Achieving Business and IT Value Through Service Management

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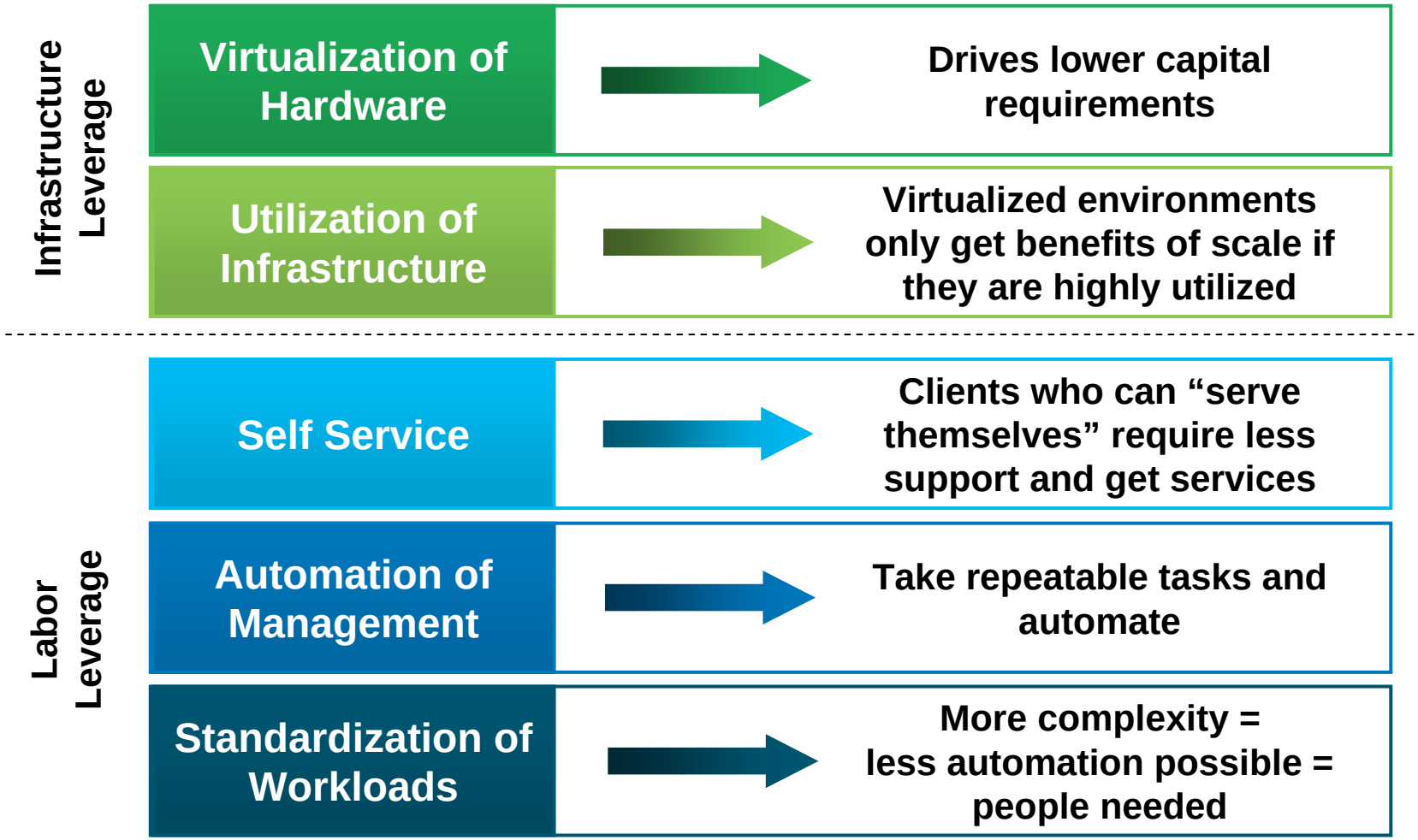
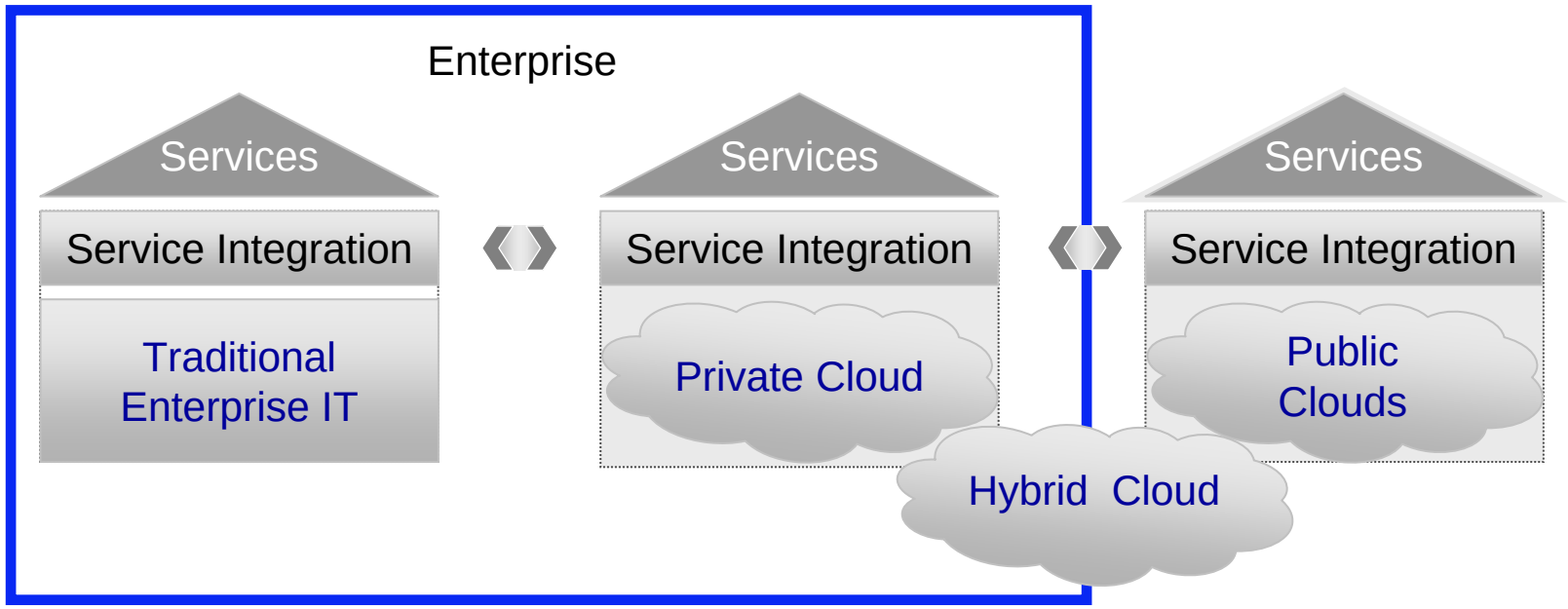
Meet the people who can help advance your infrastructure

Business & IT are aiming to improve IT Service Efficiency and Value through a mix of common initiatives



