

BSM, IT and Business Facilitation

How BSM can bring IT firmly into the business decision making process

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Technology is no longer a nice to have, or a tool for the few.. With many organisations now being completely dependent on their IT systems, the need for the IT department to be seen to be responding to the organisation's requirements is of critical importance. Business Service Management, or BSM, can help in providing underpinnings to the IT function.

- **Competitive pressures are coming from many new quarters**
While merger and acquisition activity continues, new external pressures, such as smaller, fast moving internet-based competitors are driving the need for greater flexibility at the business level. For larger organisations, dealing with different technology environments during and after merger or acquisition activity may well stress the capabilities of the IT department to service the business
- **Compliance comes in many different forms - and should not just be regarded as a cost**
Putting in place a means of monitoring events and actions and reporting on them will automatically create a means of demonstrating compliance. However, it also helps to uncover poor existing business processes and enables more effective approaches to be applied. Even internally, the need for governance and the management of processes around such simple areas as expense claims, vacation booking and add/change/deletions of employees will drive the need for more effective automation
- **Automation is key; manual processes tend to be slow and error prone**
Wherever possible, low-level processes should be automated and human intervention minimised. Processes that are seen as being differentiated from similar ones in competitive organisations should also be automated wherever possible, and the human and cost resources freed up should be applied to ensuring that the highly differentiated or unique processes are made as effective as possible. Through these means, investment can be targeted where it makes the most impact – at areas such as innovation and flexibility
- **“Best Practice” processes are available**
The Information Technology Infrastructure Library (ITIL) provides a set of best practice processes for automating standard processes within the IT environment. These should be adopted, and the advances within ITIL v3 should be examined to see how these can further help the business.
- **Bridging the gap between the business and IT is a necessity**
Linking business service management (BSM) and IT services management (ITSM) creates a means of automating the matching of technical capabilities to business needs. Current approaches, where there is a gap between what the business states it needs and how the IT department believes it can help, are no longer effective. Knowing what technical capabilities are available, being able to provision these rapidly and effectively as the business defines its needs and automating the various steps will create opportunities enabling a business to excel within its market.
- **IT has to become a flexible platform to support the business**
Moving from an application focus to a business process focus will create greater complexities in the IT infrastructure, but will be required to ensure that IT is no longer a constraining factor on the business. Newer architectures, such as SOA and utility computing, will provide the basic platforms going forwards. The tools to effectively manage these platforms in a manner that supports the business are then a necessity.

REPORT NOTE:

This article has been written independently by Quocirca Ltd to provide an overview of the issues facing organisations in managing the forces of change at the business and technical levels. The report draws on Quocirca's extensive knowledge of the technology and business arenas, and provides advice on the approach that organisations should take to create a more effective and efficient environment for future growth.

Conclusions

IT can no longer act as a constraint on the business, yet creating greater flexibility will inevitably lead to greater complexity at the technical level. Implementing tooling that enables highly granular levels of event monitoring and reporting not only creates a more flexible infrastructure but also provides a platform where IT governance and organisational and legal compliance are built in from the outset.

An independent report by Quocirca Ltd.

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1. Introduction

The pressure on an organisation to respond to change continues to increase at an alarming rate. With the internet enabling new competition to spring up and challenge existing business models through lean practices, the need to be able to demonstrate flexibility to external pressures cannot be overlooked.

In addition, merger and acquisition activity continues to be a major force in the market, and time spent internally in bringing together different cultures and systems is time not spent on responding to the main external market pressures.

Further, legal and other governance and audit requirements mean that events and changes within an organisation have to be monitored, measured, time stamped and stored such that an accurate record of how a business process has been conducted can be demonstrated at a future date if and when required.

Finally, much has been discovered through research that shows that organisations are looking to innovation to provide the major springboard for growth over the next few years – and yet Quocirca finds that few companies have the capabilities to create the flexible underpinnings for true innovation to be enabled and managed successfully across an organisation’s internal and external constituents.

However, many IT functions embedded in today’s organisations are increasingly unfit for purpose. These functions may well have been adequate when first created, but times have changed, and the monolithic applications of the past have often proven incapable of moving with the times. In many cases, IT is now seen as a constraint to effective business, rather than a facilitator.

