

IT Service Management: The next logical step

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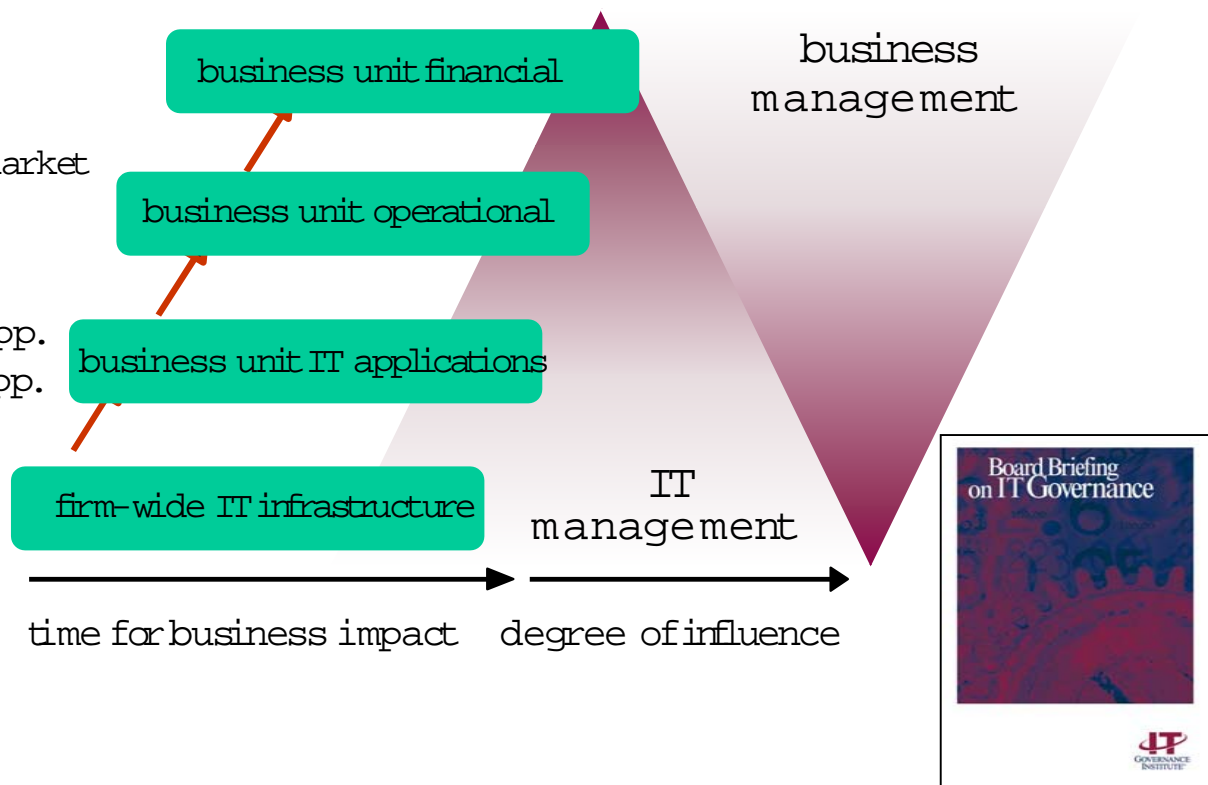
23 July 2002

What's driving the CEO's thinking?

sample measures

- revenue growth
- return on assets
- revenue per employee
- time to bring new product to market
- sales from a new product
- product service quality
- implementation time: new app.
- implementation cost: new app.
- infrastructure availability
- cost per transaction
- cost per server

