BMC and ITIL: Continuing IT Service Evolution

Why adopting ITIL processes today can save your tomorrow
“Implementing ITIL? Don’t. That’s outdated thinking. Today’s successful IT organizations don’t implement ITIL, they use ITIL to develop effective strategies and tactics that drive business results”

Paul Burns, Senior Analyst, EMA
Top Customer Cited Reasons for Using ITIL

a. Provides a single, definable, collaborative, repeatable, and scalable documented framework for Service Management best practices that flows across the IT organization.

b. Clearly identifies roles and responsibilities for IT Service Management.

c. Supports reducing IT costs and justifying the cost of IT quality.

d. Supports ability of IT to measure and improve internal performance and service provisioning.

e. Defines IT in terms of services for customers rather than systems.

f. Supports improvement of user productivity.

g. Improves communication and information flows between IT departments.

h. Provides a framework for IT to support regulatory challenges.

i. Improves ability of IT to adjust as business opportunities and challenges are presented.

j. Improves relationship of IT with the business – builds trust.
What is key about ITIL and a Life Cycle approach?

- Organizations can clearly align themselves with the business by agreeing on a service portfolio that describes what customers use, in business language.
- A strategic lifecycle framework for quality service
- Globally used and non-proprietary
- Convergence of Strategy, Governance & Management practices for IT service
- Measurable IT in business value outcomes
- Functional elements help deliver real value
“Service Management is a set of specialized organizational capabilities for providing value to customers in the form of services”

“Service is a means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks”

“Business Service Management is the ongoing practice of governing, monitoring, and reporting on IT and the business service it impacts.”

Source: ITIL Lifecycle Publication Suite
By OGC - Office of Government Commerce
Can you improve IT and reduce cost at the same time?

- Improved IT services
- Improved customer satisfaction
- Improved IT productivity
- Improved use of skills and experience

Business Service Management and Best Practices (ITIL)

Reduced Cost
The resulting value of ITIL to the Business

- IMPROVED IT services
- IMPROVED customer satisfaction
- IMPROVED IT productivity
- IMPROVED use of skills and experience

Business Service Management and Best Practices (ITIL)

- IT Services based on customer need and business goals
- Improved quality, cost, value and effectiveness of IT
- Managed expectations

Reduced Cost
The resulting value of ITIL to the End User

- **IMPROVED IT services**
- **IMPROVED customer satisfaction**
- **IMPROVED IT productivity**
- **IMPROVED use of skills and experience**

**BUSINESS SERVICE MANAGEMENT AND BEST PRACTICES (ITIL)**

- Consistent support and issue resolution
- Improved expectation and satisfaction
- Faster response and service

Reduced Cost
The resulting value of ITIL to IT

- IMPROVED IT services
- IMPROVED customer satisfaction
- IMPROVED IT productivity
- IMPROVED use of skills and experience

BUSINESS SERVICE MANAGEMENT AND BEST PRACTICES (ITIL)

- Common language that improves communication
- Improved effectiveness and alignment with business goals
- Increased productivity, compliance and savings from consistent processes
Sample IT goals and the common ITIL & BSM processes used

<table>
<thead>
<tr>
<th>IT Goals</th>
<th>ITIL and BSM Processes</th>
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<tbody>
<tr>
<td>Avoid redundant infrastructure investment cost</td>
<td>Service Asset and Configuration Management</td>
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<tr>
<td>Reduce costs through idle capacity re-allocation</td>
<td>- (asset utilization, allocation and maintenance)</td>
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<tr>
<td>Identify vendor use, credits and rebates to save money on IT infrastructure maintenance renewals</td>
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<tr>
<td>Proactive performance and problem identification, prediction &amp; forecasting</td>
<td>Capacity Management</td>
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<td></td>
<td>- (maximize bandwidth use)</td>
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<tr>
<td></td>
<td>Financial Management</td>
</tr>
<tr>
<td></td>
<td>- (vendor analysis and UPC management)</td>
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<tr>
<td></td>
<td>Incident and Problem Management</td>
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<td>Change and Release Management</td>
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</table>
But just Best Practices alone will not drive results

