



Runaway IT Costs CAN Be Controlled

A Jade Communications Solutions White Paper

This white paper presents a solution to manage and control IT costs. While IT departments are increasingly processing more data and overseeing a larger, more complex infrastructure, they ironically lack the detail information they need to improve and to measure their own efficiency and effectiveness. This white paper explores a new paradigm that is emerging in the business world, one that will combine business and technology data together to produce information never before attainable. This information will allow businesses to measure the impact of change and elevate their performance throughout the organization.

By:

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*You can't improve what you can't measure
You can't measure what you can't define
You can't define what you can't find or identify.*

Runaway IT Costs CAN be Controlled

If IT costs can be controlled, then who is responsible - the provider or the user - and who should be held accountable? Is the real problem identifying what you have, where it is located, how much is being used and by whom? Yes, and without that information organizations are left to distribute much of IT costs as "allocated costs" spread across the organization leaving no one accountable for rising costs.

Runaway costs are a symptom, while the problem is that the IT costs cannot be identified to the appropriate user group or organization. Therefore, these allocated costs are simply endured and have no control or efficiency oversight.

Simple economics state that if products, resources or services are not priced properly to the appropriate consumer, the result will be inefficient consumption and distribution. So why are IT costs "out of control" or described as "runaway costs"? Simply because allocated costs cannot be controlled by the receiving organization.

"Allocated costs cannot be controlled by the receiving organization"

Let's first take a look at how IT organizations have evolved over the years. Data has grown and keeps growing and that data needs technology, (hardware, software) to transmit, store, route and present this data for companies to function and operate. Companies have utilized computers, laptops, servers, routers, fiber optics, ERP, CRM, SCM and other technologies to deliver faster, better and more reliable results to meet business objectives. To keep this technology operating IT uses various tools to measure the constant health of the network. These performance management tools measure and manage the flow of traffic over the infrastructure and sends alerts when trouble arises. These management tools are not capable of capturing the critical information of tracking assets, maintaining their physical location or the network's physical capacities and utilization. So where do we go to solve this challenge of manage and control the constant growth and complexity of IT?

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Bringing Process to IT with ITIL

Industry leaders Microsoft, IBM, HP, BEA, CA and Fujitsu have recently aligned together and published a White Paper, "The Federated CMDB Vision". What does this mean? First let's define a few things. IT has grown through technology and technology usually defines its own processes and structure. In the late 80's the British government developed ITIL, (Information Technology Infrastructure Library), a process framework based on a set of best practices for organizations to deliver efficient and effective services to their customers. ITIL has evolved over the years and was the guidance for the British Standard, BS15000 and the new international standard, ISO20000, and are the first standards focused on for ITSM, (Information Technology Service Management).

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The CMDB, (Configuration Management Database), is the cornerstone of ITIL because it holds the information of all enterprise configuration items, (software, hardware, computing devices, procedures) and its relationships to one another. The ITIL process framework focuses on the Delivery and Support of services and knowing what assets exists is paramount. The challenge is how to discover, or federate, data from multiple sources in a multi-vendor environment. That's what the above mentioned group is trying to accomplish. The ITIL process, a CMDB, or any other software tool is only as good as the data it has to work with. What organizations need is an automated, accurate, secure method of collecting and correlating both business and technology data to improve business performance.

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So what exactly is the industry trying to resolve? Is it the ability to better operate, support, integrate and secure the IT infrastructure and be able to move swiftly to meet today's rapidly changing business environments? Can technology solve this problem or will it be people, process and information utilizing technology to enable businesses to improve profits and customer satisfaction?

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"To know everything about technology tells you nothing about how to control corporate IT costs or resolves the many other problems facing businesses."

A New Paradigm: Integrating Business and Technology Data

Technology by itself does not create a competitive advantage. Information is the competitive advantage. Information that is needed by any user in any department to make the best informed decisions, information that is unique to the problem that needs to be resolved.

Let's look at how integrating business with technology will help control runaway IT costs. To know everything about the technology tells you nothing about how to control corporate IT costs or resolves the many other problems facing businesses. Controlling runaway costs starts with detailed technology information that must be correlated to corporate cost structures and the appropriate organization that is accountable for the utilization of the resource. This isn't an easy task as the appropriate user of the technology is often "unknown" or "lost" over time due to corporate restructuring, physical moves of departmental staff, new technology upgrades, undefined original user and staff reassignments. Integrating is the answer but can it be done?

