

Understand the implications of COVID-19 on your IT operating model

Thriving in the new reality



Real insights

Digital disruption has been changing the rules in the corporate world for several years. In fact, prior to COVID-19, IDC predicted that, by 2022, 80 percent of revenue growth would depend on digital offerings and operations.¹ As a consequence, many organizations were in some stage of an IT transformation, intended to meet evolving customer and employee expectations.

An increasingly common myth is that the new reality will be largely a technology play, executed through a myriad of digital solutions. In fact, the biggest change is expected to occur outside the technology layer of the IT operating model and be driven by the redefinition of work itself.

The future requires comprehensive changes that enable the whole business to deliver the products, services, and experiences that both employees and customers will expect in the new reality. Successful companies may do this by transforming across the six dimensions of the IT operating model (functional process, technology, service delivery model, governance, people, and performance insights and data).



Triggers and pain points

- Lack of alignment and understanding of business goals and priorities
- Single-speed IT delivery that isn't fit for purpose
- Business, IT, and suppliers are out of sync, leading to missed expectations and inefficient delivery
- Inability to quickly shift priorities and focus on highest-value work
- Lacking the right mix of talent and skill sets to adjust to new ways of working
- High degrees of tech debt acting as a roadblock to change
- Proliferation of technology with architectures that are not sustainable
- Challenges harnessing the benefits of your data
- Disconnected, siloed, or poorly integrated solutions creating friction across the front, middle, and back office



Our perspective

With the global spread of COVID-19, social distancing and self-isolation tactics are being recommended or mandated by health officials, forcing companies to redefine how they conduct business. Many organizations have had to rapidly deploy new products and services enabled by technology. This rapid shift in priorities and enablement of business change had to happen overnight, leading to an important question: is it sustainable?

With **every change you make** to navigate through COVID-19, you **will impact your IT operating model** across multiple dimensions: service delivery model, people, process, technology, performance insights and data, and governance.

	Reaction	Resilience	Recovery	New reality
Service Delivery Model	<ul style="list-style-type: none"> — Conduct an immediate assessment of the technology strategy and roadmaps, ensuring alignment with immediate business needs — Focus on near-term challenges to the operating model, leveraging service delivery flexibility where appropriate — Emphasize cost control, efficiency, security, resiliency and workforce enablement — Ensure technology workforce is kept informed, is focused on adapting to dynamic changes, and is motivated to redirect efforts to immediate needs where necessary 	<ul style="list-style-type: none"> — Review business alignment with technology portfolios, in light of changing customer behavior, focused on immediate enablement needs — Evaluate governance to ensure key controls have not been violated in the need for expediency — Evaluate workforce to manage overload, and create key opportunities to expedite transition to recovery — Conduct more thorough review of assets, vendor agreements, and portfolios to ensure alignment to business objectives, security, and cost requirements 	<ul style="list-style-type: none"> — Establish the right leadership team, cultural vision, and organizational strategy that can drive forward sustainable operating model changes — Use risk-based framework to determine which employees should come back to work and when — Assess each technology portfolio to determine what can stop, what needs to change, and what needs to be fully reimagined to support the strategy — Make structural cost model changes required to provide capital for the digitization of the business 	<ul style="list-style-type: none"> — Conduct a thorough review of the business strategy, technology alignment, and IT operating model to support the new reality — Review architectural runway, expedite key items aligned with digitization of the business across front, middle, and back office — Continuously review evolving public policy, regulatory, and risk considerations to inform operating model and governance changes — Advance analytics and AI capabilities using new data sets and models to better understand the new market
People				
Functional Process				
Technology				
Performance Insights & Data				
Governance				

¹ <https://www.idc.com/getdoc.jsp?containerId=US43548818>



Where am I now? – Qualifying questions

Understand the nature of work going forward	Determine what levers to pull and where	Decide what to stop	Think about the future
<ul style="list-style-type: none"> — Are you experiencing challenges in shifting to the new ways of working in the new reality? — Have there been failure points in your core IT estate keeping you from meeting business demands? — Do you know where all the tech debt is in your IT estate? — Do you know what roles should be base, bought, borrowed, built, or bot? 	<ul style="list-style-type: none"> — Do you understand the unique demands of each business-centric portfolio? — Do you have a variable, consumption-based cost model? Have you released fixed or underutilized capacity? — Is your operating model flexible to deliver technology at market speed to meet each portfolio's needs? — Do you know where to start with sustainable operating model change? 	<ul style="list-style-type: none"> — Have you determined what the vision for your culture, ways of working, and workplace will be? — Are you relying on historical, internal data and scenarios to model the future? — Are there practices, projects, and programs that are no longer relevant to the new reality? — Have you reviewed your contracts, suppliers, and ELAs to help ensure alignment to the future? 	<ul style="list-style-type: none"> — Are the business and IT operating models aligned on what the future looks like? — Is your digital backbone modular, scalable, and secure? — Have you automated significant portions of the IT value chain to create velocity, lower cost, and reduce risk? — Do you have an innovation capability that can continuously improve, harness emerging tech, and scale winning ideas?



Getting started

As with any journey, the biggest challenge can be taking that first step. Organizations can take the following actions to get started:

- Assess the current operating model across each dimension to understand current challenges
- Define your business-centric portfolios and understand their unique drivers and technology needs
- Prioritize your operating model transformation based on highest value portfolios and levers for change
- Set a unified business and IT vision for the future of work
- Design the future state in high-priority portfolios leveraging leading practices such as Agile, DevOps, and cloud to deliver at market speed
- Develop a transformation roadmap that will prioritize and sequence high-value transformative initiatives
- Mobilize a leadership team and structure that can oversee and drive the transformation
- Design, pilot, and learn from new ways of working in individual portfolios

Contact us

If at any time you need help, please use the information below to connect with a professional for more advice and support.



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