It is now time to look at how changes to the IT function can be carried out to free up the organisation from having to work against existing IT infrastructures; instead, being able to call upon specific capabilities within the IT function as required to enable and facilitate dynamic business processes.

IT has to accept that change is inevitable, and that many existing applications and tools will need to be updated or replaced to more effectively service the needs of the business. Attempting to argue any case for or against this constant change does not work – IT has to start talking the business’s language to talk about how the consequences of such change need handling by IT processes.

This paper looks at how the changing processes and market conditions within an organisation can be augmented through the use of a Business Service Management (BSM) approach, creating a flexible and responsive technology infrastructure aimed at supporting a rapidly changing commercial landscape and enabling greater competitiveness in the markets. It also provides pointers as to how BSM can be presented to the business to gain acceptance of the need for change, and how bridging the gap between the business and the IT department can be beneficial to all involved.

The paper should be of interest to CIOs, IT directors and others involved in the technical decision making processes within an organisation, as well as line of business people who need to interact with IT functions on a regular basis.

2. The move to business process

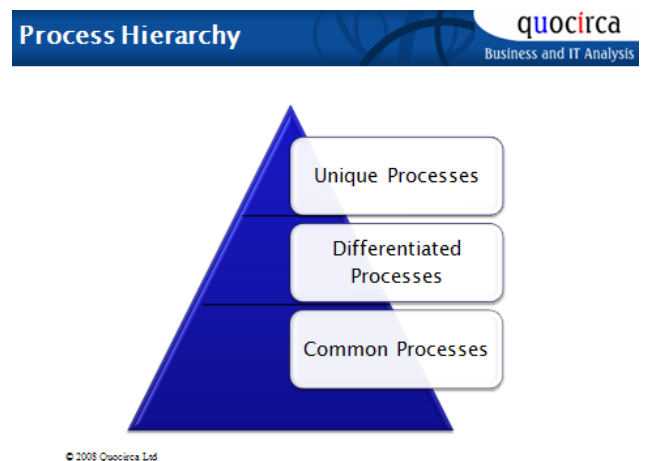
Main Findings:

- Pure application-based approaches to solving business issues are increasingly perceived as no longer adequate to facilitate highly dynamic business processes.
- Technical architectures based on virtualisation and service based architectures will increasingly enable organisations to abstract business processes from the constraints of existing technical infrastructures.

Historically, organisations have tended to take an approach towards technology based around islands of functionality leading to an application mentality. For example, in the 1990s, the basic approach was for a business to realise that they had a problem with inventory or warehousing and to search for an enterprise resource planning (ERP) application, or to deal with perceived problems in dealing with prospects and customers by acquiring a customer relationship management (CRM) application.

This approach, although valid at the time due to the lack of adequate inter-application standards, the need for high performance through tightly coupled application code and a lack of alternatives in the mainstream market, has led to many business models being predicated on how well their business processes can fit with the capabilities of the underlying application, rather than how well the underlying application can support the business processes.

Figure 1



Although many business processes are essentially common between companies independent of their size, vertical focus or geography, the differentiated and unique processes, which essentially define the company and the level of its success (see Figure 1), need far greater levels of flexibility underpinning them. Although many applications can deal with automating common processes effectively, the required flexibility for the higher level processes can result in major changes to the application, or in multiple layers of exception

handling within standard rules engines. However, in the majority of cases, plain installations of certain applications or functions can be made to be highly effective through the application of highly automated “best practice” business processes laid over them. Few organisations take this approach, believing that wholesale changes to the packaged application or the writing of complex additional external code is required to meet their needs.

As we look to the future, newer technical architectures will begin to remove the constraints of the application mentality, with a greater dependency on functional, component-based models emerging. Today, improvements in interoperability between technological systems and the introduction of more functional models, such as service oriented architectures (SOAs) working alongside enterprise service buses (ESBs), means that the business can once more take control and that technology can be put back in to the place it should be – that of a flexible facilitator to the business, rather than a possible constraint. However, for this, the IT function will have to be able to manage the day-to-day processes, such as add/change/deletions, asset provisioning, patching and upgrades in a far more flexible and agile manner. IT will also need to be able to provide greater capabilities for the business to define ad-hoc processes and to change existing business processes as required to address its needs, with tooling providing capabilities for IT to rapidly respond to these needs – preferably in an automated fashion.

