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IT meeting 2018

January 16th & 18th, 2018

Content

1. 2017 recap

2. IT strategy

3. IT plan 2018

4. New/updated processes

5. Q&A

2017 - RECAPITULATION

THANK YOU!

For your time, energy, passion and really great contribution and sucessful year 2017☺

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2017 was ...

1. YEAR OF STABILIZATION

- Teams

- Processes

2. CONSISTENCY & DISCIPLINE

3. KISS approach: KEEP IT STUPID SIMPLE

2017 review – key achievements/outstandings

Achievements
- Recruitment and team stability
- BT – new platform:
  - Implemented: AEQ1, DWH1, DWH2, DWH3, DWH5, DWH6, ERP1, ERP3
  - ELINKX archived and switched off
- ITD
  - analysis – business split, system analysis setup, test, release process setup, documentation setup
  - NAV4 optimization, release automation
- ITO
  - BT environment delivery and build for delivered releases
  - Information security start
- PMO
  - 3 year plan & Win together plan
  - Roadmap 2018 - participation
  - Investment Board – preparation steps
  - Splitting of PMO from IT
    - Roadmap 2018 - participation
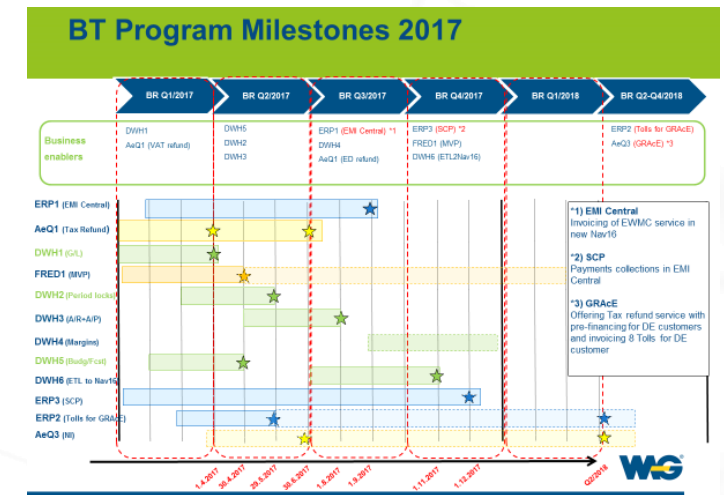
Remaining tasks from 2017 plan
- BT: DWH4 (waiting for user participation), DWH7 (additional release), FRED1 (new vendor)
- ITD
  - demand process setup
  - process (analysis, test, release, demand) support in JIRA
  - test tool implementation
- ITO
  - BT environment remaining parts optimization/build automation
  - Information security implement based on roadmap (including disaster recovery)

IT – original plan and fulfillment

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- **Business Transformation participation**
  - ✅ Workout revised Business Release plan to achieve key functionalities faster.
  - ◐ Transformation Program (2017-2018) to develop and implement (first segments) of new architecture and applications (limited functionality – faster delivery)
  - ✅ Implementation of nav2xx roadmap for the year 2017 based on the approved plan. Releases launched to live environment as in the approved plan and without critical issues and agreed data sets fully migrated.

- ✅ **Support potential JV**

- ✅ **IT Service availability (cumulated multiple for nav4, authorization and client web) >=98% (99,8%, 99%, 99% - 24x7x365)**

- ✅ **IT - Keep the performace of existing platform**

- **PMO support**
  - ◐ Project portfolio delivered projects - Ratio between planned project number and delivered project number. (Example: Planned 30 / Delivered 25 = 83 %) >= 80%

- ✅ **Team Stabilization: Resource based on approved 2017 plan and assure effective usage of resources. Automate resource management.**

- **Support M&A related integration**
  - ◐ Acquisition Integration FMS ONE: Assure handover of key functionalities under WAG Group management. Direct reporting is not expected in all cases.

- **ITO**
  - ✅ Improve IT- and Data Security
  - ◐ Develop and Design first drafts and concept for IT Business Continuity and IT Disaster Recovery Plan
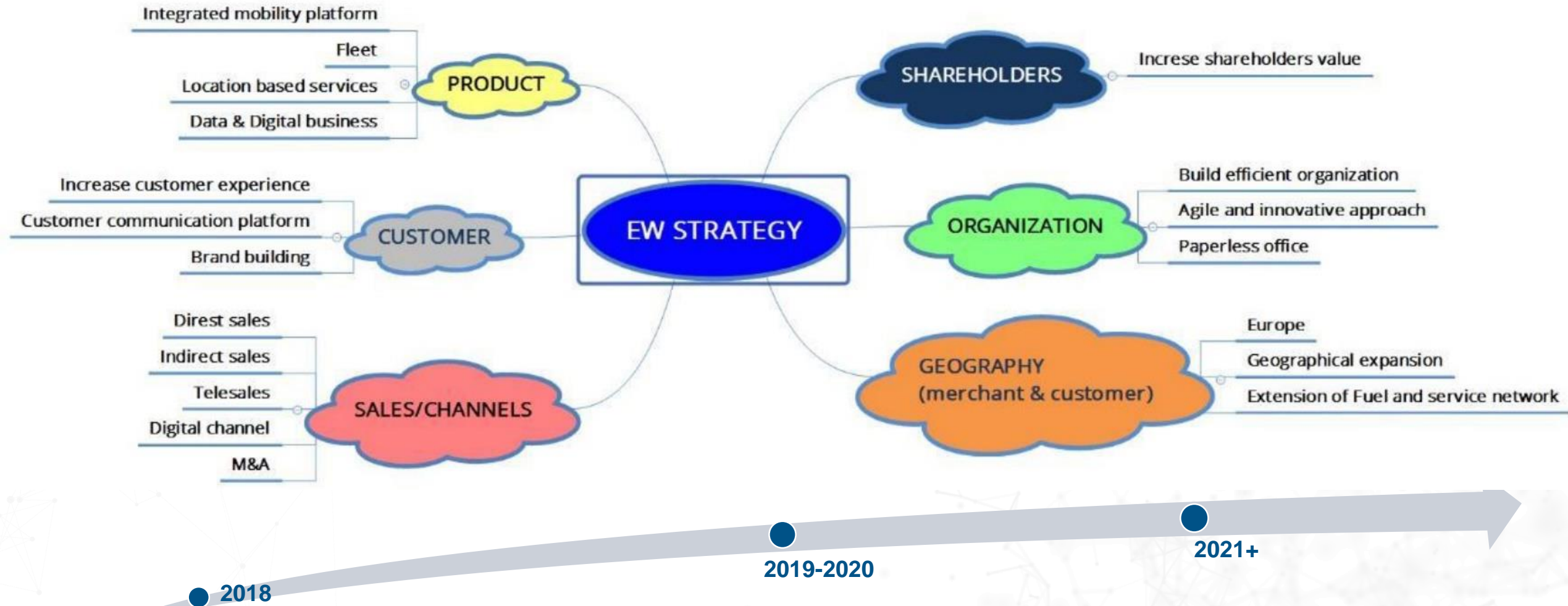
Cross requirements 2017

- ✅ Induction training from HR
- ✅ Support for internal communication for projects

- ❌ Customer care (night shift) resources for 24x7 proactive monitoring

- ✅ Change/projects resources allocation from business departments
- ◐ Contribution on business cases preparation from business departments
- ◐ Quality check and approval management of business cases from Controlling
- ✅ Definition of required business milestones by CxO

