

Could you introduce yourself and provide information about the organization you currently lead?

I have been at VMware for nearly 7 years, and have held a number of positions, including running the Enterprise Applications Organization and working in the enterprise PMO office, and for the past 18 months, I have been running the Global Infrastructure and Cloud Operations Organization within VMware IT, primarily focused upon running internal infrastructure, networks, corporate datacenters, the corporate private cloud, end user computing and helping to drive and lead the Software Defined Datacenter. Within VMware, we have a heavy emphasis on building and running our own SDDC at scale and this is currently a key focus of ours.

We keep hearing of the phrase “IT Transformation”. This has occurred many times in the past, and we hear we are due for another transformation. Is this real, and what is different this time around?

I think that there has always been a notion of IT transformation, and constant change in IT is the steady state; I think of it as more of a movement than transformation to delivering ITaaS. Transformation feels like there is a start and end but with the advent of SaaS, PaaS, IaaS, and so on, the movement to ITaaS has been really fuelled. Previously IT has been able to hide behind technology complexities, but today technology has advanced to the point where significant capability improvements in agility and automation have reached a point where IT is no longer able to raise the same objections about complexity, and I think in most cases that technology has now somewhat outpaced and outstripped the ability for the organization, the people and the processes to keep up, to the point where technology is almost an implementation detail. The challenge now has shifted from technology towards the organization itself; it is about change management and about adopting and embracing the ITaaS model. There is a lot of uncertainty in IT organizations, as certain functions start to shrink in size and the iceberg is melting for certain functions & certain roles, however new roles are forming, and a lot of the new roles are more meaningful and interesting than the previous ones. IT professionals are always on a continuum of needing to reinvent themselves, because of technology change. As mentioned, I think constant change is the new steady state and I think we are finding especially in our movement to ITaaS that one key element is to have leaders in the IT organization who can work internally to overcome the concern and fear of, “Hey, my current role is diminishing in demand what does that mean for me”. Without this it is very hard to achieve momentum and accelerate to an ITaaS focused organization.

What does the future IT organization look like? What must it do to thrive and be successful?

I think the key thing about moving into the future is to recognize that it is forever evolving, and never stays stagnant for any length of time. The key thing is how you in a stepwise evolutionary approach, move the IT organization in a continuous improvement direction around how you deliver IT services. One of the things that I think is key is that you understand the new roles that are starting to emerge and how to grow people into those roles from within your organization. At VMware we still run some traditional IT services but we have a centre of gravity that is based around our Cloud Operating Model,

where we have Cloud Infrastructure, Tenant Operations, and Tenant Application Operations as functions, for managing and delivering IT services. When starting we chose to not make any radically overnight organizational changes but instead chose to take a stepwise, evolutionary approach, we made incremental and directional changes that have moved the organization into a different operating model and mindset. One big challenge which IT organizations face in accelerated transformation is you still have to run the current business, you still have to take orders, ship product, and recognize revenue, and there is no forgiveness for not making this happen? So at the same time, how do you accelerate transformation at the same time as you are running the business, I think this is where a lot of organizations get stuck, first-off there is no set time frame for this but you have to start somewhere, it really is a continuum, you can go as fast or as slow as you choose, but the key is it is not about any one single thing, it is about people, process, technology, and change management and taking those stepwise, evolutionary adjustments in a new direction. This takes careful planning and laying out a strategic direction to get there and should cover small low-hanging fruit quick wins as well as game changing service transformation changes.

What is the impact of the Cloud on your company's business and operations?

