ETM
ENTERPRISE TECHNOLOGY MANAGEMENT

Comment Article

ETM - ITSM: Payback time?

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In many organisations, more money is spent keeping the IT infrastructure running than is invested in new IT capabilities used for supporting the business. And yet, the vast majority of servers in use are running at less than 10% utilisation. Desktops machines tend to be configured at different patch levels – or even running with a range of operating system versions. Data is duplicated many times over, and storage utilisation rates only hit around 30% before someone decides that more capacity should be brought in.

Strangely enough, all of this seems to be hidden from the business, as the perception by IT people is (and this is more than likely correct) that if the truth were known, there would be a few heads that would need to roll. Any business unit that allows inefficiencies of 70-90% to continue needs root and branch reform – particularly with the current pressure on spending. The biggest issue is not that such inefficiencies are there – it's that they do not need to be there. IT systems have grown with little control; the mindset has been on "one application per hardware server". As a new department or division has asked for something, a new instance of an application has been provisioned on a new server. Each decision in itself probably made sense at the time – the problem is that the sum total of all the decisions is that many organisations now have IT systems that are out of control, with little real knowledge of what is there and what it is doing.

IT Service Management (ITSM) is one way for IT departments to gain control over the IT infrastructure – and to do it in a manner which can make IT far more capable of doing what it is there for - supporting and facilitating the business.

Quocirca research shows that few organisations know how many IT assets they have across their environment. Without such information, very little control is possible, and yet asset inventory management tools have been around for some time. Once a believable and trustworthy knowledge of the IT inventory has been built up, including mobile and other occasionally connected devices, such as home workers' PCs, ITSM can start to add real value.

On each computing device will be a "stack" – the software that makes the whole thing do what it is meant to do. This starts down at the firmware level of the basic input/output system (BIOS), and then possibly a hypervisor (if virtualisation is being used), an operating system, possibly an application server platform, and then the application or service that is required to carry out a given function or series of functions.

The trouble is that each link in this chain can (and does) change. There will also be dependencies up and down the chain, such that a change at the application level may well be dependent on device drivers held at the operating system layer. Therefore, manual updates across a large IT inventory can lead to multiple failures, requiring the rolling back of the change to a known position, and then manual updates to the dependent underpinnings.

This is expensive, prone to error, and many machines will either end up in a hybrid or unknown state, with the manual changes carried out making each machine different, and therefore even more prone to problems and expensive to manage.

ITSM comes to the rescue as it drills in to each machine and builds up a complete picture of what there is on that machine – all the hardware, the firmware and the software, along with the revision and patch level of each item. Then, when a change needs to be made, ITSM can rapidly identify all devices that can be automatically upgraded. For those that cannot be automatically directly upgraded with the

patch/upgrade due to an underlying problem, ITSM can advise on what needs to be done – if it is something as simple as a new device driver, it can automatically provision that, and then do the upgrade. For something more fundamental (e.g. an old machine that fails to meet the hardware requirements for the upgrade), it can be left at its existing level, while raising an exception to IT service personnel to identify that this has had to be done – and give the reason why.

Even in cases such as these, many ITSM systems can automate the ordering of a new device that meets the requirements for the new upgrade. Once the new kit has been delivered and installed in the data centre or at the user's desk, ITSM can then ensure that the new device is brought up to date by checking its configuration and automating any updates as required.

This then brings in other areas of ITSM – for example, the help desk. Cutting out as many manual tasks across the processes means more cost savings – and in many cases, efficiencies introduced that can really start to provide payback. For example, providing web-based self-service to users for areas such as resetting passwords means that help desk staff are freed for other more complex or challenging activities. Enabling web-based ordering of IT and office equipment can ensure that employees order from authorised suppliers – maximising volumes and so optimising discount levels. Self-service portals can enable users to request specific software that can then be provisioned to them automatically – and cross charged accordingly. ITSM tools can track software licences as part of a machine's inventory, and so can ensure that an organisation is neither under- nor over-licensed. Many ITSM systems automate the movement of licences from one machine to another – very cost-effective where concurrent licensing is allowed.

So, the main benefit of ITSM is automation – cutting out much of the expensive and error-prone human activity from IT management processes. However, the majority of ITSM systems acknowledge that many organisations will not want everything fully automated from the get-go. Therefore, the majority of processes will still include the kicking off of events that include human interaction – even if it is only to validate and agree a course of action that ITSM will then do automatically anyway.

Quocirca has found that most organisations require a high degree of human intervention to start with, but will increasingly need less as their faith in ITSM grows.

If ITSM can be used to gain sufficient control over an IT environment to change the operational expense/investment spend ratio by just a few percentage points, it can make a major difference to most organisations. The worst organisations are running at around an 80/20 ratio – if this can be moved to only a 70/30, an organisation's will be investing 50% more in supporting the business. If the utilisation of server hardware can be increased to 20% from 10%, then half the amount of hardware will be required – with the concomitant savings in power that go with this. If 20% fewer calls come through to the help desk, you gain 20% more time from your help desk staff that can be spent on real business issues.

None of the above are particularly stretch targets – yet just imagine how the business would view such savings. ITSM should no longer be seen by an organisation as a cost or as a "nice to have": it should be seen as a core investment, as a necessity, as a competitive advantage.

If not, the risk is that everyone else will go for full ITSM – and then the lack of it is a definite competitive disadvantage. ITSM not only brings in control, it also brings in flexibility. Without ITSM, an organisation will always be fire fighting and will be unable to respond to change as rapidly as the business requires.

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, O2, T-Mobile, HP, Xerox, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

Details of Quocirca's work and the services it offers can be found at
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