"Controlling runaway costs starts with detailed technology information that must be correlated to corporate cost structures and the appropriate organization that is accountable for the utilization efficiency of the resource."

Integrating business and technology data will produce the information you need -- what you have, where it's located, how much is being utilized and by whom. This will lead organizations to truly assess cost consumption throughout the organization and better manage business performance by department. The generated information that identifies the asset, user and utilization will enable the responsible organization to manage and control runaway IT costs. Which department should be responsible and accountable, Network Management, Facilities, etc...? It's the department that oversees the utilization efficiency of the specific resource and therefore should be accountable for the cost effectiveness of the resource.

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The same information needed to control IT cost can also benefit an organization by enabling the following:

- Avoiding additional costs by redeploying existing, under-utilized assets.
- Reducing costs by validating service contracts and software license agreements to what is being used and in service
- Reducing IT down time by locating the physical location of the problem
- Improving both time/costs of integrating New Technologies by having accurate knowledge of the network environment
- Improving security with accurate information of assets, access rights and knowledge of potential vulnerabilities
- Improving accuracy of audits for governance and compliance management

To make improvements like this, the key is to integrate business and technology data. Picture an organization as a large jigsaw puzzle with diverse pieces spread out through various departments and locations around the globe and your job is to seamlessly put it together and build a clear comprehensive image. Though the concept of assembling the puzzle seems clear and concise, the execution is extremely complex. This simple example highlights the similarities of what organizations are like today but instead of puzzle pieces, the task is an assortment of data repositories located in various departments, running over multi-vendor systems in multiple locations. To gain accountability of IT costs, this information needs to be captured and correlated, not once but repeatedly to enable the IT organizations to operate more effectively and efficiently and adapt faster to meet the business requirements driven by market changes.

Integrating business with technology is all about what the industry leaders are referring to as federation, reconciliation, synchronization and modeling. Federation is the collection of data from multiple sources and systems. Reconciliation is the validation and correction of the data. Synchronization is providing the corrected information back to the multiple departments and modeling is how the data is structured and formatted to allow for action.

As mentioned earlier, many industry leaders are joining together to develop a new standard for interoperable interfaces which will allow for the discovery of multi-vendor hardware and software information. Much of this development is in the early stages. Many questions arise, such as: Are all vendors participating? Any idea of when this standard will be completed? When will the enterprise be able to federate data from multiple departments and systems? Will the new technology also federate business data like accounting cost structures, HR records, facilities and customer records? Finally, will organizations feel comfortable with a potentially intrusive technology "pinging" or roaming their networks looking for data?

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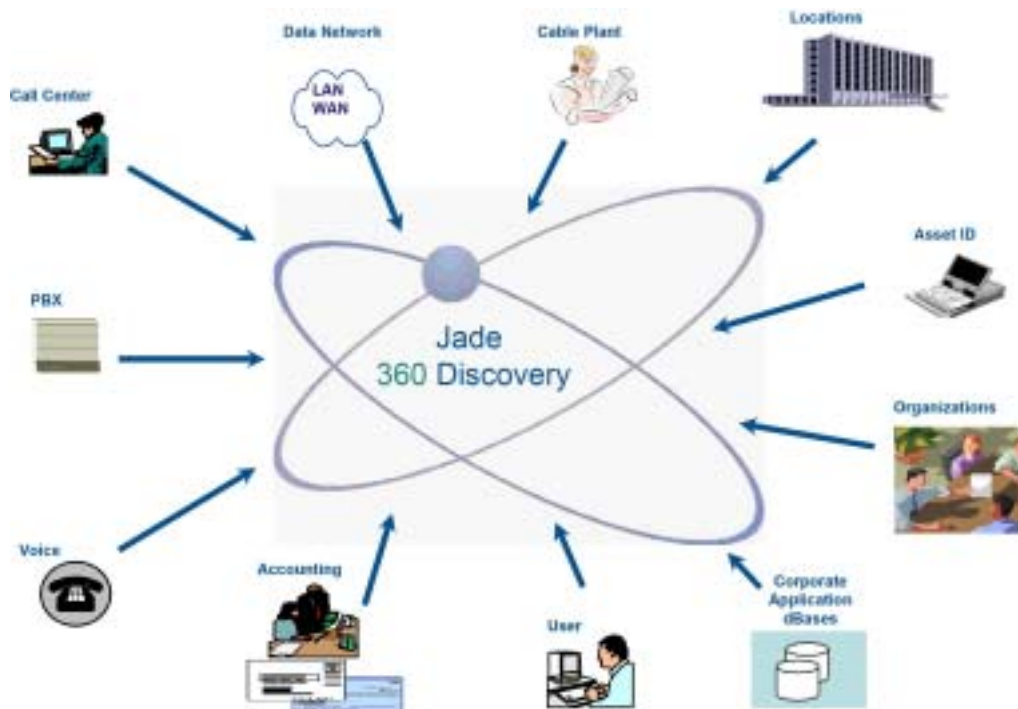
Introducing Jade 360 Discovery

