



IT Service Management

– Efficiently and Effectively Aligning IT Performance to Business Goals

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IBM Tivoli Software

IBM® IT Service Management

*A Better Way to Manage
the Business of IT*



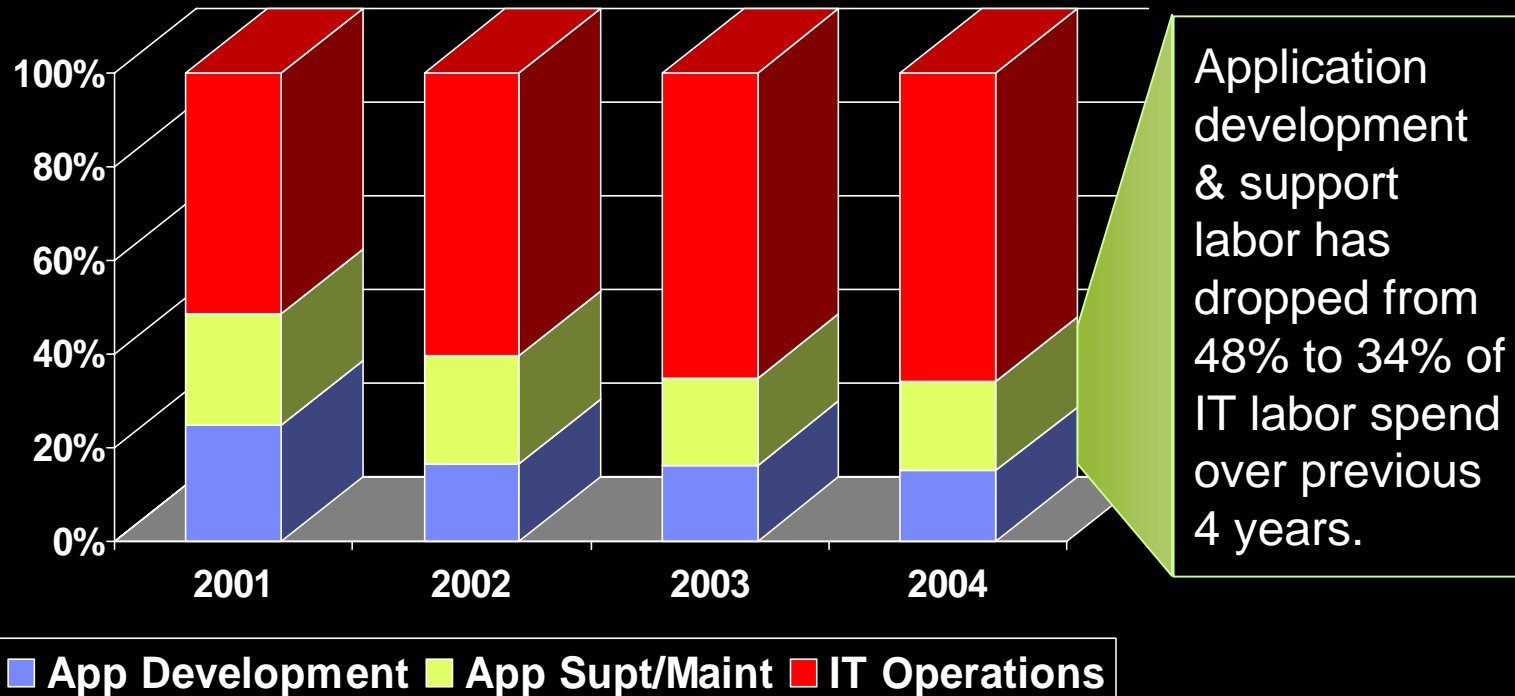
Agenda

- **What is IT Service Management?**
- **IT Service Management Overview**
- **Customer examples**



