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## ROI for Service Assurance

### A Management White Paper

*Why Service Assurance?*

*Return on Investment and Business Benefits*

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### Why Service Assurance?

The new era of fiscal responsibility calls for a return to classic business strategies. Investing in systems management tools can yield a far greater return on investment than virtually any other IT expenditure. Past investments in network management have produced very stable networks but if the applications and systems that rely upon these networks are not available, or perform poorly, all other investments are for nothing.

A full implementation of a Service Assurance solution has many touch-points within an organisation covering such disparate functions as network management, applications management CRM, and asset management. Any number of business units within organisations can benefit from this approach.

### Return on Investment and Business Benefits

The value proposition emanates from the two categories of value: Benefits and ROI. The benefits refer to the 'soft' value that is typically difficult to quantify in direct revenue generation or cost savings terms, productivity frequently falls into this category. ROI refers to the 'hard' cost savings or direct revenue generation. Presented below is not intended to be an exhaustive compilation of the potential ROI and benefits, but a few areas to be considered: -

#### Return on Investment 'Hard Savings'

- Pre-emptive Maintenance and Pro-Active Management
- Management of SLA's
- Manpower Overheads
- Sizing
- Strategic Investments
- Time to Value

##### *Pre-Emptive Maintenance and Pro-Active Management*

Pro-active monitoring will give visibility of changes that need to be made allowing, where possible, for these to be dovetailed into the housekeeping schedule, which can be at the most convenient time for users and the support team, reducing the demands on the support team. All of this will increase customer satisfaction; an additional soft saving.

##### *Management of SLA's*

The proposition will provide tools and processes to monitor, manage and communicate the metrics that are in the service level agreements. Without automation this would not be achievable, even with a large support team.

There is the capability of monitoring the businesses third party suppliers, which will provide quantitative evidence of their performance. This forms a critical element in the overall service IT provides to its users and should form the basis of future negotiations with these suppliers.

##### *Manpower Overheads*

The proposed solution will provide early and accurate identification of problems so that the amount of time spent by highly skilled technical staff in problem analysis and rectification will be reduced.

Experience shows that service levels can be increased with the same sized support team whilst the infrastructure grows by over 300%. The savings here go well beyond the overhead, recruitment is not inexpensive as well as being a drain on senior personnel who must be engaged in the process and must include the hidden costs of training.

By deploying a common tool set, the business is able to take control of its IT environment. Fragmented and disparate tool sets require very individual skills that can be lost to the business should personnel leave. Not only is the business vulnerable during this time, there is also the additional impact upon finding and training replacements.

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### *Sizing*

Once the solution has been implemented the business will be able to build up a portfolio of data, which will enable them to accurately define their required infrastructure. In order to guarantee a quality of service, systems are often over specified to give a 'comfort factor'. This premature investment is at cost to the business, quantifiable data monitored from existing systems can help size the system and therefore the expenditure more accurately, removing the 'comfort factor' cost.

### *Strategic Investments*

The proposition will provide the tools and processes to monitor key components within the infrastructure. With quantifiable evidence, investment can be far more strategic, upgrading not on a hunch, but to target the element of the environment causing the bottleneck. An easy example of this is the slow operation of a database, which can be improved by some additional memory or better I/O, not a complete server.

Delaying the strategic investment of a new server and network elements will reduce the cost between 30% and 50% per annum as the price performance of hardware typically doubles each year. In real terms, the hardware will be cheaper as well as having a positive cash flow benefit. There is also the ongoing savings of third party support being eliminated.

### *Time to Value*

T360's products have the highest time to value within this industry. Using the knowledge held by the IT department, core parameters can be set providing immediate reporting facilities. Over time, these parameters can be refined, but their impact is instant; the return on investment commences.

## Benefits 'Soft Savings'

- Expansion of business
- Credibility of SLA metrics
- Enhanced customer satisfaction
- Without QoS criteria
- Business practices

### *Expansion of Business*

Failure to implement a systems management solution will significantly impact upon the businesses ability to meet any proposed expansion or adapt to change. QoS is imperative and the proposition will provide the business with a competitive differentiator.

### *Credibility of SLA metrics*

Fundamental to the core of the business case is credibility. In order to attract and retain more clients, they must be able to supply credible service level metrics. In short, the business will be excluded from many potential opportunities without a solution of this calibre.

### *Enhanced Customer Satisfaction*

The reduction of application downtime and improved response times will have a positive effect upon the customer experience and enhance customer satisfaction. Customers are expensive to acquire with sales effort, marketing, legal and infrastructure costs. Losing a customer renders these costs wasted.

### *Without a QoS criteria*

Few businesses have a QoS and response time criteria agreement documented, however, calls to the helpdesk about the end user's perception of degradation in service demand investigation. Without monitoring tools, identifying the elemental cause in a complex environment, be it action or process, will be time consuming and if transitory, almost impossible to locate. The real QoS criteria are always end user perceptions.

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### *Business Practices*

Intrinsic to a solution of this type would be additional value areas that will be discovered as the project moves forward and the continuous improvement practices are put in place. As the information about the dynamics of the service are more clearly understood, the ROI to the business will be enhanced. Efficiency improvements are often founded on the business processes.

### **Summary**

The examples above have shown that there is a number of means to reducing IT operating costs, improving ROI and, simply speaking, getting better value for money. How these apply to any given business specifically though is more important. They cannot be measured or applied without a clear understanding of the infrastructure. A technical audit will turn these concepts into hard facts and figures, cementing the foundations for an improved technical strategy supporting the business requirements.

### **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.