Welcome to the Digital Wild West

Where opportunities come and go quickly, and winning or losing has meaningful consequences for the business.
By 2017, 75% of IT organizations will have a bimodal capability.

Half will make a mess.

Bimodal IT is not a "nice to have."
Key Issues

1. What is bimodal IT and why should you care?
2. How should you get started in bimodal IT?
3. How do you progress to enterprise bimodal and what traps should you avoid?
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Bimodal IT Means —

Having two modes of IT, each designed to develop and deliver information- and technology-intensive services in its own way.

**Mode 1 is traditional, emphasizing predictability, accuracy, stability.**

**Mode 2 is exploratory, emphasizing agility and speed.**
Bimodal Is Not —

- Just dividing something in two
- Agile development
- Pace layering
- An IT capability
- An operating model or organization chart change
- Shadow IT
Shhhh, don't tell anyone, but …

Lean
The Industrialization Era Created Marathon Runners

IT industrialization

<table>
<thead>
<tr>
<th>Linear processes</th>
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<tbody>
<tr>
<td>IT management, service management</td>
</tr>
<tr>
<td>Treat colleagues as customers, unengaged with external customers</td>
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<tr>
<td>Services and solutions, efficiency and effectiveness</td>
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</table>
The Digital Era Requires Sprinters

Digitalization

- Business models
- Digital leadership
- Treat colleagues as partners, engaged with external customers
- Digital business innovation, new types of value

ADAPT
IDEATE
CREATE
OFFER
ENGAGE
MONETIZE
# Bimodal IT = Marathon Runners + Sprinters, Deeply Different, Both Essential

<table>
<thead>
<tr>
<th>Mode 1</th>
<th>Mode 2</th>
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<tbody>
<tr>
<td>Reliability</td>
<td>Goal</td>
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<tr>
<td>Price for performance</td>
<td>Agility</td>
</tr>
<tr>
<td>Waterfall, V-model, high-ceremony IID</td>
<td>Revenue, brand, customer experience</td>
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<tr>
<td>Plan-driven, approval-based</td>
<td>Approach</td>
</tr>
<tr>
<td>Waterfall, V-model, high-ceremony IID</td>
<td>Agile, Kanban, low-ceremony IID</td>
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<tr>
<td>Enterprise suppliers, long-term deals</td>
<td>Governance</td>
</tr>
<tr>
<td>Good at conventional process, projects</td>
<td>Sourcing</td>
</tr>
<tr>
<td>IT-centric, removed from customer</td>
<td>Talent</td>
</tr>
<tr>
<td>Long (months)</td>
<td>Cycle Times</td>
</tr>
<tr>
<td></td>
<td>Short (days, weeks)</td>
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**Think Marathon Runner**

**Think Sprinter**
Pace Layering and Bimodal IT Are Complementary
CIOs should care about becoming bimodal because they cannot confront the range of needs presented by digital business with a single, conventional mode of IT.
Key Issues

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Start Before You Think You Are Ready

Project Bimodal

- Innovation Lab
- Agile
- Iterative Collaboration
- Isolated Small Vendors

Enterprise Bimodal

Integrated:
- Agile, Iterative Methods
- Highly Collaborative X-bus.
- CFO and CEO on Board
- Flexible Funding
- Adaptive Sourcing
- Scaling Process

Typical Second Mode Starting Point
Point Beyond Which Enterprise Change Significant
Bimodal Is Very Experimental — You Have to Do It to Learn It
Recommended Mode 2 Project Characteristics, to Start:

- Is an Island Project
- Can Be Completed Fast
- Creates External Value
- Is a System of Innovation
- Has Willing Business Partner
- Has Uncertain Requirements, Low Complexity
- Has Willing Business Partner
Project Bimodal — Mode 1 Dominates

Project Bimodal

Mindset and Talent
Teaming
Engagement
Governance
Iterative Methods
Structure

Bimodal Critical Capabilities

- Success mostly under IT control
- Fragmented, not systemic, capability
- Project, not capability-focused
- Lower risk projects, with limited scope and limited Mode 1 impact
Select Your Projects Based on Their Mode 1 Impact

Impact on Mode 1

Bimodal Maturity

High
Low

High
Low

New Core
Extend
Replacement
Island

"A Project Will Never Scale If Mode 1 Is Not Willing and Fully Supportive."
— Chris Osgood, Co-Founder and Co-Chair, MONUM
Organizational Structure A — Mode 2 Reports to the CIO

- CIO
  - Mode 1 Plan and Build
  - Mode 2 Plan and Build
  - I&O
  - Enterprise Architecture

Add Organizational Distance at First

DevOps

Mode 2 Fast Track: DevOps, Automation and Continuous Delivery
Organizational Structure B — Mode 2 Plan and Build Reports Outside IT
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Limiting predictions to short iterations gives us increased predictability and greater agility.

"Give up the illusion of control to find it."
Progress to Enterprise Bimodal — Mode 2 Dominates

• A Committed Executive Team That Accepts More Operational Ambiguity
• A Well-Architected Digital Core on Which to Innovate
• Top Digital Talent
• Synching Between Modes
Traps to Avoid

1. Disconnection
2. The timid middle
3. Spiraling technical debt
4. Lack of equity
5. An unrenovated core
Bimodal Is Built on Trust

Trust enables autonomy

Autonomy enables team happiness

Team happiness enables leader scaling
Bimodal IT — What Are the Next Steps?

**Create Awareness and Appetite**
- **Socialize** the concepts of bimodal with the executive team.
- **Challenge** the executive team — How will it respond to the transformation it faces?
- **Get agreement** — What does bimodal mean to you, how to proceed?

**Embed in Culture**
- Establish shared values.
- Ensure equity.
- Build the processes and protocols to synchronize the two.
- Reward team-oriented, goal-driven behaviors.

** Build Capabilities**
- Define your filters.
- Pick a project.
- Pick the team.
- Define the process, methods, tools.
- START.
- Capture learning, iterate.
- Protect the team and its funding.
- Engage sourcing and procurement.
- Define an innovation management process.
- Manage technical debt.
- Iterate, iterate, iterate.
Recommended Gartner Research

- How to Achieve Enterprise Agility With a Bimodal Capability
  Simon Mingay and Mary Mesaglio (G00276981)

- Bimodal IT: How to Be Digitally Agile Without Making a Mess
  Mary Mesaglio and Simon Mingay (G00268866)

- The End of the Waterfall as We Know It
  Matthew Hotle, David Norton and Nathan Wilson (G00238330)

- Getting Started With Transitioning to Agile
  Maritess Sobejana and Nathan Wilson (G00261803)

- Bimodal IT and Adaptive Sourcing Are Critical to Digital Business Success
  Claudio Da Rold, Elise Olding and Julie Short (G00265879)

For more information, stop by Gartner Research Zone.