- ✅ Security officer in company
- ◐ Business continuity plan in company – to follow with IT plans
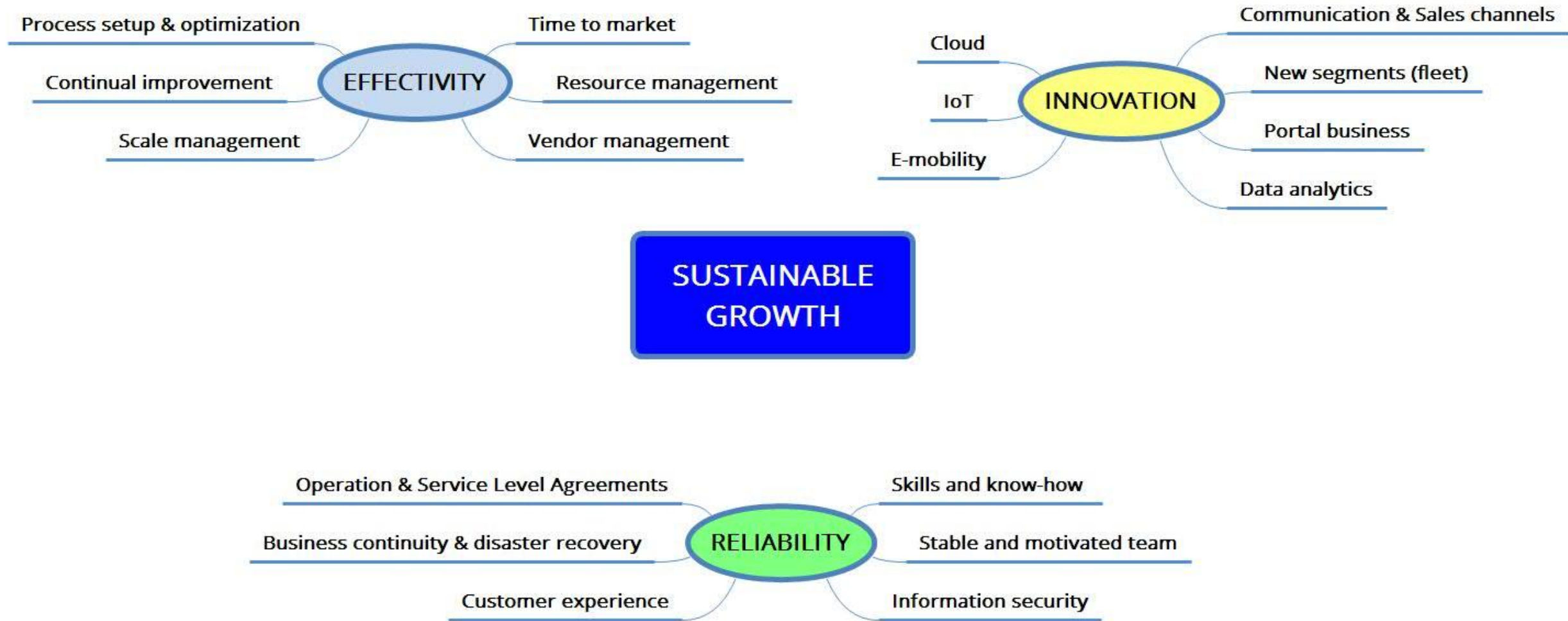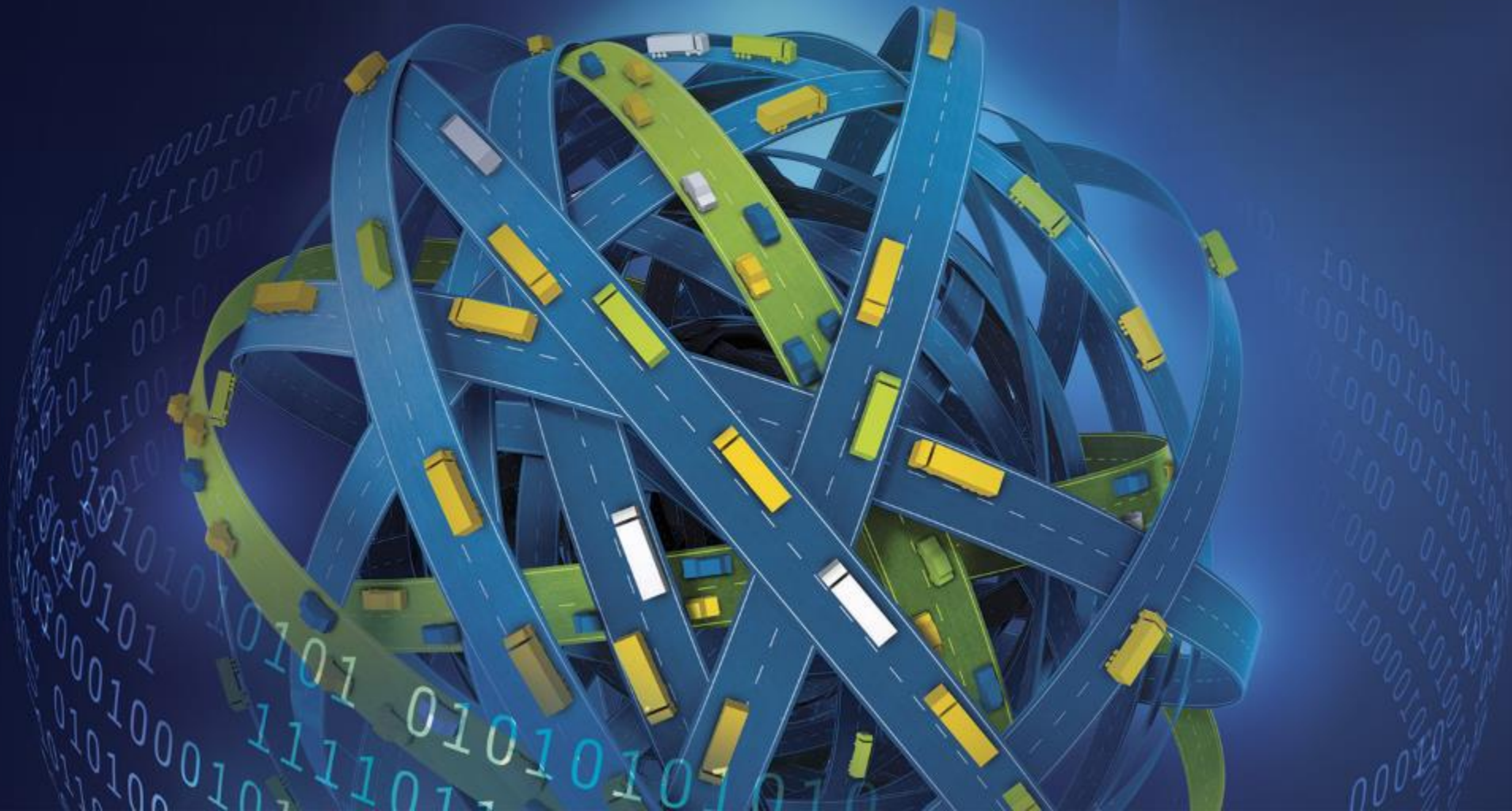
IT STRATEGY

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EW - WINNING TOGETHER

- **PRODUCT**
  - Integrated mobility platform
  - Fleet
  - Location based services
  - Data & Digital business

- **CUSTOMER**
  - Increase customer experience
  - Customer communication platform
  - Brand building

- **SALES/CHANNELS**
  - Direst sales
  - Indirect sales
  - Telesales
  - Digital channel
  - M&A

- **EW STRATEGY**

- **SHAREHOLDERS**
  - Increse shareholders value

- **ORGANIZATION**
  - Build efficient organization
  - Agile and innovative approach
  - Paperless office

- **GEOGRAPHY (merchant & customer)**
  - Europe
  - Geographical expansion
  - Extension of Fuel and service network

2018 — 2019-2020 — 2021+

IT STRATEGY

EFFECTIVITY
- Process setup & optimization
- Continual improvement
- Scale management
- Time to market
- Resource management
- Vendor management

INNOVATION
- Cloud
- IoT
- E-mobility
- Communication & Sales channels
- New segments (fleet)
- Portal business
- Data analytics

SUSTAINABLE GROWTH

RELIABILITY
- Operation & Service Level Agreements
- Business continuity & disaster recovery
- Customer experience
- Skills and know-how
- Stable and motivated team
- Information security

IT PLAN 2018

IT Longterm Strategy plan

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MOVE FASTER, SCALE FASTER
- Bi-modal
- Manage volumes (in project/changes, in operation)
- Completion of SoA architecture
- Multivendor approach, outsourcing

ITD
- Team decentralization (project structure, acquisitions)
- Further roles definition or setup - specialists

ITO
- SLA/OLA further development (driven by volumes, time zones, services)
- Go 2 cloud with standard services, prepare for applications

- Resourcing fully adopted cross all units
- Distributed organization support
- Cloud or IaaS/PaaS to manage volumes in infrastructure

2020+

2018-2019

2017

TEAM BUILD AND STABILIZATION
PMO
- Discipline and consistency to improve governance and prioritization of business requirements
- Governance extended with programme management and system integration

ITD
- Vendors and contractors management
- Resourcing – internal team, contractors, vendors – improvements to gain higher flexibility/effectivity
- Documentation, testing, analysis methodology
- Release management review

ITO
- Stability and availability of services
- Information security real implementation start
- New platforms and services