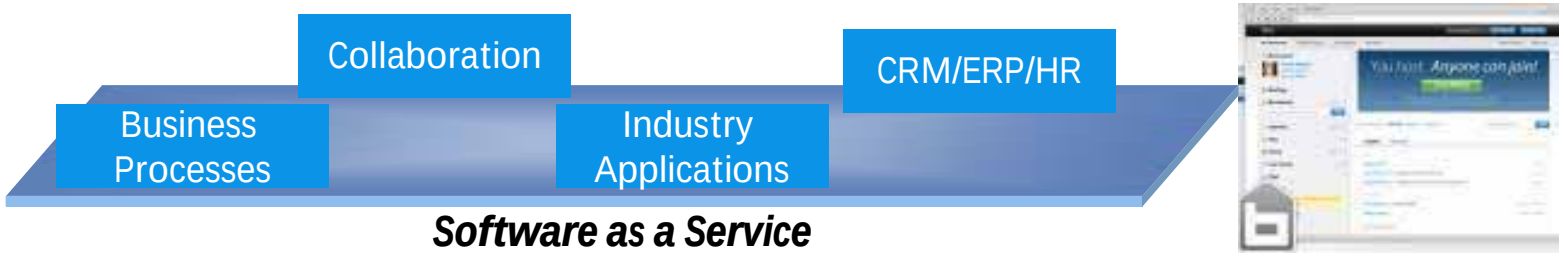
These initiatives are leading to an IT environment that will consist of a mix of co-existing delivery models



IT portfolio aspects migrating to different delivery models today:

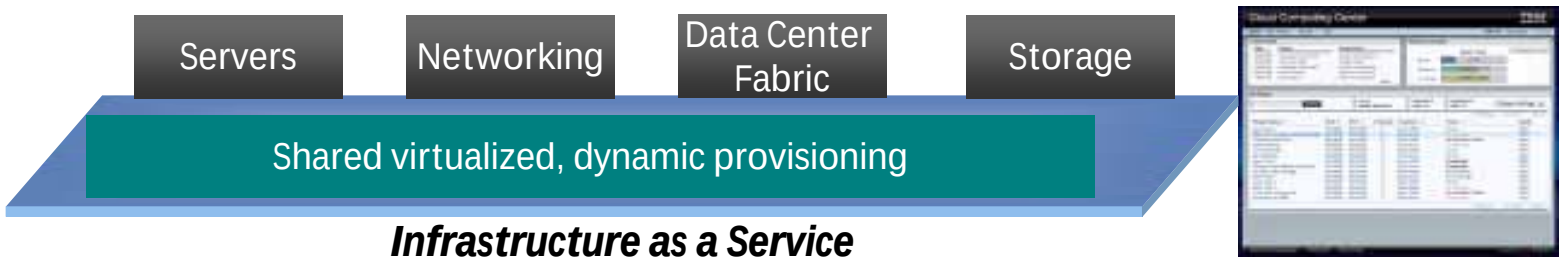
- Mission Critical
- Packaged Apps
- High Compliancy
- Test Systems
- Pre-production
- Developer Platform
- Variable Storage
- Software as a Service
- Web Hosting

And those delivery models will be used to deliver a mix of increasingly standardized & commoditized IT services



