

How ExxonMobil IT Stepped Up Its Game to Become **A MODEL FOR INNOVATION**

An ExxonMobil Case Study

Executive Summary

ExxonMobil's sheer size and complexity make it challenging for the IT team to drive balanced conversations with their business stakeholders. IT must help the businesses they support identify unique technology investments to help EM win in the marketplace. To enable a new conversation inside IT and with their customers, the team focused on providing IT base services TCO and translating this into business processes and capabilities. Today, 14 tower owners are actively using the TBM framework to manage costs, compare themselves against benchmarks, and balance cost and performance. Project managers are able to see the return on investment for the projects they run. By combining data driven analysis with tower insights, the TBM framework was able to generate efficiencies across towers and change the conversation internally within IT to be more balanced.

ExxonMobil Corporate Overview

ExxonMobil is a multinational oil and gas corporation headquartered in Irving, Texas. Formed in 1999 by the merger of Exxon and Mobil, the company explores for and produces crude oil and natural gas, and manufactures and sells crude oil, gas, and other petroleum products.

ExxonMobil

Industry // **Oil and gas**

Revenue // **\$269B (2015)**

Employees // **75,600**

TBM Solutions

- Apptio Cost Transparency
- Apptio IT Benchmarking

Benefits

By combining data driven analysis with tower insights, the TBM framework was able to generate efficiencies across towers and change the conversation internally within IT to be more balanced.



Everyone knows ExxonMobil as an energy company. But it's also a global conglomerate with multiple divisions that extend its reach well beyond the oil and gas business. Its petrochemicals business alone makes up more than 10% of its balance sheet and as a stand-alone entity, this would be one of the largest petrochemical companies in the world.

To support this sprawling mega-business with technology is no mean feat. Thousands of people are employed in its IT organization spread across several dozens of countries around the world. But like so many IT departments serving companies at the top of the Fortune 500, its sheer size and complexity make it challenging for the IT team to drive balanced conversations with their business stakeholders.

ExxonMobil has always depended on technology to run every facet of its very technical businesses. "ExxonMobil is a technology company that happens to be in the energy business," said Mike Brown, VP of ExxonMobil IT, head of ExxonMobil's global IT group. "We've always used technology in the development and deployment of our core businesses — unique designs in catalysts, reactors, down-hole drilling, 3D seismic mapping, and the like. What's changing today is that IT is moving from being something that supports the transaction worker, to supporting the knowledge worker to, ultimately, supporting our core business."

"Because of this, it was critical that our IT organization step up its game in terms of how we delivered foundational IT," Brown continued. "We needed to partner with the business in a very rich, deeper way to help them be more productive at an individual and team level. And, building upon that foundation, we needed to help them identify unique investments for our company to win in the marketplace by leveraging technology."

Turning a big ship

When Brown was named VP of IT in 2011, one of his first priorities was to improve the way ExxonMobil IT (EMIT) managed its own business. He knew IT had to fundamentally change and that the processes, data, tools, and techniques needed to effect this change weren't in place yet. So when Ulka Wilson, EMIT's Global Planning Manager and Arthur Borges, now the TBM Office Manager, came to him with technology business management (TBM) ideas, he knew they were on to something.

But the three of them also knew that TBM wasn't going to just happen on its own. "We were so excited, because we knew that this was the right thing to do," said Wilson. "But when we took it to our leadership team, not everybody was aligned the same way. What we failed to see was how TBM had to be treated as a journey without an immediate end and not as something that was going to be transformational in the beginning."

Part of the problem was a desire for perfection. The culture of ExxonMobil is data-driven with little tolerance for imprecision. While this is good for process engineering and oil exploration, the demand for perfect data and immediate results gets in the way of progress with TBM. Fortunately, Brown understood this.

According to Wilson, "Luckily our IT Vice President, Mike Brown, circled back to us to say, 'Look, I see what you guys are trying to do. So just keep going!'"

From ugly duckling to swan

This inauspicious start marked the beginning of a game-changing process that is now percolating up through the entire organization. When they started their journey four years ago, the TBM team first had to prove that transparency was both achievable and that the results would enhance the value of IT to the larger organization – not the opposite. So, like most new and untried ideas, they set about finding partners who would work with them to do proofs-of-concept and proofs-of-value.