Let me take you back…

- Manual windows
- Manual seats
- Manual wipers
- Manual checking of the oil, water, tire pressure
- Manual alignment of the mirrors, for every driver
- No warnings of seatbelt, doors, trunk open
- No safety checks – Select “D” without foot on brake
- Use a map and get lost!
Today, Things are Different…

- **Personalization**
  - Memorized settings (seats, mirrors, steering)

- **Rules force compliance**
  - Seat belt alarm, door open
  - Escalation via early warning (faults, service)

- **Driving and safety processes built in**
  - Cannot engage “D” unless foot on brake
  - Adaptive cruise control
  - Park distance control
  - Collision detection
  - Automatic remote door unlocking

- **Work Instructions**
  - GPS navigation provides detailed step-by-step instructions
IT Management Best Practices Are Now Embedded in Solutions

- **People**
  - Policy based roles and responsibilities
  - Rules and monitors to ensure compliance
  - Pre-defined escalations and approvals
  - Process models for standardization of activities

- **Process**
  - Pre-defined integration of processes and work instructions

- **Technology**
  - Process automation for infrastructure management and provisioning
BSM is a unified platform for running IT

**BUSINESS SERVICES**

**APPLICATIONS**
- Incident Management
- Knowledge Management
- Problem Management
- Identity Management
- Application Automation
- Server Automation
- Enterprise Scheduling & Workload Automation
- Application Problem Resolution

**TRANSACTIONS**
- Service Request Management
- Project & Portfolio Management
- Vendor Management
- Financial Management
- Human Capital Management
- Compliance & Policy Management
- Capacity Management
- Storage Management
- Data Management
- Performance & Availability Management
- Middleware Management
- Mainframe Automation
- Discovery & Dependency
- Change & Release Management
- CMDB / CMS
- Service Catalog
- Event & Impact Management
- Middleware Management

**REQUEST & SUPPORT**

**INTEGRATE & ORCHESTRATE**

CMDB / CMS

**PLAN & GOVERN**

**PROVISION & CONFIGURE**

**MONITOR & OPERATE**

**DISTRIBUTED | MAINFRAME | VIRTUAL | CLOUD | NETWORK**
BMC Customers find significant value from ITIL process and functions implementation using BSM

<table>
<thead>
<tr>
<th>Higher IT productivity</th>
<th>Increased Business productivity</th>
<th>Cost savings</th>
<th>Cost avoidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>increased productivity and reduced costs</td>
<td>increased productivity resulting from higher quality IT services</td>
<td>money currently being spent can be reduced</td>
<td>money allocated for spending can be saved</td>
</tr>
</tbody>
</table>

- Deliver services up to 30% more efficiently
- Deliver new services up to 50% faster
- Reduce downtime by 75%
- Reduce the cost of compliance by 30%
The BSM Reference Architecture and ITIL Service Strategy

> **Service Strategy Processes**
> - Strategy Definition
> - Financial Management
> - Service Portfolio Management
> - Demand Management
The challenge for Dresdner Kleinwort was to drive IT efficiency, while ensuring that IT investments are best aligned to the most profitable areas of the business.

Investment banking is one of the most challenging industries in terms of the demands placed on IT. There is constant pressure on systems to support new financial instruments and products while reducing transaction costs and meeting increased regulatory requirements.

The goal was not to centralize IT mgmt, but rather provide a single, central system that supported a federated model of IT mgmt where every functional manager could truly have responsibility and accountability for their resources, activities and budgets.

Dresdner Kleinwort chose the BMC IT Business Management suite for a comprehensive IT management solution to support the management of running the bank and changing bank activities.

Dresdner wanted a comprehensive IT management solution - an ecosystem of applications to support comprehensive management of running the bank (sustaining) and changing the bank (project) activities.

When they looked at the commercial market for solutions to construct the ecosystem, they were introduced to the BMC IT Business Management Suite.