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IT STRATEGY PLAN 2018

- EFFECTIVITY
  - Delivery of new SoA (new platform) components based on plan 2018
  - Deliver agreed business priorities based on Project roadmap and 2018 plan
    - Main focus on New platform, EETS, GRACE, Digital integrated products
  - Demand, change, release management aligned with new SoA
  - Renew and improve resource management
  - Implement automation of regress tests
  - Learn how to manage cloud effectively
  - Establish Vendor management
- RELIABILITY
  - Focus on Problem management to keep operation service level
  - Improve support of own PS
  - Additional KPI set with focus on time to market and quality
  - Continue in BC and DR implementation
- INNOVATION
  - Go to cloud with the first services (WEB, DATA, …), use SaaS and PaaS, possibly IaaS
  - Adopt agile (as complementary for waterfall) and DevOps approach
  - By Information Security roadmap implementation increase security level for group

**MOVE FASTER…
…SCALE FASTER**

IT CHANGE 2018

IT Development

1. Web optimization & refactoring (ODS/ESB implementation), go to Cloud?)

2. Monitoring and improvement of Whitelist generation process

3. NAV4 optimization

4. NAV2016 stabilization after SCP

5. ESB performance tuning (simplification of operations, reduced logging & tracing, HW extension…)

6. Completion of UAT environment migration from PROD to TEST domain (IT Ops)

7. Finalization of test environment refresh procedure

8. Active directory cleanup (roles and groups stabilization)

9. DMS (S602) optimization & stabilization

10. Knowledge base using Confluence

IT Architecture

1. **Support implementation of:**

   ◢ Minimum Viable Product of MS CRM and decommission of SugarCRM *(FRED project)*

   ◢ System related impacts of General Data Protection Regulation *(GDRP project)*

   ◢ Toll Platform for EETS & migration of non-EETS tolls *(EETS project)*

   ◢ Migration of toll services invoicing from NAV4 to NAV16 *(ERP2 project)*

   ◢ Operational Data Store as a key component in the transition architecture *(ODS & other projects)*

   ◢ New Digital Platform based on new cloud based Front-end *(former EIMS project)*

   ◢ Integrated product(s) (Shop Goods, Telematics, Parking, Insurance, Breakdown Services…)

   ◢ Card Management System(s) & new Pricing – decision where, when & who

2. **Create data architecture layer, data quality management and support Data Lake development**

3. **Create roadmap for hybrid architecture and migration to Cloud**

4. **Support for internal processes (e.g. new demand management process)**

Infrastructure

1. Finalization of MS System Center (SCCM, SCOM, SCOR) implementation
2. Finalization of backup platform Exchange (AppAssure and native SQL -> Veaam and MS DPM)
3. O365 on Citrix farm (click to run installation)
4. Hybrid platform strategy definition (what will stay in OnPrem, what will be in Cloud)
5. Cloud environment creation/migration I
6. SAN optimization (distribute capacity and performance), old SQL cluster exchange (isql1,isql2)
7. VMware upgrade and patch
8. Active Directory redesign (according to design document)
9. Workstation OS Migration to Windows 10 (Using SCCM)
10. Server OS Migration to Windows 2012 R2 or upper (excluding special technological servers)
11. Creation server standard on branch offices and realization.
12. Disaster Recovery site/witness site (3. site, cloud?)
13. Cloud environment creation/migration I
14. Dell Compellent SAN exchange preparation (requirements, assessment, design)
15. Identity management, Chip cards/User certificates (after realization enabler Certification Authority redesign).

Information Security

Area	Control	Deadline	Q1/2018	Q2/2018	Q3/2018	Q4/2018
Technological Security	Internal Firewall	8/2018				
Technological Security	Fidelis	6/2018				
Technological Security	Cloud Security	3/2018				
Technological Security	Insider Pentesting	3/2018				
Technological Security	New VPN concentrator	5/2018				
Technological Security	Proxy	3/2018				
Technological Security	Certification Authority	6/2018				

- 1. Internal NGWF firewall – network segmentation , intrusion prevention system

- 2. Fidelis – automated detection and response platform for network and endpoints

- 3. Cloud Security – definition of identity and data protection

- 4. Insider Pentesting – internal pen-testing

- 5. New VPN Concentrator – VPN concentrator compatible with the Azure or AWS

- 6. Proxy – up-to-date threat intelligence to defend against crafty and malicious threat

- 7. Certification Authority – deployment two-level hierarchy CA

IT SUPPORT & OPERATION 2018

Support & operation

1. Adopt fully Operational diary for daily routines – automation and information exchange in the team

2. Implement Emergencies in both - Infrastructure and Application teams = extend emergency teams

3. Involve 24x7 Customer care hotline to wake up for critical alerts specialist on emergency – initially must be setup for Whitelists process and Pricelist pre-calculation

4. Work on improvement of New service hand-over to operation (Service Transition process)

5. Focus on Incident reporting and Problem management to keep existing operational levels

6. Full usage and configuration of new management systems:

   - MS Configuration manager for configuration of Operational systems (Provisioning, patch management, ..), integration with cloud environment (Intune, etc…)

   - MS Operations manager for Monitoring Infrastructure and application

   - MS Orchestrator for orchestration and automation daily tasks (beginning with provisioning of user accounts)

IT GOVERNANCE 2018

IT Governance

1. IT group coordination

2. IT suppliers portfolio management

3. IT finance controlling

4. IT compliance

W.A.G. group IT cooperation

Short term strategy:

- Every company has to have own place for their work
  - We have common targets & future architecture
  - Standardization is not parameter of cooperation expect building security framework
- Use / share corporate benefits
  - Tenders, Purchase
  - Common dealing with technology vendors

Future strategy:

- Milestone: 1st common system in production
- Production framework, security threats, regulation & common architecture will result in tailed cooperation

Geneve, rivers Arve and Rhone

IT suppliers portfolio

Based on classification we defined internal basic criteria for:

- Relationship management
  - Steerings
  - IT reviews
  - Administration support
- Cooperation governance
- IT finance monitoring
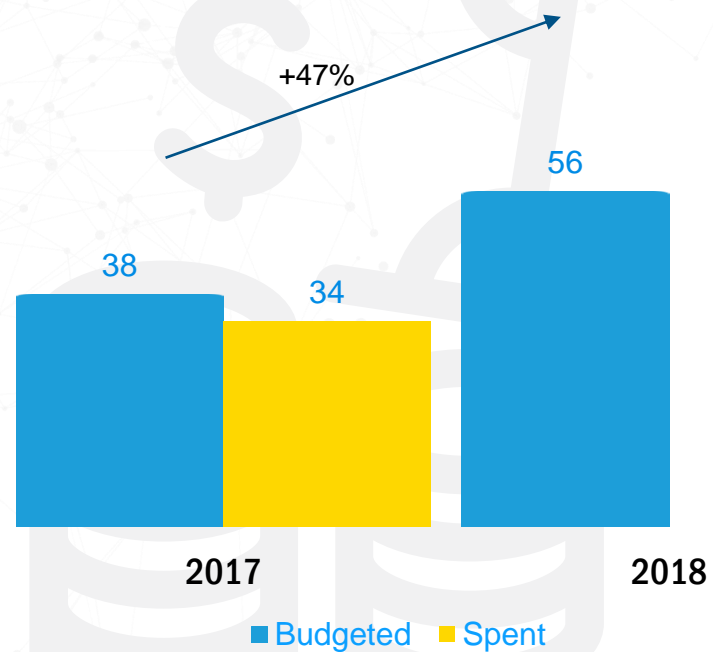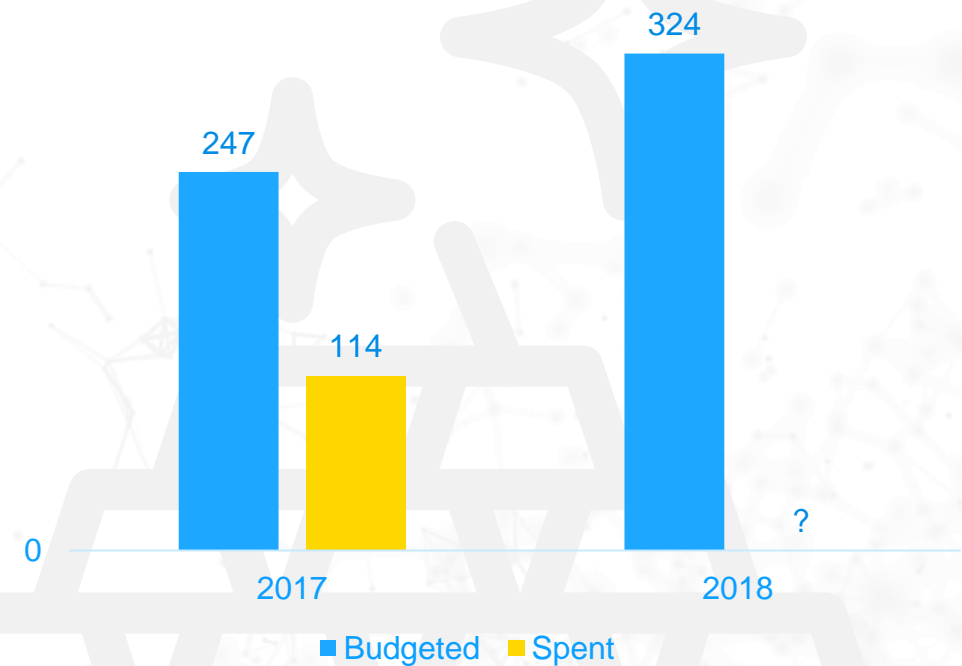- Contract standardization