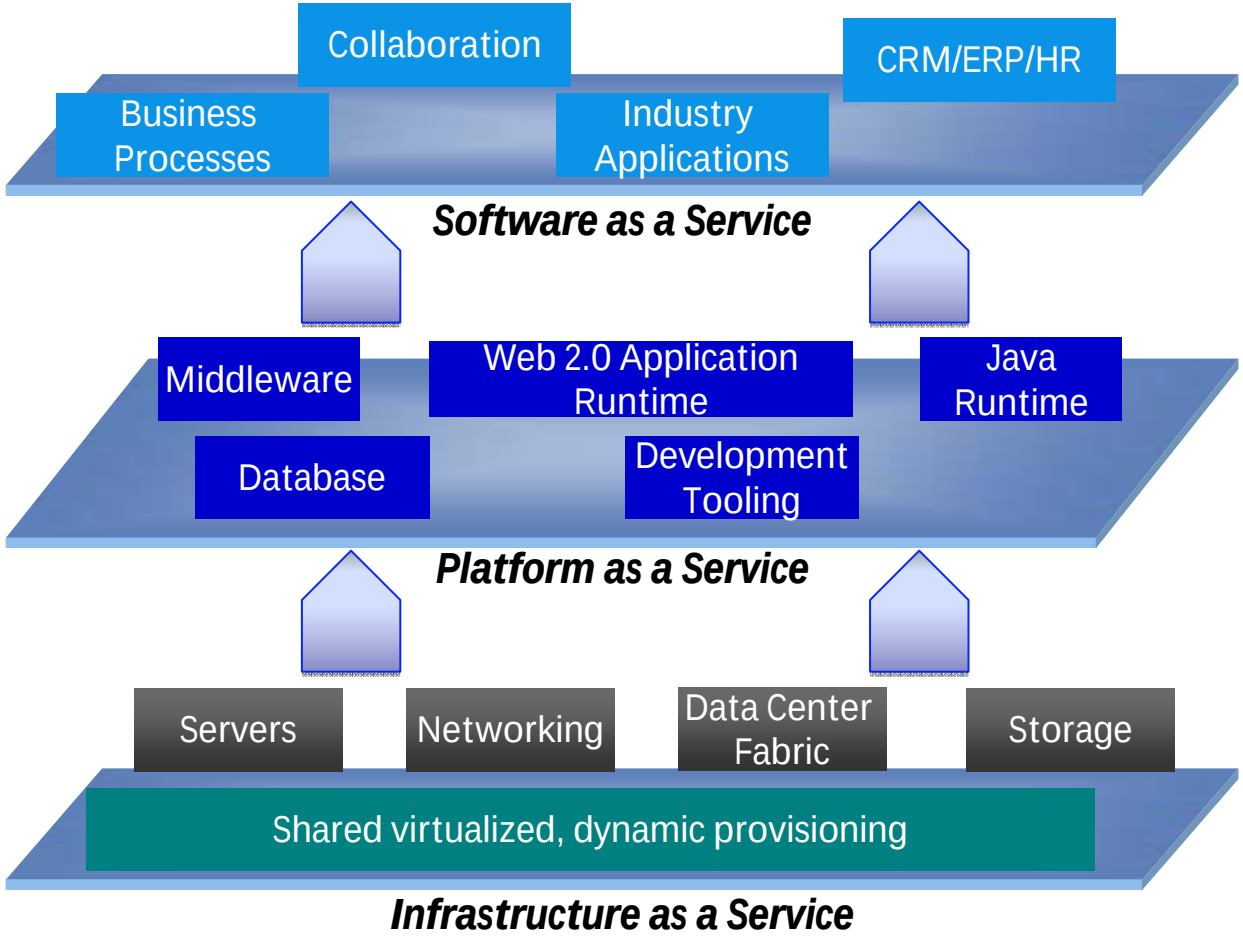
Software as a Service

Platform as a Service



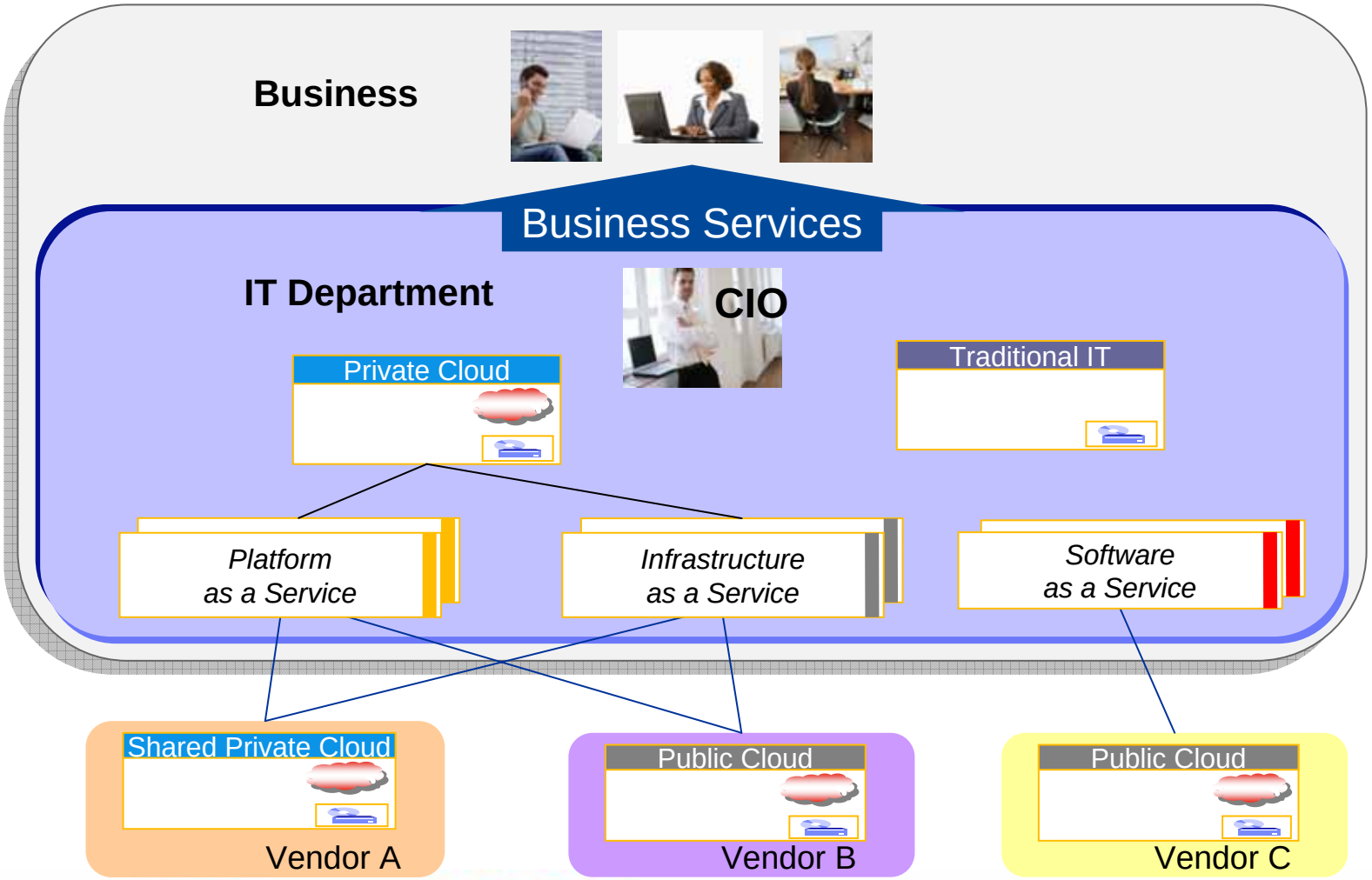
Infrastructure as a Service

But each layer of those services is dependant upon quality services provided in the layers below it



… these relationships must be architected and managed

The role of the CIO is moving more to “integrator”, as (s)he has to integrate various delivery models in order to deliver business services



IBM recommends a Roadmap to transform the IT services to achieve desired benefits & value

Virtualisation → **Standardisation** → **Automation** → **Self Service**

With
- Enables flexibility
- Increase utilisation
- Energy efficient
- Soft configuration
- Infrastructure abstraction

Without
- Physically constrained
- Capital intensive
- Hard configuration
- Linked to PO process

With
- Simplification
- Few configurations
- Enables automation
- Easier support

Without
- Physically constrained
- Many configurations

With
- Low human involvement
- Rapid deployment & management
- Repeatable config
- Improves compliance

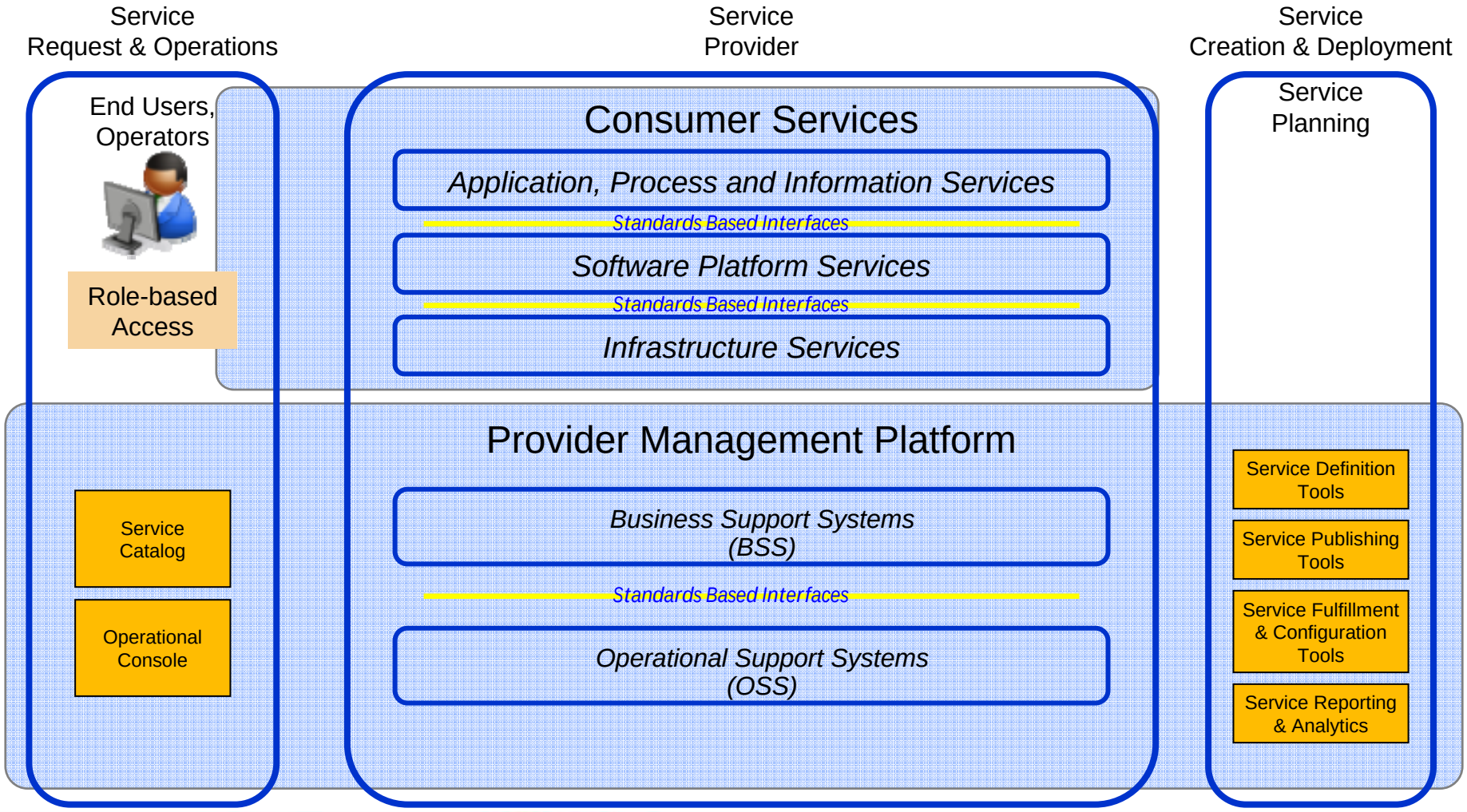
Without
- Manually intensive
- Skill dependent
- Error prone
- Costly