business value delivered

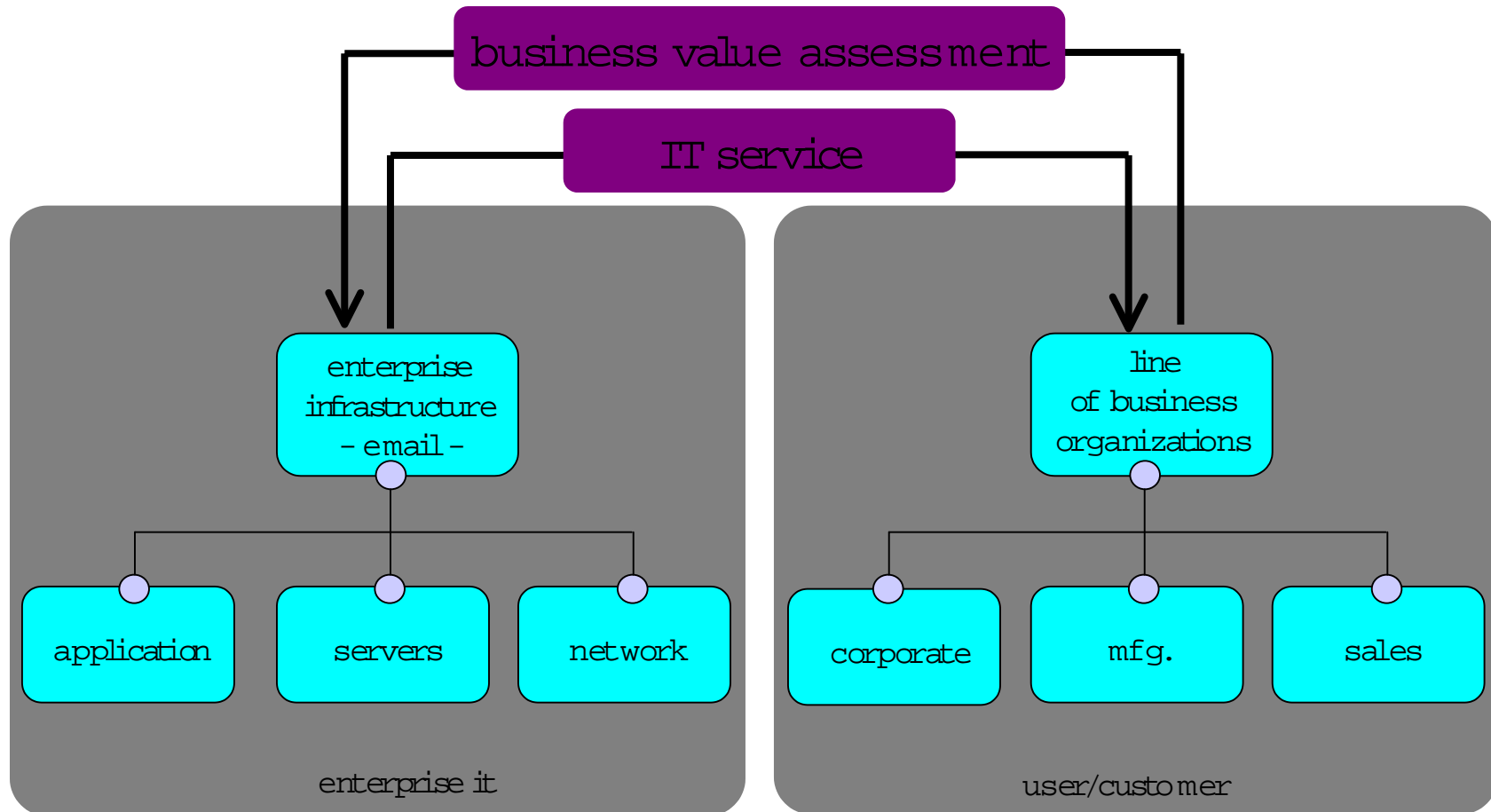


CIO top 10 issues

- cutting/stabilizing costs
- aligning IT investments with business directions
- building strong IT service delivery
- sourcing
- resource management
- security in all its aspects
- enterprise architecture
- integration
- building credibility for the value of IT services
- planning: prioritizing IT investments

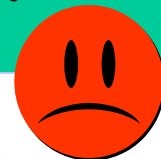
Giga Nov 2001

What is an IT service?



“green lights” across the board means...

IT service component	component availability	net availability
network 😊	99 %	99 %
operating system 😊	99 %x99%	98 %
middleware 😊	99 %x99% x99 %	97 %
database 😊	99 %x99% x99 % x99 %	96 %
ERP system 😊	99 %x99% x99 % x99 %x99 %	95 %
accounting application 😊	99 %x99% x99 % x99 %x99 %x99%	94 %



a given IT service's availability & performance is dependent on other elements & services

HP's IT Service Management



hp offers software, consulting, support and education that

- assures the quality of critical business services
- reduce overall IT costs
- manage the value that IT provides across the enterprise

managing the
business value of

managing
the services

managing the
infrastructure

hp's IT management approach

managing the
business value of

managing
the services

managing the
infrastructure



consistent management of
network, systems, storage,
middleware & applications

- infrastructure visibility
- fault management
- performance management
- resource optimization
- application management
- integrated operations

managing the
business value of

managing
the services

managing the
infrastructure

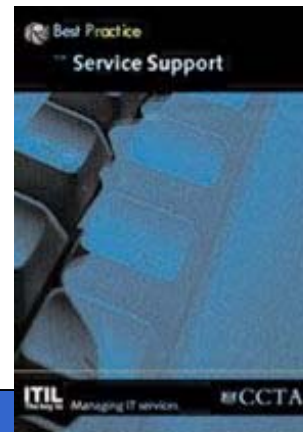


- align IT with current business priorities
- optimize IT processes
- service visibility
- service impact analysis
- closed loop service level management