Increasingly, Quocirca expects businesses to adopt such models and to want to change their business processes on a far more frequent and timely basis, so requiring full support from IT in ensuring that the required changes happen rapidly, measurably and securely, with full management and audit of the technical and business processes themselves.

However, the move to such systems will take time, leaving a hybrid services/application model in place for the majority of organisations over the coming years. The need to monitor and manage such systems, both at the overall process level and the more granular level of discrete service and function, will require a new approach to how IT works with the business.

Quocirca believes that the key is for IT to become the “trusted advisor” to the business, acting as the translator between the stated needs coming from the lines of business and the functional capabilities of such hybrid systems. Composite applications, built up from discrete SOA-style services combined with existing functions made visible from within existing applications, will need to be rapidly created, and utilised, and then removed, all in a secure and auditable manner.

Creating an environment where the required functions can be provisioned successfully to meet unknown or rapidly changing workloads will need higher levels of automation than IT departments are used to at the moment. Certainly, the use of virtualisation will enable many services to be provisioned on the fly from “golden” images, where a full stack of operating system, application server and functions/application are kept ready for direct implementation on a virtual server.

However, the introduction of new future functionality cannot take as long as Quocirca’s research has shown that it takes to make changes at present. Here, many organisations cannot provision a new server or a new application for several days

or even weeks due to the manual processes that have to be undertaken. It is necessary to look to how automation can compress such timescales down into hours or minutes so that the business can more effectively respond to market pressures.

3. Keeping the business running

Main Findings:

- The criticality of the technological infrastructure to the organisation has rapidly changed to become a major commercial concern.
- The need now is for a system that can be patched and upgraded with minimal impact on the business, one that is capable of withstanding failures of single or multiple components.

When organisations first started utilising technology, downtime was not as serious an issue as it is today. Computers were generally used for esoteric purposes and few employees would have access to the systems. Although the person wanting access to computer time would be heavily impacted, the business would continue without any major hit, and the individual concerned would be likely to have a “plan B” in place, expecting the computer to only have a less than 50:50 chance of being available. At the time, uptime tended to be less than downtime, with planned and unplanned maintenance taking the lion’s share of the time.

As more employees have become dependent on technology, downtime has become a major issue, with certain businesses (for example medical and air traffic control) having a life-or-death requirement for continuous uptime, and others (e.g. financial and retail) facing massive financial losses for each minute that a system is unavailable. A major system downtime is no longer something that impacts a few people – it can now be the initiator for major financial haemorrhages within the business, and may be enough to spark off specific disaster plans where steps have to be taken to safeguard the very future of the business itself.

This has changed the approach of many IT departments to how technology is viewed. For example, when the introduction of a new technology would only impact a few people, individuals within the IT department would be more willing to “try out” new technologies – often not because this would be of definite use to the business, but because the technology was interesting or, at best, was deemed to be of possible future use. Nowadays, such an attitude can impact too many people and can have a direct impact on the organisation’s financial performance – any such approach by individuals within the IT department would be more likely to lead to the termination of that individual’s position. Indeed, many IT departments are now so scared of introducing changes to the technology that the biggest constraint to an organisation’s capabilities in the market is IT inertia, rather than any direct business issues.

Such inertia has to be addressed. Technology has to be put back to where it needs to be – the business facilitator, the tool for creating far more effective and efficient means of

dealing with the transactions and processes relied upon by the business.

To do this, the inherent worries that any change could lead to a catastrophic breakdown in how the IT environment supports the business have to be removed. Manual systems are not well aligned for this – we have to look towards automation, remediation and failover to a known safe position on failure to make this happen.

