

**SUMMIT**

**JBoss  
WORLD**

**PRESENTED BY RED HAT**

**LEARN. NETWORK.  
EXPERIENCE OPEN SOURCE.**

[www.theredhatsummit.com](http://www.theredhatsummit.com)

# DOING MORE (INNOVATION) WITH LESS (RISK)

Michael Tiemann  
VP, Open Source Affairs, Red Hat  
June 23, 2010

**SUMMIT**

**JBoss  
WORLD**

PRESENTED BY RED HAT



# Agenda

Innovation and “Strategic Advantage”

Strategic Planning and Execution

Limits of traditional approaches

Path-based innovation and Open Source

Real-world experiences

Lee Congdon, Red Hat CIO

Mike McGrath, Fedora Infrastructure Team Lead

Discussion and Q&A

**SUMMIT**

JBoss  
WORLD

PRESENTED BY RED HAT



# “Strategic Leap” Model

Install monolithic IT system

Introduce blockbuster product

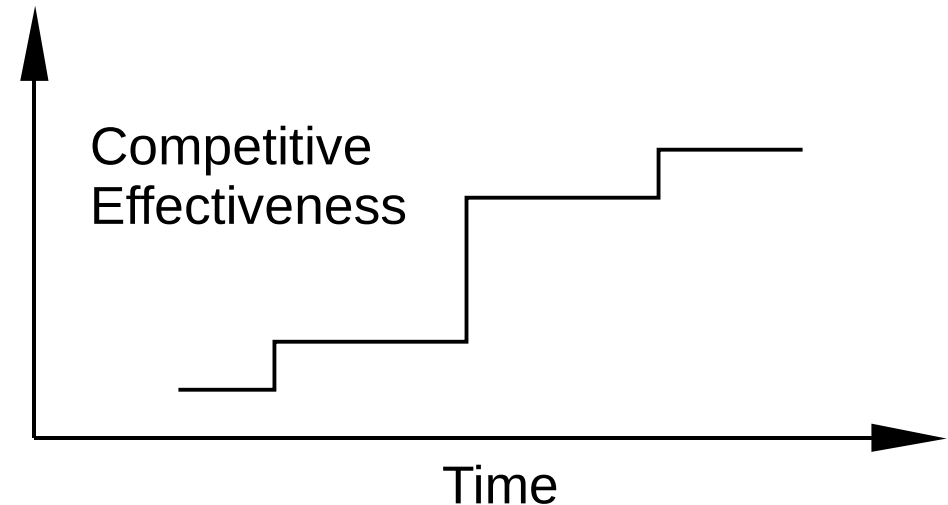
Attack a new market (or niche)

Integrate Vertically

Exploit a new technology (product or process)

Merger/Acquisition/Strategic Alliance

“Strategic”