With
- User in control
- Cost and usage choices
- Increased visibility
- IT/Business alignment

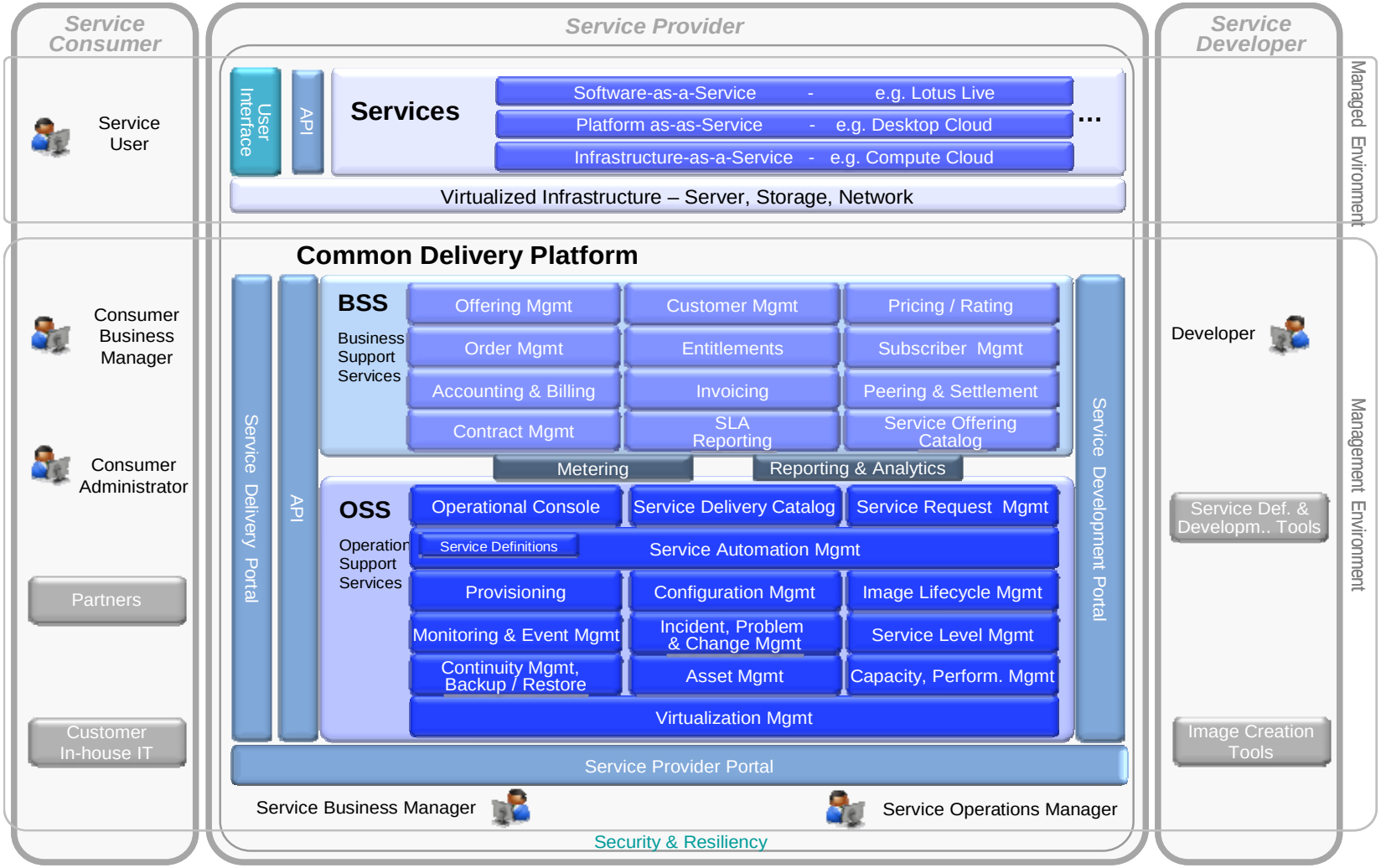
Without
- Dependency of availability of data centre staff
- Lack of awareness

Op Exp → **Cap Exp** → **Agility** → **Timeline** → **Compliance** → **Cust. Serv.**

… and an architecture that is based on a Consumer / Provider framework for these new delivery models



The Service Provider - Consumer Architecture runs on an Integrated Service Management Framework