IT Efficiency is Waning

Decrease in Efficiency as IT Spending Shifts to Operations Labor

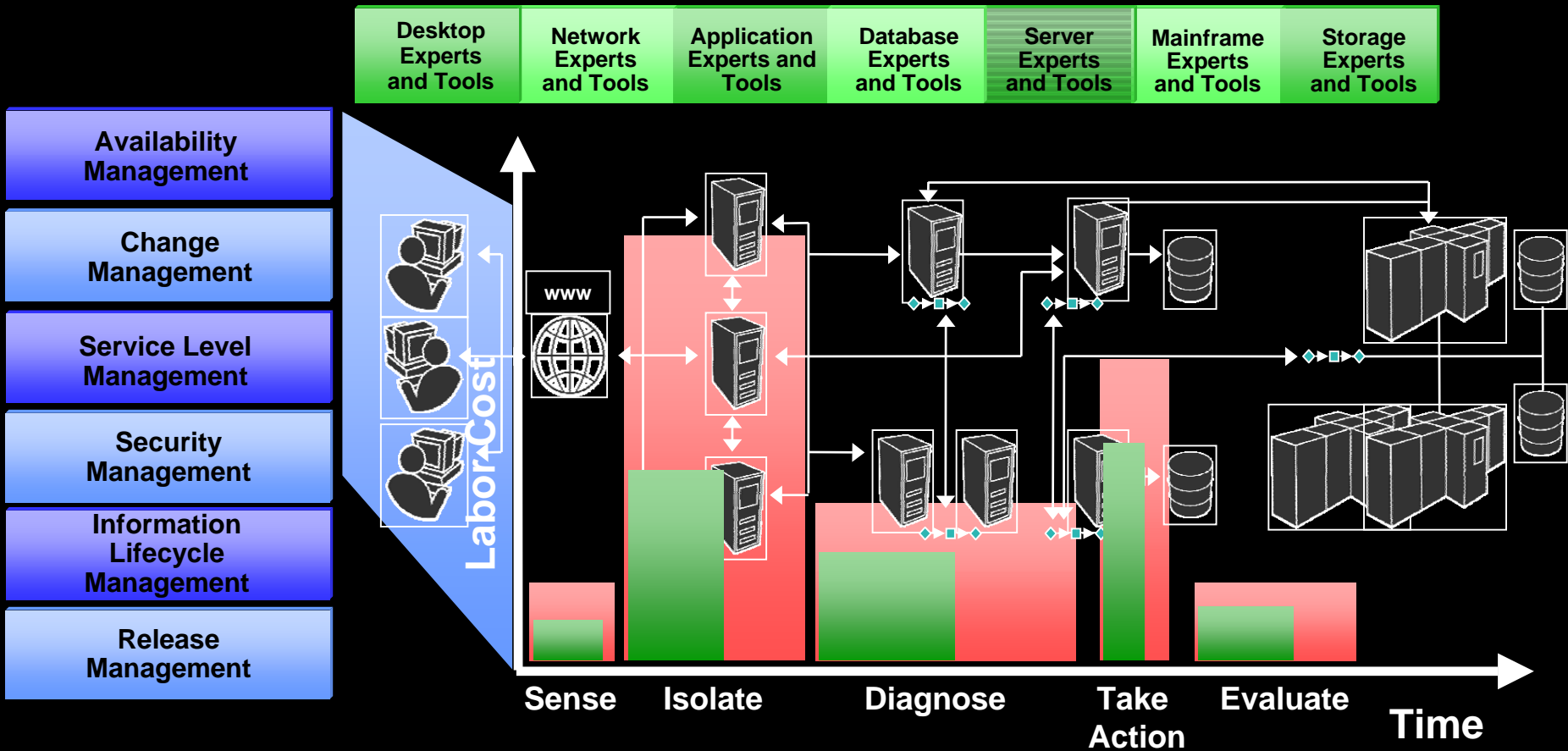


Source: Gartner Group, IT Spending & Staffing surveys

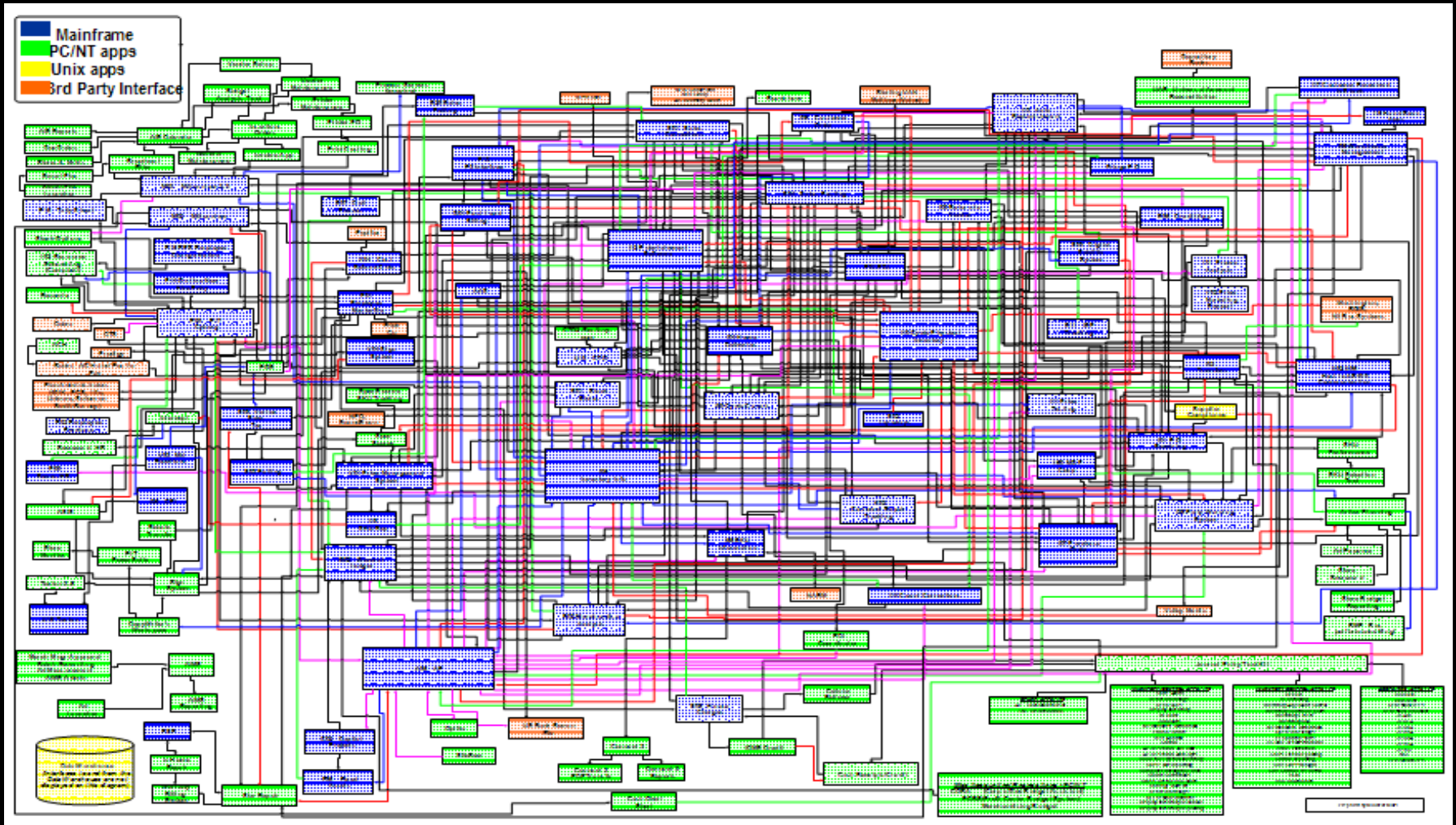
- Total labor is 70% of CIO budgets today
- Operations labor will be 73% of CIO labor budgets by 2008
- Application development will decline at -10% CGR to 2008

Managing Cost and Responsiveness Across IT Silos

