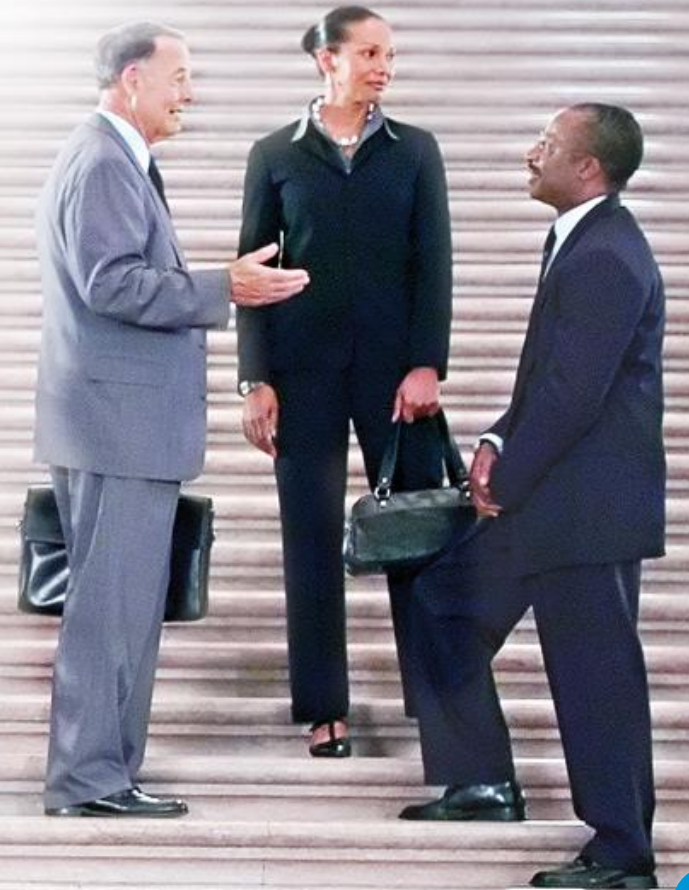


Inflection Point

How the Convergence of Cloud,
Mobility, Apps and Data Will
Forever Change Your Business

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Introduction

- Executive responsible for major account, global client sales
- 2nd Largest Oracle Technology Services Company
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- Vintner for Prosper Estates Vineyards
- Pearson/FT Press. Publishing August 2015.
Inflection Point.
How the Convergence of Cloud, Mobility, Apps and Data Will Forever Change Your Business



How Things Have Changed

We are only at the beginning of a major round of disruption.



Thesis

Today's dynamic business environment demands a company have a fanatical focus on its core competency. It must have a Continual Transformation Environment (CTE) operating model that gives the flexibility for rapid business change. This CTE environment will ensure competitive advantage.

This CTE is powered by the convergence of trends in cloud, data, mobility, and Software as a Service (SWaaS) which will dramatically change the operational IT landscape for businesses. Companies will move to a consumption-based, utility environment powered by business user selection of the technology enablers and business process providers necessary to best perform their functions.

The IT department of today will transform into a brokerage of these IT services, with functions and processes outside the company's core competency handled by an ecosystem of trusted partners and providers

Agenda

- **Introduction**
- **Inflection Point = Massive Business Disruption**
- **Core Competency and Competitive Advantage**
- **Continual Transformation Environment**
 - **Cloud as the Base**
 - **The Mobile World**
 - **The Enterprise App Store**
 - **Data as the Core Asset**
- **The IT Department of the Future**
- **Where Do We Go From Here?**

Inflection Point

Today's business environment is more than dynamic. Distinct trends are creating an inflection point resulting in massive business disruption



**Consumerization
of IT**



**Internet of
Everything**



Disintermediation



**Convergence of
Technology**

**Speed of Technology Change is Now Exponential
not Linear**

Core Competency and Competitive Advantage

To overcome and positively utilize today's inflection points, company's must have a fanatical focus on core competency and an operating model that drives competitive advantage

- **Core Competency**

According to Prahalad and Hamel, a core competency is "a harmonized combination of multiple resources and skills that distinguish a firm in the marketplace." Core competencies fulfill three criteria:

- They provide potential access to a wide variety of markets
- They make a significant contribution to the company's customers
- They are difficult for competitors to imitate

- **Competitive Advantage**

Porter argues that competitive advantage occurs when an organization develops an attribute or combination of attributes that allows it to outperform its competitors. According to Porter, there are four major strategies to build competitive advantage:

- Cost Leadership Strategy
- Differentiation Strategy
- Innovation Strategy
- Operational Effectiveness Strategy

The Continual Transformation Environment (CTE)

A CTE operating model allows a company to focus on its core competency AND provide the flexibility for real-time action and transformation that drives competitive advantage.