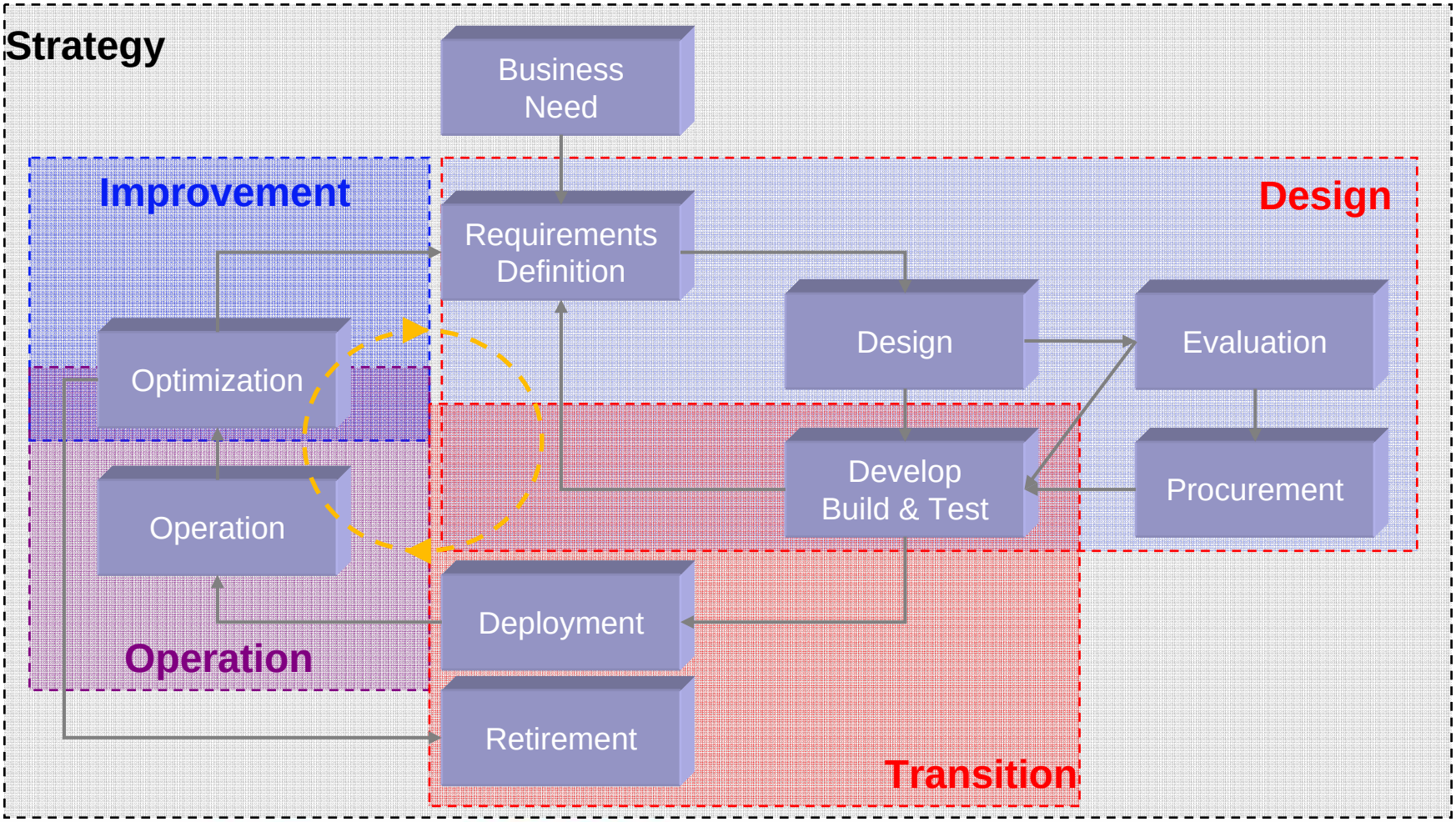
Organizations are making some progress with documenting the processes in ITIL v3

Strategy	Design	Transition	Operation	Continual Improvement
Service Strategy	Service Portfolio Mgmt	Transition Planning & Support	Monitoring & Event Mgmt	Measurement & Control
Market Intelligence	Service Catalog Mgmt	Change Management	Incident Mgmt	Service Measurement
IT Financial Management	Service Level Mgmt	Service Asset and Configuration Management	Request Fulfillment (standard changes)	Service Assessment & Analysis
Service Portfolio Mgmt	Capacity Mgmt	Release & Deployment	Problem Mgmt	Process Assessment & Analysis
Demand Management	Availability Mgmt	Service Testing and Validation	Access Mgmt	Service Level Management
Risk Management	Service Continuity Mgmt	Evaluation	Service Desk	Improvement Planning
	Information Security Mgmt (ISO 27K, ISO 20K)	Knowledge Management	Technology Management	
	Supplier & Contract Mgmt	Deployment, Decommission & Transfer	Application Management	
	Organizational Change & Communications		IT Operations Management	
			Facilities Management	

Processes

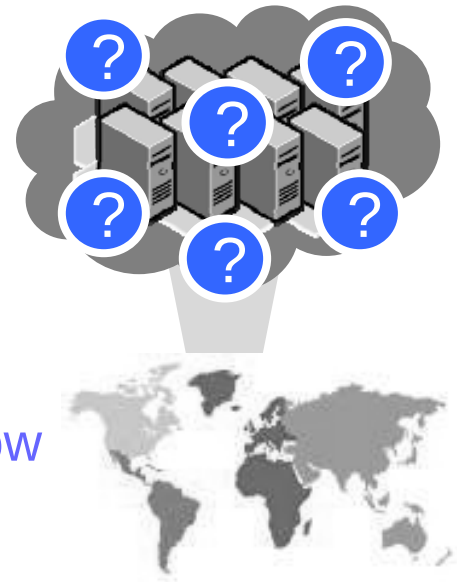
Functions

But ITIL v3 also introduced the concept of a Service Lifecycle for the management of services



The new IT service delivery models introduce a new set of challenges that must be managed in the Service Management Framework

Today



Tomorrow

We Have Control!
It's located at X.
It's stored in server's Y, Z.
We have backups in place.
Our admins control access.
Our uptime is sufficient.

Who Has Control?
Where is it located?
Where is it stored?
Who backs it up?
Who has access?
How resilient is it?

New delivery models will bring significant business benefits

- More responsive provisioning of services to meet business needs
- Reduced development and test costs due to more standardized services
- Reduced infrastructure costs through virtualization and higher utilization
- Improved IT service continuity through redundancy and fail-over, improved backups, etc

… but without appropriate service management there are some significant risks

- Capacity requirements may grow exponentially if requests are not appropriately managed
- Experience is showing that while operational costs initially decrease, after a while they can increase significantly due to the high costs of managing a more complex environment
- There will be additional complexity in security and governance

So, everything that has been done previously in IT Service Management is still valid and important …

… but the world is changing, and new delivery models will require the implementation of a Service Lifecycle to manage the new services