Many businesses struggle to manage composite applications.



Architectural Complexity Reduces IT Efficiency & Effectiveness

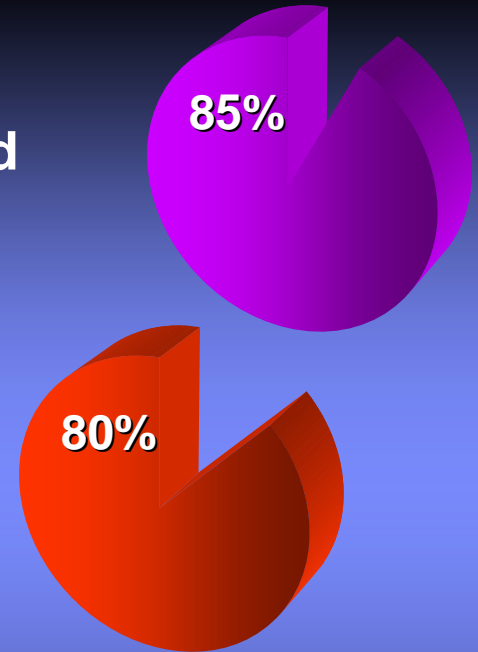


Actual Application Architecture for Consumer Electronics Company

IT Ineffective In Preventing Business Service Disruption



- 85% of problems are caused by IT changing something
- 80% of problems are reported by users
- IT customers have become the IT systems test team



