

Tanzu Cloud Native webinars

Path to production

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Agenda

- Golden Path
- How Path to Production Impacted Google Play rating and increased sales in a major European Supermarket.

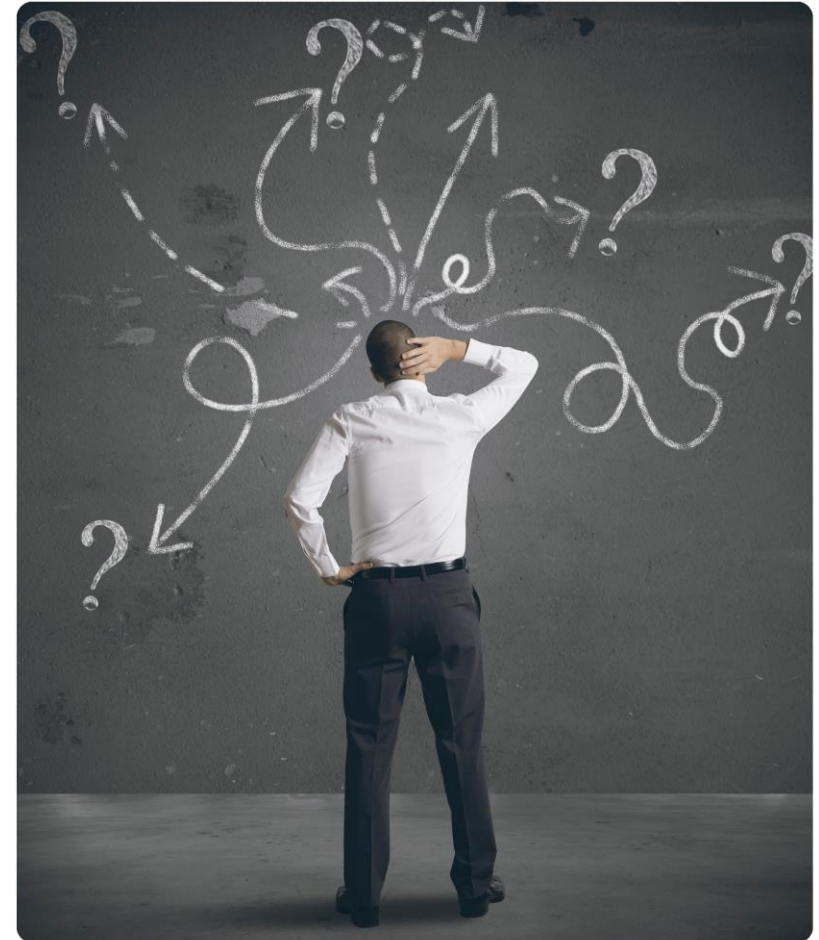


The purpose of this Webinar

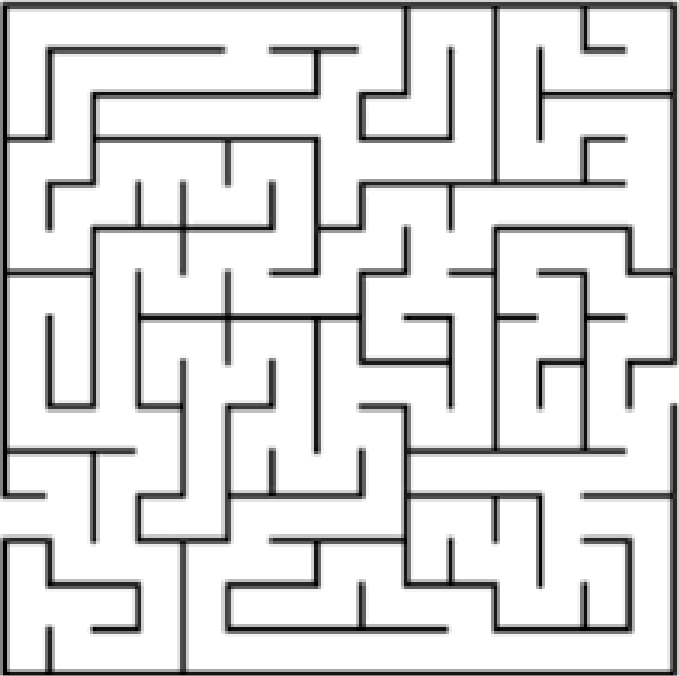
Is to give an introduction to Cloud Native concepts and technologies.

We start with the basics, and try to take it to the next level.