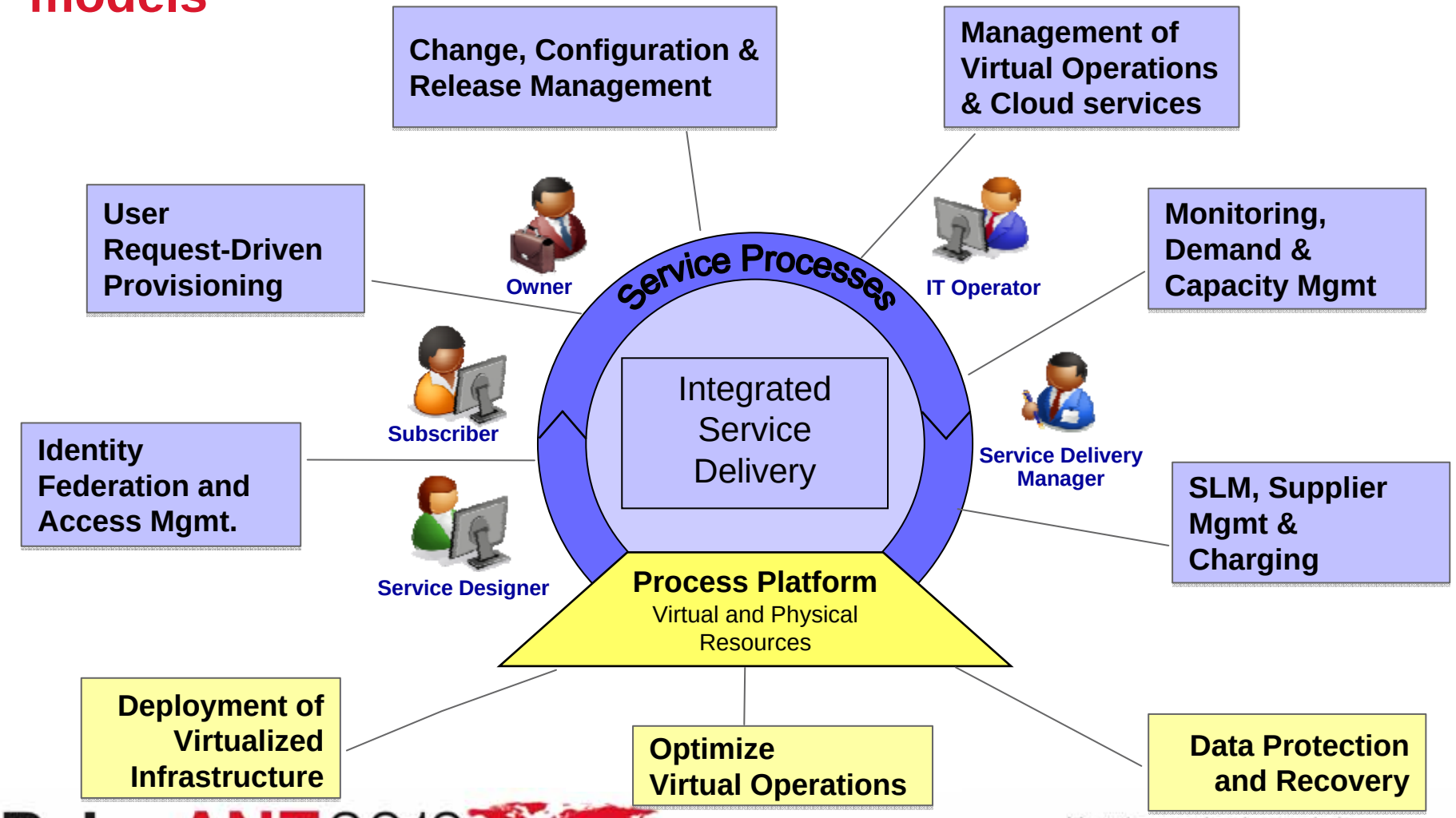
Some Service Management considerations for new delivery models (1)

- **Security**
  - How will enterprise services provided by a third party be secured in accordance with enterprise security requirements?
- **Identity & Access Management**
  - What are the processes for provisioning IDs and managing access for services provided by a third party?
  - Is there a common function for provisioning IDs and access?
  - Is single sign-on feasible, or are there numerous logins for a user?
- **Request Fulfillment**
  - How will requests be fulfilled for third party services? Are the service catalogue and service request systems integrated across multiple delivery models?
- **Change & Release Management**
  - How are change and release management policies affected by self service and automated provisioning of new environments? What controls are required?
- **Configuration Management**
  - How are services that are provided by alternate delivery models recorded in the CMDB?
- **Virtual Server Operations**
  - How are both physical and virtual servers monitored?
  - What is the strategy for event management across all layers of the infrastructure?

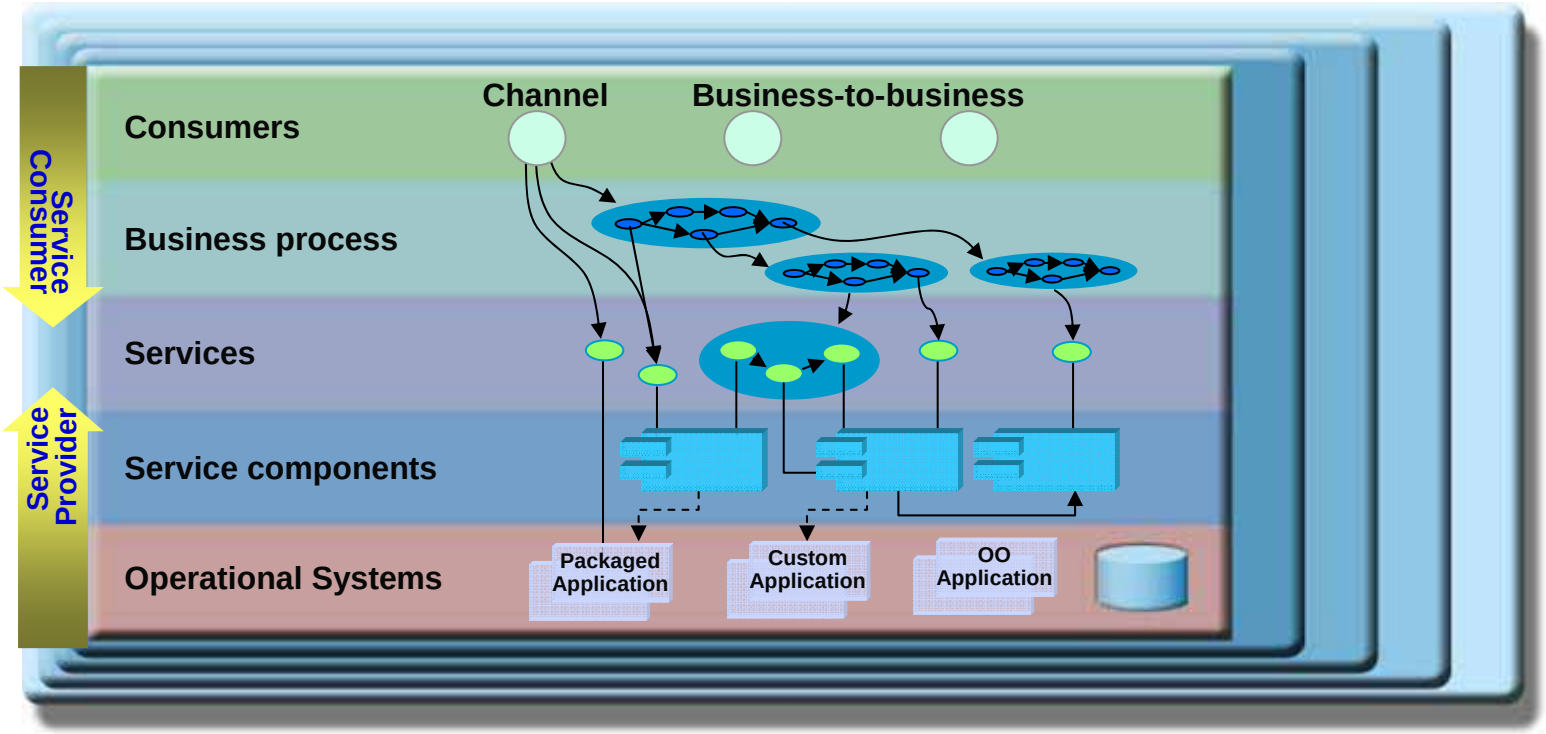
Some Service Management considerations for new delivery models (2)