Also, systems will continue to need updating, either with patches to deal with faults in the coding or to amend security, or with changes to improve functionality or maintain a system's capability to reflect current legal or market requirements. Furthermore, hardware may need firmware updates or the installation of new components, such as memory or storage. Each issue presents problems in maintaining uptime, but the main problems tend to revolve around what happens when things go wrong, and a system can be left in an unknown state. No matter how the IT department views the threat of change, many of these changes have to be carried out in order to remain within vendor contracts, legal compliance or for the security of information. An ostrich approach of burying your head in the sand and hoping that a problem does not arise is not a valid option – the change has to happen.

Wherever possible, these updates need to be carried out without any perceptible impact on the business itself. Historically, a system may either have had to be taken off line for the update to be carried out, or at least for some operating systems or applications to be re-booted at the end of the process to activate the new functionality. The aim for the IT department has to be to minimise such impacts, either through the use of advanced software techniques for patch and update management, or the utilisation of technical architectures that enable assets to be removed and replaced without taking the overall business function down.

The move to converged systems, along with more granular functional software solutions such as service oriented architectures (SOAs) built around web services, means that the problem will become even more complex as IT departments face the need to keep discrete functions up to date and available for use by multiple different business processes. Maintaining networks that are now carrying the organisation's telephony capabilities makes the network completely mission critical; identifying, tracking, monitoring and managing hundreds to thousands of functional services in a SOA requires far greater rigour and capability than the majority of organisations have had to deal with to date. The move towards complete convergence, bringing in high definition video services and hand-offs between office-based and mobile telephony will stress the IT environment even more – and yet many IT departments are already struggling to keep existing systems running.

However, newer technologies provide the promise of making life easier. Virtualisation will provide the means to bring together multiple hardware and software assets as pools of capability which can then be partitioned as required to serve functionality in a dynamic manner. As we look to more flexible infrastructures built on commodity components (such as blade computing), it becomes possible for such updates to be carried out in an automated manner without any downtime – provided that the correct tooling is available to make all of this possible.

4. Corporate, vertical and legal compliance

Main Findings:

- Compliance comes in many guises, from basic needs for internal compliance to process, through horizontal and vertical domain compliances through to the need to demonstrate legal compliance to local, regional and global laws.
- Providing tools that create a compliance-oriented architecture should not be viewed as a cost but as an investment that enables better business process facilitation and management.

Some organisations in certain geographies around the world still regard legal compliance as a pure risk management issue, balancing the cost of being caught against the cost of being compliant. However, it has to be agreed that compliance is rapidly growing in importance at a local and global level for the majority of organisations. Although compliance to certain vertical and horizontal standards (e.g. ISO9000, ISO14000, ISO17799) can help to create a stronger business profile and, as such, can lead to greater sales, other areas such as the data protection act (DPA), Basel II, the markets in financial instruments directive (MiFID), Sarbanes-Oxley (SOx) and Federal Drug Agency (FDA) rules are far more a direct bottom line cost. However, even with these vertical, more cost-based compliance issues, being able to enact compliance can uncover general issues in the underlying business processes. The resulting corrections can then lead directly to business value add, as well as better process efficiencies culminating in faster time to market and improved customer satisfaction levels.

Furthermore, many compliance issues are not driven through such stable independent bodies as ISO: areas such as DPA, SOx and MiFID are essentially politically driven and, as such, are not just open for changing due to market pressures but can also change as the political landscape changes. Within this mix, we also have to bring in other market pressures – the impact of the customer is far stronger than it has been previously, and the capability to show that processes have “green” underpinnings, or that products have been sourced ethically, means that new approaches to demonstrating compliance against an increasingly complex technical infrastructure are required.

Even internally, there is a strong need for governance – how is projected spend trending against actual spend? How effective is this campaign against a different campaign? What is the impact on our brand or profile through the use of these processes? Internal governance should be driven by policies and procedures, the majority of which can be codified, even within a flexible environment where the needs may change on a regular basis.

With all these forms of compliance, the main criteria at a business level is for effectiveness – being able to demonstrate compliance effectively and rapidly based on the

ability to show the events occurring and actions taken throughout any process involved within and outside of the organisation as required.

