



Aligning IT to Business – Business Service Management

A Management White Paper

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Introduction

There is the realisation that a business and their IT can no longer operate as independent components, and must embrace each other. This manifests itself in different ways and the purpose of this White Paper is to examine three aspects pertinent to both.

There is the stampede to “Align IT to Business”; defining the rules to make IT accountable, delivering against the business strategy no longer settling for best endeavours, there is the enterprise wide challenge to determine Business Continuance across all processes where IT is only a part and, finally, if IT is outsourced, has alignment been achieved or is there even greater distance?

This brief white paper looks at these challenges, proffers how they are interrelated and, therefore, how a total business strategy could be deployed.

Aligning IT to Business

A recent “Outsourcing IT” article had a quote from a Group FD of a UK FTSE company whose board level responsibility includes IT. The reason he gave for outsourcing was, “To remove the personality of IT.”

Surely a misquote. Didn't he mean, “Remove the personnel of IT”?

Discussions with colleagues initially underpinned this theory, until the conversation was extended to “Aligning IT to business.” At this point “personality” had more credibility.

There has always been a gulf between IT and business - a huge misalignment. IT believes the business doesn't understand the complexity of their requests, what is involved and the time it takes to complete even what superficially appears to be a modest change. The business, for its part, sees a capital investment sink; a service that accepts downtime and a lack of agility. This is possibly a harsh assessment, but one that would give credence to the quote and illustrate the frustrations found on both sides.

Strategic business decisions, dependent upon IT, often rely on a recommendation from IT; a storage strategy, server consolidation, or disaster recovery. However, these are all tactical solutions, though valid, do not provide a sustainable business advantage. Very often these decisions are taken in isolation from the organisation and by definition a business strategy must be defined by the business and delivered by the enterprise as a whole.

The issue, here again, is that the business doesn't know the right questions to ask and IT doesn't understand the impact of what it delivers. The conversation rarely elevates from component level.

Consider the Finance department; this too has its own internal language. Correct accountancy practices are transparent; best use of cash, reduced borrowings. Wages paid into employee accounts by the appointed date is the only part of the measurement of the service valid for consideration. The detailed operational integrities of this profession need not be understood by the business as Finance delivers a service and reports through the balance sheet. The technical aspects and associated language are internal to the department; external reporting translates this into terms accessible by the business. Who else on the board understands Nominal Codes? Why then is everyone else expected to be familiar with ip addresses?

IT management in larger organisations is at technology element level; the network, Unix, Windows, application, database teams all have their own view. The information collected is technology based, often incomprehensible to anyone outside that immediate team and certainly unintelligible to the business. The end user is impacted by their end-to-end experience straddling many, if not all, of these groups, logically the reporting should follow the same structure; what is the business impact?

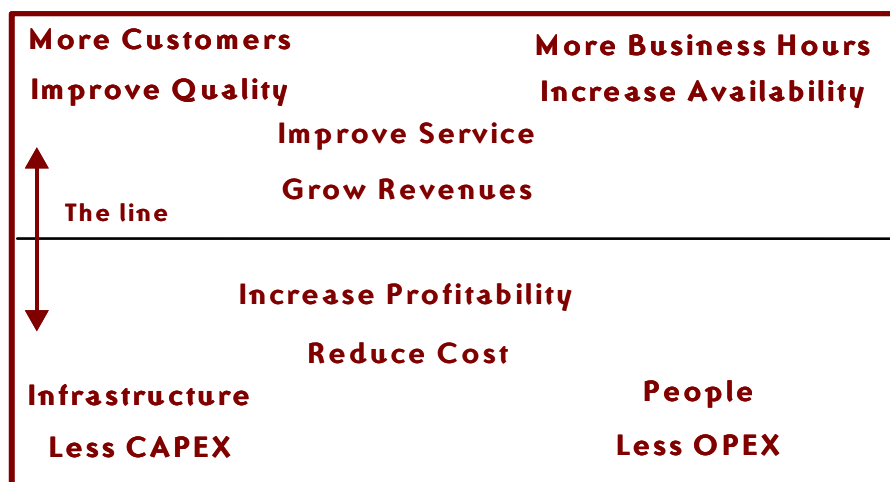
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Consider an end user reporting that, “He is experiencing difficulty accessing email” and gets the response, “Checked Exchange, it’s fine”. Was the problem in the question or the answer?

Therefore, in de-coupling technology from IT, removing the minutia of the elements, to provide service level information, a common comprehensible business language can be generated – an IT balance sheet.

Business Continuance – IT and the Business

The strategic business goal is how to increase sales and raise profitability.



- More sales necessitate more customers and longer business hours, attracted by a better quality of service.
- Greater profitability relies on increased efficiency, reducing both the capital and operational expenditures.

These two basic drivers inevitably lead to greater IT complexity to provide the quality and availability, whilst competition presses down the cost centres. It is discussed in another T360 White Paper, that improved quality and reduced cost are not mutually exclusive, as they each benefit from a service led strategy based on business value.

Business risk and impact provides the true value of services to the organisation. Compliance and other regulatory measures are encouraging greater involvement with Business Continuance specialists. There is no advantage to the business to invest in growth, only to discover that even more is at risk. Business development and continuance must be the cornerstones to the strategy.

Building a Business Continuance process across the enterprise is a board level undertaking of which IT has a key, but supporting role. Business Continuance is a process not a product, so having defined and deployed, services must be continually assessed to ensure adherence. This is only possible if the business has an end-to-end view of IT services.

