

Fusion CEO-CIO Forum

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Tough Times!

- The economy is shrinking 5% per year
- U.S. factories, mines and utilities fell 1.8% in January and 2.4% in December
- Construction of new homes fell 16.8% in January
- Unemployment is 7.6% . . . and rising!

When's a Good Time to Invest in Innovation?



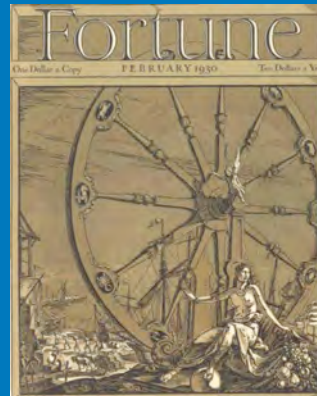
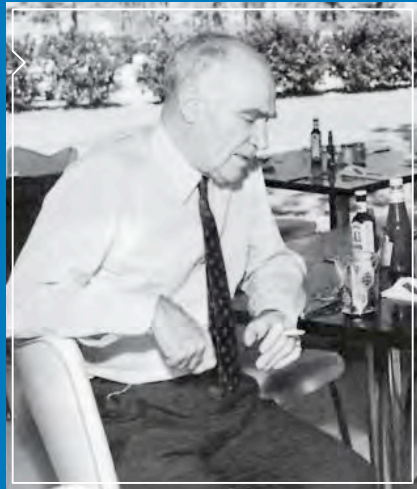
NOW!
is the time



“The process of innovation
is actually easier to
manage and much more
cost-effective during
economic downturns.”

~Andrew Razeghi

Opportunity in the Face of Adversity



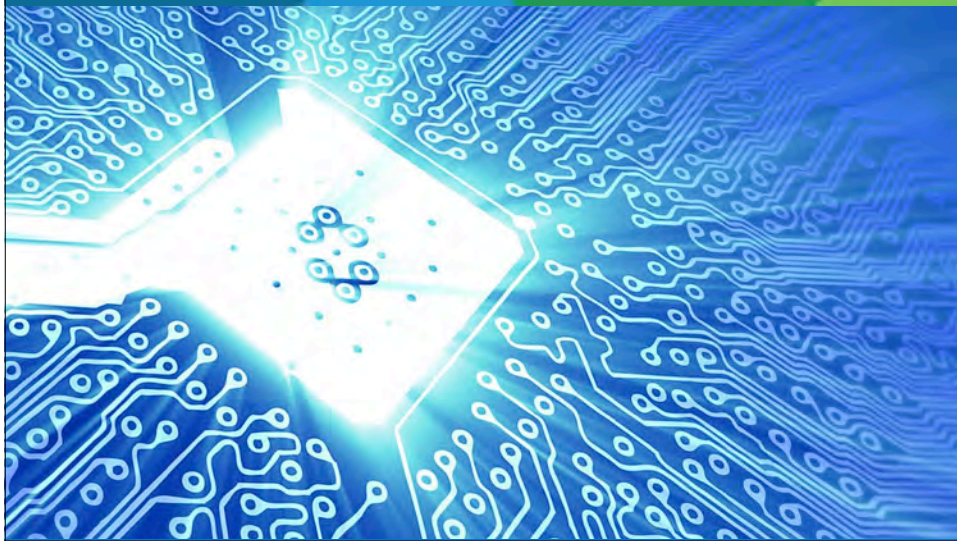
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Opportunity in the Face of Adversity

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The Power of Innovation



Practical
Innovation

"Whiz-Bang" Innovation



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Innovator or Visionary?



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Innovator vs. Visionary

XEROX®



Innovator or Visionary?