As these processes are flexible by their very nature, it is important to ensure that the means by which we monitor, measure and report against the technical manner in which the processes are enabled is also flexible – standard, fixed rules-based approaches will not provide the speed required to respond to outside forces going forwards.

Those organisations that can manage complex and broad reaching compliance issues in the most effective manner will have a far lower direct impact on the bottom line, will be far more capable of dealing with changes at the process and legal levels, and will be able to respond to competitive forces far more rapidly than those who do not have the correct means in place to manage such changes. In this way, the overall value to the business will be enhanced, enabling the business to be far more in control, and less constrained by technical issues.

Within this space, it is important for IT to recognise that the majority of compliance issues are based around monitoring events as they happen within the IT infrastructure. By capturing these events, a compliance oriented architecture (COA) can be created. Within this COA, changes to existing compliance needs, and the introduction of new compliance rules can be easily adopted, and reporting on the various needs becomes far more straightforward.

5. The role of technology

Main Findings:

- Organisations need to take the complexity out of IT, yet this paradoxically can lead to greater IT complexity. However, the correct approach can effectively mask such complexity through the application of mass automation.
- Many IT processes are common across organisations, and lend themselves to a “best practice” approach.

Increasingly, organisations are looking to technology to automate processes, to enable broader collaboration and communication inside and outside of the organisation, as well as creating, transporting and storing the intellectual property of the business.

However, as such a dependency on the underlying technology is built up, the need for the technology to be more flexible increases. Here lies the major issue – the move to ever more complex technology has led to a need for the IT departments running the system to aim for stability, which has led to refresh cycles of the technology being extended – just when the business is demanding new functionality on a more frequent basis. Quocirca’s previous research has shown that for many organisations where there is a distinct disconnect between the business and the IT department, around 70% of the total IT budget is just spent on keeping IT systems running – on patching, updates, roll-backs and reactive management. This leaves only 30% for true innovation and IT investment, and in a situation where IT budgets are back under the microscope again and are likely

to be squeezed through the coming year or so. This situation is patently unsustainable and requires a solution that puts the business back in control, providing the basis for a fully managed IT system where the majority of spend is in IT investment to provide greater capabilities and support to the business.

For the majority of organisations, the main cost behind IT is in the provision of human resources, followed by power/cooling and real estate costs. The human costs are increasing less rapidly than in the past, whereas power costs are increasing at never before seen rates – and it is expected that power costs will soon overtake human resource costs as the main expenditure for IT. However, newer architectures, such as SOA at a software level, applied across a virtualised hardware asset infrastructure, can help to address the power and cooling issues, as well as many issues to do with real estate, as compute densities can be massively increased.

Although the cost per person for resources is not rising as rapidly as it has in the past, relatively uncontrolled IT environments need far more in the way of human resource to reactively manage issues than should be the case. To address this, many organisations are looking to how far automation can be utilised to remove the burden of fire fighting issues that have already impacted the business. Many technical processes are common to the majority of organisations, such as adding a new user to the system, removing a user when they leave the organisation, changing passwords and so on. However, many organisations still tie up human resources in these processes, where an automated process not only speeds up the overall process but also minimises the possibility of mistakes that may need further human intervention.

Also, system updates, desktop provisioning, patching and application updates can all be automated to a greater extent, with pre-audits identifying possible problems that may need human intervention and enabling roll-back to a known stable position on failure of any change. By managing the exceptions and automating the general processes, far more of the IT budget can be applied to new investment, so freeing up the business to compete more effectively within its markets.

To this end, the majority of vendors now provide a set of best practice processes for IT out of the box, based on an approach known as ITIL, or the IT Infrastructure Library.

6. ITSM, ITIL and BSM

Main Findings:

- The main starting point for many organisations will be around gaining a true insight in to what IT assets are actually at their disposal.
- Creating a transparent link between Business Service Management and IT Service Management creates the means for the business to gain the flexibility it requires. ITIL helps to automate many of the processes involved, driving cost and errors from the process itself.

Information technology service management (ITSM) has been around for some time. Many vendors have provided systems management tools that have offered a version of

industry best practices to deal with many IT-based problems, such as asset discovery and control, application provisioning, certain help desk processes and so on.