Relevance to In-House or Out-Source IT

The challenge to be innovative in business and to ensure the competitive edge necessary to succeed, adds further to the complexity of each transaction and thereby the ability of the IT infrastructure to support it. Is this a good time to give the problem to an organisation experienced in business support from an IT perspective?

Yes. An out-sourcing organisation deals with IT personnel all the time. There are significant financial benefits associated with buying power; product, recruitment, and training. A pool of specialist skills can be made available for occasional use, the in-house skill set is no longer a limitation.

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And No. Giving the problem to someone else, who generally will consume your technical team as part of the contract, adds another layer of IT management and thereby business to IT translation. It could be argued that the business innovation held within an organisation is the sum total of the intellect and initiative of all the employees, so there is potential loss. ISO 15000 is targeted to be common level of service standard from all providers, which does define a level, but also removes the potential business advantage derived from IT, as everyone gets the same. A business no longer owns its own IT and with it a level of control.

Whether you take the quoted FD's approach and give the problem to a third party by out-sourcing, or take the contrary stance of a large retailer whose quote was, "We would only have to teach someone else what we already know", is an individual business judgement and thereby outside the scope of this document.

Regardless of which approach is taken, the business is the recipient of an end-to-end service, therefore the common challenge is to remove the mystery of IT and present what it delivers in a business comprehensible way.

Aligning IT to the Business is a Process not a Product

In order to align IT to the business, to remove ambiguity and misunderstanding, support a Business Continuity strategy and deploy a business development strategy, it is essential to have an end-to-end service view. The collective theme for the scenarios above is a common language, a comprehensible communication.

As the business dependency on IT grows, any misalignment has greater consequences:

- Restricts innovation – the ideas can't be translated.
- Reduces agility – tactical solutions always take longer over the medium term.
- IT investment remains tactical – strategic investment has greater medium term gain.

The business, its users and most importantly its customers, view service as an end-to-end experience. One under-performing element of the technology stack used to deliver a service impacts on that experience – 9 out of 10 is not a good mark!

Business Service Management (BSM) is a generic term for this framework, the common language metaphor used above. Alignment of ideas and strategies always has its foundations in good communications; a common language is an excellent place to start.

Business Service Management

Business Service Management (BSM) is the operational end-to-end view of the of the business critical processes integrating asset and operational information. BSM translates IT operations from an engineering element base to a business end-to-end service using a common language. This is not based on technology, but embraces business risk and impact, event management, root cause analysis, Service Level Agreement compliance and historical reporting.

To achieve this tools must document and correlate IT components to business services, delivering process through best practices such as ITIL. It also provides a qualitative and quantitative framework for Business Continuity Management (BCM) that extends beyond the boundaries of IT and into the business itself. The ability to provide this successfully depends on the strength of the relationship between the business and the IT services.

Whilst BSM is hugely beneficial to IT operationally, allowing the prioritising of actions and being proactive from an holistic perspective, the greater benefit is to business management, providing quantitative and qualitative information upon which to base strategic business decisions.

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This white paper is product independent; though not all products in the BSM market place can deliver all the functionality discussed below and always rely on information feeds from several sources, often already delivering to the engineering console.

BSM tools, correctly deployed, provide the following benefits:

- Improved IT alignment to the business:
 - Show business users and executives the state of their service, providing the ability to visualise and quantify in a common language the impact of technology faults on end-to-end business process. This provides IT operations a clear understanding of the business impact of a component failure or quality of service so it can better prioritise operational tasks. Event correlation and root cause analysis form an intrinsic element of this key decision making process.
- Higher Availability and Improved Performance:
 - To reduce back to service time as IT operations focuses on solving the correct, high-priority, business-relevant issues. BSM has the capability to provide predictive reporting, facilitating pre-emptive remedial action.
- ITIL approach to Change Management:
 - Change Management too is given a service perspective as a single technology element might be intrinsic in many services, adding to complexity of the risk and impact analysis
- Reduce Operational Costs:
 - Operational efficiency by using a single console for viewing the status of all business services, regardless of the collection toolkit, integrating with the IT infrastructure displays.
- Service Assurance:
 - Customisable business service views enable different business groups to view their service, thus giving the line of business a better understanding of how the IT infrastructure is performing.
- Business Continuity Management:
 - Providing the process framework based on ITIL that extends beyond the boundaries of IT and into the business itself, essential for Business Continuance.
- Business Oriented Reporting:
 - Ability to provide historical and real-time customer aligned reporting from an end-to-end business service perspective.

Summary

The challenges of “aligning IT to business” pre date the author’s own 25 year involvement in IT, as a technical engineer, commercial end user and, for the past 6 years, as business manager. The excitement in the whole BSM message is that it reflects business processes, engages best practices, facilitates the agility of change and provides an on going demonstrable framework for the delivery of business continuance. Aligning IT to business is a process, not a product, but the framework to deliver it is BSM.

T360

T360 is an innovative solutions provider that assists organisations to transition IT from being a necessary component to a strategic collaborator within the business.

'Aligning IT to the business is a Process not a Product'

Based upon best of breed ITIL solutions, T360 enable customers to achieve an end-to-end visualisation of their business services delivered by IT through the areas of:-

- Business Service Management
- Business Activity Monitoring
- Customer Experience Management

T360's philosophy is simple: we listen, understand and deliver. Our customers trust us because we provide innovation, expertise and commitment.

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