



Improving IT service levels

An evaluation of the benefits of integrated management systems

WHITE PAPER

Executive summary

IT managers face a difficult juggling act in trying to maintain or increase service levels to other departments in the face of increasing infrastructure complexity and mounting financial scrutiny. In this environment, many are implementing, or at least considering, automated systems that can undertake time-consuming tasks such as inventory taking, patch application or software licence monitoring.

This white paper aims to undertake a review of risks and benefits of implementing these systems compared to sticking with traditional manual processes. It also looks at the differences in return on investment (ROI) between so-called 'point products' which handle only a specific function such as applying patch updates, and integrated management suites that offer several automated functions within a single package.

Based on available research, our conclusion is that, for companies with an infrastructure base of around 200 PCs or more, automated systems have the potential to significantly enhance the IT department's ability to meet and exceed service level targets. Furthermore, this can be achieved with minimum risk to the business and at a cost that offers a highly attractive ROI.

Finally, our analysis of point products versus integrated suites reveals that the latter offer superior ROI and ease of deployment and use, making them an all-round better choice for IT managers that currently have no automated infrastructure management systems in place.

Introduction: IT at the core of the business

Today's IT infrastructures are more complex and vital than ever before, and look set to become increasingly so in the foreseeable future. IDC¹ notes that IT systems are now viewed as so fundamental to the business that in three out of four companies top executive management has the final say over software infrastructure acquisition decisions. This importance puts many IT managers in an unenviable position.

In most instances, the assets they manage have not been acquired in a structured fashion but have grown organically in response to factors that can range from a single department's requirement for a particular technology platform through to the need to unite two company-wide infrastructures following a corporate merger. The upshot is that a typical IT department might not even have a clear view of all the hardware and software it is managing, let alone know about features such as the age, operating system or vendor of each asset. This lack of information can have serious implications for the department's ability to adequately service the rest of the business.

The importance of good service

According to IDC², delivering good services (and improving service levels) is second only to security on the list of reasons cited by management for adopting new system infrastructure technologies.

The most widely accepted approach to IT service management in the world is the IT Infrastructure Library (ITIL). Under ITIL standards, "Service Level Management (SLM) is essential for any organisation so that the level of IT Service needed to support the business can be determined, and monitoring can be initiated to identify whether the required service levels are being achieved - and if not, why not."³

The primary interface between an IT department and its users is often through a service or support function and delivering these services in an effective, efficient and user-friendly way has long been a goal of IT supply organisations. However, the relationship between an IT department and others in the business is often far from ideal.

META Group research⁴ states that: "IT service delivery is dependent on people delivering the service at least 75% of the time." Because IT workers have varying skill sets and work practices, performance levels are inconsistent. Consequently, end-to-end IT processes must be defined to minimise this flux and create a managed approach to maintaining service levels.

"For organisations in which end users do not respect or have faith in the IT department, Service Level Agreements (SLAs) may be used to set realistic expectations and to communicate with end users about the inherent link between service, budget and costs."

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The service challenge

What the IT end user defines as 'service' can usefully be broken down into two components:

A.) Processes for change and configuration management, such as security measures, patch application and routine software and hardware updates, which should (in theory) be largely invisible to the end user but which will ensure their IT systems continue to run smoothly in order to deliver business productivity.

B.) Responses to special situations such as reporting problems and faults, getting help for IT-related projects and so on.

Regardless of the amount of resource currently allocated to dealing with each of these components, it clearly makes sense from a business efficiency and productivity perspective to try to minimise the level of personal interaction dedicated to services of type A above, and maximise that dedicated to B.

Hitherto, it is fair to say that many IT departments have had to allocate more resource to routine type-A tasks than they would have liked. The reason is that the heterogeneous nature of IT infrastructure assets made it time-intensive to manually carry out inventories, apply patches and upgrades, and so on.

Furthermore, the often incomplete view of assets that arose from this environment often impaired type-B assignments. To take a simplistic example, a roll out of a software system requiring Windows XP with Service Pack 2 installed could be compromised if the IT manager does not have a clear idea of how many PCs have been upgraded.

The automated alternative

This situation has changed in recent years with the arrival on the market of systems that can automatically carry out type-A processes such as asset location, software licence checking, patch application and even remote control of machines connected to the network.

Unsurprisingly, these have proved very popular; IDC⁵ reports that the change and configuration management market, which is composed of IT asset management technologies, grew by 14.8% between 2002 and 2003.

Clearly these systems represent an up-front cost to the business, however, which means most IT managers will need to have more than a personal view about their potential benefits before committing budget towards them.

In addition, there is the question of whether to rely on a range point products (some of which may already be integrated into hardware or software platforms) to address different tasks, or choose an integrated suite that does it all in one.

Assessing the value of automated management systems

Here we will provide an evaluation of the systems under the following four headings.

1. ROI

Although not directly related to service levels, ROI is clearly one of the foremost criteria for the evaluation of any business purchase. In this respect, IDC⁶ has studied the impact of introducing automated systems to improve service delivery, with remarkable results. Enterprises using a system from a supplier such as LANDesk[®] saved an average of close to \$1.1 million annually over three years, in increased user productivity due to reduced downtime and less time lost on system administration tasks. When normalised for company size, these savings amounted to \$22.909 per 100 users."