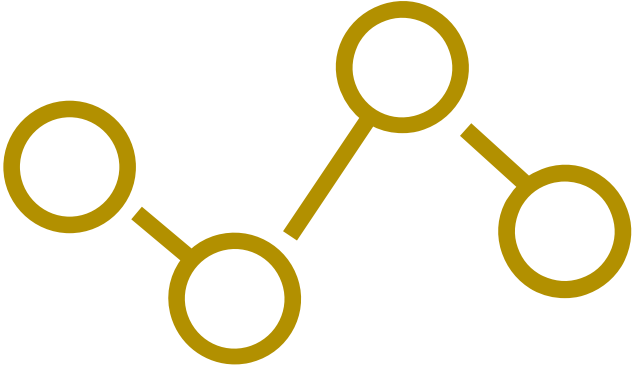
Questions : Please use the Q/A function.
We will look at them In the end.



Finding the golden path | path to production



This is the way



Golden Path

Me

2 times CIO (Manufacturing & Retail)

Annoyed with IT vendors' unsubstantiated promises of amazing value

Created and learned processes for mapping IT and applications to business value

20+ years of trying to find sanity

50+ years of taking the different view



What is a business case?

How do we find decision criteria?

-> If we were talking about floor washers in a hospital ...

Supporting Function & Performance Metrics

Clean more floors in the same time in a hospital using a floor washer3000.

Saves 100 hours per week at a value of €1500 = **€150.000 per week cost reduction for floor cleaning**

The washer3000 costs €1,500,000

ROI is 10 weeks.

ROI

TCO



On top of TCO and ROI, add Core deliveries

Increase hygiene levels, reduce hospital infections and reduce hospital stays by **200** nights per week.

Increases general health.
Reduces need for NHS staff.

Saves bed costs of **€2.000.000** per week.

ROI is 1 week.

Risk of failure: 23%

Business case

Total Economic Impact, TEI



First time I understood how IT infrastructure may impact business

Austrian bank



Every new law about lending money lead to new applications

A new application took 9 months to build

2 months were infrastructure work

We designed an automated move from dev to test to pre-prod to prod

...

They launched their app 2 months earlier than the competitors ... This moved market share



Context: Main case of today

European Supermarket Chain

Annual Revenue: €84M

Number of stores: ~3,300

Threats: Amazon home deliveries, Personalization of services

App Store ... 3.5 *



Opportunities:

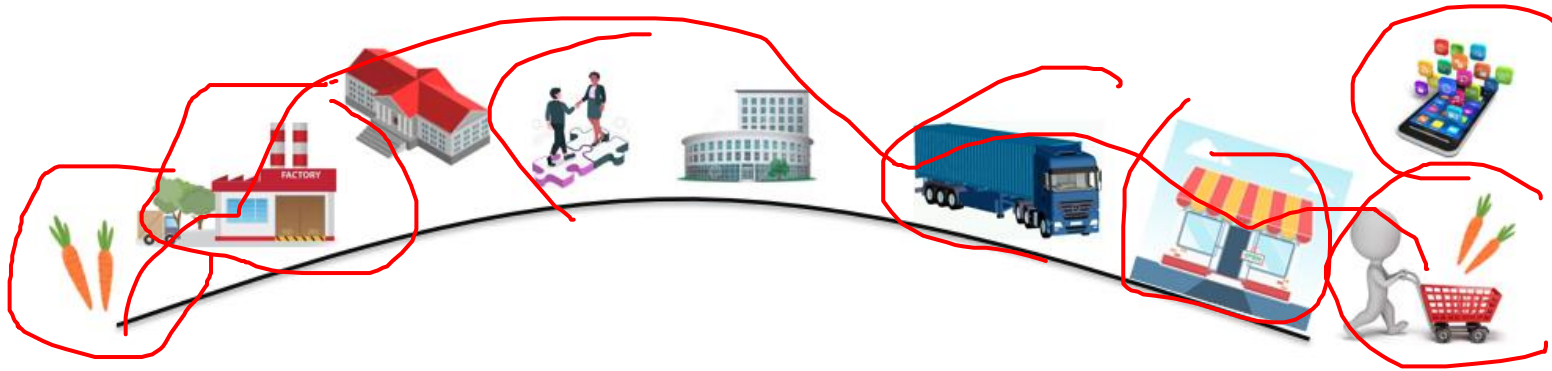
Normal, not app using customer spends €45 per week

App using customer spends €85 per week

Attracting 700.000 new customers into the app results in additional revenue ...



World of Supermarkets



Customer: help me improve IT ...

- Save money
- Reduce Time To market
- Become a better supermarket

Meeting the customer

Customer: help me improve IT ...

