

Business white paper

Boost your hybrid IT

IT service management for the cloud



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Executive summary

Today, with more and more cloud services materializing, business users are less willing to spare the time or money it takes for traditional IT projects to deliver applications. As a result, CIOs are now moving toward a hybrid delivery system, where more of the services and service components are consolidated from internal and external clouds to create standardized service catalogs. While this model makes it easier to meet the evolving business demand, it brings its own set of complexities that can only be addressed by a well-thought-out IT service management (ITSM) implementation. This paper answers fundamental questions for CIOs on the journey toward realizing a modern technology organization that can support the business, predictably with a streamlined IT culture.

Should IT leaders reinvent themselves, yet again?

Till recently, IT organizations delivered business services by orchestrating technology-based capabilities that are an aggregation of assets such as applications, databases, networks, storage, and servers. This involved reviewing project requests and moving it through a fully in-house “plan-build-run” lifecycle, which involves significant time and costs. So, it’s no wonder that this way of working has created ever-increasing tension between IT and the business it serves.

People in the business just want services. They don’t care much about where the services come from. All that matters to them is getting the right technology-enabled services that can help them get their job done quickly and cost-effectively to exploit new business prospects. This has left IT with no choice but to change its role and its relevance to the business. Many IT organizations get the message, loud and clear. That’s why most have started moving toward an operating model where CIOs play the role of IT service brokers, sourcing services with a hybrid delivery environment.

The cloud plays a crucial role in the hybrid delivery model. Cloud services offer businesses the opportunity to solve existing problems in new ways as well as solve problems that could not be solved before. When you need massive computing power for just a few hours to solve one business problem, you don’t need to make a capital investment in infrastructure. Instead, you can just buy the required computing capacity and treat it as an operating expense.

In the future, a portfolio of services will be typically created with some services sourced from in-house infrastructure, some from verified public clouds, and some from private clouds hosted internally or externally.

Can you move to a hybrid delivery environment smoothly?

The key drivers of cloud adoption in a hybrid delivery environment are cost reduction and the ability to react faster to business demand. In addition, the cloud promises greater transparency with its pay-for-use model as well as an improved experience enabled by its agility to assemble service components on the fly. This has led many to think that the cloud eliminates the need for ITSM. This couldn’t be further from the truth.

The cloud does not inherently address organizational and process requirements. Moreover, when IT services and service components are sourced via different channels and suppliers, more emphasis must be placed on service levels, trust, security, and the overall user experience. Often, when a single service is created with components from different sources, support becomes a challenge. It becomes more difficult to minimize the number, duration, and impact of incidents, problems, and outages.

How do you deal with these issues? How do you manage change with confidence? And ultimately, how do you deliver on business expectations regarding IT quality and cost? The answer to this dilemma is effective ITSM, which assumes a larger significance in hybrid cloud environments. You need ITSM now more than ever before.

A broad and solid ITSM solution can help implement processes such as incident, problem, and change management; streamline and automate processes; and avoid cloud sprawl and lower risk. In addition, it can enable self-service through a service catalog for automated request fulfillment—providing the business with an enhanced user experience, while enabling IT to keep pace with the growing demand for fast fulfillment and immediate support.

What can a successful ITSM implementation do for you?

ITSM can help IT organizations become effective builders and brokers of services by making the service delivery process more standardized, efficient, predictable, and automated. However, settling for just any ITSM solution won't help matters much. A sound ITSM implementation, using IT Infrastructure Library (ITIL®) best practices, should be able to help you:

Make IT the one-stop shop for all business services—Typically, there is a multitude of service catalogs for different parts of the organization, based on different technologies and tools, and representing different levels of services. Your ITSM solution should help you build a consolidated service catalog and request management process, where service requests can be fulfilled through the cloud or other delivery mechanisms. Business users should be able to interact with IT using a single, integrated service portal. This means enabling IT to talk using business language, and providing a positive user experience in terms of look and feel, ease of use, speed of delivery, flexibility, and support.