**SUMMIT**

JBoss  
WORLD

PRESENTED BY RED HAT

<http://david.upton.com/opensource>



# The Incremental Improvement (path-based) Model

New system features

Feature enhancement

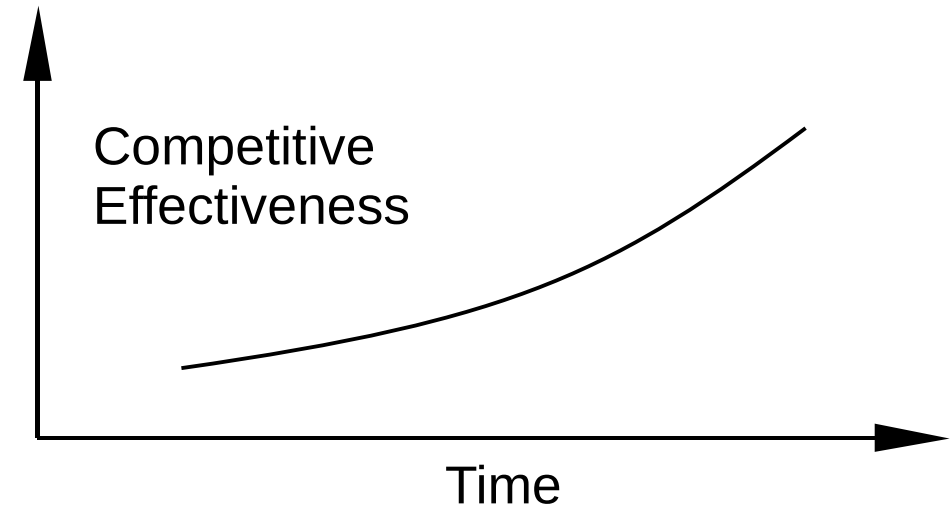
Inventory reduction

Faster system development

Reduce set-up/throughput times

Experimentation with on-line information for customers

“Boring”