- Reduced the number of cost centers by 90%
- Achieved a first year saving on €3m
- Shorter planning and budgeting cycles
- Improved financial transparency
- Reduced sustained compliance costs
- Elimination of redundant vendor contracts
- Better alignment of project investments
- In just the first year, Dresdner Kleinwort gained visibility and the ability to effectively communicate IT priorities, accomplishments, and challenges with the various stakeholders, improving IT’s credibility as a business partner.
- In labor efforts alone, the initiative has saved 20 full-time equivalents, which can now be directed to higher value activities.

“With BMC, we finally found somebody who developed a solution aligned with our vision for centralized IT management. It was like the glove fit the hand.” - Keith O’Kelly, Director, IT Global Business
The BSM Reference Architecture and ITIL Service Design

Service Design Processes
- Service Catalog Management
- Service Level Management
- Availability Management
- Capacity Management
- Supplier Management
- IT Service Continuity Management
- Information Security Management
## Customer Snapshot: Bank of Montreal

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Solution</th>
<th>Value Metrics</th>
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<tbody>
<tr>
<td>Supporting Business Growth – 30% growth rates annually.</td>
<td>BMC Capacity Management – selected because of its comprehensive capabilities</td>
<td>Growth rate of server capacity reduced to 0%.</td>
</tr>
<tr>
<td>IT operations needed to add, on average, 200 servers per year.</td>
<td>It worked well with the organization's existing management environment.</td>
<td>That is a savings of $400K per year over the next 3 years.</td>
</tr>
<tr>
<td>Supporting Virtualization – relies on system administrators to provide periodic snapshots of capacity, but these snapshots offered only a glimpse into one moment in time.</td>
<td>The IT staff can track its systems, view data on server capacity, identify peak usage times and develop accurate reports over time.</td>
<td>Unplanned Downtime – Before BMC, the company experienced 40-50 issues per quarter, now it avoids an average of 10 crashes per quarter with each outage lasting one to three hours.</td>
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<td>The company saved an annual average of $3.9M over the past seven years in total downtime costs.</td>
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<td>Over the next three years the organization can expect to save an average of $6.2M per year.</td>
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<td>IT Productivity – Average of $68K annually saved in IT productivity over the next three years</td>
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**Industry**  
Banking / Finance

**Key Info**  
Bank of Montreal offers services in personal, commercial, private client and investment banking. They employ more than 30,000 people in North America

**Value Drivers**  
- Minimize Impact of Change
- Improve Availability
- Reduce IT Support Costs

**Solutions Areas**  
- Service Assurance
The BSM Reference Architecture and ITIL Service Transition

Service Transition Process
- Transition Planning and Support
- Change Management
- Service Asset and Configuration Management
- Release and Deployment Management
- Service Validation and Testing
- Evaluation
- Knowledge Management
### Customer Snapshot: Motorola

#### Challenge
- Multiple Service Desk operations
- Outsourced Level 1 to CSC
- Internal SD for level 2 & 3
- North America different to the rest of the world
- No consolidated Incident, Problem, Resolution management.
- No standard processes in any part of IT Service Support

#### Solution
- Needed to re-engineer IT
- Stop looking at fixing an old problem the same way past.
- Adopted a BSM Strategy
- Purchased BMC Remedy ITSM, SRM, CMDB, SIM, BEM feeding data from Mercury and Mercury BAC.
- BMC was the PM and Column Tech did the delivery
- Live on SD, SRM, CM (using the CMDB) Deploying BEM/SIM
- BMC now one of 2 global apps (SAP is the other)

#### Value
- Consolidated SD’s (25 countries into 1)
- Tracking 100k incidents per month
- 1 company wide change process. CMDB based 5k changes per month
- 30% reduction in MTTR
- 60% reduction in unplanned outage time impacting users
- $11m “savings” in Change Management alone
- $32m “savings” for ITSM when fully deployed.