However, it took the adoption of the information technology infrastructure library (ITIL) v2 standard to really drive such best practices into the mainstream.

ITIL v2, based on a standard developed for the public sector within the UK, although having had a great deal of success around the globe, suffered from one main issue – it was almost purely technology focused and, as such, was not seen as an investment priority by the business itself. Therefore, it was down to the IT department to fund the change through upgrades to existing systems management tooling, or swapping out existing tools for new systems that provided ITIL support. However, adoption of ITIL has been strong, but has been hidden from the business, being seen as an IT tool only.

Last year (2007), ITIL v3 hit the streets, bringing new processes that help to bridge the needs of IT and the business. Through adopting ITIL v3 best practices, organisations are beginning to see how such an IT/business bridge can provide massive enhancements to IT responsiveness, to process flexibility and to the automation of many processes that have been seen as constraining the capabilities of the business in the past. However, the term ITSM brings its own baggage, and this introduces the need to move from a pure IT view to one that more broadly encompasses the whole organisation.

This now brings in business service management (BSM), where the business remains resolutely in control, with the means of creating strategic and tactical business processes that can drive straight through to the underlying technologies without the need for extensive IT department involvement.

BSM tools also provide the required reporting back into the business so that the business can see exactly what is happening at any one time, and can respond to trends and events in near real time so that any impact on the business is minimised.

BSM bridges the gap between the business and IT that has increasingly been a constraint on how well an organisation can react to market changes. For companies that want to make the most of technological advances in the market BSM is a requirement, not an option.

7. ITSM and BSM examples

Main Findings:

- ITSM automation is still key to many base level processes within the IT department.
- ITIL provides the best practices that can help an organisation deal with many day-to-day problems
- BSM automation helps to bridge the gap between the business and IT, and good BSM tools will help to cut down on much of the breakdown encountered between the business need and the technical solution

At an IT level, the management of change has always been a problem. The interdependencies between devices, operating

systems and applications has always been a sink hole for skills and resources, and the continued expansion of computer usage across the organisation and beyond into the value chains, as well as the move towards convergence of data with voice and video, has only made the matter worse.

ITSM offers a means of ensuring that the IT department has a real-time, true view of what assets are at its disposal and what capabilities each asset has. For example, let us suppose that the business has requested a wholesale move from an existing desktop operating system to Microsoft Vista. The IT department could go round each desktop individually, attempting an upgrade, fixing any problems as they come upon them and replacing any desktop that they find is incapable of running Vista. Very slow, very costly, and the whole approach would result in a set of disparate desktops with little commonality or manageability going forwards. Also, the approach doesn't cater for occasionally connected assets, such as laptops or remote desktops – each of these would have to be regarded as an exception.

Through the use of ITSM automation, each desktop asset can be automatically discovered and a granular list of the sub-components created – including, for example, disk drive type and size, amount of memory, type of graphics card and so on. Then, when the need for such an operating system upgrade is required, the needs for this can be created as a rule and compared against all the known assets. This will create a list of desktops that can already support the change, those that need some extra changes that can be easily automated (e.g. updated device drivers), those that require manual intervention (e.g. those requiring extra memory) and those that will need replacement. Therefore, fewer manual visits to desktops are required, a more stable and standardised environment is created, and the database of assets is updated such that when further updates are required (e.g. a specific patch, or an update such as a service pack), the IT department can again run the new rule against the updated asset register to ensure that further manual interventions are minimised.

This usage of an asset register also enables a more controlled approach to asset lifecycle management – no longer are assets just disposed of based on age, but can be kept based on capabilities. Savings to an organisation can be high, not only in sweating an asset in its original use, but also in identifying how assets can be cascaded in use (e.g. a previously high-power PC being redeployed to a task worker, older storage being relegated to near-line, older servers being utilised for non-mission critical tasks).

