

NEC Taps BMC for ITSM and AIOps

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May 19, 2020

ADVISORY REPORT

REPORT SUMMARY

The BMC-NEC partnership highlights the need to transform ITOps into AIOps. The use of AI is crucial as the IT environment becomes more complex and service providers need to improve customer experience while maintaining a healthy cost structure.

SUMMARY

Issue

In uncertain times, there is a need for enterprises to transform their businesses using digital technologies to achieve greater agility. The migration of IT to the cloud continues even during the COVID-19 crisis, and it is likely to accelerate post-COVID as companies go beyond cloud migration. There are opportunities for enterprises to tap into new technologies such as AI/ML, IoT, 5G and blockchain to change how they operate. Enterprises are also expected to operate a distributed infrastructure including multiple clouds, edge nodes and on-premise hosting facilities, which points to greater complexity of the overall IT environment. This means traditional IT service and operations management needs to evolve as well, leading to the development of AIOps solutions.

This report highlights the role of AIOps in transforming IT management. It also discusses the NEC and BMC partnership, which will see NEC transforming its service management using BMC's solutions. The partnership also highlights the need for technology vendors to have more skin in the game and ensure customer success, rather than just being a simple supplier of technology.

Key Takeaways

- AIOps can enable IT to better manage growing complexities due to distributed IT environments across infrastructure, applications and services.
- NEC is leveraging BMC solutions to deliver intelligent and proactive service assurance capabilities to its operations team.
- BMC Helix and TrueSight solutions leverage AI to offer many functionalities that enable customers to achieve efficiency, reduce downtime, ensure security and better manage IT resources.
- NEC's partnership with BMC is part of its efforts to transform its operations to reduce costs while improving customer experience.
- Moving to AIOps will be crucial for NEC as it helps customers implement their digital transformation and provides

PERSPECTIVE

Current Perspective

The Need for AI to Assist IT Operations and Management

COVID-19 has been a change agent for business IT. Technology has been at the center of business discussion as companies move quickly to ensure business continuity while governments order shutdowns to slow the spread of the virus. Through the process, companies become more aware than ever that they need agility and speed to deal with a crisis; and technology plays a pivotal role. New technologies and tools have been deployed in a very short timeframe, while some projects have been fast-tracked to meet the immediate needs. The measures put in place during COVID-19 are likely to stay, since they deliver business benefits. Moreover, organizations are also likely to accelerate their digital transformation post-COVID to become more efficient and resilient.

IT services providers and technology vendors have been advocating the use of digital solutions (e.g., cloud, AI/ML, automation and IoT) to improve business processes and become more competitive. Enterprises want to be more data-driven, and new systems deployed will generate a huge volume of data that will have to be analyzed for business insights. It becomes unmanageable for IT staff without the proper tools. Moreover, as businesses deploy more digital capabilities, it becomes more difficult to monitor application performance across different environments. This is particularly the case since companies need to maintain legacy applications while building new ones – typically through the microservices model to accelerate the speed and frequency of upgrades. The complexity is also increased as companies adopt a multi-cloud strategy, including public cloud (e.g., AWS, Azure and Google Cloud) and private cloud (VMware-based).

To better handle the complexities, IT service management (ITSM) and IT operations management (ITOM) have seen a fair share of innovation. For service providers and organizations with sizeable IT estates or customer bases in particular, automation and the use of AI are crucial to better handle the volume of requests. The term 'AIOps' is increasingly being used to highlight the need for more AI capabilities to reduce human intervention, both for delivering better business outcomes and to drive workforce productivity. AIOps can enable IT to better manage distributed environments across infrastructure, applications and services. Some of the major use cases include predictive maintenance; identifying, troubleshooting and isolating faults; improving response times and remediation; and a data-driven approach to root cause analysis.

The BMC and NEC Strategic Partnership

NEC has been a long-standing BMC customer. The two companies recently strengthened their relationship as NEC turned to BMC to enhance its internal operations and improve customer experience. This move underscores the importance of having greater intelligence and automation in delivering service management and service operations. NEC is leveraging BMC solutions to deliver intelligent and proactive service assurance capabilities to its operations team. Over time, the use of RPA, AI and ML will enable NEC to develop new capabilities improving its service delivery and to become more responsive to customer requirements, helping NEC to shift from ITOps to AIOps. It is also imperative that NEC reduces its costs per transaction and gets the staff ratios correct for L1 and L2 support.