By letting users pick and choose through a catalog, the cloud enables self-service request handling. However, with the cloud, business expectations tend to run high. The pressure to develop and offer more of these services increases. Also, users want to get support “on the go”—another important aspect of self-service. Your ITSM implementation should be able to address these needs. Done right, the implementation should reduce the high volume of service desk interaction, automate manual help desk processes, and contain the high cost of service desk support.

You can look to the HP ITSM solution, with robust service catalog and service request management features, for all of these “must haves”. The solution takes the users' needs into consideration, making the service catalog simple and easy to use. At the back end, the solution also helps IT standardize the services and service components, while ably managing risk, compliance, and governance. Another key consideration is transparency of service cost. This is also taken care of by the HP solution, which provides:

- Service cost and contract management, financial analysis, and chargeback for use of IT services through automated asset management
- The service context and dependencies through a configuration management database (CMDB) and discovery

Factor in people and processes in the cloud—In most cases, the cloud does not change the services that IT delivers; it changes the way the services are delivered. You'll find that the number of calls or requests to the service desk only goes up with the cloud. Beyond technology, you need to think about people and processes to deal with this complexity effectively. You need to think about how best to manage your multiple suppliers as well as the different service elements from internal and external sources. What can help is an ITSM solution that can enable you to control ad hoc changes, understand the business impact of changes, and proactively monitor the user experience to lower the severity and number of outages. Most of these outages are typically caused by people or process issues. To address this, the HP ITSM solution integrates people, processes, and technology—helping you prevent issues that arise out of uncoordinated changes and a lack of communication. As a result, you can mitigate the high cost of service disruption and business dissatisfaction.

Extend integration and automation beyond key processes—Inadequate process-oriented incident, problem, and knowledge management would mean problems taking a long time to be resolved. In addition, the lack of integration between tools and the lack of process automation can result in inefficiencies and unnecessary costs. That's why HP doesn't stop at providing an ITSM solution built on a solid service desk foundation, including asset management, configuration management, and discovery. Based on HP Service Manager (SM), the solution extends beyond traditional core capabilities to integration and automation of end-to-end change, configuration, and release management; service request management; and incident remediation to name a few. Gartner believes that organizations can derive more value from IT operations when the group is more visible to executive and line-of-business management, engages in business issues, and actually contributes to goals for business growth and agility. Getting to this level of participation requires resource investments in technology, people, and process. Adopting a service orientation has proved to be an effective rallying point for those investments.¹

How do you make the service-centric model really work?

The key challenge, for those driving IT organizations, is to optimize ITSM investments, while demonstrating value to the business. But to be able to optimize something, you should be able to measure it first. This is why key performance indicators (KPIs) are foundational to good IT performance management. Your ITSM solution should establish some of the most critical KPIs in business terms to help you:

- Track and manage performance, and enable continuous improvement
- Better understand the business impact of outages and performance degradations
- Increase process adoption, standardize processes, and improve and document processes
- Improve compliance with better asset and software license tracking
- Improve business visibility into service quality and compliance processes to meet audit requirements
- Optimize IT service delivery satisfying all sources of demand
- Communicate and demonstrate IT value to the business