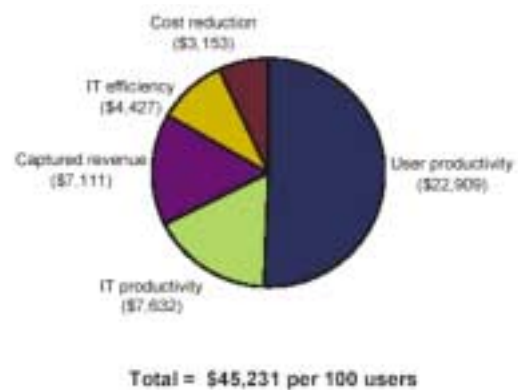


Figure 1: average annual savings per 100 users from deploying an automated management suite (source: IDC, 2004).

The system's capacity to help IT managers roll out updates and patches more quickly and easily meant downtime incidents dropped by nearly a third, equating to a 59% cut in downtime minutes.

Time spent managing networks, systems and applications dropped by 20% and the average number of desktops managed by each full-time equivalent IT employee rose by 32%, yielding average payroll savings of \$220,625 a year or \$7,597 per 100 users.

With all this, IDC estimated that, including the opportunity costs realised by not having invested the initial amount in some other instrument yielding a 12% return and based on an average investment of \$536,843 over three years, the payback period for the LANDesk Management suite 8 averaged 90.5 days, yielding an average ROI of 846%.

IDC also found that: "Companies using point product solutions had lower IT productivity improvements than companies using the integrated management suite. Their IT staffs spent 29% more time on routine, non-productive tasks than the IT staffs of their counterparts using the integrated software."

2. Suitability to size of organisation

Given that management systems are designed to ease the workload created by complex infrastructures, it seems logical to assume that their benefits increase along with the size and complexity of the organisation they are used in.

In actual fact, Touchpaper's experience from implementing systems such as these in organisations across the world indicates that the effectiveness of the systems is maximised in all organisations that have 200 PCs or more.

Interestingly, this appears to coincide with a stage of corporate development at which IT service levels are of greatest concern. According to IDC⁷, improving service levels is the main reason for adopting new system infrastructure technologies in companies of between 100 and 1,000 employees, cited by 40% of respondents, a higher level than in companies of any other size.

IDC's report advises: "For the smaller and midsize organisations that have 5,000 desktops or less, the change and configuration software that is relatively easy to install and get running may be the way to go. This includes software for automatically detecting and managing computers on your network, as well as remote control software for managing systems not in easy-to-access locations."

3. Risks associated with implementation

The introduction of any new element into a complex IT setup naturally gives rise to worries about potential risks: will there be compatibility issues? Will the system fail to operate correctly or, worse still, affect the functioning of existing systems? And so on.

The reality with both point products and management suites is that they are 'mature' platforms in which stability and compatibility issues have largely been solved, so there is minimum risk in rolling them out across the company infrastructure.

Conversely, there is a growing level of risk associated with NOT rolling out such products, on account of increasing legislation and regulation governing elements of the IT infrastructure.

A good IT infrastructure management system will help the enterprise keep track of hardware assets and software licences and in doing so reduce the likelihood of the business falling foul of operational risk requirements, contractual agreements, copyright law, Sarbanes-Oxley regulations and so on.

4. Impact on service

Touchpaper's experience has shown that IT infrastructure management systems can aid in the quest for improved services levels by having an impact on a number of fronts.

A non-exhaustive list of the most salient benefits includes:

- Cost savings on and/or increased availability of IT employee resources.
- Cost savings in software licences resulting from an accurate view of which machines are using specific applications.
- Improved relationships with software suppliers due to the ability to report quickly and accurately.
- Improved ability to plan for IT-related projects such as system upgrades, owing to improved knowledge about current assets.
- Faster, more cost-effective and more efficient fault response with remote-control maintenance tools, facilitating better relationships between IT and end users.
- Quicker rollout of patches and upgrades, ensuring systems are more up to date and less liable to security risks, viruses and failure.
- Improved asset reporting to the business, assisting organisations with projects such as mergers and acquisitions or IT consolidation programmes.
- Enhanced compliance with legal and regulatory requirements and with best practice as specified in ITIL and other frameworks.
- Increased resource availability to deliver added-value services in support of organisational goals such as the introduction of new applications.

Conclusion and recommendations

There is significant evidence to suggest that IT infrastructure management systems can make a major contribution to the IT department's levels of service, particularly in businesses with in excess of 200 PCs.

When considering the type of product to purchase, unless a large number of point products are already in use then it is advisable to opt for an integrated package.

Not only does this have the advantage of providing access to a range of functions through a single, simple user interface, but also enables support operations to be provided across all major computing platforms, including Microsoft, UNIX and Macintosh.

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About Touchpaper

Touchpaper is an international software company that provides market leading IT Service Management, Customer Service and Systems and Network management solutions.

Our goal is to help our customers deliver efficient, effective IT Services through teams who exceed expectations for service, minimise security risks and add drive operational value through technology.

Touchpaper is one of only three Global Solutions Providers of LANDesk solutions, enabling proactive, enterprise-wide systems management for desktops, servers, and mobile devices.

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All third-party trademarks are the property of their respective owners.

References

- ¹ IDC, '2004 IDC Software Infrastructure Survey: IT Buying Processes and Decisions', August 2004 (IDC#31799).
- ² Ibid.
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- ⁴ Meta Group, 'Service-Level Agreements: A Framework, Template, and Implementation Toolkit', 3rd Edition, 2004.
- ⁵ IDC, 'Worldwide Systems Operations Software 2003 Vendors Shares', August 2004 (IDC#31669).
- ⁶ IDC, 'Quantifying the ROI Benefits of Integrated Systems Management', October 2004 (IDC#4270).
- ⁷ 2004 IDC Software Infrastructure Survey: IT Buying Processes and Decisions.



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