BMC – Helix and TrueSight

BMC specializes in helping customers optimize their core IT – through BMC Helix and TrueSight solutions for ITSM and ITOM, respectively. BMC Helix is a suite of products for service management through a cloud-native platform that provides customers a single pane of glass to manage IT across multi-cloud environments. The core platform –

Helix ITSM (the evolved version of Remedy) – provides a service management platform with cognitive automation capabilities. Its container deployment allows the platform to be run on any public cloud, on-premises or hybrid. The Helix suite also includes features such as:

- Helix Discovery – automates the discovery of IT assets within an organization and the mapping of dependencies for all software, hardware, network, storage, hyperconverged infrastructure and cloud services.
- Helix Remediate – finds and fixes security vulnerabilities (both on-premises and cloud infrastructure) using analytics and automation.
- Helix Optimize – provides visibility into IT cost, budget and resources; and helps IT to optimize resources and cost.
- Helix Monitor – predicts and proactively resolves operational issues to improve performance and reduce downtime.

BMC TrueSight, an AIOps suite of solutions, includes TrueSight Operations Management, which enables performance monitoring and event management across hybrid IT environments (AWS, Azure, GCP, vCloud, OpenStack, CloudFoundry and on-premises). TrueSight also enables cloud cost control (e.g., AI-driven analytics to forecast cloud spend) and cloud security (e.g., automated, policy-driven controls for consistent policy across different cloud environments). The Helix and TrueSight solutions have delivered tangible benefits for many customers such as Credit Union Australia, Macquarie Cloud Services, HCF, Telefonica and Wipro. These business benefits include ensuring end-user SLA compliance, automation of trouble tickets, improvement of MTTR, the ability to handle greater volume with the same headcount, cost savings due to improved IT asset management, etc.

In many cases, having a solid technology does not necessarily bring in a deal. There are often other factors including customer engagement and commercial terms. In the case of NEC, BMC built on an existing relationship and worked closely with NEC to ensure that the solutions are aligned with NEC's business goals. There is also flexibility in the financial model towards NEC achieving its desired business outcomes. BMC faces competition ranging from established players such as IBM, HPE and CA to various open source tools for infrastructure monitoring and monitoring tools available on public clouds. It is therefore important for BMC to position itself as a business partner and not just a technology supplier.

NEC Australia – Transformation Is Key to Success

The IT services market in Australia is highly competitive, with many players including local service providers (e.g., Data#3), global system integrators (e.g., DXC Technology, Fujitsu, Wipro and Infosys), consulting firms (e.g., Accenture and Deloitte) and local telecom providers (e.g., Telstra and Optus). Competitors also have to evolve their business due to the changing buying behavior. For example, in 2019, enterprises allocated slightly over half of their IT budget for keeping the lights on while allocating the remaining budget for new projects to drive business transformation. In Australia, organizations are less likely to award large-scale, multi-year outsourcing contracts to a single vendor. They tend to work with multiple suppliers and prefer the consumption-based model.

Most service providers have been undergoing internal transformation to meet the changing competitive landscape and buying behavior. NEC has also been on the same journey, but unlike some of its competitors such as Fujitsu Australia, NEC does not rely on extensive offshore service delivery and support since the majority of its business in Australia is from the government sector (approximately 80% of revenue is from federal and state government organizations). This means that NEC will have to be more aggressive in leveraging technologies to lower its operating costs while improving customer experience. The partnership with BMC is an important step, and the company is looking to drive down its cost per ticket dramatically to achieve cost advantages.

Moving into AIOps will become critical for NEC as it continues to work with government bodies to enable digital solutions and smart cities. NEC signed an MoU with the NSW government in April 2020 to co-create smart city solutions focusing on five major sectors: digital government, public safety, aviation, health and smart transportation. NEC has a range of technologies such as biometrics, 5G, IoT and AI that it will use to enable some of these solutions. These solutions will require NEC to have the ability to manage more devices and data, a distributed network and an expanded threat landscape. NEC will focus on AIOps to filter out false positives and predict issues for preventive measures and faster root cause analysis.

However, beyond service management, there are also opportunities for NEC to collaborate with BMC to help enterprise customers with their digital transformation. A key part of digital transformation is driving innovation through applications and getting real-time insights from data that already exists in different parts of the business. To help enterprises achieve these goals, BMC's Control-M – an application workflow orchestration solution – can enable customers to streamline workflows, speed up application development and manage big data workflows in a more efficient and scalable fashion. Combining NEC's expertise and local presence and BMC's solutions, the two companies can achieve faster market expansion in Australia.

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