Source: Tivoli Primary Research 2005

CIO's focused on IT to Business linkage and growth



Leading CIOs have a goal of driving down the ratio of IT spending for on-going IT operations and maintenance to accomplish four goals:

- Demonstrate that they are effective managers of the IT function
- Make room for new IT initiatives that back business strategies and goals
- Fund technology R&D without seeking extra funds
- Cut overall IT costs, if required

To what extent is each of the following CIO actions a priority for you in 2005?	Rank 2005	Rank 2004	Rank 2003	Top 5 Responses	Average 2005
Delivering projects that enable business growth	1	▲ 18	**	505	8.46
Linking business and IT strategies and plans	2	▲ 4	6	381	8.36
Demonstrating the business value of IS/IT	3	▼ 2	2	380	8.08
Applying metrics to IS organization and services	4	▲ 14	**	341	7.48
Tightening security and privacy safeguards	5	▲ 6	10	308	8.00
Improving business continuity readiness	6	▲ 12	**	296	7.42
Improving the quality of IS service delivery	7	▼ 1	8	289	7.94
Consolidating the IS organization and operations	8	▼ 3	**	283	6.84
Developing leadership in the senior IS team	9	*	*	281	8.02
Improving IT governance	10	▲ 11	3	279	7.44

▲ ▼ Selected change in ranking compared with 2004

* New question for 2005

** New question in 2004

Total top 5 responses

Average out of 10

Gartner.

