

IBM Service Management: Beyond IT Service Management

Abstract

ENTERPRISE MANAGEMENT ASSOCIATES® (EMA™) analysts believe that IBM is the first in the industry to identify, articulate and act on the macro trend of managing services that rely on converged infrastructures. This EMA Impact Brief discusses how IBM's approach to *service management* goes beyond traditional IT service management and delivers industry specific solutions for major industries including banking, chemicals and petroleum, communications service providers, electronics, retail, utilities and manufacturing.

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Event

In February 2009, IBM announced an integrated approach for companies in major industries around the globe to manage their converging business processes, physical and IT infrastructures, networks and assets, and deliver new and improved services known as *service management*. New IBM Service Management Industry Solutions help companies manage their dynamic infrastructures using a common platform to get the most out of their smart assets, expand their businesses, and improve customer service.

IBM Service Management Industry Solutions integrate IT and operational assets such as manufacturing robotic equipment, smart meters, radio frequency identification (RFID) technology, point of sale devices, and telecommunications networks to improve business performance and service delivery. These solutions are comprised of IBM Service Management software, IBM Global Business Services, IBM Global Technology Services and specialized IBM business partner capabilities.

Context

Rising operating expenses, increasing competition, infrastructure complexity and declining budgets strain an organization's ability to deliver products and services on time and against defined business goals. The cost of a missed software delivery deadline or downtime of business services, such as a retail Web site that crashes during a major event, can be detrimental in terms of competitive advantage and loss of profits.

At the same time, the lines between IT, network operations and business operations are blurring. The physical infrastructure is becoming more instrumented, interconnected and intelligent. Companies are integrating their IT, operations, and business infrastructures to deliver new services and products to their customers, such as smart health care, smart energy grids, and integrated voice and data communications services.

However, companies have not had the tools or processes required to effectively manage services which span multiple types of infrastructure. Most vendors are still delivering products and solutions focused on managing IT services that are built on IT infrastruc-

ture. Additionally, research by EMA shows that 87% of IT organizations are adopting an approach to managing these IT-based services called IT service management (ITSM). More specifically, 32% of IT organizations are primarily focused on ITSM and another 55% in the process of moving to ITSM.

ITSM is a highly recommended approach for managing IT-based services and is expected to remain so for the foreseeable future. Yet for managing services that span multiple types of intelligent infrastructures, new management technologies and approaches are needed. IBM Service Management Industry Solutions helps companies in major industries around the globe manage the collective sum of their IT, networks, physical assets, enterprise operations, and respective business services within an integrated platform. This approach helps businesses better deliver new services to market while balancing cost pressures with customer demands.

Key Ramifications

Companies around the world now have access to the tools and processes required to effectively manage services which span multiple types of infrastructure. Instead of remaining entangled with separate IT, operational and business infrastructures, companies can now unify them to produce unique competitive advantages.

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At the same time, the types of services, assets and infrastructures used across different industries can vary tremendously. This is why IBM has built seven new offerings, each focused on a major industry. These IBM Service Management Industry Solutions include:

- **IBM Service Management for Banking** helps financial institutions prevent fraud while improving the flow of payments, controlling access across integrated payment systems, and monitoring the combination of IT and business payment processes.
- **IBM Service Management for Chemicals & Petroleum** helps gas and petrochemical companies manage operations more efficiently by using an Information Integration Framework that incorporates a Reference Semantic Model. This solution provides tighter integration across the organization, preserving existing application and infrastructure investments, safeguarding knowledge and expertise, and more effectively managing risk and compliance.
- **IBM Service Management for Communication Service Providers** improves the delivery of next-generation content and application-based services, while managing the risks introduced when Service Providers expose their networks to third parties, new customers and technologies.
- **IBM Service Management for Electronics** helps electronics companies bring new technologies to market sooner at reduced costs by improving the infrastructure used for the simulation of electronic components and management of assets. The solution also improves the management of end products with embedded self-management capabilities to detect and manage energy consumption and overall product health.
- **IBM Service Management for Retail** helps retailers deliver a superior shopping experience by securing and optimizing all store systems including kiosks, POS, handheld scanners, store applications, and providing visibility across the enterprise infrastructure.