Pie chart: Strategic; 8 · Key; 14 · Normal; 27 · Freelancers; 9
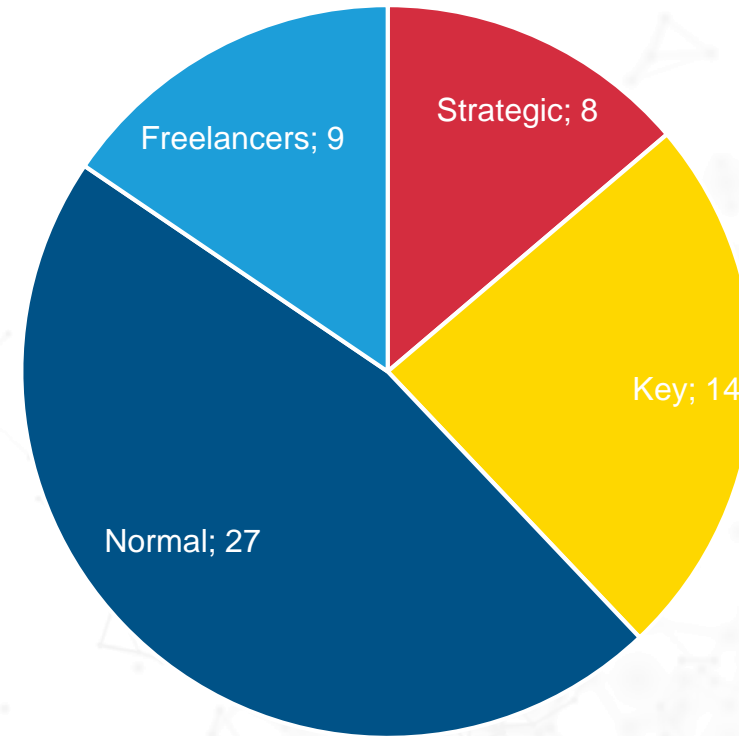
IT Finance controlling
IT budget 2017 vs. 2018

IT OPEX (Mil CZK)

+47%

38
34
56
?
0
2017   **2018**

■ Budgeted   ■ Spent

CAPEX (Mil CZK)

247
114
324
?
0
2017   2018

■ Budgeted   ■ Spent

IT Finance controlling
IT budget 2018 structure

OPEX

55 579 888 KČ

SW Support	
SW maintenance	
HW maintenance	
IT Services	
IT comunications	
Other IT Services	