At a more business level, we can look at those areas where the change to a business process predicates the need for a specific technical function or capability. Here, simple BSM begins to show how bridging the gap between the business and IT can provide additional value. For example, if we look at a process for the provisioning of a new starter into the organisation, currently it will probably be mainly manual, with messages being fired off to various groups to set up a new phone extension, the creation of a computer account and so on. However, as the push to convergence moves on, much of this can be done in a more automated manner. To enable the business to set up a new user directly, an underlying capability must be there to ensure that the basic assets are available (phone, PC, etc.), that these can be provisioned as required and that all actions carried out and the resulting

events are monitored and managed in a manner that can then be reported back to the business as required.

Even at the strategic level, the utilisation of BSM as a major tool for the business can be seen. As BSM provides near real time information on the situation and capabilities of the IT systems, the business can make requests that are based on business financial requirements, and the results can be rapidly automated. For example, a line of business unit may want to create a new process that requires certain technical functions. This line of business may want a response time measured in milliseconds. BSM can look at what the impact of the proposed process would be on the infrastructure and can make recommendations back to the line of business. This may be that the requirements cannot be met without further investments in the infrastructure, or that the cost of delivering such response times will be so much, but that a slower response time may be far cheaper.

This creates an environment where simple service level agreements can be replaced with a service value management approach. Instead of IT being held hostage to prescriptive service levels which can be difficult to maintain as workloads and business processes change, a service value management approach provides information back into the business that is required for it to make a risk-based decision. For example, it may well be that when looked at with the complete information available, the “need” for a few millisecond response time is actually a “want”, and that sub-second response time makes far more commercial sense going forwards.

BSM provides the capability for such service value management to be dynamic – as the workloads and business processes change, the impact on the technical infrastructure can be measured and reported directly back into the business. This does not have to be in the format of technical reporting (for example, server A has a problem), but can be reported in business terms (for example, the organisation’s commercial web site is running slower than it should due to abnormal activity). From this reporting, the business can again be better informed and can make more effective requests of the IT department as to the levels of support it requires. Conversely, the IT department can now proactively report on possible upcoming issues, and can provide the business with the information needed for a business decision to be made on the best way to deal with the issue.

BSM takes ITSM to a completely different level. By involving the business, BSM becomes a business enabling tool, helping the business to make informed choices and decisions on existing technical capabilities, providing the information required for the business to decide on where IT investments should be made for the good of the business itself.

BSM as a platform provides the required flexibility for IT to more easily meet the demands from the business to facilitate the processes needed to respond to changes in the market. Matching BSM and ITSM techniques creates the automated approaches that can free up time and resource at the human and financial levels to invest in further innovation. Therefore, BSM can not only create immediate benefits to an organisation’s bottom line through reducing the amount of manual process within the IT environment, but can also act as a catalyst for change, directly impacting the top line of the organisation through helping to facilitate more flexible

business processes and improved responsiveness by IT to the business’ needs.

8. Messaging to the Business

Main Findings:

- The business should not care about technology – it is the business itself that matters
- Managing technology is something that the business takes as a given – trying to gain funding for IT systems management will be hard
- BSM and ITSM can be messages in business terms that make funding for such systems a business issue, rather than a technological one

Moving to a BSM and ITSM environment requires changes to existing systems and may require the introduction of new applications and tooling to be effective. However, attempting to get the business to spend more on IT systems management is not easy – the perception is there that hardware and software assets should have been created at source in a manner that provides base level self-management, and that anything additional should only be there because it has direct, visible and measurable impact on the business’ top and bottom lines.

The problem is that many systems management tools do not directly impact the business, being predominantly aimed at making the technologist’s life easier. Also, many tools cannot provide any information through into the business at a meaningful level – the way that technical errors tend to be reported will have little meaning to the average business person.

BSM, however, can be far more easily presented to the business. Using Quocirca’s Total Value Proposition (TVP) approach, any change within an organisation can only impact three variables – the overall value to the business, the risk to the business and the cost to the business. The ideal is to drive up value while minimising risk and cost. Through this approach, Quocirca recommends the following as base level messages that can be used to gain funding for a BSM approach:

Value:

- A BSM approach provides a flexible means for a business to define its processes in a dynamic manner and for IT to respond more rapidly
- BSM enables new ideas to be tried out with the minimum impact on existing IT resources at the technical and human level
- BSM enables the business to deal with exceptions far more effectively than existing systems can
- By automating many base level processes, more human resource can be freed up for work on investment and innovation projects, rather than reactive fire fighting