**SUMMIT**

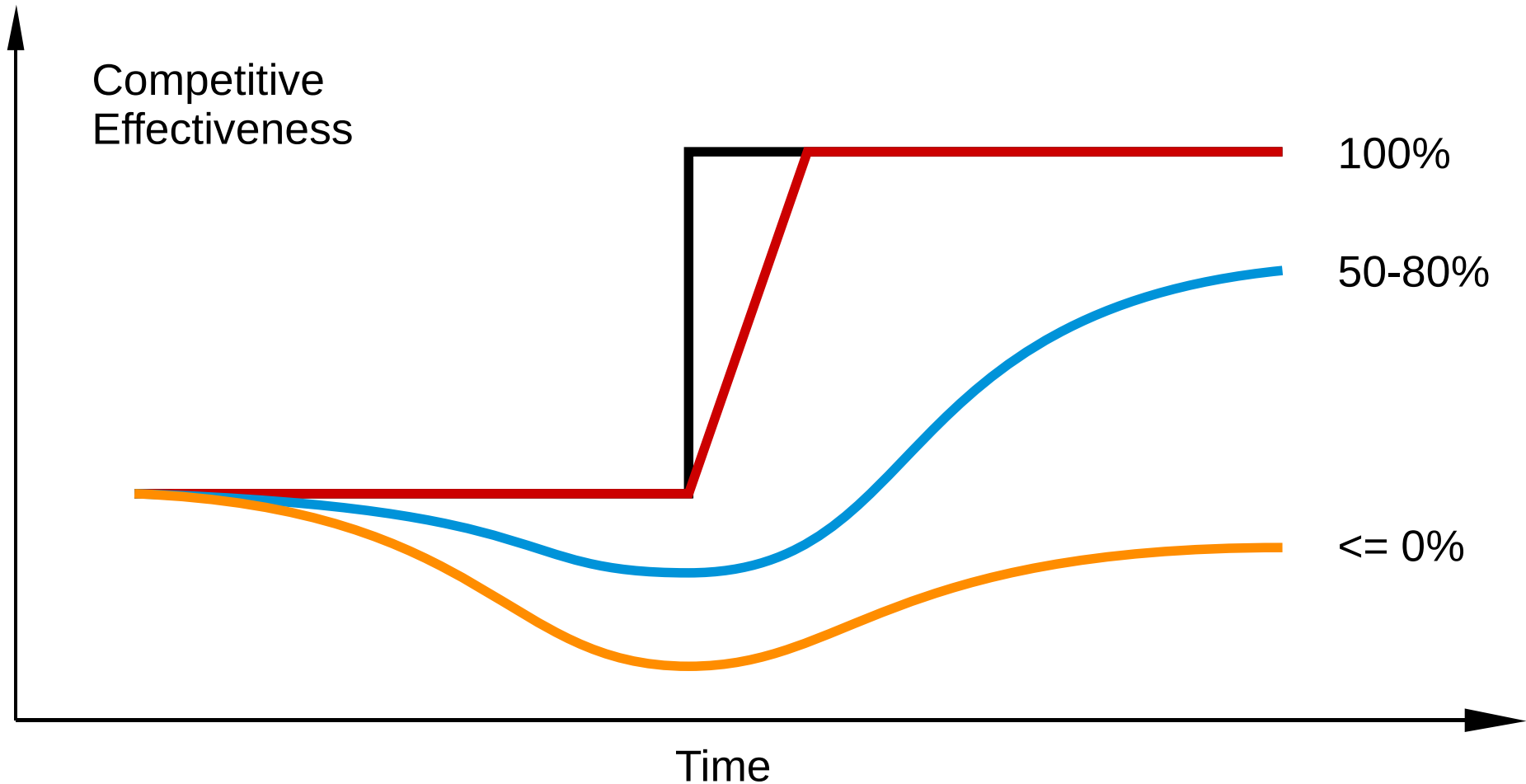
**JBoss  
WORLD**

<http://david.upton.com/opensource>

PRESENTED BY RED HAT



# Murphy's Law of Strategic Leaps



**SUMMIT**

JBoss  
WORLD

PRESENTED BY RED HAT

<http://david.upton.com/opensource>



# Innovation Design Matters

Systems designed for improvement are:

**Modular:** Can experiment locally w/o global consequences

**Accessible:** *Able* to make changes (no secret handshakes)

**Inclusive:** Users are involved in design

(Lose the concept of 'users' vs. 'IT people')

Looks a lot like the design of Open Source!

**SUMMIT**

JBoss  
WORLD

<http://david.upton.com/opensource>

PRESENTED BY RED HAT



# Radically Simple IT<sup>†</sup>: Shinsei Bank Case Study

Rescued from the archaic ashes of LTCB

Built new banking system (rather than packaged software)

Mix of open source and off-the-shelf technologies

Design for improvement not immediate functionality

4x faster deployment, 90% purchased cost reduction

Reached #1 customer service in Japan in 2 years

<sup>†</sup> Harvard Business Review, 86(3): 118-124  
19 March 2008 (with Bradley Staats).

**SUMMIT**

**JBoss  
WORLD**

PRESENTED BY RED HAT



# Shinsei Bank Principles

Rapid, incremental improvement rather than big-bang

All systems designed to fail (and fail-over)

All problems resolved < 24 hours (!)

Use technology to solve human problems

It's not the technology; it's not IT

Replicate old system as subset of new system

Double sided screens for tellers

Doesn't exist in standard packages

Outsourcing strategy

<http://david.upton.com/opensource>

**SUMMIT**

**JBoss  
WORLD**

PRESENTED BY RED HAT



# Red Hat Information Technology Vision

To become a world-class technology organization and to be a beacon for the effective implementation of open source solutions.