CAPEX

324 199 663 KČ
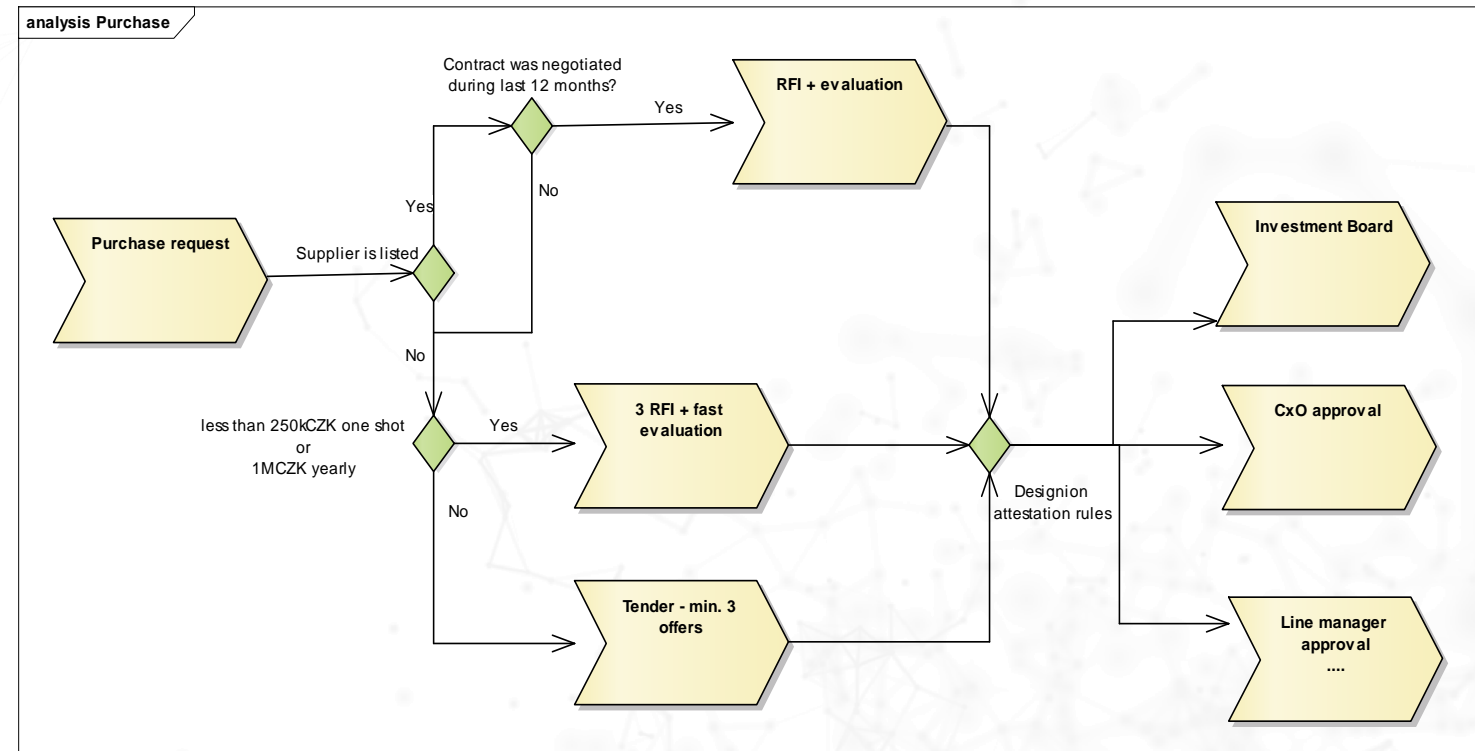
213 684 135

74 942 498

28 237 500

7 335 530

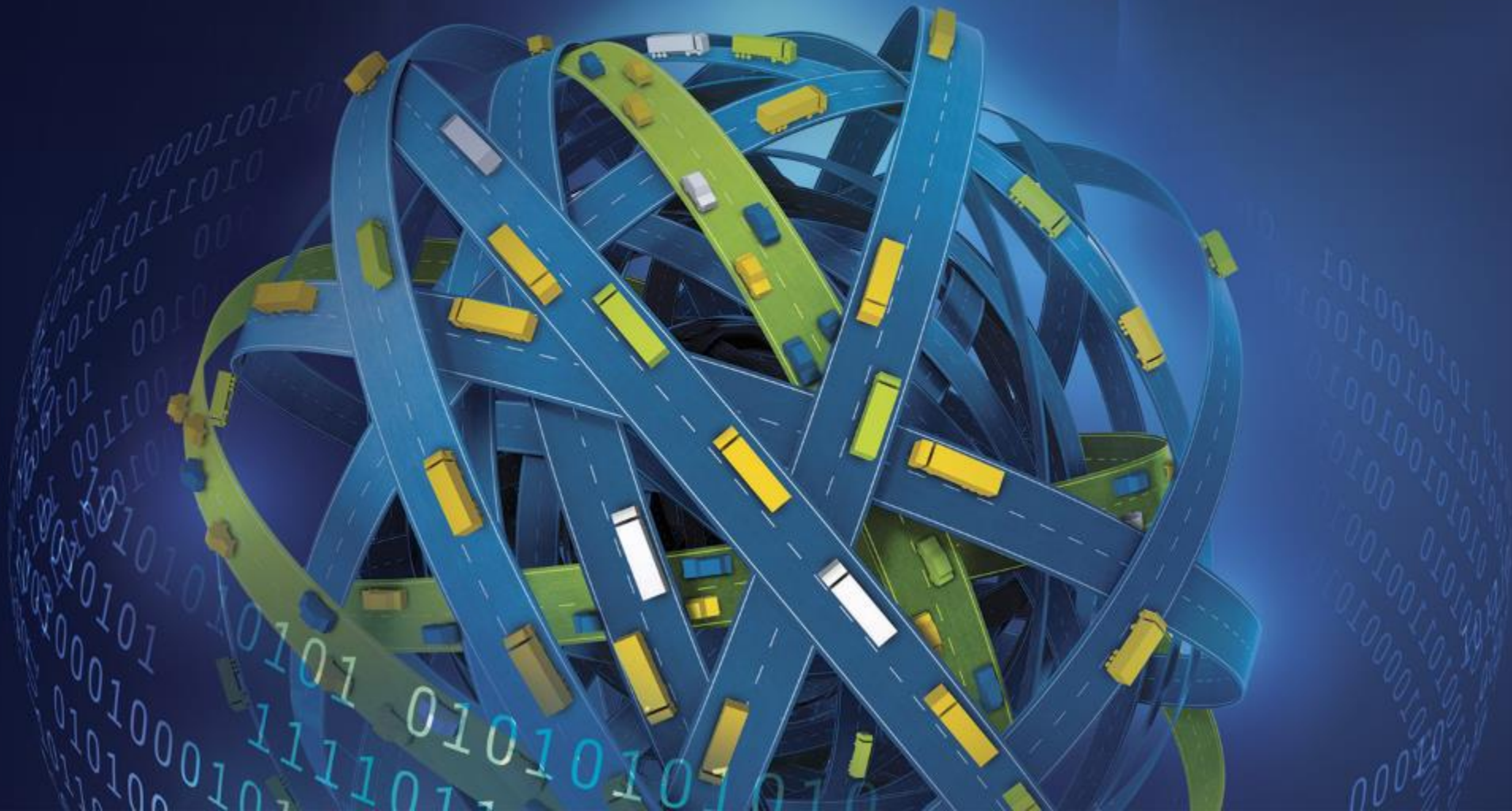| BAU | BT++; Grace (including Elvis); Product integration | Others | R&D projects with dedicated business resources |

IT Finance controlling

- Tenders, Procurement & purchase process

- Standards of Contractual documentation

  - NDA

  - Framework contracts + partial contracts

  - Freelancers/agencies

- Agile aproach

analysis Purchase

Purchase request → Supplier is listed →
- Yes → Contract was negotiated during last 12 months? → Yes → RFI + evaluation; No
- No → less than 250kCZK one shot or 1MCZK yearly →
  - Yes → 3 RFI + fast evaluation
  - No → Tender - min. 3 offers

→ Designion attestation rules →
- Investment Board
- CxO approval
- Line manager approval ....
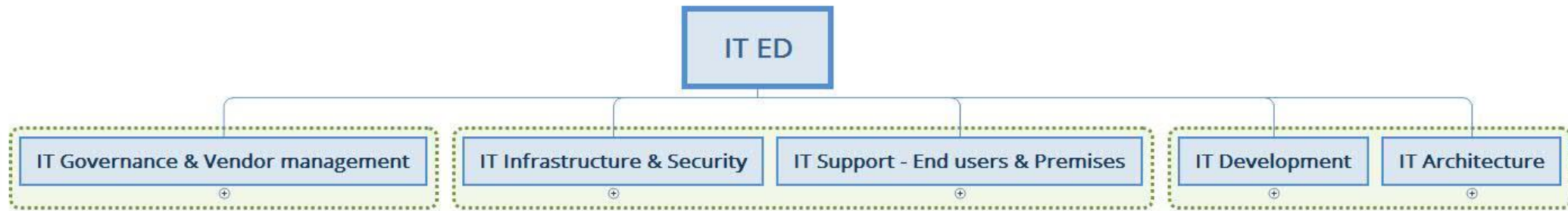
IT Compliance

- IT compliance

  - Regulatory regulation

    - Payment Institution PSD1 & PSD2

    - GDPR

  - 2nd level controls

    - Production key processes, IT cache flow
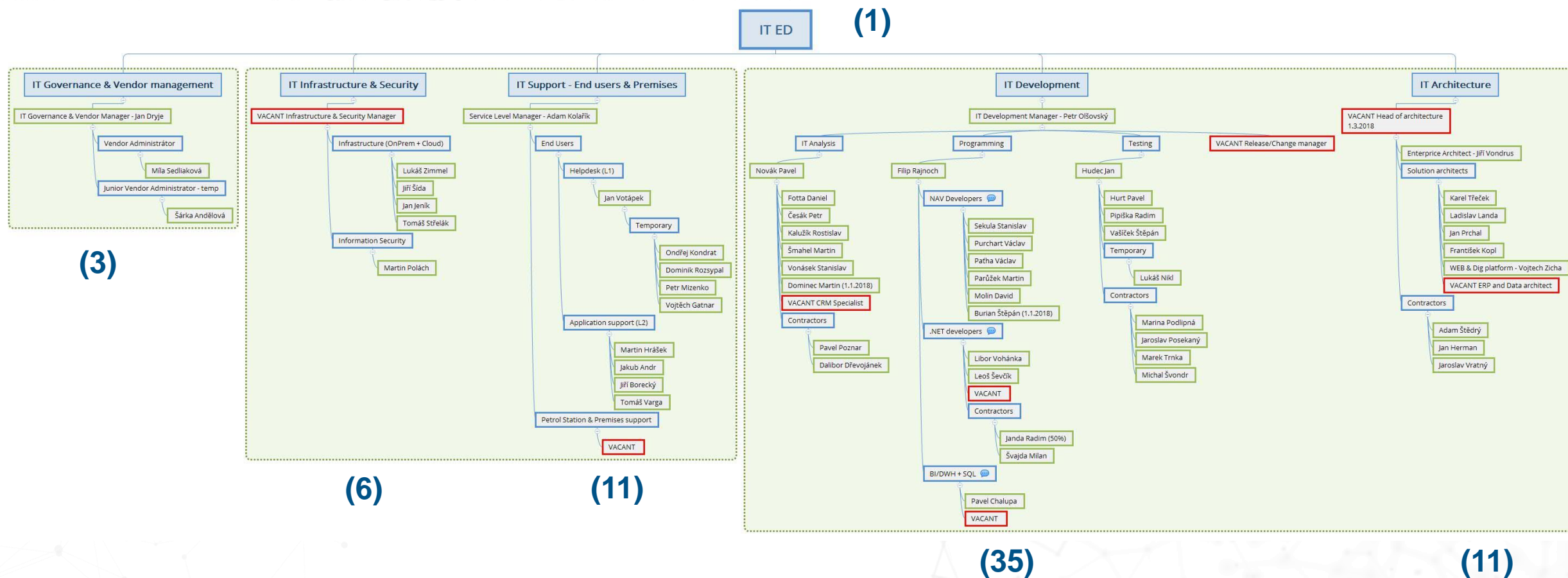
ORGANIZATION CHANGES

New Organization diagram

- Establish newly department "IT Governance & Vendor Management"
- Split "IT Operation Department" into 2 separate parts:
  - "IT Infrastructure & Security"
  - "IT Support - End users & Premises"
- Separate from "IT Development" all architects into "IT Architecture" department

New Organization diagram

TOTAL: 67 incl. 2018 newcomers (≈ 64 FTE)

AGILE TEAMS and MOVING on 4th FLOOR

IT architecture   IT analysis   Development   Testing   Business

ERP

WEB

DATA

CRM

...

- Team HUBs creation - ERP, WEB, DATA, CRM, INTEGRATION, TOLL, CARD, NET&AC, ...
- Specialization to defined area (system)
- Focus on production support, technical debt, small development, projects and R&D in single area

PROCESS CHANGES

AGILE APPROACH

WHY?