Microsoft@30



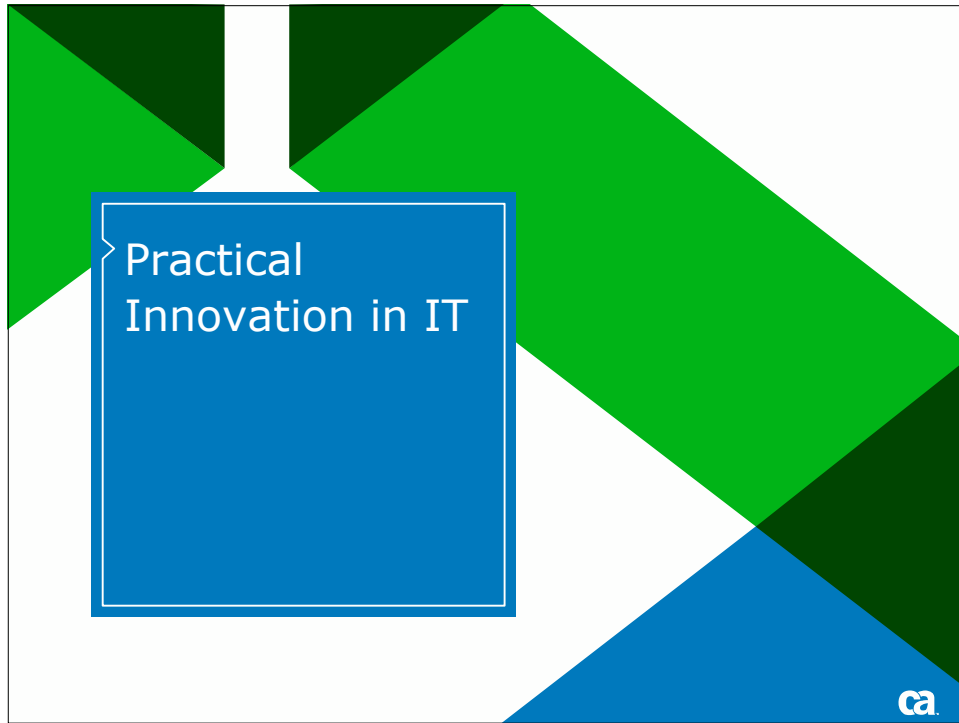
Apple's Innovation



The Rio MP300 The Apple iPod The MPM PJB-100

Apple's Innovation





The Buzz This Year

- Virtualization
- Faster and more ubiquitous converged networks
- Service Oriented Architecture (SOA)
- Social networking
- Network devices – from phones to sensors
- Cloud computing

Cloud Computing

PRACTICAL INNOVATION WITH WHIZ BANG POTENTIAL



Cloud Computing

PRACTICAL INNOVATION WITH WHIZ BANG POTENTIAL



Ensure Trust, Stability and Performance

Data Center Automation Manager Solution

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Complexity Creates Challenges



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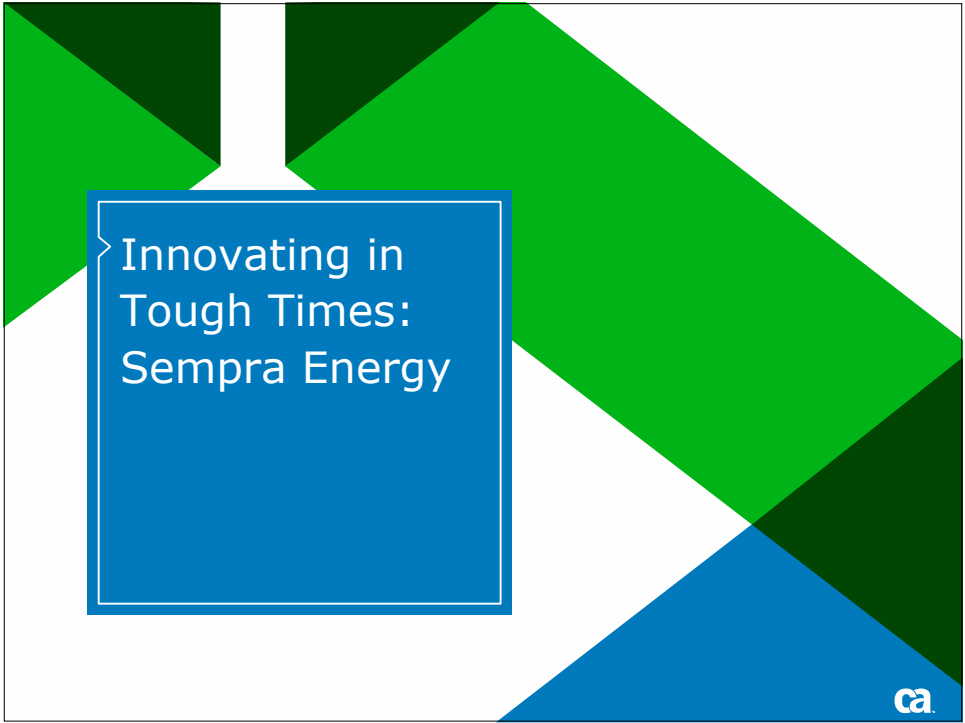


Cut Complexity, Drive Economic Value


- Integrate IT with the business
- Run lean and reduce costs
- Manage enterprise risk
- Become **truly** customer-centric



Lean IT



Sempra Energy



THE COMPANY

- A Fortune 500 global energy company
- 14,000 employees
- \$11 billion in revenue
- 23 million energy utility customers
- Worldwide operations

THE COMPANY'S IT

- 600-person IT department
- 100 contractors
- 1,000 applications
- Two consolidated data centers

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ca.