- **Demand & Capacity Management**
  - How do you **plan** for capacity in an environment where requirements are provisioned more dynamically / automatically?
  - What are the rules for de-commissioning a service or environment? (2 years to de-commission a test / dev environment?)
- **Availability & Service Continuity**
  - What is the strategy to provide high availability and service continuity for services provided through alternate delivery models?
- **SLM & Vendor Management**
  - How will you manage the SLAs, OLAs & Underpinning Contracts for services that have hierarchical dependencies?
- **Financial Management**
  - Virtual server farms and Private Clouds require significant initial capital investment for infrastructure that is not yet "sold" to the business (unlike traditional models for funding projects). How will that initial capital cost be funded?
  - What is the model for metering and charging for services? What are the cost components of charging (infrastructure, utilities, IT labor, etc)?
  - How will a virtualized environment or private cloud become self-funding so that it continue to grow and progressively replace traditional environments?

Therefore Service Management scenarios must be integrated with, and based on the service delivery models



As Business Leaders and CIOs become “Integrators” they need the tools that provide Visibility into operations



85% of CEOs Require More Insight into their Businesses

Source: IBM Global CEO Study 2008

Business Service Management (BSM) Provides Process Visibility

CIOs & Business leaders gain real-time visibility into processes

Real-time information consolidated into customizable dashboards

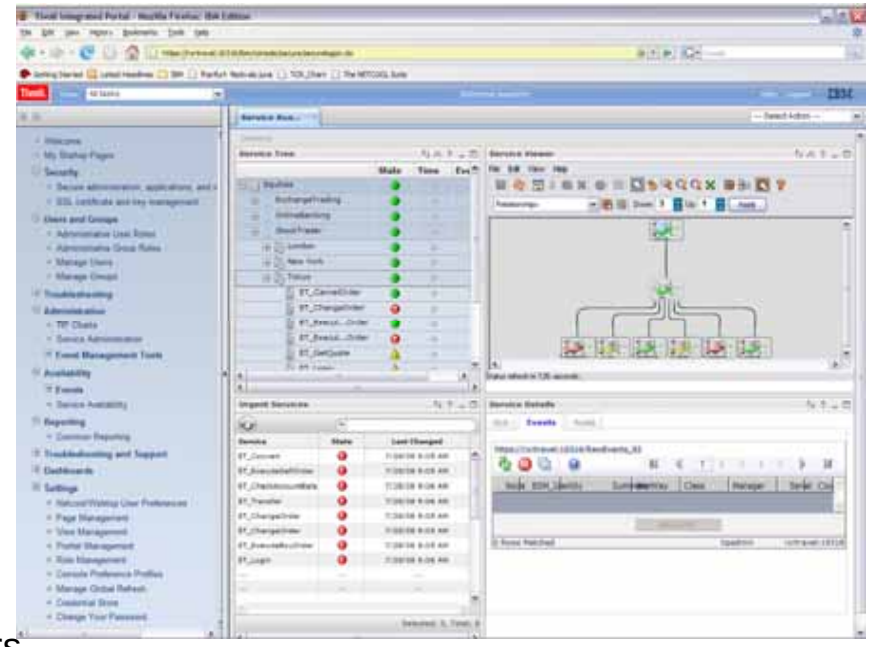
CIOs & Business leaders monitor process KPIs and receive alerts

Achieve End-to-End Process Visibility

Understand, monitor and explore the state of business operations

External Information
Information affecting
business service performance

Collaboration
Share metrics and
models with teams
to resolve situations

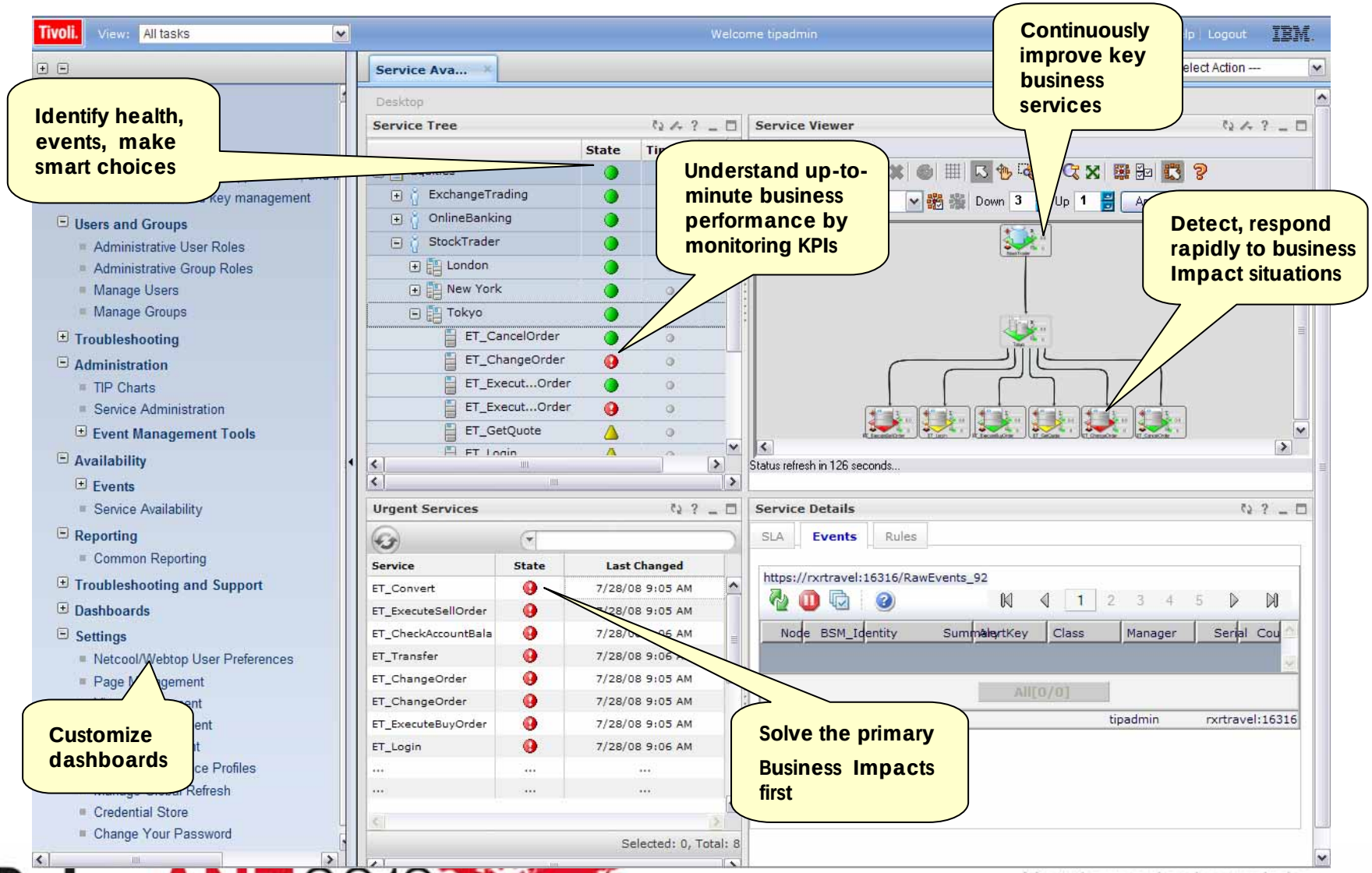


Business Impacting Alerts
Notification of situations
that require response

Process Metrics
Key Performance Indicators
for business services

Reports & Analyses
Understanding trends by
combining multiple KPI's using
historical information