71% of Top Performers Report That **Bimodal IT** Improves Innovation

Source: The 2017 Gartner CIO Survey (nearly 2,600 responses) See (G00317427)

7   © 2017 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner

- Manage change in bigger scale
- Implement our ambitions
- Be more innovative

WHAT IS IT? … WAY OF WORKING

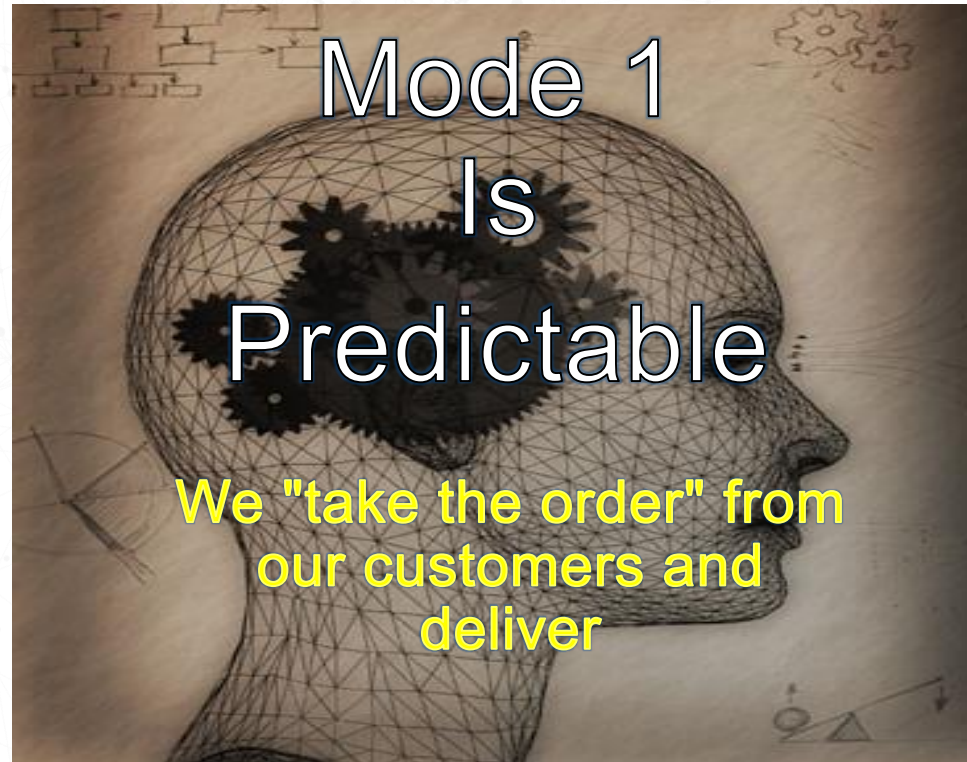- Different approach to different tasks

- Common business-IT teams

- Strict rules for shared resources

  (finance, people, portfolio management and prioritization, releasing to operation, master data management, information security, …)

- Full integration is not necessary in innovative mode

Bimodal Refers to Two Modes of Working

Mode 1
Is
Predictable

We "take the order" from our customers and deliver

Mode 2
Is
Exploratory

We explore the possibilities hand-in-hand with our partners

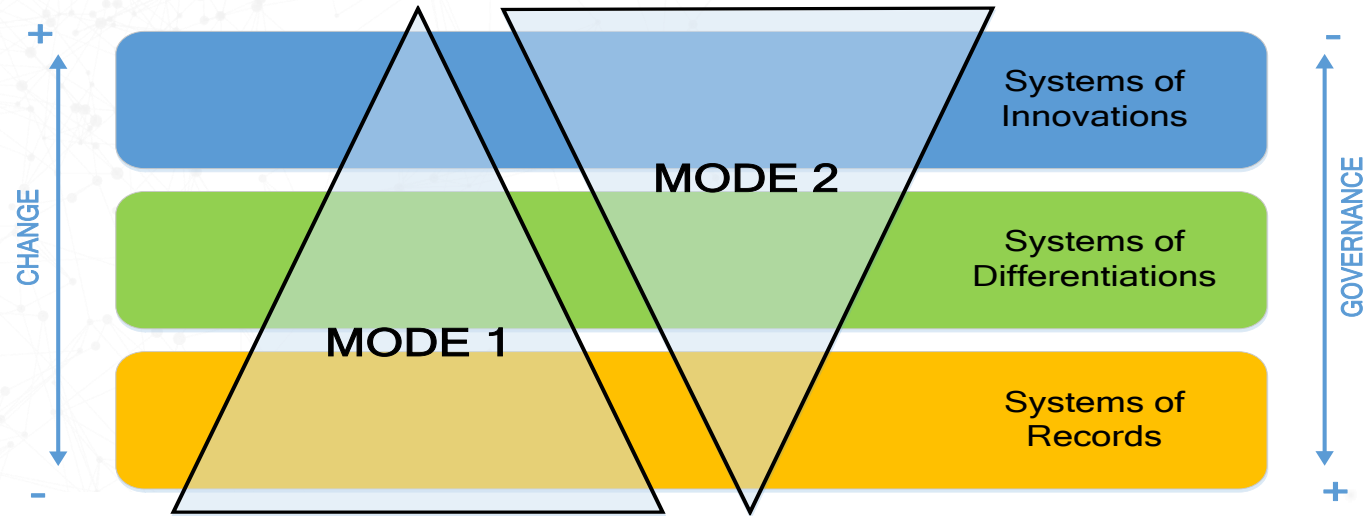# Business & IT Engagement in Mode 1 and Mode 2 Difference

HOW?

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- BY IMPLEMENTING „PACE LAYERED APPROACH" or say differently …

- …create TWO possible ways of execution with specialized

  - processes
  - trained people
  - rhythm

What is Pace Layered Approach
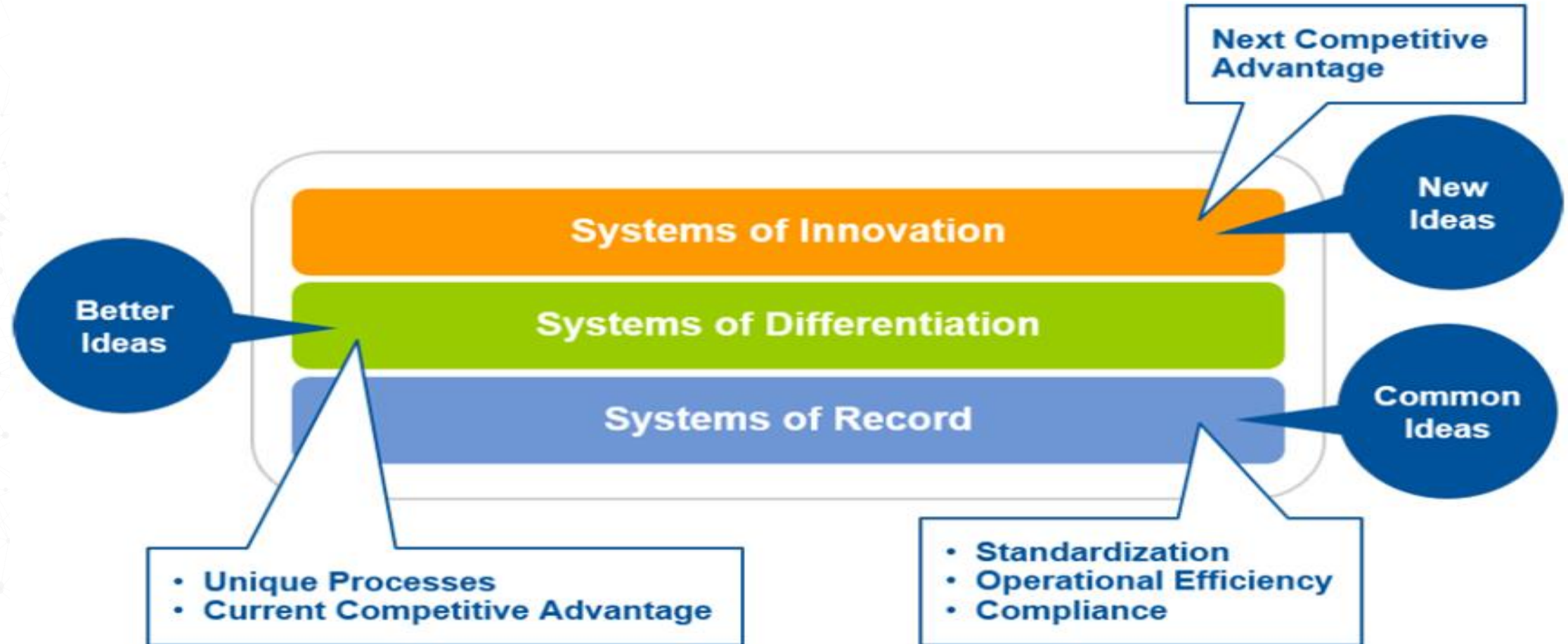
Pace Layering and Bimodal IT are complementary