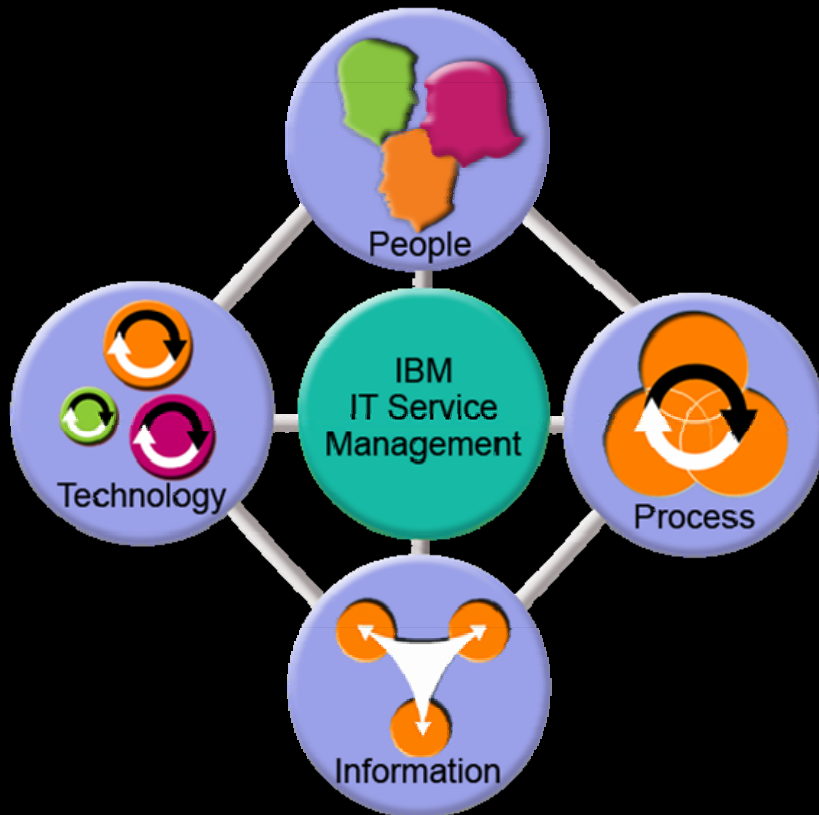
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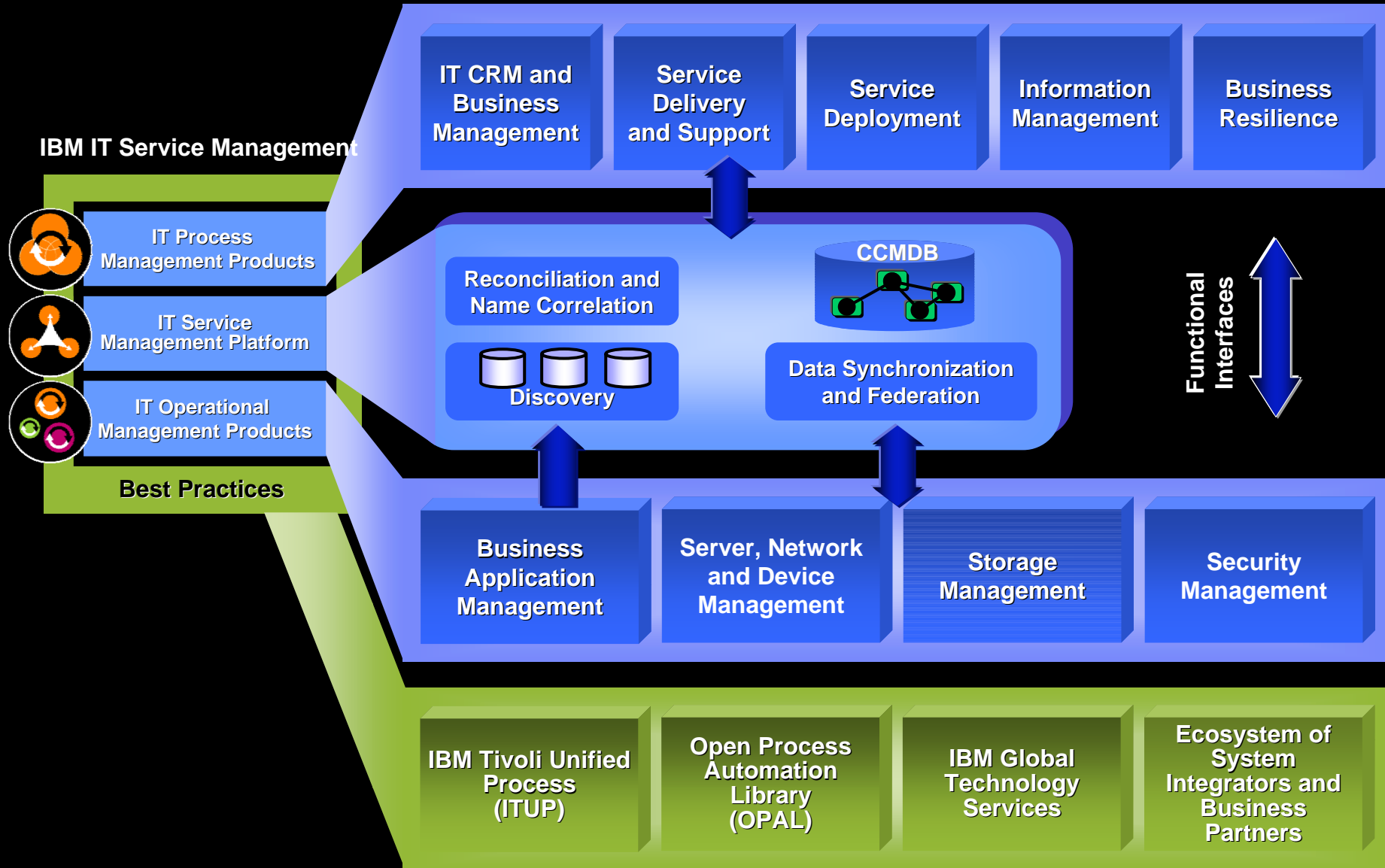
Innovation that Matters – IBM IT Service Management

An innovative vision for the optimal intersection of people, process, information and technology



- Optimize the sharing of information across people, processes and technology
- Establish decision-making policies to collaborate across organizations
- Automate and integrate IT processes aligned to business
- Leverage IBM's modular approach to achieve your business goals

A Comprehensive Approach to IT Service Management



IBM IT Service Management – A New Approach

IBM IT Service Management

IT Process Management Products

IT Service Management Platform

IT Operational Management Products

Best Practices

Traditional Approach

- Manual processes
- Inconsistent execution
- Unable to audit processes
- No CMDB or CMDB not integrated
- Inconsistent policy enforcement
- Incomplete tool portfolio
- Point function focus
- Limited data integration
- Guidelines for process execution

IBM Approach

- Automated processes
- Automation enforces consistent execution
- Audit-enabled processes
- CMDB integrated with management tools and process automation
- Policies enforced through ITSM platform
- Comprehensive tool portfolio
- Process enabling integration
- Information shared by management tools
- Tivoli Unified Process from IBM