- Save money
- Reduce workload in IT

Real Need:

- Reduce Time To market

Me: why??

Oh, you are the business case guy?
Show me your slides, this will be quick!



Meeting the customer

Customer: Because they are yelling at me

Me: Who?

Customer: Development team?

Me: Why?

Customer: They say I am too slow!

Me: Why are they in such a hurry?

Get us infrastructure faster



Meeting the customer

We have 100 developers

They spend 14% of their time building infrastructure

What would happen if we take away the infrastructure challenges?



Private Cloud - Impact on Developer Productivity

On an average, developers lose 10% efficiency while waiting ... an automated self-service portal can change this drastically

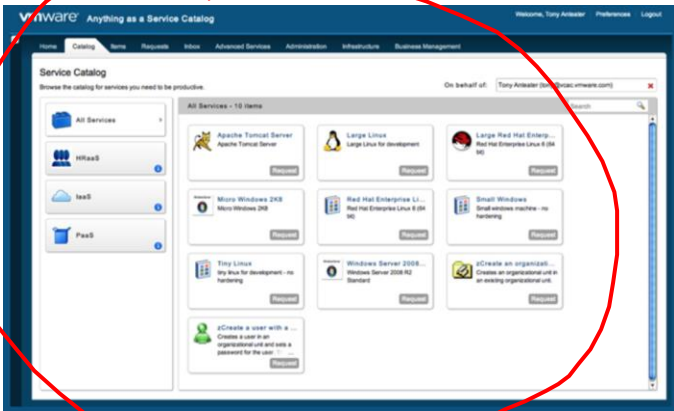
Today, delivery of a developer workbench takes from 1 day to 4 months. No matter how well prepared the developer is, this leads to loss of efficiency due to waiting time.

The average loss of efficiency was calculated to be 10% based on Deloitte report.

If you implement a self service portal based on VMware's vRA platform, these 10% can be eliminated. And you could even look at delivering a full stack.

This gives a potential increase of productive developer time of almost 45,000 hours per year

Click -> go get coffee (but fast;) -> start working

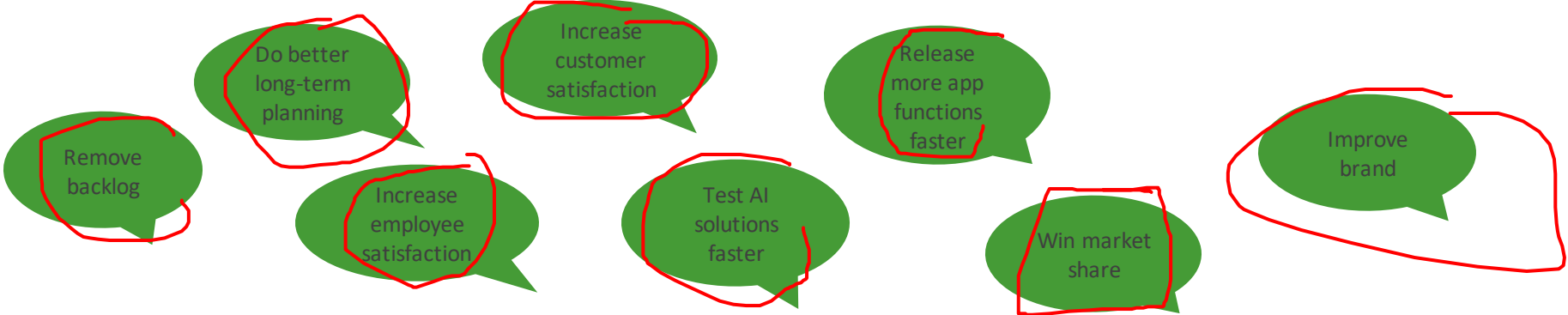


Automation Case

D01_Developer efficiency gain based on reduce wait	
Number of developers	300 FTEs
Total hours per year	480.000 Hours
Cost of developer's hours	40.500.000 €
Reduction rate (FTE effort)	4 %
FTE hours As-Is	480.000 Hours
FTE hours To-Be	460.800 Hours
Cost As-Is	40.500.000 €
Cost To-Be	38.880.000 €
Saved effort	19.200 Hours
Saving of D01_Developer efficiency gain based on reduce wait	1.620.000 €

D02_Developer efficiency gain based on full stack delivery	
Number of developers	300 FTEs
Total hours per year	480.000 Hours
Cost of developer's hours	40.500.000 €
Reduction rate (FTE effort)	5 %
FTE hours As-Is	480.000 Hours
FTE hours To-Be	456.000 Hours
Cost As-Is	40.500.000 €
Cost To-Be	38.475.000 €
Saved effort	24.000 Hours
Saving of D02_Developer efficiency gain based on full stack delivery	2.025.000 €

What would you do with 45,000 developer hours?