I think the opportunity to leverage the SaaS Cloud to deliver services has actually freed up significant mindshare to be able to focus on more strategic, or critical activities that help differentiate us in the marketplace. As a starting point, we chose to move mature business processes that don't differentiate us in the marketplace to a SaaS based model, as an example, we use Workday for our HRMS capability, we think that Workday has a great SaaS offering, it has a lot of capability and functionality that is best of breed and we don't win in the marketplace because we have the most unique HR processes. HR processes, from company to company, are relatively mature, so for us to move that workload to a Cloud based service made a lot of sense, doing so has freed up the organization from managing infrastructure and databases and monitoring and testing HR systems etc and put into the hands of the business a lot more self service capability than they ever had before. The same thing with Salesforce.com, we run a large SalesCloud, ServiceCloud and PartnerCloud using the Salesforce.com SaaS service, our SFA processes are very critical to our sales and field organizations but when you look at SFA from company to company, it is not the SFA processes that distinguish you. So, when you think about how the Cloud has helped us, the Cloud has helped us by giving access to best of breed capability for these key business processes and reducing the need to manage the services internally, thus freeing up mindshare to focus on more critical differentiating activities such as our internal private cloud capability.

Internally, with our private cloud and our Software Defined Data center approach, we have seen significant game changing gains by creating agile Infrastructure as a service and automated provisioning capabilities, this has helped us with speed and throughput of IT delivered services where in some cases we have seen requests reduced from many weeks to just a few hours.

What do you feel is the value contributed by IT departments to the company? Do you think that IT departments need to innovate to deliver strategic value to the company?

Absolutely, I think IT departments struggle to innovate, because they spend significant amounts of time and significant amounts of the IT allocated budget funding just to “keep the lights on”. Now when you look at the DNA of an IT organization’s spend profile, it is pretty much spent on maintaining the status quo & incremental technology refreshes, there is not a lot of innovation that is actually going on for the amount of money that is actually being spent. I think this is often where the financial pressures come in to be more efficient, for all the money that is being spent, there is not a lot of innovation coming out on the other side, so lets squeeze costs and try to be more efficient. We have an approach that focuses on three key areas – efficiency, agility, and control. But the primary focus of the three (currently) is agility, we have to from a control perspective, maintain high quality, be compliant and so forth, but by really focusing on agility through Infrastructure as a Service, and automated provisioning run by software (as previously mentioned) we are taking processes that literally would take many weeks down to hours.

These gains are game changing, what’s happening is that it is freeing up significant human “middleware” that was built up to perform standard repeatable volume based work, we have freed them up to be able to work on more innovative work, blueprints, scripting, automation etc, things that are continuing to significantly increase our agility and our automation and subsequently our innovation, and in the most part without the need to increase the underlying IT baseline budget.

Do you feel comfortable moving your entire business to the public cloud? What would need to happen for this to occur?

No. But I don’t think it is or has to be a 100% model. I think over time, there will be a higher degree of comfort with certain sets of services running in the Cloud, but I do think the capability to run completely in the Cloud is not there today, and may not be for some time, but things like dev & test workloads, where you need to have agility and flexibility to be able to provision and de-provision quickly make a lot of sense, I think that maybe 60% of internal workloads, as a marker could be moved today to a public and or private cloud combination. It can also depend on the size of the company, there are small SMB and startup companies that are able to go with a 100% Cloud based model, which I don’t think is as applicable to the global enterprises, and then you have a lot of companies that still deal with a lot of legacy applications, and moving legacy to the cloud is hard where solutions may not exist.

Are IT costs trending down?

Not necessarily, we have a mantra of doing more with the same, not more for less. I think that the trend is switching from more of a Capital expense model to an Operating expense model and the clarity and insight into the costs of delivering IT services is becoming better understood. I think the trend is shifting to buying services, and less about buying technology, and I think IT is moving to becoming buyers and

integrators of technology services and are getting further removed from the buying of technology. We have not necessarily found the cloud to be cheaper, we did not go there because of cost but we have found the agility and throughput gains have been game changing thus we are doing a lot more for the same.

Is OPEX favored over CAPEX?

That really depends upon the company. I think that some companies would like to switch from a Capex to an Opex model, but they may not be able to afford the immediate shift. From this switch combined with a service approach and the transparent cost of delivering those services we are finding significant benefits. Most companies at some point are going to go through some sort of a technology refresh cycle, where their capital purchases or assets are retiring and they are due for a technology refresh. In some cases we took this naturally occurring cycle to take the same investment of money, time, and effort that would have gone into the refresh or upgrade and switched where applicable to a service based model. In short we leveraged the refresh cycle and those dollars that would have been invested there to help us change direction without incurring more cost. This was not the case for our private cloud investment where we knew if we are going to build and run at scale then we would need additional investment to get us there quickly.