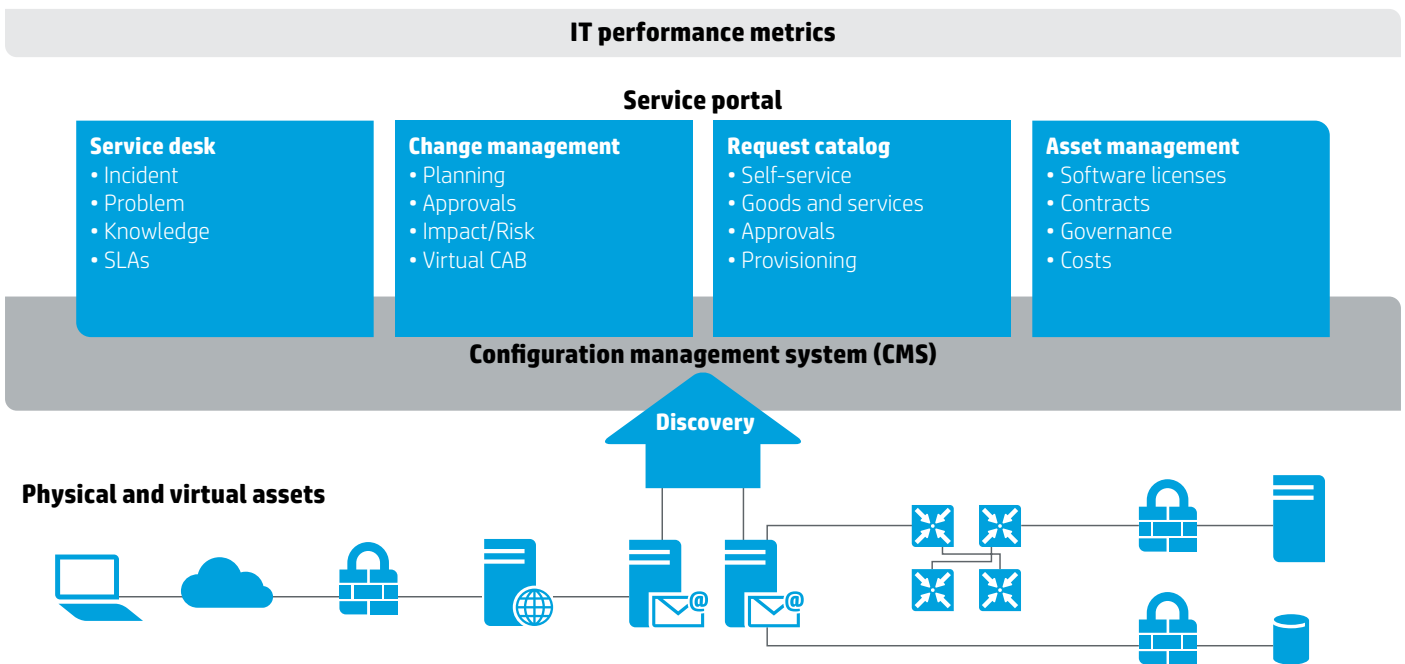
Ultimately, you need to run IT like a business—improving value and costs, while delivering predictable and reliable service quality. And this is exactly what the HP ITSM solution aims to do by combining out-of-the-box best practices with these fundamental capabilities:

- **Consolidated service desk**—This standardizes incident and problem management processes, helps achieve the quality of service delivery and support, and enhances agent and end-user support. Consolidated service desk also provides business users with a single front door to IT and enables IT to work as a single organization governed by a consistent set of processes.
- **Knowledge management**—This helps you leverage knowledge across the organization as well as get answers in real time.
- **Service-level management**—This enables the definition and tracking of service levels, which extend from the business service down to specific process, hardware, and software components.
- **Change management**—This is to automate change across IT and provide visibility and control into end-to-end change management. By automating impact analysis and collision detection, the change management capability helps detect unplanned changes, improve your audit and compliance posture, and increase the effectiveness of the change advisory board.

¹“Agenda for IT Operations Management, 2012,” Gartner, February 1, 2012.

- **Service catalog and request management**—This provides an easy-to-use process, from demand to fulfillment, for both end users and IT. Service catalog and request management helps define and maintain a standard set of services and reduces ad hoc requests with standardized procurement processes. Also, it provides consistent and predictable cost models with uniform pricing and asset management integration, and reduces the service desk’s workload by raising and following up on requests through the Web.
- **Asset management**—This to manage and control investments, assets, and resources so that you can drive out costs. Asset management lets you know, from procurement through disposal, what you have, where your assets are located, how much they cost, and who is using them. Also, it helps optimize software license compliance for virtual and physical environments.
- **Configuration management system**—This provides accurate, up-to-date configuration data and service context across ITSM processes, and dynamic access to data via actionable federation.
- **Discovery**—This automates the near-continuous discovery of assets, infrastructure, and applications, and maps them to services. In addition, it enables you to visualize the environment from multiple perspectives quickly.
- **Automation**—This covers automation of incident remediation, change execution, and provisioning to reduce error and increase speed. These automation capabilities are crucial to reduce cost and risk across the service lifecycle, meet service-level agreements (SLAs), and fulfill audit and compliance requirements.
- **Key IT performance metrics and KPIs**—All of the other capabilities mentioned feed information into a system built to record your key IT performance metrics and KPIs—enabling all stakeholders to get a status of the IT organization’s performance, whenever needed.