“See and Respond” *Service Visibility Helps Manage & Improve Operations*



Where to Begin:
1. Establish a Service Management Strategy and Architecture for the Provider – Consumer environment

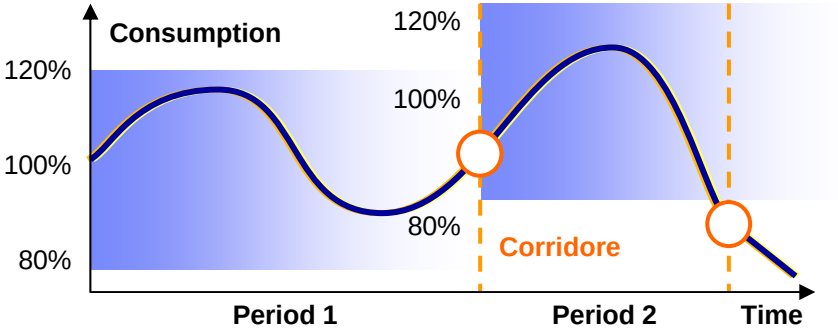
Benefits

- Faster service delivery with agreed and well understood qualities
- Business expenses follow level of value creation
- IT investments follow business demand and revenue generation

Opportunities

- **Service Strategy: definition of standardized Services to allow responsiveness and pay per use**
- **Service Catalog: agree with the business to move towards standardized *business* services**
- **Optimized Demand Management based on standardized and tailor made business services**
- **New Pricing Model provides flexible pricing**

Main recommendation: Define a business centric service strategy focused on business services, standardized flexibility and demand driven value based pricing



Where to start:

- **Discuss benefits with the business**
- **Define *business* services for your Service Catalog**
- **Initiate innovative pricing schemes**

2. Integrate specific features of the delivery model into the Service Management framework

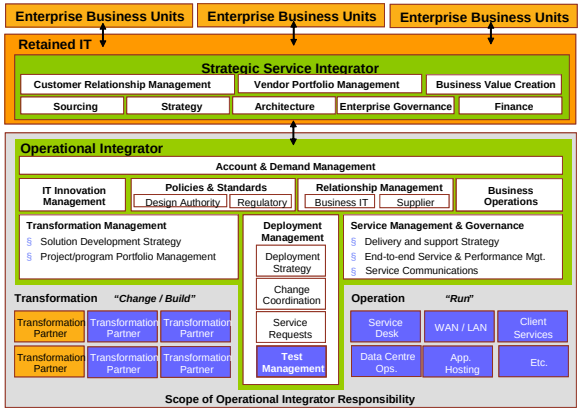
Benefits

- Creates a manageable demand/supply chain for IT services
- Enables increased control of service quality, service cost and service risk

Opportunities

- **Integrate an optimum mix of internal and external (multiple vendors) IT services**
- **Alignment and management of Underpinning Contracts**
- **Establish Information Security Management**
- **Enforces standard service development through Enterprise Architecture**
- **Revise SLA metrics to reflect new types of services**
- **Pricing Model will have to cover all IT services in hybrid delivery model**

Main recommendation: introduce the "Strategic Service Integrator" function to combine all IT Services into one portfolio of balanced business services



Where to start:

- **Optimize management of current Enterprise Service Providers**
- **Revise SLA's to reflect Business Services**
- **Improve impact of Enterprise Architecture deployment (standardization)**
- **Conduct Service Readiness Tests to ensure ability to provide management and support for new delivery models**

3. Manage Service Delivery in accordance with the selected service delivery models

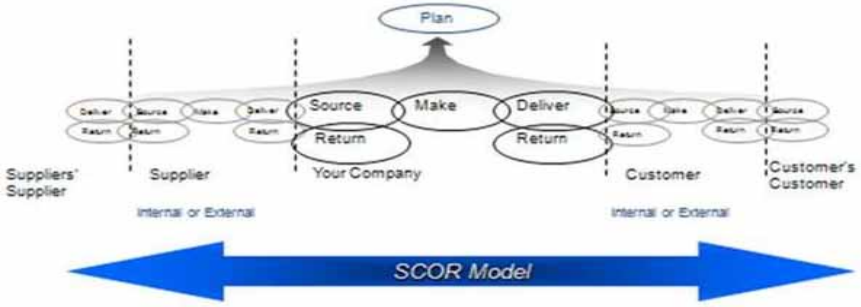
Benefits

- Professionalizes Service Operations
  - i.e. Service maintenance capabilities are part of service design
- Cost reduction and improved reliability through automation and external provisioning

Opportunities

- **Focus on delivering integrated Business Services**
- **Automation of operational processes; requires high level of maturity of these processes**
- **Enhance governance for Operational processes, optimize organizational structures, implement skill patterns**
- **Optimize infrastructure management processes like Availability & Capacity management, Risk Management, IT Service Continuity Management and Asset Management**

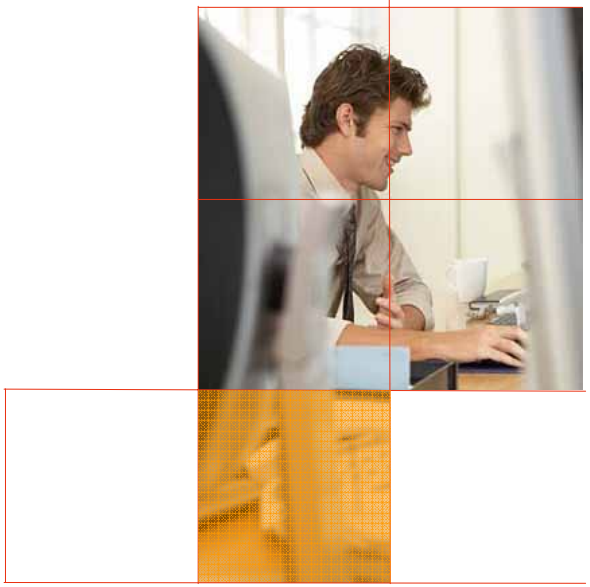
Main recommendation: Use Continual Service Improvement to improve the Visibility, Control and Automation of the Services environment



Where to start:

- **Measure process efficiency and effectiveness through KPI measurement and reporting**
- **Implement BSM to provide visibility and control of the environment**
- **Manage external suppliers through SLAs and vendor management**
- **Initiate service improvement initiatives to improve efficiency and effectiveness:**
  - Examine opportunities for automation

Thank You



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