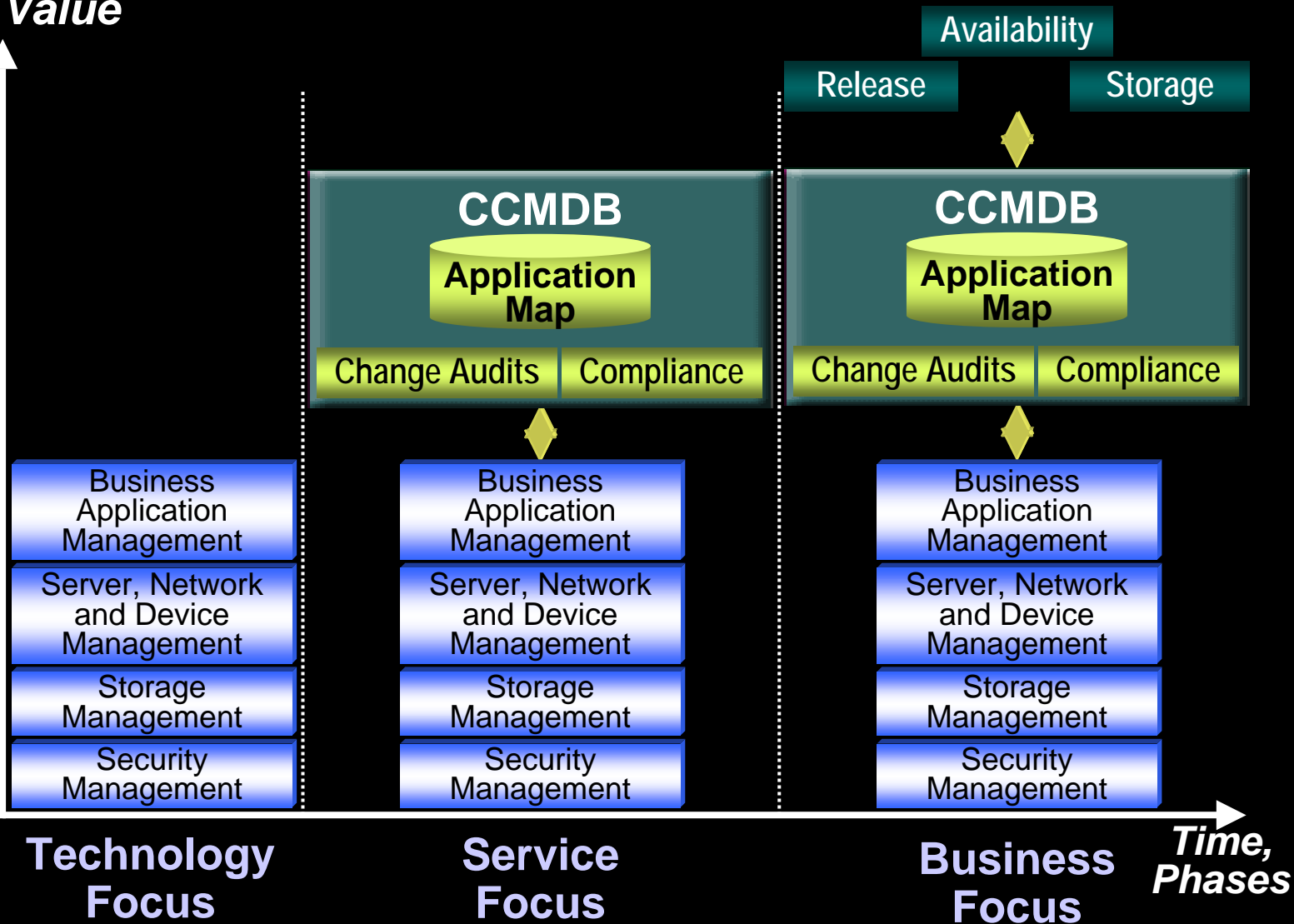
Taking a Modular Approach to IT Service Management

ITSM Value

Process Management

Information Management

Operational Management



IBM Tivoli Application Dependency Discovery Manager

- **80% of business service related failures are due to IT *changes* that had unpredicted impacts.**
- **IT must manually identify *relationships and dependencies* between applications and the supporting infrastructure, which is typically undergoing numerous changes every day.**



Automated Discovery –

automated application mapping and device discovery for unified view of configuration items in a CMDB

Audit and Control –

process and provide record of change as a checkpoint for compliance and audit requirements

Integration –

point for other IT Service Management processes and management data

A CMDB Needs to Do More Than Just Store Data

▪ Data integration

- Integrates and shares data across complex organizational silos
- Proactively manages data currency and accuracy
- Is the true, authoritative source of record