Figure 1. HP ITSM
Improve your quality of service and reduce cost



Why is it important to find the right ITSM partner?

The right partner can make all the difference. You can look to HP for a complete ITSM solution for the cloud—covering all aspects of the service lifecycle and ITIL. While core incident and problem management are quite mature across the industry, HP has advantages with proven change management, discovery and dependency mapping, task automation (with HP Operations Orchestration [OO]), and an enhanced service request catalog.

With integrated processes and proven capabilities, the HP solution can help transform your end-to-end service management experience to the next level of process effectiveness and automation. And our integrated solution portfolio and professional services can help you:

- **Perform better**—HP IT Executive Scorecard, for example, provides more than 30 ITSM KPIs and metrics, which provide real-time analysis and insights into the end-to-end performance of IT. The insights can help in providing better services to business users and making changes more efficiently.
- **Draw on ITIL V3 capabilities and ITSM leadership**—HP has numerous ITIL certifications and endorsements, and HP has multiple ITIL authors and contributors. Further, HP provides industry-leading transformation experience workshops as well as IT organizational and process design and consulting via HP Software Professional Services.
- **Improve the user experience**—The operator user interface that comes with HP SM 9 has been developed from the ground up with enhanced usability features. And, as previously mentioned, our service request catalog also provides a fresh and improved user experience.

While ITSM offers immense scope for improving service delivery, we understand that change is not easy, and each organization's situation is unique. With our flexible and pragmatic options, we can partner you on your terms. And, we can support you all the way—through service strategy, service design, service transition, service operation, and continual service improvement.

“Even if our business and user volumes increase by several orders of magnitude, we don't need to change the service operations system and staffing, which is a big relief. We're able to handle this fast growth in cloud business because we have coordinated with HP SM and HP OO for automated cloud service operations.”

—Yuichiro Oguni, Section Manager, Service Operations Division, Internet Initiative Japan (IIJ)

Resources

HP ITSM solution brief

Customize your IT lifecycle management, from acquisition of new IT, management of existing assets, and removal of unneeded equipment.

hp.com/go/hpfinancialservices

IIJ case study



Objective: Launch a cloud service incorporating resource-on-demand and delivering quality at a low operating cost



Approach: Research the market and test ITSM solutions from leading vendors



IT improvements: Automates processes for almost half of all service desk incidents and 75 percent of all events, increasing productivity and delivering customer satisfaction



Business benefits:

- Reduces the operating management burden accompanying system infrastructure expansion, providing cloud service for over 1,000 projects using same operations management system and staffing as they start the cloud service
- Provides high quality cloud services at a highly competitive price
- Uses operation management procedures to support business growth and cloud infrastructure expansion

Using experience cultivated over many years, IIJ created a revolutionary cloud service called IIJ GIO, built on top of Japan's world class internet infrastructure. It achieved a highly automated cloud service by using the latest service desk products and Run Book Automation (RBA) tools.

Where do you go from here?

You can start small, and then step up as needed. Make sure to begin with a basic ITSM solution that demonstrates cost advantages quickly so that it offers the steam to keep going and accelerate progress. You can invest in a simple solution around incident and problem management that leverages best practices for processes. Depending on your requirements, you can choose between different licensing and cost models, including software as a service. Subsequently, you can add other capabilities such as service catalog, service request, and asset management processes that can help fulfill your larger goals.

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