Bimodal IT: How to Be Digitally Agile - Without Making a Mess!

KimBjoern.Nielsen@gartner.com
## The Journey Onward — to Digital Business

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<th>Focus</th>
<th>Analog</th>
<th>Pre-Web</th>
<th>Web</th>
<th>E-business</th>
<th>D-marketing</th>
<th>D-business</th>
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<tr>
<td><strong>Focus</strong></td>
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<td><strong>Entities</strong></td>
<td>People</td>
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<td><strong>Technologies</strong></td>
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<td>Business</td>
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<td>Sensors</td>
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<td>ERP</td>
<td>CRM</td>
<td>EDI BI Portals</td>
<td>Mobile</td>
<td>3D printing</td>
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<td>CRM</td>
<td>Web</td>
<td></td>
<td>Big data</td>
<td>Smart machines</td>
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- **Traditional Business**
- **Static Web Presence**
- **Traditional Business Goes Online**
- **Going to the Customers**
- **Blurring Physical and Digital**

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Welcome to the Digital Wild West

Where opportunities come and go quickly, and winning or losing has meaningful consequences.
The Nexus of Forces & The Internet of Things
Generation of "Digital First"
Digital Business through Digital Moments
The Disrupters are coming!
Every BU is a Technology Start-Up
Embrace BiModal IT

• If the rate of change on the Outside exceeds the rate of change on the Inside, the end is near! Jack Welch
Digital Business Sets the Stage

Business Process

New models and processes

Extend and evolve processes

Business Model

JustPark

UBER

Business Moment

Evolve processes into new business models

Extend and evolve models

Improve process efficiency/effectiveness with mobility

New business models relying on context & mobility
There Is a "Not So Quiet" IT Crisis Brewing

- Digital Opportunities & Threats
- Customer & Management Expectations
- IT Performance and Contribution

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CIO’s are “flipping” Long-Held Behaviors and Beliefs
Bimodal Capability
Bimodal IT Defined

Having two modes of IT, each designed to develop and deliver information services in its own way.

Mode 1 is traditional, emphasizing safety and accuracy.

Mode 2 is exploratory, emphasizing agility and speed.
Mode 1 Tries to Control the Unknown
Mode 2 Senses and Responds to Change

Limiting predictions to short iterations gives us increased predictability and greater agility.

We need to plan the whole thing upfront.
Mode 2 Business Engagement is Clustered, Not Sequential

Mode 1 Business Engagement Is Linear

Mode 2 Business Engagement Is Clustered
Bimodal Organizations are already here!

Bimodal IT is not a "nice to have" - and half will make a mess!
Bimodal IT = Marathon Runners & Sprinters. Deeply Different, Both Essential

<table>
<thead>
<tr>
<th>Mode 1</th>
<th>Goal</th>
<th>Mode 2</th>
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</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>Value</td>
<td>Agility</td>
</tr>
<tr>
<td>Price for performance</td>
<td>Value</td>
<td>Revenue, brand, customer experience</td>
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<tr>
<td>Waterfall, V-Model,</td>
<td>Approach</td>
<td>Agile, Kanban, low-ceremony IID</td>
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<tr>
<td>high-ceremony IID</td>
<td>Governance</td>
<td>Empirical, continuous, process-based</td>
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<tr>
<td>Plan-driven, approval-</td>
<td>Sourcing</td>
<td>Small, new vendors, short-term deals</td>
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<tr>
<td>based</td>
<td>Talent</td>
<td>Good at new and uncertain projects</td>
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<tr>
<td>Enterprise suppliers,</td>
<td>Culture</td>
<td>Business-centric, close to customer</td>
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<tr>
<td>long-term deals</td>
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<td></td>
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<tr>
<td>Good at conventional</td>
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<tr>
<td>process, projects</td>
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<tr>
<td>IT-centric, removed</td>
<td></td>
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<tr>
<td>from customer</td>
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Think Marathon Runner

Think Sprinter
Bimodal suits Pace Layering

Mode 1
- Systems of Record

Mode 2
- Systems of Differentiation
+ Systems of Innovation

Change

Governance

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Select Mode 2 Projects Based on Their Mode 1 Impact

"A project will never scale if Mode 1 is not willing and fully supportive."

– Chris Osgood, Cofounder and Cochair, MONUM
You Need Bimodal Maturity to Attempt "Extension" or "New Core" Projects

Virgin Atlantic: 
Pilots Google Glass with high-value customers

IPC: 
Replaces Mode 1 credit card platform with Mode 2 system

Luxottica: 
Creates Facebook-like retailer site on CRM platform

City of Boston: 
Attempts OneCard for metro pass, library card and school ID
Organizational Structure A — Mode 2 Reports to the CIO

- Mode 1 Development
- Mode 2 Development
- I&O
- Enterprise Architecture

Add Organizational Distance at First

Fast Track: DevOps, Automation and Continuous Delivery
Organizational Structure B — Mode 2 Reports Outside IT

CEO

CIO

Mode 1 Development

I&O

CDO

Mode 2 Development
Critical Bimodal Capabilities

Project Bimodal
- Mindset and Talent
- Teaming
- Engagement
- Governance
- Iterative Methods
- Structure

Enterprise Bimodal
- Architecture
- Syncing Modes
- Funding
- I&O
- Innovation Mgmt.
- Adaptive Sourcing

Low Maturity
- Limited Value

High Maturity
- High Value
Digital Is Moving To Center Stage

Are You?
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# Top 10 Strategic Technology Trends for 2015

## Merging the Real World and the Virtual World

1. Computing Everywhere
2. The Internet of Things
3. 3D Printing

## Intelligence Everywhere

4. Advanced, Pervasive and Invisible Analytics
5. Context-Rich Systems
6. Smart Machines

## The New IT Reality Emerges

7. Cloud/Client Computing
8. Software-Defined Applications and Infrastructure
9. Web-Scale IT
10. Risk-Based Security and Self-protection

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Engage in Prioritization with Pace Layering

**Innovate**
- Outcome-driven IT sourcing
- Very fast, innovation-focused, dynamic
- Domain of "fast" IT and partnering

**Differentiate**
- Driven by demand and process improvements
- Medium-term lifecycle, change management
- Ongoing optimization, incremental value

**Run**
- Run-the-business IT sourcing
- Accountable, cost-focused, adaptive
- Domain of "slow" IT production evolution
Innovate
Differentiate
Run

Business Outcomes Flow From Innovation to Run

Governance
Enterprise Architecture
Multisourcing Management
Business Process Management
Risk Management