**SUMMIT**

**JBoss  
WORLD**

PRESENTED BY RED HAT



# In The Bad Old Days (circa 2007)

IT not aligned with the business

IT not aligned with IT

No performance reporting

Inadequate infrastructure

No process for application delivery

**SUMMIT**

JBoss  
WORLD

PRESENTED BY RED HAT



# What We Did About IT

Step by step, earned business engagement

Started the journey to change our team from implementers to leaders

Published our results

Fixed the infrastructure

Created processes in the right places

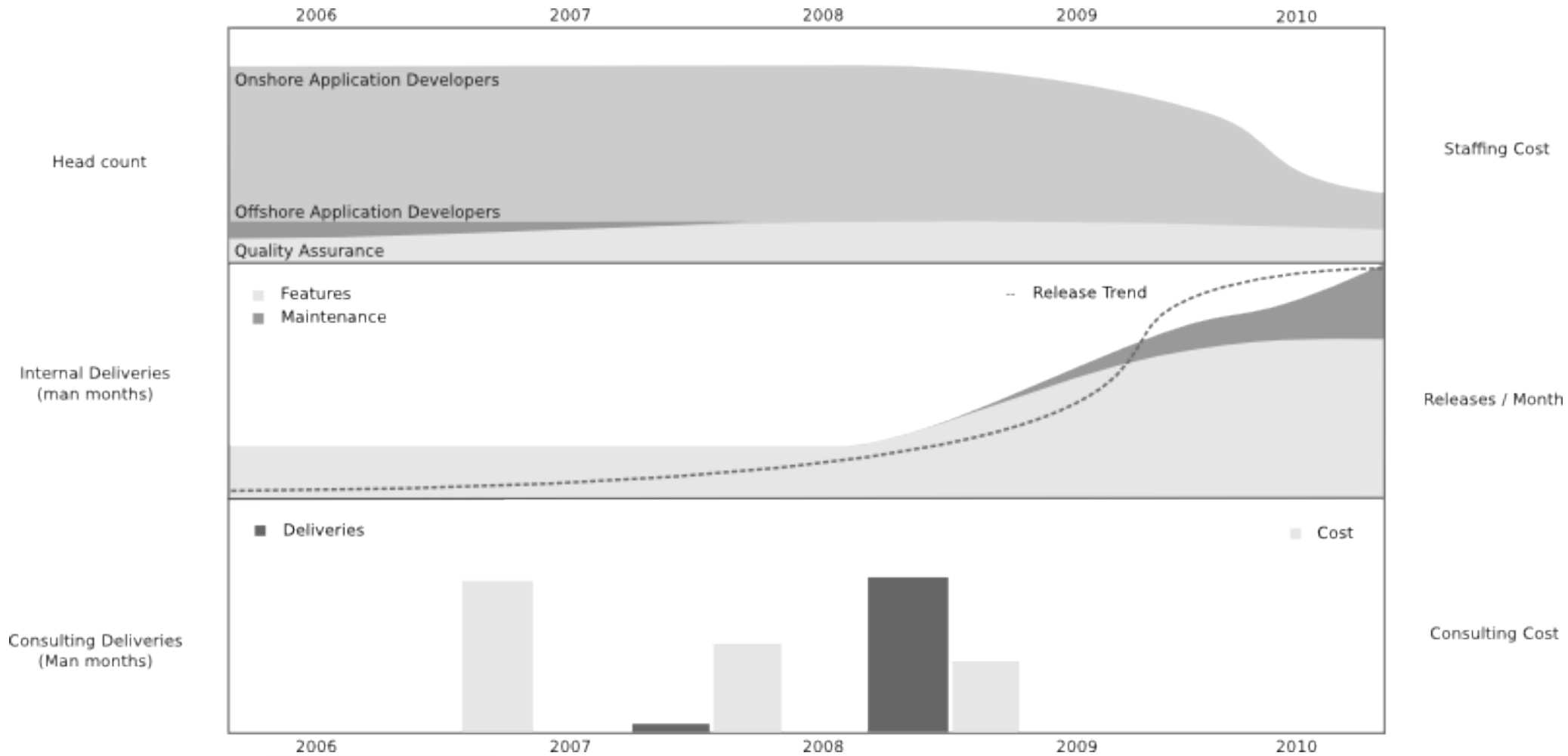
**SUMMIT**

**JBoss  
WORLD**

PRESENTED BY RED HAT



# Seeing the Results...



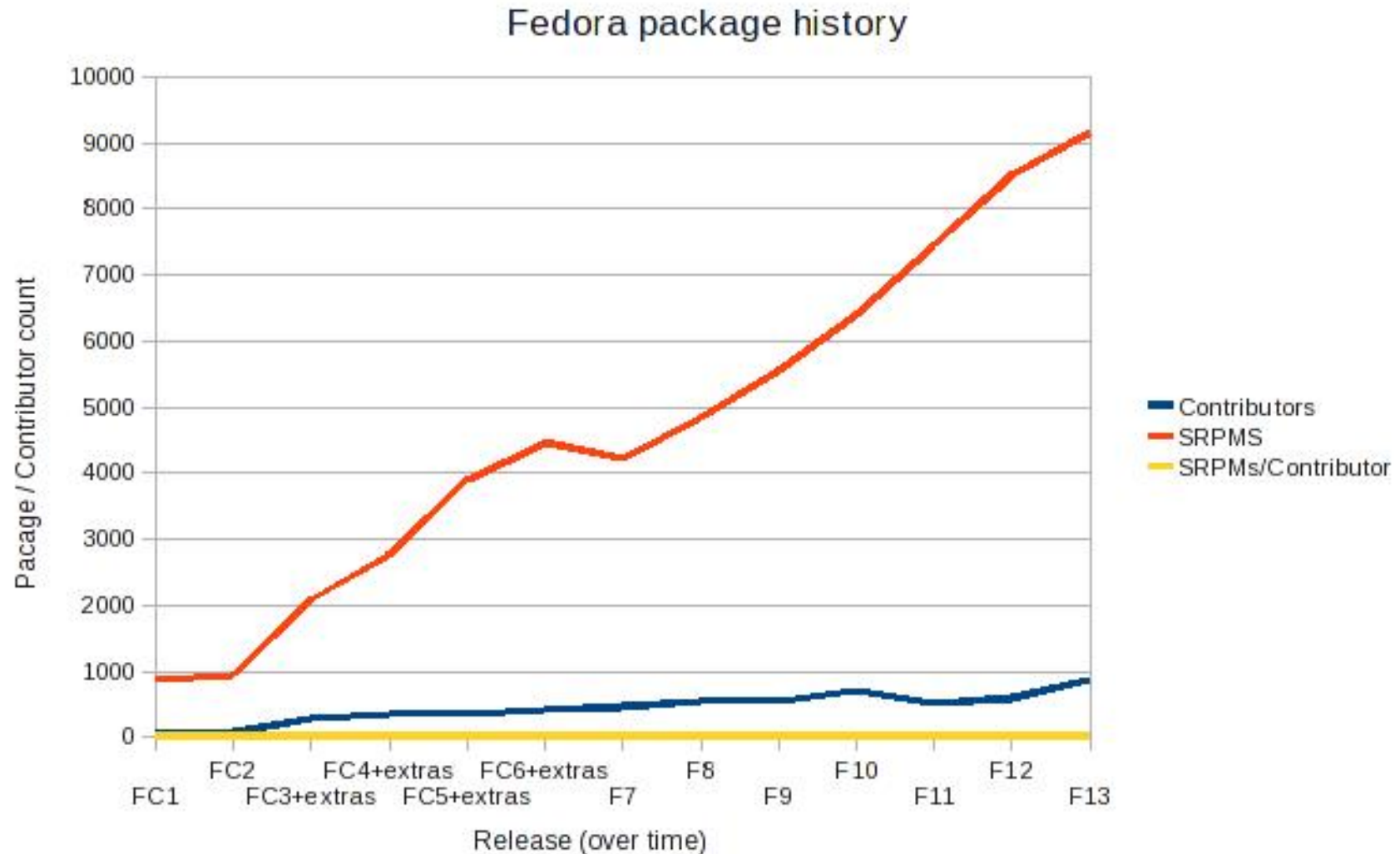
**SUMMIT**

**JBoss  
WORLD**

**PRESENTED BY RED HAT**



# Fedora Package History



**SUMMIT**

**JBoss  
WORLD**

**PRESENTED BY RED HAT**



# Discussion and Q&A

**SUMMIT**

**JBoss  
WORLD**

**PRESENTED BY RED HAT**



# Summary: Doing More with Less

Infinite modularity enables

- Infinite participation

- Infinite experimentation

Infinitesimal changes are small enough to

- Be implemented infinitely fast

- With infinitely small risk

The integral of these infinitesimals over time leads to

- More innovation

- Less risk

**SUMMIT**

JBoss  
WORLD

PRESENTED BY RED HAT



# FOLLOW US ON TWITTER

[www.twitter.com/redhatsummit](http://www.twitter.com/redhatsummit)

## TWEET ABOUT IT

[#summitjbw](https://twitter.com/summitjbw)

## READ THE BLOG

<http://summitblog.redhat.com/>

**SUMMIT**

**JBoss  
WORLD**

PRESENTED BY RED HAT