Risk:

- By minimising the human element, fewer errors will be made in technical processes
- Through understanding the interdependencies between the various stages of a process, knock-on effects of any change can be foreseen and effectively dealt with
- Technical solutions will be more secure, as vendor-supplied patches and updates can be rapidly implemented with little chance for things to go wrong

Cost:

- By automating many base-level technical and business processes, savings can be made that can then be invested elsewhere
- An environment that is managed under a BSM approach can be lifecycle optimised – hardware and software lifetimes can be extended, minimising the cost of replacement and upgrading
- BSM can provide a managed means to move from an application focused approach to a service oriented architecture, providing a cost-effective means to bridge between the two different environments.

The above messages can be built on as required, but provide an idea of how best to show the business how the use of BSM will enable IT to be far more responsive to its needs.

9. Conclusions

Main Findings:

- For many organisations, existing approaches to facilitating business processes with IT are essentially broken. New approaches will be required to regain flexibility and to respond to internal and external market forces.
- BSM provides a platform from which the business can drive down into IT. ITSM provides a platform for IT to respond to the business' needs, while ITIL provides the best of breed processes that then free up IT human resources to concentrate on ensuring that more critical, differentiated business processes are more effectively dealt with.

For the majority of organisations, today's markets are more dynamic than at any other time. Merger and acquisition activity is still strong, but competitive pressures can appear (and disappear) far more rapidly than used to be the case due to how the internet has enabled small, fleet of foot organisations to compete directly with larger incumbents.

The aim for organisations looking to the future has to be to commoditise as many business processes as possible, concentrating on making the efficiency and effectiveness levels of these processes as high as possible through the use of process automation. In this manner, cost can be driven out of the organisation, while providing greater levels of

flexibility within the markets, through having IT services that are more agile and responsive to the business' needs.

This will need a different approach to how IT supports and facilitates the business processes. IT has to look at how it can drive cost out from the majority of its own processes through the use of highly automated best practices, and also has to look to how provisioning functional components to the business to use in more differentiated processes can be provided at least risk and highest value.

To do this, Quocirca believes that there will be an increasing move from monolithic, application-focused infrastructures utilising heavy levels of point-to-point integration, to a more open architecture based around shared functions dynamically provisioned on a highly virtualised infrastructure.

Such infrastructures will be more complex than those that organisations have had to deal with historically – instances of functions can exist for smaller periods of time and can be on logical constructs held on top of a physical infrastructure. To maintain both IT governance and business compliance, it will be crucial to ensure that events and actions are captured, and that the outcomes of these can be reported back to the business as required.

Therefore, Quocirca believes that an approach that blends the best of business process approaches (through BSM), supported through best IT practices (through ITSM), and based upon a framework of ITIL v3, means that organisations have top to bottom control of how the business operates, with greater flexibility provided in a cost-effective manner via higher levels of automation, monitoring, management and reporting.

About BMC Software

BMC Software is a leading global provider of enterprise management solutions that empower companies to automate their IT and prove its business value. Delivering Business Service Management and Service Automation, BMC solutions span enterprise systems, applications, databases and service management. For the four fiscal quarters ended December 31st 2007, BMC revenue was approximately \$1.7 billion. For more information, visit www.bmc.com

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 in the following key areas:

- Business process evolution and enablement
- Enterprise solutions and integration
- Business intelligence and reporting
- Communications, collaboration and mobility
- Infrastructure and IT systems management
- Systems security and end-point management
- Utility computing and delivery of IT as a service
- IT delivery channels and practices
- IT investment activity, behaviour and planning
- Public sector technology adoption and issues
- Integrated print management

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, Dell, T-Mobile, Vodafone, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

Sponsorship of specific studies by such organisations allows much of Quocirca’s research to be placed into the public domain at no cost. Quocirca’s reach is great – through a network of media partners, Quocirca publishes its research to a possible audience measured in the millions.

Quocirca’s independent culture and the real-world experience of Quocirca’s analysts ensure that our research and analysis is always objective, accurate, actionable and challenging.

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