

Managing IT for the Business

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As enterprise requirements for better IT services have skyrocketed, and your infrastructure has become ever more complex, has your response been to add more people? If so, you're not alone. IT organizations have traditionally reacted in this way.

A lack of effective IT processes can hamper the ability of the enterprise to use technology assets to maximize business value.

Clearly, however, throwing more people at the problem hasn't worked. "Keep-the-lights-on" labor expenses today are soaking up budget dollars and valuable resources that should be used for strategic projects. One report estimates that labor can account for about 40 percent of the service delivery cost in most enterprises. Moreover, adding staff has reached a point

of diminishing returns in the face of growing technical complexity and business dependence on reliable service. A lack of effective IT processes can hamper the ability of the enterprise to use technology assets to maximize business value. That's because most downtime costs are from people and process failures. The impact of downtime on the business is huge, ranging from 2 percent of revenues (on average) for major logistics and transportation companies, to 9 percent for big manufacturing firms, and 16 percent for large financial institutions, according to one industry study.

The solution lies in implementing repeatable business processes and automating process workflows to increase IT efficiency and create opportunities for improvement through measurement and adjustment. Related processes — for example, incident resolution, change planning and execution, and the establishment and monitoring of service level agreements — need to interact with each other from a business perspective. And all IT processes need greater visibility and control over the infrastructure itself, not just so they can do a better job of managing technology, but also so they can effectively manage business requirements.

For optimal results, IT decisions and actions across disciplines must be orchestrated around a common view of people, process, and technology dependencies for the business service involved.

The reality is that just managing things well isn't enough anymore. Your processes need to manage the right things well. This concept is often called Business Service Management (BSM), although you may use a different name for it. BSM is transforming IT management by providing a real-time understanding of how business priorities are being supported, or affected by the computing environment, and using that understanding of what is important in the business to strongly influence how technology is deployed and used.

Integration Is the Key

Restoring service after a disruption, fixing recurring problems, planning a change, and optimizing configurations all involve multiple IT disciplines and skill sets. For optimal results, IT decisions and actions across disciplines must be orchestrated around a common view of people, process, and technology dependencies for the business service involved. Point-to-point connections between each and every process and infrastructure tool could allow each process and tool to see data from the other tools. Such an approach, however, would



be prohibitively expensive, not to mention unscalable, and ultimately, unsupportable. Furthermore, it would not provide a holistic picture of how infrastructure components interrelate to support business services.

To get IT disciplines working together for the business, you need a service management architecture that's built for integration. Process integration helps IT specialists understand how what they are working on relates to business services so they can make better infrastructure and IT process decisions based on importance to the business. The heart of that integrating architecture includes a configuration management database (CMDB) that is much more than just an asset repository. A CMDB provides an integration point for different IT Infrastructure Library (ITIL®) processes and infrastructure and service management tools, providing them with:

- > Detailed depictions of assets, their configurations, and their relationships, which offer insight into interdependencies among technologies and the business
- > The ability to reconcile data from diverse sources, thereby creating a single source of truth
- > Federation capabilities to link to other discovery, asset, or configuration data sources that can assist with service management decisions and processes

Our experience with customers shows that while an architecture designed for integration is essential, customers also need a "factory-integrated" approach in terms of individual solutions that support IT disciplines. This translates into modular solutions with "factory-based" integration, so the solutions can be deployed together to create a comprehensive, integrated service management environment. Supportable, scalable integrations enable workflows that cut across IT disciplines, allowing different parts of your IT organization to collaborate in ways that serve the needs of your business and that heretofore were not possible. These workflows should be based on ITIL best practices, but they should go further, providing closed-loop integration between ITIL process workflow and infrastructure management tools, and also ensuring a view to business impact and importance.

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Enterprises that are combining an integrated architecture with factory-integrated solutions based on ITIL best-practice processes are enjoying the advantages of predictability and

continuous improvement. Their IT organizations operate using repeatable ways of delivering and supporting services upon which the business can rely. Further, they have the tools and data they need to measure results, identify process weaknesses, and take corrective action to refine those processes. Consequently, the enterprises can continually ratchet up the level of business value they derive from current and new technology assets.

The Bottom Line

Today, the adoption of management frameworks (such as ITIL and Control Objectives for Information and related Technology [COBIT]) and standards (such as the International Organization for Standardization's ISO 20000) is reaching critical mass. Moreover, ITIL is slated to become part of ISO 20000. The reason for the rapid adoption rate is that these standards and best practices have proven their ability to help IT professionals manage IT for the business.

Enterprises that are taking an integrated approach are achieving immediate results. More importantly, they are positioning themselves for long-term benefits. According to Forrester, "By hitting all of the stepping stones toward BSM, Forrester estimates that companies can save as much as a third of their IT operations budget. As 76% of the IT budget goes to operations, firms that implement BSM can potentially save 25% of their overall IT budget."¹

Uniting proven IT process improvement with an integrated architecture that provides factory-integrated solutions is your starting point for reaching the predictive stage — the stage where you're getting maximum value from your IT assets and putting your IT dollars where they can have the most business impact.

BMC offers solutions for BSM. For more information, visit www.bmc.com/bsm.

1. Peter O'Neill, with Thomas Mendel, Ph.D., and Reedwan Iqbal, "Business Service Management: Early Birds Are Catching The Worm, But IT Still Doesn't Get It," Forrester Research, Inc., February 6, 2007.



About the Author

Jim Grant is responsible for running the business that drives the concept, strategy, and delivery for Business Service Management (BSM) through his operating divisions and across BMC. The BSM solutions delivered by BMC today lead the industry in their breadth, depth, and integration in enabling BSM. Prior to joining BMC, Grant spent more than 20 years at Hewlett-Packard, where he held key management positions across the functional spectrum, including manufacturing and materials management, product marketing, operations, and general management.