Are IT budgets being subjected to higher scrutiny?

I think if you are an IT organization that is judged to be non-strategic and low in innovation then by default, you have greater scrutiny of your IT budget. I think if you are an IT organization that is innovating and has created gains in agility, automation, faster time to deliver, self-service etc., then the IT budget is under less scrutiny. If you are providing value for the investments being made, then there is less scrutiny.

Has the size of the IT department shrunk over the past 5 years?

This one is a little harder to weigh-in on; VMware has grown as a company very dramatically in a short period of time. I like to say companies go from small, to medium, to large, and global. Whereas we went from small to medium and global and skipped large, we got here so fast. So for us, because of that growth, and scaling out the global enterprise, the IT organization has had to grow, however I do think that each IT organization needs to have a delivery model that is a blend of internal staffing mixed with external service providers to give you flexibility in your staffing both burst capacity and or skill set rightsizing, this blended with a low cost delivery model for high capacity, commodity work should be in the IT staffing delivery strategy. For sure certain areas within IT have shrunk but others have emerged – it is hard to say for sure, but I doubt it, plus some roles have shifted into the business where the capability requirements have become configurable or automated through self service.

I do think that, IT organizations are shrinking when it comes to the internal back office systems and or the internal back end infrastructure components. We are still seeing demand for developers and application specialists, business process specialists and an increase in tenant operations and applications operations specialist, but we are seeing less demand for people that manage storage, people that manage compute and people that keep the lights on in infrastructure roles and L0-L2 support roles.

Is there an increased emphasis on ROI for the IT function?

As previously noted, if your IT organization is not very innovative and or a strategic differentiator then often the ROI of each investment is carefully scrutinized, I think all investments need to have their value well understood and as prescriptive an ROI as possible, however in the new models of increased agility, speed and automation the ROI is less about \$\$\$ and more about “value” this can be harder to quantify when most ROI calculators are based on getting to a \$\$\$ answer, this can sometimes be hard to get to without spending inordinate amounts of time doing so. This paralysis through analysis can then slow down the accelerated movement forward. At VMware we talk about cost to deliver services in the new model, you are going from a traditional way of doing something with a lot of human beings doing standard repeatable (but skilled) work to an automated way of delivery, it is not a simple apples to apples comparison about the cost of delivering services. It is still a little tricky to answer, because I think there are some things that are visible and understood and other things that are intangible, some companies are going to be driven by fear, which is a powerful motivator, some are just going to get it, they are market leaders and they recognize that if they don’t do it, they are either going to lose marketshare or are going to get further behind the competition. I think spending 6 months doing an ROI before moving a step forward is just going to get the company further and further behind.

What is the biggest problem you are working on right now? What keeps you awake at night?

I think there are two things that come to mind. One is that the consumerization of IT has drastically changed things over the past few years. Part of that is that we now deal with multiple generations of workforce, you have digital transients and you have digital natives all needing to be supported in their own way and so the things that keeps me up at night are, How do you manage insatiable “need now” demand with a new IT consumption model and at the same time run a secure compliant business with services that are always on, always available, and are naturally scalable. If I wrap it up, the speed of change, i.e., constant change is the new steady state and that combined with the consumption model changes and consumerization of IT services creates for a constant challenging problem for IT organizations that should keep us all awake at night.

VMware IT is no different than many other IT organizations. We deal with same like challenges and the same like complexities of any other global IT organizations. I also think that we deal with an additional set of expectations, in that being VMware it is expected that we will be first order movers in accelerating change and in utilizing our own products in the real world enterprise before they are released to the market, this makes it fun and challenging at the same time. There is also no shortage of advice being in IT inside a technology company on how we can do things better 😊