Jade 360 Discovery solves the Corporate Information puzzle by collecting enterprise-wide business and technology data and restructuring it into meaningful, "actionable information" to elevate business performance. Jade 360 Discovery is a service that is automated (computer based), non-intrusive, secure, involves minimal customer involvement to execute and will deliver positive cash flow within weeks of initial engagement.

Jade 360 Discovery will provide "360 Actionable Information" like:

- Who – user, department, region, cost center etc...
- What – technology & business assets, applications, physical plant infrastructure
- Where – the physical location – Region, City, Building, Floor, Closet, Office
- How Much – Asset counts, Asset maintenance costs, Software license allocations, Physical capacities and physical utilization metrics.

360 Actionable Information can be formatted for direct import into existing operational support systems or populate new CMDBs for immediate use.



The core of Jade 360 Discovery is the capability to capture raw business and technology data from multiple systems, departments and locations and then validate, correct, synchronize and model the data into actionable information.

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Elevating Business Performance Across the Organization

It's important to understand how "360 Actionable Information" can elevate business performance across the organization. Following is a list of some of the biggest business challenges of today and how they can be resolved through the results of Jade 360 Discovery.

Challenge How Do I ...	Limitation Lack of Info	360 Actionable Info	Result
Correctly distribute expenses to utilizing departments	Identify who uses what and how much	IT, Telecom, Services usage by person and department	Control Costs
Audit/Validate service contracts & software license agreements	Location of asset and utilization	Asset identified to physical location, business unit, user	Reduce costs, improve Corporate Governance & compliance
Maximize my existing assets	Utilization of network and bandwidth	Network utilization and application traffic volumes	Cost avoidance
Resolve Network outages incidents faster	Can't detect actual location of the problem	Asset identified to physical location	Increase availability of services
Audit/Validate Asset depreciation	Location of asset	Physical location and age of asset	Improve SOX compliance
Integrate new technologies effectively and efficiently	Baseline metrics	ITIL metrics: Capacity and Availability	Faster more Reliable Execution of projects
Validate voice survivability Plan	Viability of the Central Office	Alternative communication routes	Survivability during disasters
Know mission critical information is properly protected	Vulnerabilities in cable plant infrastructure	ID cable/traffic paths, specific security hardening	Improve security
Validate an unexpected expense	Poor Data & records	Accounting changes, per staff moves	Improve accuracy of P&L report

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Summary

Finding and identifying critical business information dispersed across an organization is mandatory for organizations to improve business performance. Runaway IT costs can be controlled by identifying accountability and accurate measurements of usage.

A new paradigm is emerging where business and technology data can be integrated to produce actionable information that will enable workers with greater knowledge to make faster and better decisions.

What had been unattainable is now possible with the services of Jade 360 Discovery.

About Jade Communication Solutions:

Jade Communications Solutions is comprised of a team of experienced business and technology leaders. Having assisted many organizations with implementing, managing and supporting multiple technology platforms over the years, Jade recognized the biggest challenge for businesses was in managing and controlling its IT infrastructure and data to support business objectives. Today, Jade focuses on helping organizations elevate business performance through Jade 360 Discovery.

About the author:

Greg Shoff: Vice President of Sales & Marketing. Greg has over 20 years of experience in leading organizations with providing customers with solutions to their business challenges. Experience and knowledge in various IT Infrastructure solutions including networking hardware, software, physical plant and professional services. Greg is ITIL Foundation certified.

For more Information

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