- Apply trends and overall inflection point to your business sector
- The Six Pillars of the Continual Transformation Environment operating model defined
 1. Company “owned” business functions are directly tied to the company’s core competency
 2. Non-core competency functions are “divested” from the company and provided by an eco-system of trusted partners
 3. Eco-system of providers provide services in a utility, consumption based model
 4. Improved ROIC becomes a key metric
 5. EBITDA needs to be re-thought as viable metric in favor of ROIC and TSR (total shareholder return)
 6. Operating Information Technology is major aspect of the CTE operating model and must be fully utility, consumption based
- **RESULT** = Ability to apply core competency against markets, channels, innovation close to real-time

Cloud as the Base

Every aspect of operating IT must move to the cloud. A company should never purchase compute power (servers) or storage again. Period.

- Cloud defined
 - On-demand self-service
 - Resource pooling
 - Rapid elasticity
 - Measured service
- Outcome more important than tactic
 - Public cloud
 - Private cloud
 - Virtual private cloud
 - Converged Cloud Operating Model (CCOM)

- Cloud service models
 - Software as a Service (SWaaS)
 - Platform as a Service (PaaS)
 - Infrastructure as a Service (IaaS)
- Security and Reliability

Oracle Solutions

Oracle Cloud – Platform as a Service

- Elastic compute
- Flexible configuration
- Secure infrastructure
- Robust monitoring

Oracle Infrastructure as a Service – compute and storage

The Mobile World

Under the CTE operating model, technology enablers must be delivered in a Geographic and Device Independent Architecture (GDIA)

- Consumerization and “Applification”
- Today, only 11% business users use technology 100% of the time from the office
- Mobile Device Management and BYOD
- Service Oriented Architecture and API Library
- Mobile Middleware
- Mobile Security

Oracle Solutions

Oracle Mobile Security Suite

Oracle Mobile Suite/Application Framework

Oracle SOA Suite

Oracle API Management

The Enterprise App Store

The vast majority if not all business user technology enablers must be offered through a “consumer friendly” enterprise app store

- Build and run, license and maintenance fees and CAPEX expense is over
- Massive customization is over. COTS is preferred with modules for custom configuration that do not interfere with patches and upgrades
- Software as a Service 100% of the time. Client/Server SW providers that do not make it easy to move to SaaS models are at risk to “ISVs”
- Open source must be taken into consideration
- The Enterprise App Store as your business user portal
- Multi-partner environment and BYOA capability

Oracle Solutions. **Oracle is late to the party and challenging to move client/server licenses to cloud, consumption deployment** OAUG must continue to move Oracle into the right direction.

SWaaS solutions

- CRM on Demand
- Fusion
- Oracle HR Cloud**
- Oracle CX Cloud**
- Oracle ERP Cloud**
- Oracle EPM Cloud**
- Oracle SCM Cloud**
- Oracle Analytics Cloud**

Enterprise App Store - TBD

Data as the Core Asset

The CTE operating model with IT as a utility as the foundation does not negate Data as the Core Asset. Own and nourish your data.

- Data as an asset compatible with both cloud and IT as a utility
- Data explosion and the Internet of Everything/Internet of Things
- Data lakes supplanting structured data warehouses
- Open source must be considered as a supplement
- Master Data Management even more important in CTE operating model
- All about the Analytics technology enablers in the Enterprise Apps Store

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Data as a Service
Oracle Analytics Cloud
Oracle Database 12C for SaaS

The IT Department of the Future

The IT department of the future is a service brokerage providing governance, standards and architecture for the eco-system of providers in a utility, consumption based environment

- Definition of IT as a service broker
- Presumption is never to own, never to build and run. 100% OPEX environment
- IT as the owners of:
 - Eco-System Governance
 - IT Standards
 - IT Architecture
- The IT Department of ONE?
- Shift of IT jobs and roles from the company to the eco-system

Where Do We Go From Here?

Companies in general are not moving fast enough to the CTE operating model. They are at risk. This change will start and probably should come from mandate from above.

- Successful transformation agents have been mandate driven (Gates, Jobs, Bezos, Zuckerberg)
- Three camps of CIOs
 - The traditional CIO
 - The incremental CIO
 - The transformative CIO
- The “Hero” IT Department and CIO is transparent and nameless
- First step, timeframe and roadmap mandate
- Recognize a journey’s route can change

Q&A



Stay In Touch and Receive Notice When the Book is Released!

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Thank You