



REDUCE **IT** INDUSTRY SPEND

HOW TO VERIFY SERVICE ASSURANCE
AND COST ECONOMIES

INDUSTRY SPEND:

WHO IS HOLDING BACK THE FLOOD?

We exist depending on this beautiful yet complex and dysfunctional industry called Information technology (IT). Change is the only constant within IT, which promotes amazing new capabilities almost daily, while at the same time perpetuating complexity. Few organizations can afford to “rip and replace” yesterday's “must have's” with today's “game changer's”. The IT Economic Model can appear “muddy” in many organizations but historically, greater than 80% of the IT spend exists just to support the legacy systems of yesterday's great ideas. More disturbing is that many organizations fail to apply a demand based economic model which identifies the products and services that are being delivered with any rationale as to the true value for the business. Because of this, waste and service thrashing can exist throughout the IT organization.

The problem of maintaining the now while building the new just got even tougher.

According to Gartner, a “digital mesh” is evolving around the individual. It is an expanding set of devices, individuals, information and services that are fluidly and dynamically interconnected around the individual. New, continuous and

ambient user experiences are emerging to exploit the digital mesh. The device mesh refers to an expanding set of endpoints people use to access

applications and information, or interact with people, social communities, governments and businesses. The device mesh moves beyond the traditional desktop computer and mobile devices (tablets and smartphones) to

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encompass the full range of endpoints with which humans might interact. Devices are increasingly connected to back-end systems through various networks, but often operate in isolation from one another. As the device mesh evolves, we expect connection models to expand and greater cooperative interaction between devices to emerge. Imagine what that does to keeping the lights on when we just turned on a million lights....

We expect significant innovation in new types of devices during the next five years. This will create many new digital business opportunities, but also pose IT security and management challenges

BUILDING YOUR FUTURE

The pace of technology innovation continues to accelerate, and with it comes a broad democratization of technologies. The Internet of Things and BYOD/BYOA movement have assured that diversity moves beyond the traditional Server/Desktop model to endpoint devices creating a device mesh and social communities that proliferate all aspects of “personal” computing.

The single most pressing issue facing CIOs is the movement of socialization of everything and being able to harness the information from a growing IT supply chain that encompasses services delivered across the global economy. Connecting and integrating into data stores with nearly unmeasurable amounts of information can present a business advantage when planned for, or a data storm that is unusable for the business when reacting to it. At the same time, CIOs must be mindful of governance, data management, information security, and how to operationalize new technologies into the enterprise.

The extension of the IT ecosystem are now integrated closer to the customer as the internet of things (IOT). Data is pulled from diverse endpoints and from numerous and diverse technology stores.

At EI we have helped many clients build these new technology to protect the business, as legacy systems are evolved to keep pace, and we recognize the need to do this cost effectively with 80% of the organizations investments already locked up in the legacy environment. Through the use of Robotics technology, our unique service desk model and the broad infrastructure investments already made, we are able to turn on the turbines at just the pace our clients require.

Here are nine things we have learned are essential when faced with this daunting challenge.

9 THINGS TO VERIFY SERVICE ASSURANCE AND COST ECONOMIES

1. Develop real cost models and demand management of service delivery

Data complexity and the traditional siloed IT model will not survive in the next 10 years. It is critical to develop operating disciplines including cost transparency that can provide a level of service optimization initiatives. This discipline can provide the foundation to address the inefficiency of the 80% and assure that the IT organization is focused on human capital intensive disciplines for the future. How do you benchmark your existing infrastructure costs? How do you benchmark rate of IT investment in areas that are differentiating to your business? Compared to your industry and other best performing companies how do you rate: What should my costs per seat be for email? Where does my operational spend come from? Why?

2. Adopt and fund automation initiatives

The explosion of data sources and complexity of information makes the traditional IT approach of old school “assembly line” rules structurally obsolete. Today’s IT environment reacts to data and information running the business via event data storms which provides a culture of fire drill and all hands on deck. Production

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and behavioral economics warrants an identification of how IT operations receive “work” and how that work can be automated and/or prevented. Automation and machine learning can automate repeatable and repetitive tasks which can again make up 80% of work performed.

3. Identify Tactical and/or repetitive operational tasks

Approximately 50% of the enterprise IT head count is involved in tactical operational remediation. Examine various industry process models such as ITIL and Cobit to achieve greater economies in streamlined operations. Strive to push work down to lowest cost tiers and automate repetitive task.

4. Inventory and Rationalize IT tools. Integrate tools and systems that drive IT demand

What you can't measure, you can't manage. Companies spend millions of dollars on monitoring and management tools only to see their data become perishable and disparate over time. These

tools don't feed a service delivery incident system and over time become so narrow and siloed that very little strategic value of service efficiency is derived from the investments. STOP spending and start integrating!

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A basic step that CIOs can take to improve overall operational efficiency is to integrate IT management applications and create consistent data definitions. In many IT operations, processes and applications are siloed, which can impede information flow. Moreover, there is no single naming convention for IT data, which leads to inconsistent reporting and statistical confusion.

— Deloitte

5. Optimize Outsourcing Decisions

As we become more data-driven and business-centric, we also need to shed the most tedious tasks involved in supporting operations, and move up the stack to focus more on applications. Change your criteria when selecting outsourcers. We'll need to be smarter about how we leverage infrastructure internally within our data centers, but also how we leverage.

*"CIOs who are used to selecting their outsourcers on who can run their operations the cheapest, may want to change their selection criteria."
"They may want to start asking which outsourcers have the architecture and engineering skills to get them out of this mess."*

6. "Stop protecting the iceberg"

You have a problem! The industry has the same problem! The protectionist CIO, even with the best motives can find themselves defending the past as opposed to adapting for the business and the needs of the future. This iceberg is more than a metaphor. It is a real problem that is getting more and more acute with each year that you let your infrastructure ride. It is time to let the executive committee know that just because they can't see below sea level does not mean that what lurks there is simple, secure and free.

7. IT must modernize its culture and organization

Many I.T organizations continue to operate on a model that was driven around a Business community fearful of technology and willing to abdicate responsibility and be led by their I.T peers. The world has dramatically change with many in the Business community exposed to computers from childhood and driven to use technology without fear. They respect the importance of I.T, but do not fear entering into service based I.T models without involvement internally.

The new I.T organization cannot operate through a fear mongering model and instead adapt to a service based delivery model, where third party offerings are seen as part of the solution versus an inherent threat. The I.T function then moves to a trusted advisor status, and helps the business move forward while re-architecting the legacy baggage.

8. Don't get cheap on security

The area every I.T organization must not compromise on spend is security. Threats increase in every aspect of security with your critical business assets under constant threat and the financial impact to the

business can be difficult to fully appreciate without at a minimum a professional threat assessment, and your legacy environments are at greatest risk.

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9. Become a Metrics driven organization

The most powerful saying to drive a metrics driven organization christened by the father of quality Demming says it all 'You get

**THERE IS
NO EXCUSE
FOR NOT CAPTURING
THE SERVICE YOU ARE
ABLE TO PROVIDE**

what you measure', and conversely a failure to measure most certainly assures you of not knowing what you get. The best I.T organizations start with measuring every aspect of I.T and implementing an ITIL framework.

Irrespective of your state of legacy and the lack of investments, there is no excuse for not capturing the service you are able to provide within the budgets available.

If you are unable to get any measurement and have no visibility to the condition of your dam, EI has developed a set of automation tools as part of its C-level assessment offering that will automatically deploy itself into your environment and quickly provide you with a microscope view of the service you are receiving and benchmark this with the acceptable levels based on budget and resources.



ENTERPRISE INTEGRATION

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