

Challenge

IT as a Service (ITaaS) is a business model for delivering value as defined by IT clients and customers in a cost-effective manner. All IT organizations deliver infrastructure (storage, networks, desktop tools, etc.) and applications (collaboration tools, enterprise resource planning, etc.). The ITaaS model shifts the focus away from IT supporting and providing solutions as needed or based on individual user requests (IT functioning as an “order taker”) to IT delivering services based on **how** the clients are using the infrastructure or application. In this way, an IT organization’s success is defined by the value delivered to its clients.

Solution

Cisco IT is more than three years into the journey to becoming a services organization. Today, Cisco IT operates like a business, adding value and measuring clients’ needs in a total cost of ownership (TCO) mode. The ITaaS model provides scalability, transparency, and long-term strategic value to Cisco® that traditional IT industry approaches and support models do not provide.

Core to the services paradigm are two pillars: integrated enterprise architecture and business-IT investment planning.

Integrated Enterprise Architecture

The Cisco ITaaS model is guided by the BOST enterprise architecture framework from Proact Business Transformation Inc. The BOST framework gives IT and business stakeholders a shared taxonomy, and organizes inter-linked planning models based on four architecture views of the enterprise: business, operations, systems, and technology.

A holistic, architecture-led mindset drives Cisco IT from being an isolated, functional-based organization (where different functions are creating their own designs, infrastructure, etc.) to a services-oriented organization. New service categories, pricing, chargeback methods, and IT roles (for example, service owners) support the ITaaS model. A new playbook and service portfolio management strategy enable innovative services and greater business flexibility at reduced costs.

A service catalog helps to show clients what they are getting from the services that Cisco IT delivers, for example, how a particular service can improve their user experience.

Business-IT Investment Planning

Cisco IT works closely with business stakeholders throughout the investment planning process to align delivered capabilities with clients’ business requirements. Architecture-led planning maps business requirements to the IT capabilities needed to support them, and investments to the value delivered by IT services and the underlying systems, infrastructure, and technology that enable the capabilities. This process feeds IT investments (projects and programs required to support business requirements) and guides portfolio management (prioritizing and funding projects and programs).

Within the BOST framework, business capabilities are understood in terms of their current implementation compared to their target state. Cisco IT develops roadmaps to achieve a target state (realize the business strategy) based on the differences between the current and target states and prioritization of the business capabilities. The capabilities that Cisco IT needs to deliver are sequenced on the roadmaps. Only programs and projects that align with a target state architecture and one or more business capabilities receive funding.

Accountability Checkpoints and Metrics

A consistent, flexible accountability cycle underpins the ITaaS model (Figure 1). Regular architecture and services reviews reinforce continuous business-IT alignment and service goals. If service-level agreements (SLAs) established on the roadmaps are not being met, IT and business stakeholders bring issues back into the architectural review to make the necessary course corrections or investment adjustments.

IT service goals and metrics are reaffirmed and reported in quarterly services reviews. Success is measured by the effectiveness of the services, the impact that investments have on the services (Was the desired outcome achieved?), and overall organizational health (Is talent being shared advantageously across IT? Is a culture of innovation being fostered?).

Figure 1. ITaaS Accountability Checkpoints



Business-IT Investment Planning

The service management model isn't just about cutting costs or charging back for IT services. It's about boosting business value that flows from IT. Value can be increased by providing the same service levels for lower cost, but value can also be increased by reducing time to capability through reuse and leverage, connecting business and IT architecture to enable new business models faster, and establishing closer partnership with the business to make better investment decisions.

Simplification is a cornerstone of the Cisco investment strategy. Cisco IT follows a rule of "No customization without differentiation." For example, if a software application can be highly customized and save employees several steps to complete, but the customization does not differentiate Cisco business in any way or support a profitability-based business goal, the customization should not be implemented. The customization is most likely adding a layer of complexity instead of adding value. This type of decision-making leads to a simpler environment that helps Cisco IT deploy new software versions and applications faster and operate at lower costs.

Cisco IT has made huge strides in improving operational excellence and reinvesting in growth and innovation, without growing the total IT budget, by focusing on simplification and moving resources away from operational tasks that do not differentiate or move the business forward.

For More Information

Cisco on Cisco Best Practice: [IT as a Services Organization](#).

To read Cisco IT case studies about a variety of business solutions, visit Cisco on Cisco: Inside Cisco IT www.cisco.com/go/ciscoit.

Note

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