



Corporate CTO Office and Technology Governance

Client Deutsche Telekom AG

Industry Telecommunications

Project Term January to March 2005

Customer Benefits at a glance

- Increased transparency through a centralized CTO office
- Group-wide management processes and guidelines for the support of decisions by technology management in conformity with strategy
- Centrally managed processes as a basis for the development and implementation of an excellence-oriented technology strategy across all divisions

Challenge

The strategy of the Deutsche Telekom AG as an integrated telecommunications group and leader in Europe focuses on the key growth fields of the international telecommunications markets: broadband business in the fixed network sector, mobile communications, and ICT services for corporate customers. The fields are handled by the five strategic business units T-COM, T-Online, T-Systems Business Services, T-Systems Enterprise, and T-Mobile.

The increasing dynamics of the business model evolution and the associated inquiry for integrated and convergent products and services demand the intelligent integration of the business units strengths as an essential success factor for the implementation of the business strategy at Deutsche Telekom. Important conditions in the individual business unit have to be fulfilled, after taking the necessary efficiency and flexibility of the technology applications into account. This would include strategic planning across the group as well as tools that optimize the technology and investment guidelines for all business units and that develop specific technological innovation potentials.

Task

Detecon was assigned to develop a new concept for the central CTO office, under consideration of the previously successful services of the CTO division. This concept covers the necessary tasks and services for the implementation of the business strategy with regards to the technology management, the required processes for its implementation and the management framework in the form of a governance model for the quality assurance and company-wide increase in acceptance.

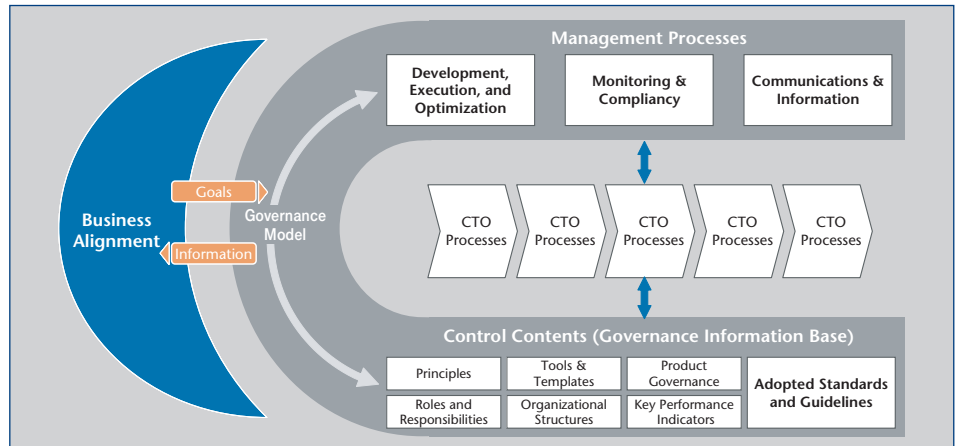
Solution

Working together with the client, the project team developed a governance model tailor-made for the situation and the strategy. It was based on the Detecon Governance Framework in which the advantages of commonly used governance methods (COBIT, TOGAF Architecture Governance) are incorporated and further developed by our own extensive project experience with customer groups of all different sizes and from a wide range of industries.

Method

The applied method clarifies the possibilities for improvement of the former CTO services. The analysis of the former structures of the overall cooperation in the governance style with best practice references revealed a concrete need for action. The evaluation of the services and activities according to their relevance for the achievement of the business goals defines the roadmap for concrete actions.

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The key components of the Detecon Governance Framework:

- A model derived from the group and business field strategy for the „business alignment“ defines the value driver as the basis for the structure of the CTO organization and its processes as well as for the evaluation of technological projects.
- The decoupling of CTO management processes and control contents of the technology policies in the governance model allows an independent and flexible adaptation to any changes in general conditions:
 - Management processes for the development and improvement of the governance model and the governance units (e.g., Technology Board) for the monitoring, control, and review of the work in CTO processes with respect to their conformity to agreed technology and architecture standards and objectives.
 - Control contents for direct and contemporaneous support for decision-making and action in the CTO processes, e.g., by means of clearly and uniquely defined roles and responsibilities, communicated organizational structures, standards and guidelines under joint responsibility, and a service/product governance which regulates the roles and responsibilities during creation, acceptance, and the implementation phase for each work result of a CTO process.

The Benefits for the Client

The CTO governance framework which was developed represents a consistent bond between the corporate objectives, the development of a strategy, and operationalization. It thus enables:

- The strategic control of an intelligent integration of the forces in the market units for the satisfaction of cross-over client requirements;
- Goal-oriented investment decisions for the expansion of services and innovation potential of group-wide platforms and methods;
- Increase in efficiency and focus in the business units through increased quality and avoidance of redundant developments.