> “Motorola and BMC have collaborated in many ways from the beginning of their relationship. BMC has worked as a team member with Motorola and Motorola’s systems integrator through the implementation of ITSM, and BMC continues to support Motorola’s challenges to assure the ITSM applications function effectively to meet Motorola’s business goals. As Motorola continues on the BSM path, the two companies have collaborated and will continue to collaborate to bring about ITIL based best practices in BMC Remedy product releases.” – Rob Harper
The BSM Reference Architecture and ITIL Service Operation

Service Operation Processes
- Event Management
- Incident Management
- Request Fulfillment
- Problem Management
- Access Management
- Data Management
Customer Snapshot: Telvent

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<td>In a challenging economic climate, Telvent needed to provide its internal and external customers with a consistent, high quality, and cost-effective approach to IT service management.</td>
<td>Telvent deployed the BMC Remedy IT Service Management Suite to unlock the door to dependable technology-driven services.</td>
<td>Delivered a 370 percent return over the 2½ year ITSM project lifecycle</td>
</tr>
<tr>
<td>The chosen solution also needed to drive the delivery of ISO 20000 certification.</td>
<td>Chosen in preference to solutions from CA and HP, the solution has enabled the firm to rapidly create repeatable, efficient, and effective service management processes. Seamlessly connected with IT Infrastructure Library (ITIL) best practice processes, BMC Remedy IT Service Management brings together service desk, incident, problem, change, and service level management applications—together with a configuration management database (CMDB).</td>
<td>Saved $1.9 million, the equivalent of a complete return on investment in 15.3 months</td>
</tr>
</tbody>
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“When you put together the process automation, the headcount saving, the improvement in service levels, and the reduced number of incidents, Telvent has saved $1.9 million using BMC Remedy IT Service Management, the equivalent of a complete return on investment in 15.3 months.”

- Oscar Ceballos, Global IT Services Governance Manager
The BSM Reference Architecture and Continual Service Improvement

Continual Service Improvement Processes
- 7-Step Improvement Process
- Service Measurement
- Service Reporting
## Customer Snapshot: Merrill Lynch

### Industry
- Financial Services

### Background
- One of the world's leading wealth management, capital markets and advisory companies
- Offices in 40 countries
- Total client assets of $1.5 trillion

### Business Drivers
- Best Practice Processes
- IT Consolidation
- Standards

### Solutions Areas
- Service Support

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</tr>
</thead>
<tbody>
<tr>
<td>▶ Component-centric management</td>
<td>▶ The BMC platform was selected based on the integrated workflow that will drive a greater ROI.</td>
<td>▶ Service Mgmt emerged as the function that drives development, support &amp; operation of services.</td>
</tr>
<tr>
<td>▶ Lack of and best practice processes.</td>
<td>▶ BMC proved to Merrill Lynch that we can deliver a global consistent environment that can manage &amp; maintain defined ITIL processes.</td>
<td>▶ A ‘Service Interface’ was established as a single point of contact for all clients.</td>
</tr>
<tr>
<td>▶ Multiple Support Centers – no integrated workflow or standard metrics</td>
<td>▶ BMC’s Consulting Services team with proven methodology demonstrated to Merrill Lynch that we can deliver on time and on budget.</td>
<td>▶ Formalization of process mgmt functions drives standardization and cost reduction.</td>
</tr>
<tr>
<td>▶ Non Standard Change Mgmt process</td>
<td></td>
<td>▶ ITIL based workflows govern execution &amp; drive efficiencies across global infrastructure.</td>
</tr>
<tr>
<td>▶ Plan releases around a fixed schedule.</td>
<td></td>
<td>▶ Rationalization and consolidation of administrative functions allows for non-productive cost reductions.</td>
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<tr>
<td>▶ No Change impact analysis causing unplanned outages.</td>
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"BMC’s Consulting Services stepped up to the challenge and delivered on-time and on budget allowing Merrill Lynch to meet very aggressive deadlines for moving staff to the new locations."

– Merrill Lynch Managing Director – Operations
Recommended Actions

- Start with a Vision of Service Lifecycle
- Spread ITIL awareness across the organization
- Perform an upfront needs analysis
- Achieve ITIL certification and training of IT staff
- Implement fully fledged ITIL processes as needed
- Implement with measured projects that are:
  - Clearly Defined
  - Measured
  - Achievable
- Invest in solutions that support your plan and offer OOB to kick start your ROI
BUSINESS RUNS ON I.T.
I.T. RUNS ON BMC™