“We selected services that we knew were asking a lot of these kind of questions: What is the business value of the service that we’re delivering? What are the true cost levers? How can we better understand the cost of the service we deliver, so we can engage in that value conversation? And how can we compare this with alternate sourcing options?” said Borges.

“Every time we had a meeting with leadership team members to show the results of the pilots, they would look at us at the end of the meeting and say, ‘This is exactly what we need. Why can’t we have this tomorrow?’ And that’s how we started building support for the whole project.”

Today, 14 tower owners in all IT groups such as compute, storage, etc. and 42 sub-towers are all actively using the TBM framework to not only control costs and justify TCO but show, in business terms to the business, the value of investments in technology.

TBM is part of many initiatives that have gained IT more credibility with the business. There has been a significant culture change in IT and the business recognizes it. “Now, the business actually asks us to come in and help them run some of their own initiatives because they’re so impressed with the way we’ve changed in IT. People are very interested now in how we turned that around. For example, they invite us in to do innovation workshops, many times not even IT related.”

“In the applications area, we do a lot of design thinking on how to best design an application for customer use, and we’ve been able to use some of the same concepts with the business. Now they’re inviting us to come and talk to them and work with them to facilitate sessions to help them do business process redesign,” said Wilson.

It starts with TCO

To get TBM practices in place, the team focused on proving IT services TCO used internally and with the business. But, TBM goes deeper than just numbers on a page. Because TBM acts as a Rosetta Stone of sorts (enabling a common terminology between tech and business and vice versa), tower owners can see the relationships between the technology they were providing and how business decisions were driving costs and resource demand. This gave them the insights they needed to transition from managing an IT tower to managing IT as a business.

EMIT has even gone so far as to extend this standardization up to the application services layers. By mapping applications to the business process that they support, the team is able to talk to customers in their language, addressing IT costs in an end-to-end process view. And that has helped the team better demonstrate the value of the IT spend.

“One of the coolest parts of our TBM journey was the reaction from tower owners,” said Brown. “In the past, we’d end up getting stewardship reports, feedback, and data and it would prompt me to ask the questions. And then we had this switch where I didn’t have to ask all the questions anymore. Tower owners were looking at their data, making observations, and then telling me what they were going to go do to support the business.”

Putting the elements of TBM to work

Part of that insight comes from the mapping of IT costs to business outcomes, but benchmarking has also become a major driver of efficiency within each of the towers. ExxonMobil is one of the first major energy companies to automate dozens of benchmarks, updated every six months, allowing tower owners to keep a constant eye on how well they are doing. In any given month, tower owners can see their latest data against their benchmarks, which helps with goal setting. According to Wilson, “This has become a 12-month rolling checkpoint, so at any point in time, they can compare themselves to the benchmarks.”

“It helps us with our credibility with the business, which has obviously enabled many other things for IT,” said Wilson. “Benchmarking has been part of this culture change, too. It has helped us to not just look at ourselves and say, ‘We are declining each month or increasing,’ but to ask ‘How are we doing against our competition? Other IT companies?’ It’s important to constantly look outside to ensure we are providing IT services at a competitive cost.”

"The reason we've been able to make improvements is because people now better understand the costs drivers to support applications, and the costs of having fragmented server models," said Brown. "Across the board, we've been able to make a step-change in delivering IT. And what I can state with a high degree of confidence is that TBM has been an integral part of that journey."

In an age of exponential technology growth, it's more important than ever that enterprise IT organizations respond accordingly.

"IT needs to exponentially step up our game," Brown continued. "For us at ExxonMobil, a key part of stepping up our game has been our TBM journey. It will be the foundation that will allow us to become a dramatically different partner to our business, to help them thrive in an era of digitalization at a scale we've never seen before."



TBM COUNCIL

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Founded in 2012 the Technology Business Management (TBM) Council is a nonprofit organization governed by an independent board of business technology leaders from a diverse group of the world's most innovative companies like AIG, Aon, Cisco Systems, DuPont, ExxonMobil, First American, Microsoft, Nike, and more. The Council is focused on developing a definitive framework for managing the business of IT by establishing standards and providing ongoing collaboration and education opportunities.

Learn more and become a member at tbmcouncil.org.