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MODE 2

MODE 1

Systems of Innovations

Systems of Differentiations

Systems of Records

CHANGE

+

−

GOVERNANCE

−

+

Mode 1 - Business as Usual

- When you're certain you know where you're going
- The tried and true way
- One-off, one-and-done, 18 to 36 months
- Predictable: Plan ahead for everything, then march to orders
- Don't change much: Schedule, scope, people, target
- Big bets: Hard to reverse or recover if wrong …

CERTAIN

Mode 2 - Business as Unusual

- Not sure of direction or path
- Need to do things … and fast
- Experiment and explore new things
- Travel light
- Try multiple things
- Clarify outcomes to target (not "no plan")
- Test to verify outcomes and assumptions
- Change direction fast (pivot) or reverse
- Harvest those that work

Experimental

"BizOps"

UNCERTAIN

Bimodal IT = Marathon Runners + Sprinters
Deeply Different, Both Essential

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Think Marathon Runner

Think Sprinter

Mode1		Mode 2
Reliability	**Goal**	Agility
Price for Performance	**Value**	Revenue, Brand, Customer Experience
Waterfall, V-Model, High-Ceremony IID	**Approach**	Agile, Kanban, Low Ceremony IID
Plan Driven, Approval Based	**Governance**	Empirical, Continuous, Process Based
Enterprise Suppliers, Long-Term Deals	**Sourcing**	Small, New Vendors, Short-Term Deals
Good at Conventional Process, Projects	**Talent**	Good at New and Uncertain Projects
IT-Centric, Removed from Customer	**Culture**	Business-Centric, Close to Customer
Long (Months)	**Cycle Times**	Short (Days, Weeks)

How to Build a Minimum Viable Product

Not Like This

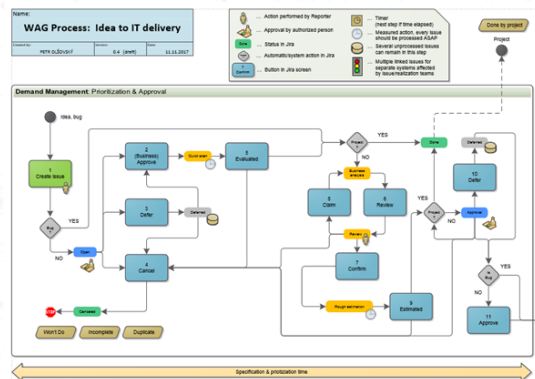1   2   3   4

Like This

1   2   3   4   5

NEXT STEPS

- **Continue in BT program and build SOA architecture**

- **Continue in settling technical debt**

- Continue on improvement of „Strategy to action" process

- Improve portfolio management (including prioritization)

- Evaluate how ready we are

- **Build Governance supporting BI-MODAL**

- **and try … select the first suitable project for MODE 2**

- **and start to build Mode 2 teams**

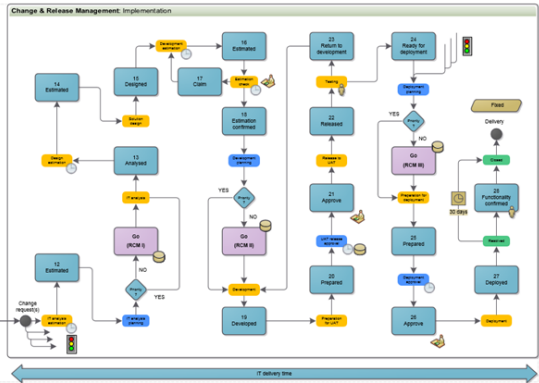# Project methodology, demand management, change and release management, …
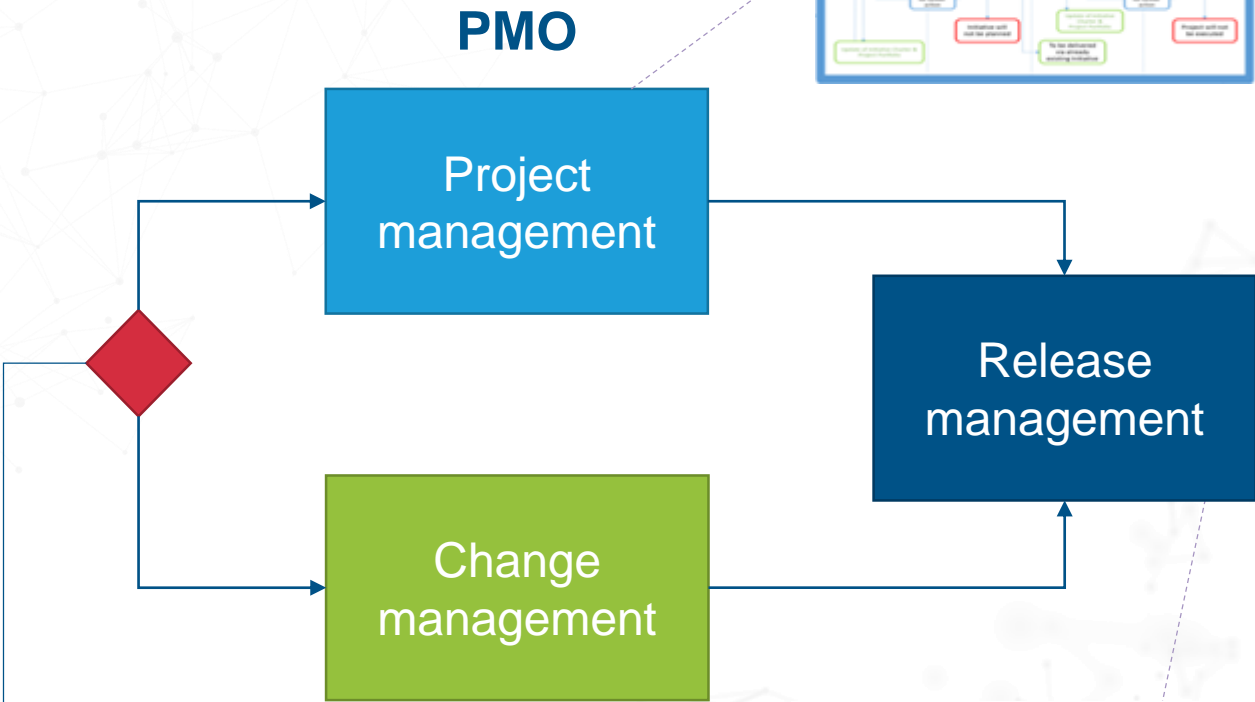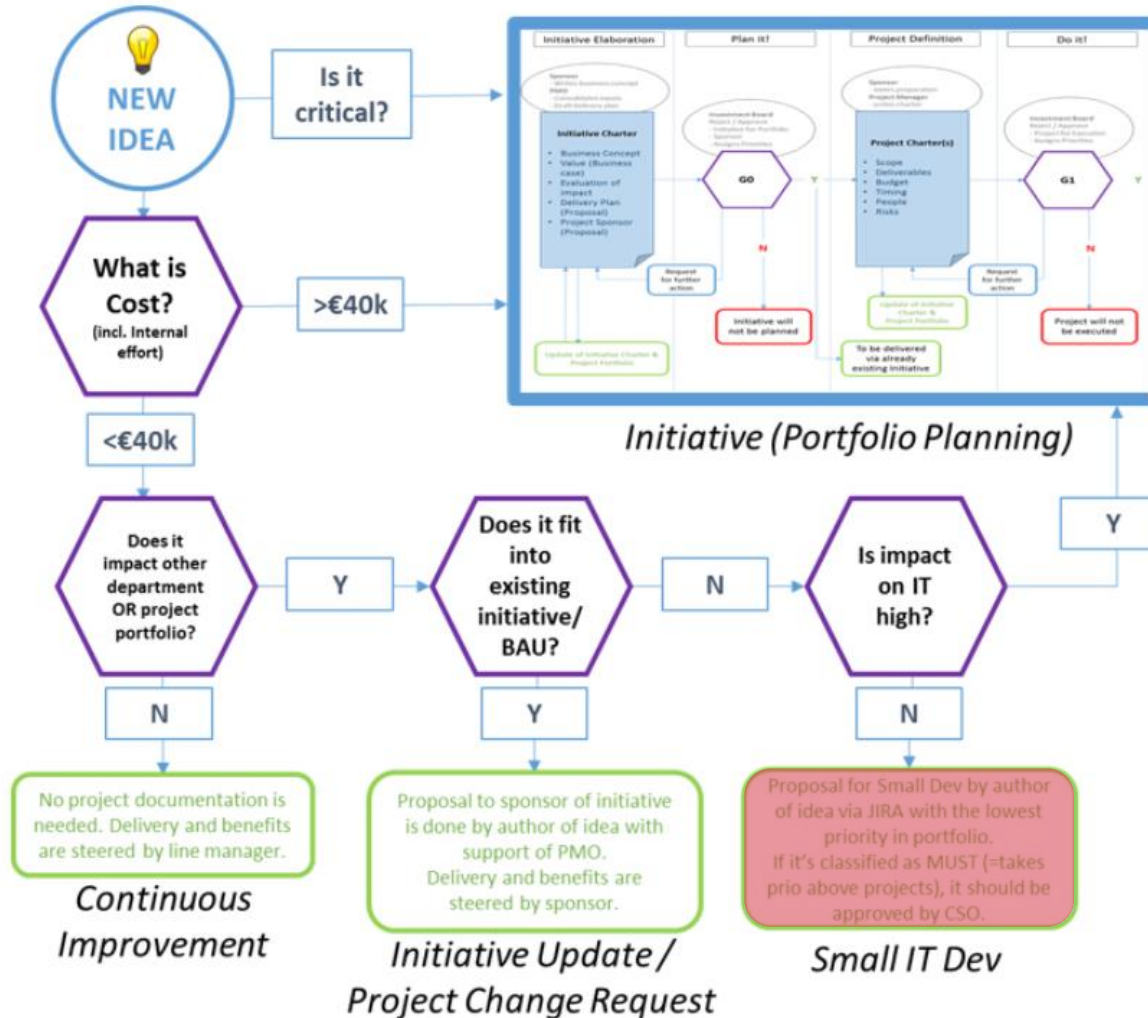
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Processes