"100 Best Places to Work in IT"



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STOCK QUOTE SUMMARY
02/21/2009; 8:11 p.m.*
SRE \$39.36 ▼ \$-0.97

FINANCIAL REPORTS
2007 Annual Report
2007 Financial Report (PDF)
2007 Statistical Report (PDF)

SPOTLIGHT
Sempra Generation solar power project featured on Fox News
El Dorado Energy Solar, the largest operational thin-film, solar-power project in North America, was recently featured on Fox News.
The 10-megawatt photovoltaic power-generation project is the first of its kind for Sempra Generation.
[>> View the Fox News Special Report](#)

NEWS [RSS](#)
02/20/09
Sempra Energy raises dividend 11 percent
02/17/09
SDG&E natural gas customers can expect 20-percent drop in winter heating bills
02/17/09
Gas Company customers can expect 20-percent drop in winter heating bills

QUICKLINKS
DBE Educational Seminar
Find out how to secure capital for growing your business.
Energía Sierra Juárez
Find out about Sempra Generation's first wind power project.
Safety Information about Natural Gas Pipelines
Learn about pipeline safety.

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Overcoming Challenges



- Weak process automation and use of metrics
- IT department was taking action only after customers reported incidents
- Weak delineation of responsibility within the department
- Redundant systems producing conflicting data



Sempra's Choices



MULLIGAN

Hire another firm to do a more favorable accurate assessment

PLAUSIBLE DENIABILITY

Pretend this never happened

TOUGH LOVE

Adopt ITIL framework and start a 5-year improvement program

PLAN A

PLAN B

PLAN C



Making Innovation Work for You in Tough Times



Providing Possibility

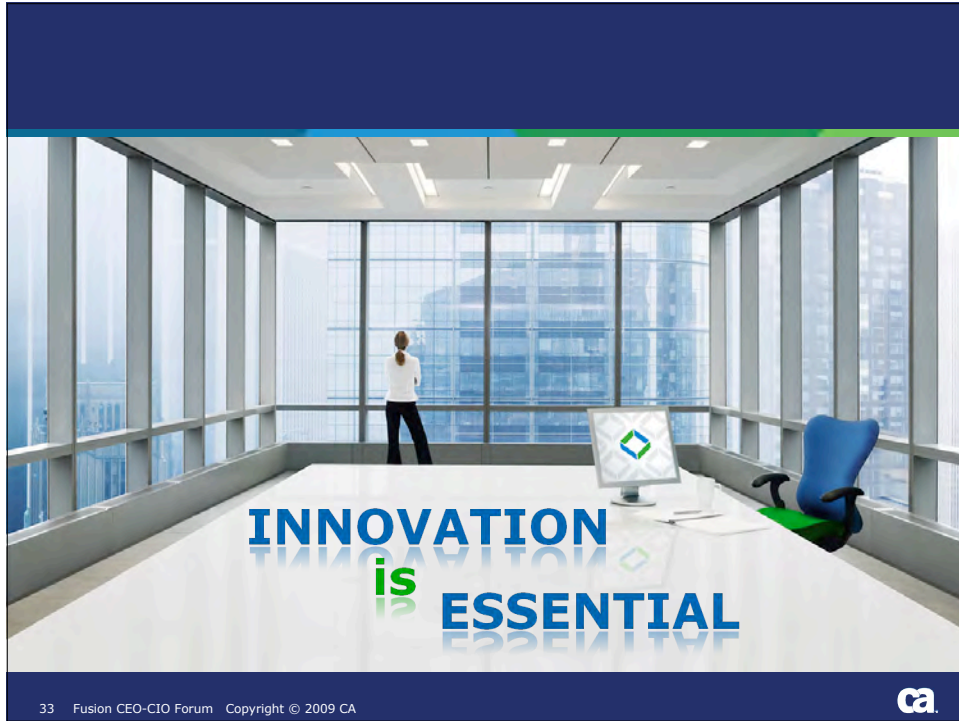


CIO's Must Focus Mitigating Risk

- Security Risk
- Operational Risk
- Availability Risk

**USE IT TO SPUR
BUSINESS GROWTH**





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 Transforming IT Management