That is like getting 30 new colleagues at no cost



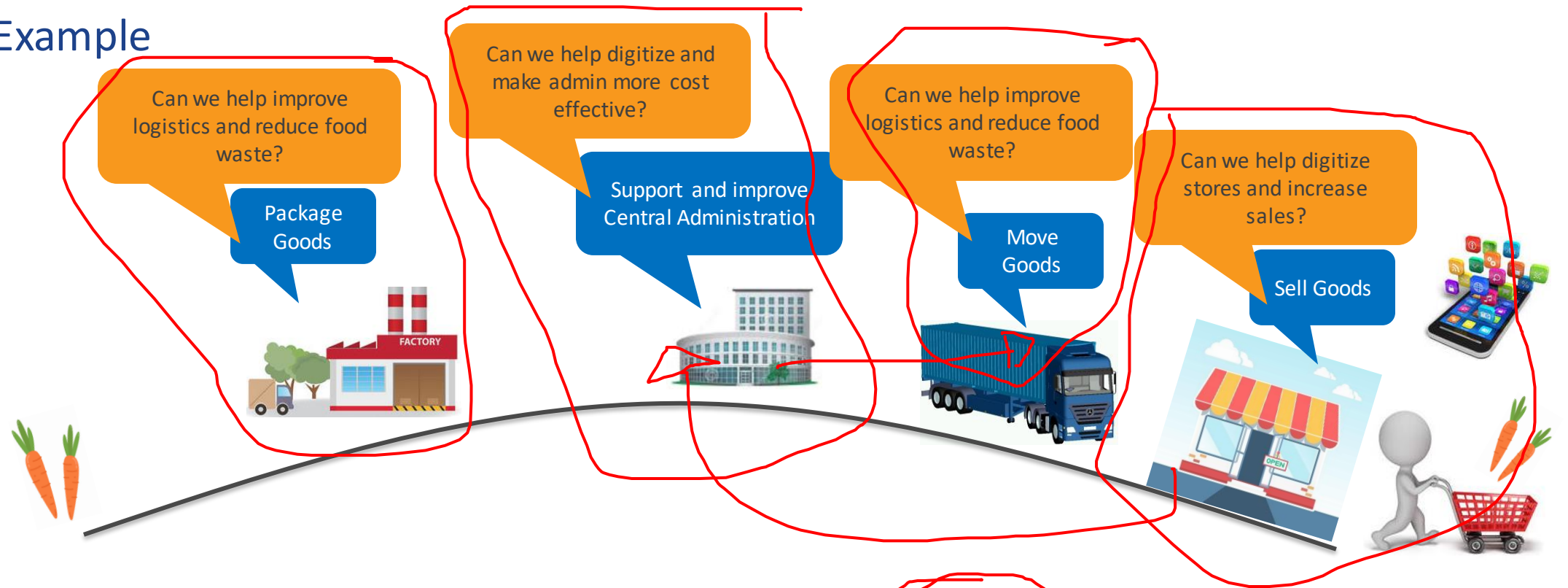
What was the outcome of getting all this extra time?



The better app gave them €40,000,000 in additional revenue
~ It's like selling 50 million portions of yogurt



Retail Chain Example



Internal IT

How do we articulate improvements in IT?

- Less waiting
- Less outages
- Less tickets
- Reduced costs

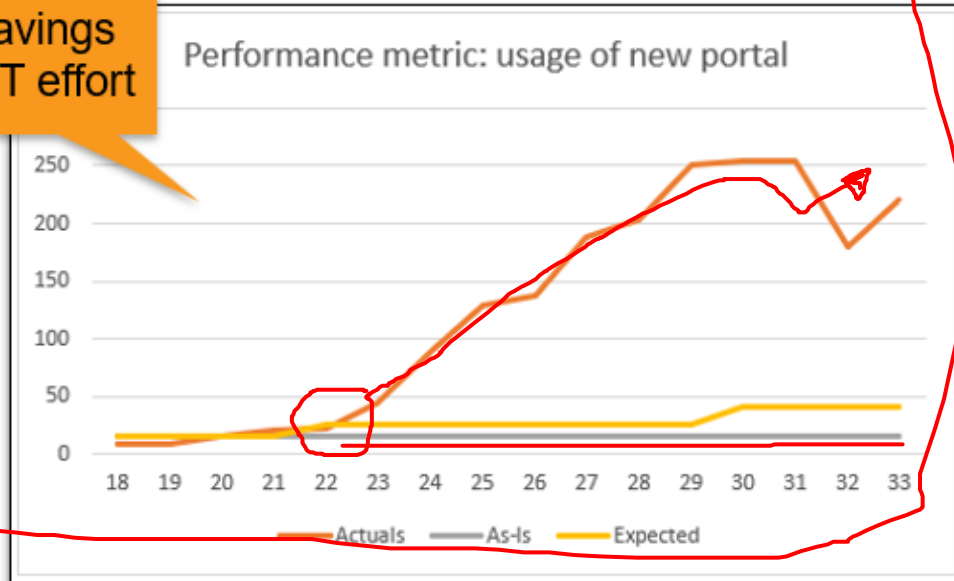
Not only Retail ... Public customer – IT Delivery affects the citizens

