IT Operations Management: A Roadmap for Progress

Chuck Henry
Key Issues

1. What IT operation management mistakes do we continue to repeat?
2. What changes should IT operations be making to best facilitate future change?
3. What can I&O organizations do today to start showing value to the business?
I&O Organizations Struggle to Be Agile

Gartner Pace Layer Model: Most I&O organizations support three layers of systems that operate at different speeds:

- Systems of Innovation (FAST)
- Systems of Differentiation
- Systems of Record (SLOW)

But they are ...
Making Appropriate Investments

• Spending to much time and money keeping the lights on

Symptoms

• Many I&O organizations suffer from lack of balance in investments.
• Tool purchases are made to solve I&O people and process issues.
• People and process investments frequently lag behind tools.
Letting the Wrong Metrics Guide You

- Many I&O organizations try to use **productivity metrics** to articulate business value.
- **Most business leaders don't care** about I&O productivity metrics.
- Focusing on the wrong metrics within I&O organizations can drive bad behavior.
- The wrong metrics can also lead to erroneous management decisions.
Are Best Practices Truly Best?

• I&O organizations often dive headfirst into industry frameworks.
• I&O organizations invest in tools that match up against structured frameworks.
• Existing methodologies lack the ability to be agile when it is required.
• Many I&O organizations focus on a single framework and take on too much.
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Divide and Conquer

By 2017, 20% of I&O practices will be derived from a combination of ITIL and DevOps, up from 5% today.

Why it won't happen:

- I&O organizations will fail to mature to the point where they can become proactive in support and more agile in the delivery of services.
- I&O leaders will continue to invest in ITOM tools that are solely focused on delivering to ITIL standards.
- ITOM vendors will fail to evolve tools to adapt to new I&O perspectives, like ValueOps.
- I&O leaders will see ITIL and DevOps as competing methodologies.

Why it will happen:

- I&O leaders will recognize the importance of creating a dynamic organization that can adjust to the pace and changing needs of the business.
- I&O organizations will realize that just ITIL is not enough to improve the organization.
- I&O leaders will realize that DevOps, ITIL and other methodologies work together to create a more agile, fast-paced I&O.
Methodologies do not compete against one another.

I&O organizations should take a blended approach.
Deemphasize Framework Selection

A more dynamic business environment...

... drives a faster churn of applications and end-user needs.

Therefore, the I&O group must become more agile.

Agility to support program delivery is the goal, not a check box against a standard!
Watch the Evolutionary Clock

• All ITOM tools evolve over time.
• Tool evolution drives cost.
• Establish life cycles for your ITOM tools.
And Look at What's New

Stay abreast of trending opportunities

Technology Trigger
Peak of Inflated Expectations
Trough of Disillusionment
Slope of Enlightenment
Plateau of Productivity

Plateau will be reached in:
- less than 2 years
- 2 to 5 years
- 5 to 10 years
- more than 10 years
- obsolete before plateau

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Consider How the Nexus of Forces Provides Direction for IT Operations

- **Pervasive Access**
  - (Internal) Location Awareness
  - (External) Business Co-Locaton

- **Global-Class Delivery**
  - (External) PaaS for Creating Solutions
  - (Internal) SaaS for I&O Efficiency Gains

- **Social**
  - (External) Business Relationship Management Platform
  - (Internal) Collaborative Operations Management

- **Mobile**

- **Extreme Behavior**

- **"Big" Context**
  - (External) Context-Aware Support
  - (Internal) Real-Time/Predictive Analytics

- **Cloud**

- **Information**
Standardize and Automate

Standardization across the infrastructure continues to be important. Scale comes from automating repeatable tasks. Stop chasing manual effort to enable proactive levels of I&O.
Balance I&O Reporting and Metrics
Balance I&O Reporting and Metrics
• Utilize metrics that work together to provide guidance on how the I&O group must change and improve.
• Reporting should show a well-balanced story about the value of service provided.
• Formalize reporting around a business value dashboard to highlight the I&O's contribution.
Business productivity teams have a singular focus on enabling business outcomes through:

- IT capability extension
- Proactive solution identification
- Being better aligned to business challenges
- Increasing IT user self-sufficiency and digital literacy levels
- Establishing trusted IT advisor relationships
Big Data: Leverage the Five Basic Types of IT Operations Analytics

Statistical Pattern Discovery

- Complex Operations Event Processing
- Multidimensional Database Search
- Topological Analysis
- Unstructured Text Indexing

Performance, Change, Configuration Data

Polystructured Text Data

Numerical and Metric Data

Data Feeds
Run IT Like a Business, With IT Financial Management

- Ascertain customers and their needs
- Define and develop services
- Understand costs
- Forecast demand
- Price services
- Market services
- Deliver services
- Revise services based on changing customer needs

Define and develop services

Understand costs

Forecast demand

Price services

Market services

Deliver services

Revise services based on changing customer needs
Be an IT Services Broker

IT

Service Consumption

Customer
Be an IT Services Broker

Traditional On-premises

Public Cloud

Cloud Provider 1

Cloud Provider 2

Cloud Provider 3

e.g., Sales Automation

e.g., VMI/E-commerce

e.g., Contact Verification

Outsourcer

e.g., HR

Service Consumption

SSC Private Cloud

Customer
Be an IT Services Broker

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Create a Maturity Baseline

- Perform a maturity assessment to establish a baseline.
- Create a plan to improve maturity over time and against specific goals.
- Understand the costs and returns associated with improved maturity.
- Leverage Gartner’s ITScore.
Monitor Maturity Improvements

Source: Gartner IT Score for I&O Through October 2012
Leverage a Business Governance Team

Through 2015, less than 20% of Global 2000 I&O organizations will implement integrated management environments to manage integrated emerging business and consumer environments, up from 0% in 2013.
## Understand the Vendor Landscape

### Vendor and 2012 ITOM Market Share

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**Legend:**
- + = Strong
- ● = Competitive
- ○ = Competitive in Self-Selected Subset
- ● = N/A
- ▼ = Weak
Understand the Vendor Landscape

But — Big Four Market Share Is Flat. Other Options Do Exist …
## Communicate I&O Metrics Aligned to Value Objectives

<table>
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<tr>
<th>Value Objective</th>
<th>Prime Metric</th>
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<tbody>
<tr>
<td>1. Keep the lights on</td>
<td>Critical application performance</td>
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<tr>
<td>2. Manage costs</td>
<td>Total I&amp;O costs versus budget</td>
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<td>3. Deliver projects</td>
<td>Percentage of business case benefits delivered</td>
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<tr>
<td>4. Satisfy business</td>
<td>I&amp;O governance assessment</td>
</tr>
<tr>
<td>5. Deliver innovation</td>
<td>Annual report on initiatives</td>
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<td>6. Develop skills</td>
<td>Skill assessment versus target</td>
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<td>7. Maintain compliance</td>
<td>Audit report</td>
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<tr>
<td>8. Plan for future</td>
<td>Strategy and architecture status</td>
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Action Plan for I&O Leaders

Monday Morning:
- *Perform* a maturity assessment of your I&O to build your road map.
- *Create* your governance team, and begin reviewing team structure.

Next 90 Days:
- *Reassess* current metrics and reporting methods in favor of a more balanced approach.
- *Review* opportunities to leverage operations analytics for performance improvement.

Next 12 Months:
- *Evaluate* current ITOM technologies against existing and future needs, and plan for strategic replacements.
- *Transform* the IT services desk into a team focused on supporting the business over just supporting technology.
Recommended Gartner Research

- How Best to Advance in IT Operations Metrics From Level 1 to Level 5 in ITScore for Infrastructure and Operations
  Tapati Bandopadhyay and Jeffrey M. Brooks (G00232666)

- IT Market Clock for Operations Management, 2012
  Jeffrey M. Brooks, Jarod Greene and others (G00233779)

- I&O Value Takes Center Stage With the Business Value Dashboard
  Jeffrey M. Brooks and Jay E. Pultz (G00233581)

- How to Improve I&O Maturity by Using the ITScore
  Robert Naegle and Jeffrey M. Brooks (G00246391)

- How I&O Can Manage Change at the Pace of the Business
  George Spafford (G00250014)
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