PMO

Project management

ITD

Release management

Change management

ITD

Demand management

SD & G

47

Change & Release Management: Implementation

Simplicity

Speed

Responsibility

Overview

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Project Management

Initiative (Portfolio Planning)

- Introduced in Sep 2017
- Refined in Dec 2017

WAG Portfolio & Project Management

Resource model 2018 - IT Development 10% ... 4 hours a week

Area	Activity	Priority	Description	Allocation
Overhead	Overhead		Vacations, training, illness, teambuildings, dept. meetings	18%
	Teamleader overhead		Leadership of team	38%
	Manager overhead		Management of all teams and people	58%
Operations	Operations unplanned	1	Incidents, Service requests, Bug fixes	15%
			Incidents, Service requests, Bug fixes - reduced	3%
BAU	B2B (Network)	2		
BAU	Technical debt	3	Optimizations of systems, IT projects, improvements	21%
			Optimizations of	
BAU	Portfolio plan. & assesment	5	Portfolio planning	
			Portfolio planning, project resourcing and prioritization	4%
BAU	non-EETS, national tolls	4		
	ShopGoods			
	NME			
	Tax refund new countries	7		
Roadmap Core	ERP	8		65%
	AEQ			
	CDBr			
	FRED			
	EETS program			
	GRACE	23		
New Bus Opp Others	Insurance	24		
	HRIS			
	BWF			
	etc.	52		
BAU	Small development	49+	Mainly legislative & business crucial CHR, up to avail.capacity	15%
			Mainly legislative & business crucial CHR - reduced	5%

(overlay box) BAU — Small dev. - MUST HAVE — 3 — Legislative & business cruciall change requests — 15% / Legislative & business cruciall change requests - reduced — 5%

- Small Development has very low priority (now 49)
- Priority for any particular CHR can be increased by CSO or SD&G only
- There is a limited total capacity per year dedicated to Small development (~400 MD)
- Reevaluation/business analysis of all stopped CHRs is needed
- Demand/Change management process in Jira is under redesign, planned launch 1st Feb 2018

Release Management
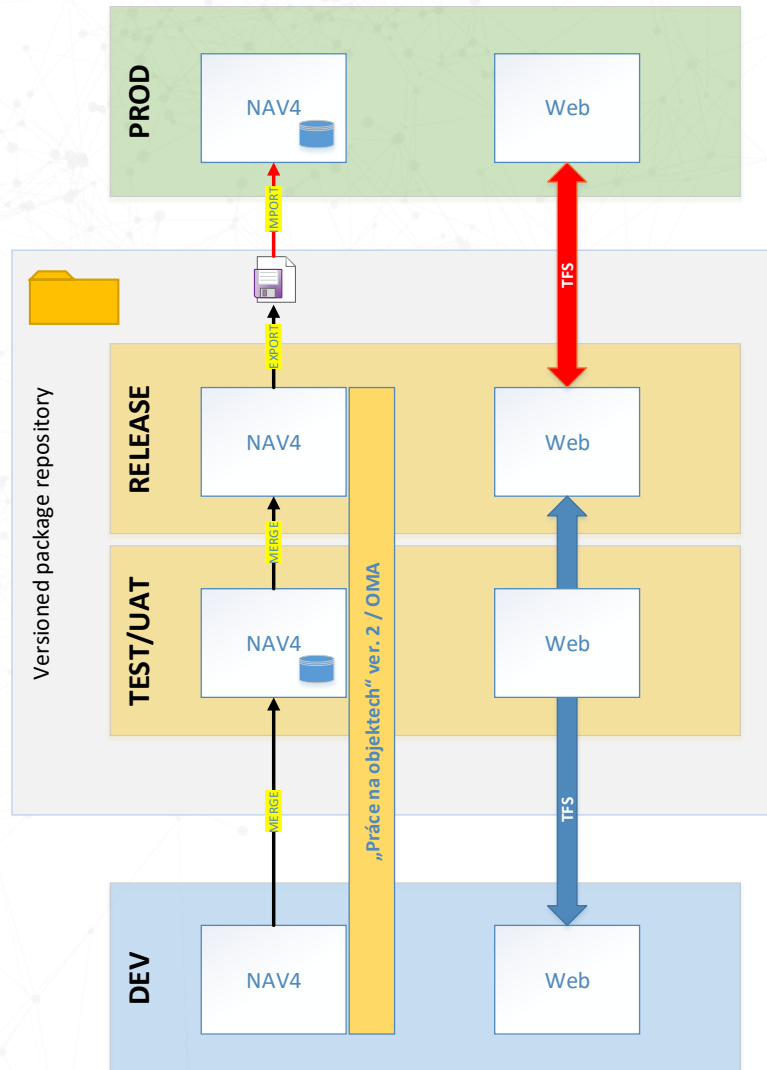
- **Hot-fix**

  - Resolves a critical issue by introduction of permanent/temporary fix
  - Must be fully/partially deployed ASAP
  - Release frequency: **Weekly**

- **Minor release** (simple change)

  - Affects only one system
  - Functionality can be deployed independently on the other systems
  - Release frequency: **Twice a month** (or even Monthly only)

- **Major release** (complex change)

  - Affects two or more systems
  - Must be properly planned, fully and perfectly tested
  - Release frequency: **Quarterly**

INFORMATION SOURCES

See following links …

1. **Q1 Plan**
   [\\wag-data\it\IT4IT ProjektyIT Projects 2018Q1 plan_v2.mpp](#) or
   [\\wag-data\it\IT4IT Projekty\IT Projects 2018Q1 plan_v2.pdf](#)

2. **Sharepoint**

   - **IT OLD**:   [http://wag-sps-app/IT/SitePages/Home.aspx](#)

   - **IT Ops**:   [https://eurowag365.sharepoint.com/sites/ITo/SitePages/Eurowag IT Operations documentation.aspx](#)

   - **IT NEW:**   [https://eurowag365.sharepoint.com/sites/IT/SitePages/Home.aspx](#)

3. **Intranet metodiky**

   - [https://intranet.eurowag.com/departments/**PMO**/Team public documents/WAG_Portfolio_Project_Management Methodology.docx](#)

   - [https://intranet.eurowag.com/departments/**IT development**/Team public documents/Forms/AllItems.aspx](#)

Q & A

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