▪ Workflow integration

- Is coupled with an automated change management process to ensure integrity and consistency of configuration items
- Increases coordination and data sharing

▪ Policy integration

- Enforces policies to ensure compliance with internal and regulatory requirements

IBM IT Service Management

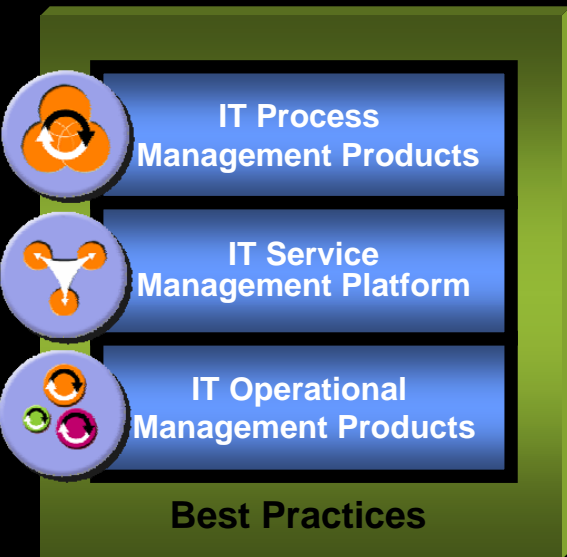


Change and Configuration Management Database (CCMDB)

Information isn't valuable until it's acted upon ...
a CMDB should facilitate action

IT Process Managers Bridge Organizational Silos

IBM IT Service Management



IT CRM & Business Management	Service Delivery & Support	Service Deployment	Information Management	Business Resilience
Financial Assessment Process Manager	Availability Management Process Manager	Release Management Process Manager	Storage Management Process Manager	Service Continuity Management Process Manager
Service Level Management Process Manager	Change and Configuration Management Process Manager			Security Management Process Manager
Asset Management Process Manager	Capacity Management Process Manager			Compliance Management Process Manager

Change and Configuration Management Database

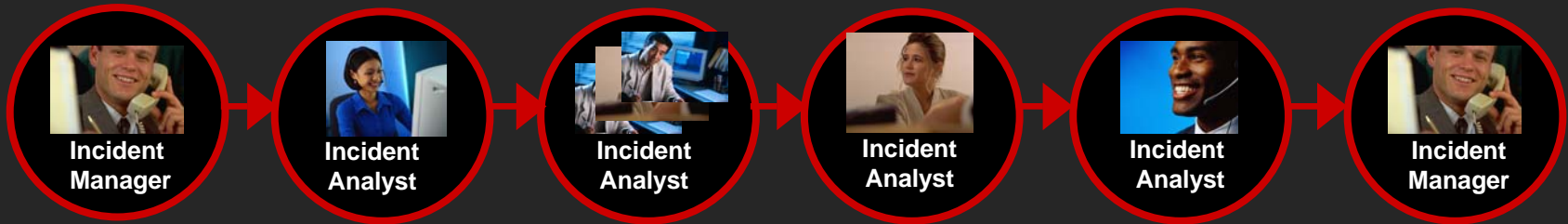
Available in June 2006!

Available in 2H 2006!

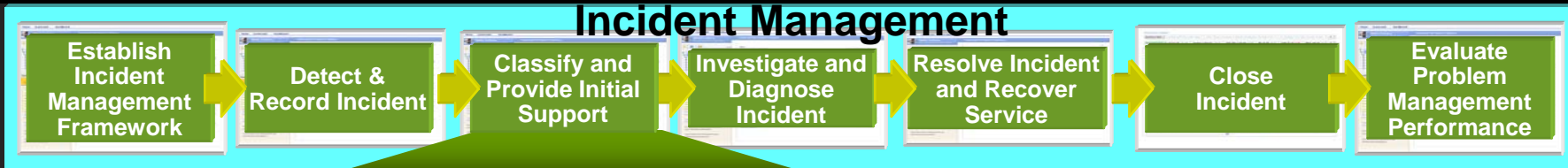
Future Directions

How It Works with IBM IT Service Management – Isolate, Diagnose and Resolve Incidents

