level, our value proposition is to enable improved productivity, experience, growth, and time to capability.

**Expectations of an IT Service Owner**
We have reached a critical stage in the transformation of Cisco IT to a services organization. The role of the service owner is now central to the future success of Cisco as it is pivotal to both our IT and our Operations strategy. It is both urgent and imperative that we set clear expectations relative to common measures of success and operating practices for service owners.

Remember: the services transformation is fundamentally an ARCHITECTURAL strategy. It ties together Cisco’s business architecture with a planned technology architecture that will create speed, replicability, flexibility and scale. At the highest level, our value proposition is to enable improved productivity, experience, growth and time to capability.

**Service Owner Job Description**
Responsible for end-to-end service delivery including all service offerings, in particular the value that the service delivers. Deals with strategy and portfolio management, service roadmap, prioritizes initiatives, budgets, negotiations with partners and vendors, and authorization of the release of new capabilities. Drives service maturity and service metrics. Ensures service-appropriate roles have been identified, filled, and published.

Conceptually, think of yourself as the GM of your service. You need a business plan. You need to understand your value proposition, your customers and your competition. How do you organize and utilize your assets to deliver your value proposition? How do you plan to scale your business? What is your investment strategy? Can you grow your business by leveraging your assets to meet the needs of adjacent markets? What innovations will lower your cost structure or make your service more valuable? Who are the critical members of your ecosystem and how does that affect your go to market?
Be able to articulate the value of your service in terms of the business service delivered and the associated value over time.

Value Proposition
Begin with a clear definition of the service, the primary use cases of the service and the specific business value of those use cases; secondary use cases that are/could be exploited without compromising the primary use cases; fundamental feature sets; differentiating feature sets; features that are candidates for end of life.

One clear indicator of a high value service is “re-use” or “leverage.”

Customer
Be able to use our architectural methodology (BOST)\(^\text{\footnote{BOST: Business Operations Systems Technology - A framework, practice, and methodology for capturing business strategy in terms of models, objects, relationships and policy.}}\) to define the business stakeholders based on your interdependencies with operational processes and the business strategy. Once you understand the interdependencies you should be able to identify both who your business stakeholders are, and what other IT services you should collaborate with regularly. It is important to understand who in IT has primary ownership for the business relationships in your landscape and to develop a plan for communication that presents a consistent and effective exchange with these stakeholders.

100% adoption of the evolving operating practices for governing alignment of the business and technology architecture is required. Be able to articulate the value of your service in terms of the business service delivered and the associated value over time.

Competition
You should know what real or potential alternatives exist to providing your service. This should be focused on but not limited to externally sourced cloud services and “good enough” alternatives. You should proactively recommend migration strategies that make sense.
You should be able to benchmark total and unit costs (migration and operating); service level/features; and risk profile (including security, resilience, scalability and competitive alliances). Apptio is the single source of truth for service cost data.

**Organization**
You should have a detailed understanding of what skills are required to operate your service and execute your strategy. You should have a detailed understanding of the current skill sets of your team. You should have a workforce plan that eliminates single points of failure and that develops your organization. You should develop your top talent for bigger endeavors than you can provide and be proud when they score a bigger role outside your organization.

**Asset utilization**
You should understand the utilization of your service from both a cost and value standpoint. You should seek to leverage assets to the fullest and to design assets that can be leveraged. You should decommission assets that are not creating appropriate value. Assets can be hardware or software, people, processes, space, expensed items, tools, labs, etc. Cost per use is an indicator of appropriate leverage.

**Scalability/Feature Set**
You should understand the total capacity, features and resiliency of your service and be able to explain it to C-Level executives. You should have a strategy that designs all aspects into your service and make sure that it is appropriate to the investment/risk tradeoffs Cisco should make. There will be a standard format developed (in the context of business architecture) to report Scalability, Feature Maturity and Adoption of target architectures. You will need to be able to evaluate your service in this context. This will be an evolving process.

**Investment**
You should understand which aspects of your service are foundational capabilities and which, if any, are variable based on specific parameters like headcount or locations. You should understand if any of your services are appropriate candidates for “pay for play.” You should not make a practice of creating cross charges as an investment strategy. You should have a phased architectural roadmap that plans out your 1-3 year vision for your service. The speed with which you execute this roadmap will be based on agreed upon investment levels during cyclical planning and budgeting cycles.

There will be an operational process for committing investments and a standard repository for recording committed programs (Clarity). You should understand and report your “run the business” costs, your “change the business” investments and the planned impact of CTB on the cost, service levels/features, risk levels and time to capability of your service.

You will be accountable for demonstrating sustainable productivity in the running of your service (cost per use & TCO) as well as delivering committed results relative to your roadmap.
Ecosystem
You should have a clear understanding of your interdependencies with other services. BOST framework and Apptio Bill of IT with costs will be two formats that are required to frame interdependencies for current and future states. All moves, adds, changes to your service will comprehend and mitigate impact to other services that you may or may not own.

Operational incidents caused by changes to interdependent services are considered poor execution.

Go to Market (Business consumption)
You should have a well-defined engagement process with your key stakeholders, and keep a historical record of investments made and value delivered. You should always understand who owns the primary business relationship for any particular constituency and include that person in all communication processes.

Measures of Success
Primary reporting on the success of your service will take place at the appropriate operations reviews. All service owners should think about their success in these terms. Specified services will be tracked at quarterly CIO reviews. The summary dashboard for CIO reviews must include the following metrics/outlooks for each service:
- Total Cost of Ownership
- Cost per use for all relevant versions of the service.
- Benchmark to industry
- Performance to SLAs
- Current Risk profile against plan, including resiliency assessment and security vulnerability
- Time to provision new capability/version of capability
- Case metrics
- User experience metrics

Additionally, Service owners should report the following:
- Investment roadmap for service, including deliverables over time, expected outcomes and impact to above metrics.
- Current resource map and forward plan ($ and skills)

Your service should be articulated in the context of the appropriate global business capability map and you should understand the interdependencies on the basic service functions of the business.

Operating Model
The IT Operating Model processes will be aggressively standardized to facilitate the information flow required to make these expectations not only feasible, but reasonable to consistently achieve and report. All service owners are expected to seek understanding of the model and to adopt the standard information approach. All IT leaders should work to insure that the model and the measures of success are understood.