- **IBM Service Management for Utilities** helps utilities establish ‘smart utility grids’ with a common management platform enabling advanced meter management (AMM), transmission and distribution device automation and analytics and enterprise asset management (EAM).
- **IBM Service Management for Product Lifecycle Management (Manufacturing)** provides manufacturing companies with an integrated approach to support major business services processes of all phases of the asset, product and service lifecycle, helping organizations to deliver high-quality products, efficient services and business models to integrate operations.

For more information about IBM Service Management Industry Solutions, visit: <http://www.ibm.com/software/tivoli/features/industry-solutions/>

EMA Perspective

During Pulse 2009, IBM’s annual event for the Tivoli and service management community, IBM unveiled an array of products, solutions and strategies for a smarter planet. The concept of a smarter planet is built in part on the fact that assets of all types are becoming more intelligent. Importantly, with globalization, increasing competition, and scarce resources, the smart planet concept also recognizes that organizations must make faster – and smarter – decisions.

IBM presented several major themes addressing how it is helping its customers not only create a smarter planet, but thrive within it. These included green IT management for environmental as well as cost driven reasons, cloud computing, dynamic infrastructures, and service management. IBM’s approach to service management underpins and enables each of the other themes.

Macro Trend – Infrastructure Convergence

Smart assets are those with some combination of microprocessors, firmware, software, network connectivity, and the like. It used to be that the only smart assets were IT infrastructure components including servers, desktops, routers, switches, storage devices, and applications. Now everything from utility meters and road signs to nuclear power plants and electric grids have intelligence. These assets require additional management to ensure they are available and performing as required.

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These new categories of intelligent assets are also being used to deliver services. The road signs are providing an important service to commuters, travelers, and truck drivers by delivering timely information, helping them prepare for changing road conditions and possibly adjust their routes. The electric grids are reducing costs and increasing availability of electric services by monitoring demand and adjusting supply and rates of distribution accordingly.

Each of these services is built on top of a combination of infrastructures including an IT infrastructure as well as industry specific operations and business infrastructures. This is a key macro trend that has not yet been broadly acknowledged by vendors. It requires the ability to manage services on converged infrastructures, but traditional ITSM tools and processes are not equipped to manage this important and growing class of services.

Micro Trends

Infrastructure convergence is more of a top-down or macro trend that drives the need to manage IT services as well as non-IT services. There are also several related bottom-up or micro trends driving the need to address a broader set of services. EMA has identified the following micro trends that go beyond traditional ITSM and provide further evidence of the need for IBM's notion of service management.

- **Help Desk to Consolidated Service Desk:** The traditional help desk was focused on a narrow class of IT incidents related to a particular type of IT infrastructure, for example network issues or server issues. This meant multiple help desk software instances and help desk staffs, each operating independently. The updated concept of a consolidated service desk provides support for all IT services, across all types of IT infrastructure, from a single software instance and with a single team. In some cases, the consolidated service desk may also support non-IT services.
- **IT Service Catalog to Enterprise Service Catalog:** As IT organizations have adopted ITSM, the IT service catalog has gained popularity. It provides a central location for users to access all of the services offered by the IT organization. Research by EMA has determined that 42% of service catalog adopters also include non-IT services in their service catalogs. By including services offerings from human resources, facilities and other IT business functions, the IT service catalog is transforming into the enterprise service catalog.

IBM Positioning

EMA believes that IBM is the first technology vendor to identify, articulate and act on the macro trend of managing services across converged infrastructures. IBM has delivered industry focused solutions, each based on the same underlying architecture and technologies. IBM also has deep expertise on each of the major industries. Much of that expertise has been applied to ensuring the IBM Service Management Industry Solutions have templates and capabilities to meet the specific and unique needs of each industry.

Companies that have not yet been impacted by the infrastructure convergence trend should consider ITSM solutions that can grow to meet their future service management needs. These companies should also consider the macro trends discussed earlier and ensure

products and solutions from their ITSM vendor can support those requirements as well. Through IBM Tivoli solutions, IBM provides one of the top ITSM portfolios along with individual products that support the micro trends around consolidated service desks and enterprise service catalogs.

Over time, EMA expects an increasing number of companies to be significantly impacted by infrastructure convergence as well as the evolution of ITSM toward IBM's notion of service management. Companies that are impacted by converged infrastructures today can realize their opportunities for competitive advantage by adopting solutions that go

beyond ITSM to a broader notion of *service management*. For now, and likely for at least the next couple years, the IBM Service Management Industry Solutions are the top choice for companies that wish to lead their own industry in service management.

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