People



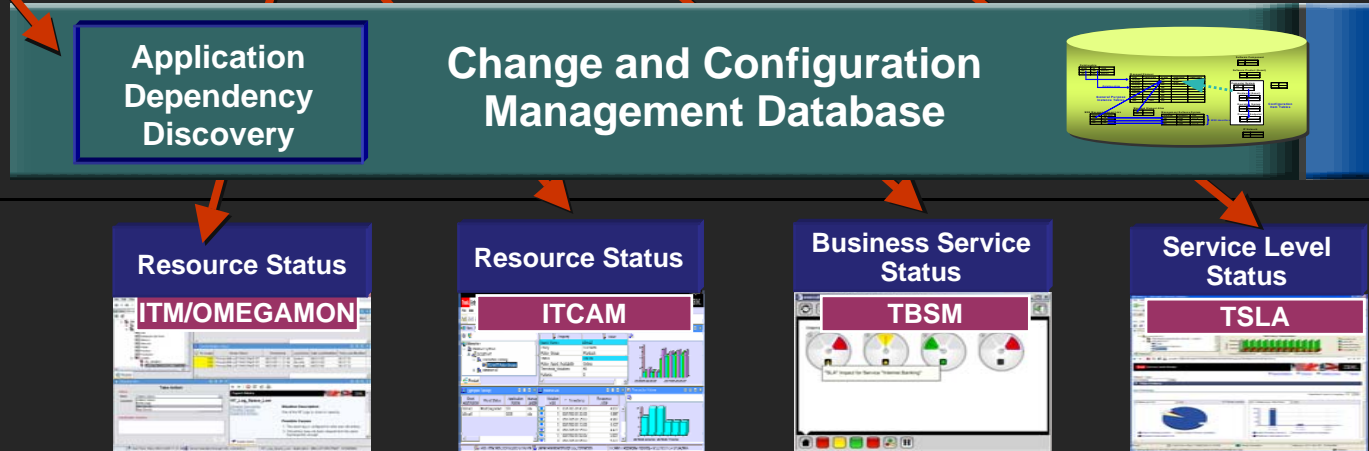
Process



Information



Technology



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Ford's Journey Toward On Demand Business

Business Challenge

Reduce the complexity and operational costs of the IT infrastructure through a standardization program that will help Ford become a more flexible organization

“The IBM approach to IT Service Management is taking Enterprise Systems Management at Ford to a new level. Optimization of both the IT infrastructure and IT processes will help to make ITIL® best practices a reality and Ford a more flexible, dynamic organization.”

*— George Surdu, Director,
Information Technology Infrastructure,
Ford Motor Company*

IBM IT Service Management Solution

- IBM IT Service Management Platform (CCMDB)
- IBM Tivoli Release Management Process Manager
- Multiple operational management products for availability and performance management

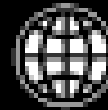
Business Benefits

- Lowered total cost of ownership for production support
- Improved agility to respond to changing business needs
- Increased speed, quality and predictability of IT delivery
- Reduced operational costs, enabling reinvestment for new application development

Controlling and managing your IT changes



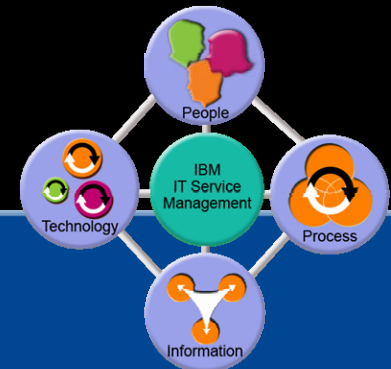
- **Why Application Mapping?**
 - CIO initiative: Consistent service delivery platform
- **Why Application Discovery?**
 - FedEx enterprise infrastructure coverage
 - Scale across multiple data centers
 - Integrate with other service delivery plans and products
- **Outcome: Agility and efficiency**



The World Bank Group
IBRD IDA IFC MIGA ICSID

- **Why Application Mapping?**
 - Build & maintain a CMDB
 - Eliminate disruptive change
 - Enable an agile infrastructure
- **Why Application Discovery?**
 - Built-in support for integration across the IT life-cycle
 - Scales to support a global infrastructure
 - Comprehensive data center coverage
- **Outcome: Full ITIL Certification**

IBM IT Service Management



A Better Way to Manage the Business of IT

- **Effectively and Efficiently Deliver IT Services** – Aligned with business priorities
- **Quantifiable process performance** – End-to-end process measurements and quantification
- **Extract Greater Value of Existing Investments** – Tighter Integration across technology, information and people
- **Increase IT Organizational Productivity** – Alignment of IT silos through data and workflow integration



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