City Administration improvements

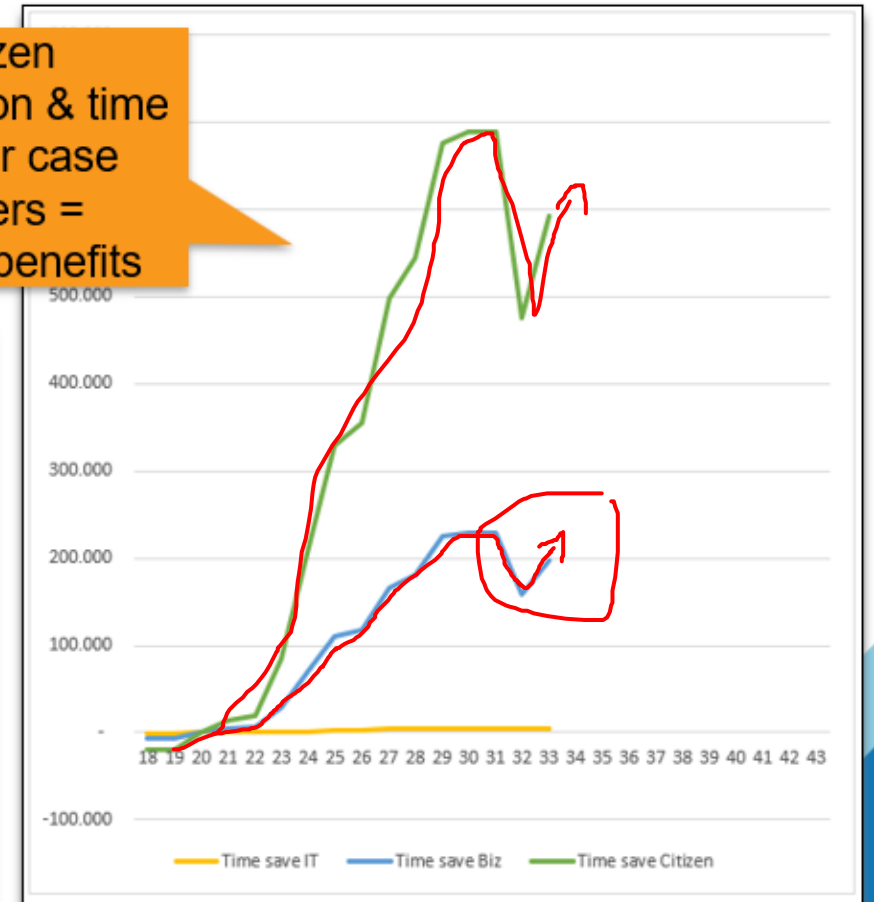
Prioritization based on input from business and politicians

IT value was the initial focus, but so insignificant

Savings
in IT effort



Citizen
Satisfaction & time
save for case
workers =
desired benefits



Conclusion

A train needs good tracks to drive.

Golden path is one of the tracks we can use for improved software delivery



Next times Agenda

Making life simpler for your developers, with a portal

- Accelerators the easy way to production
- Documentation and how to access / update it.
- Exposing and consuming API's within the business
- Building containers a smarter way
- Avoiding pipeline sprawl
- Security overview and guardrails



Until next time & Q&A

Look at the following

Spotify Golden Path : <https://engineering.atspotify.com/2020/08/how-we-use-golden-paths-to-solve-fragmentation-in-our-software-ecosystem/>

Kubernetes : <https://kubernetes.io>

CNCF : <https://www.cncf.io>

Tanzu : <https://tanzu.vmware.com>

Register for next event on
<https://webinars.tanzu.dk>

Recording / Slides will also be available there.

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