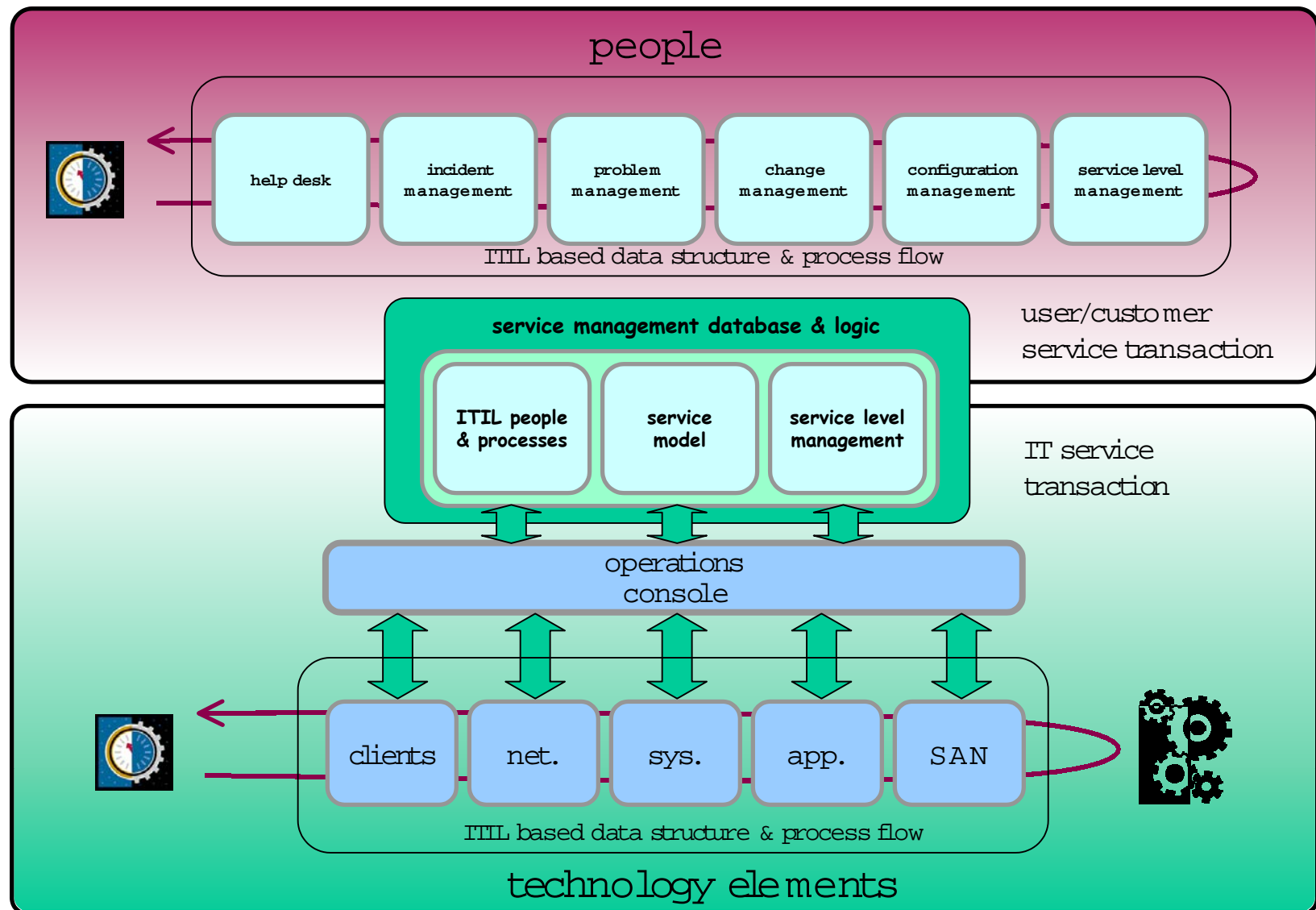
right people working on the
right things at the right time
by providing the right information
to assure business critical IT services

Based on ITIL industry standard

- a standard which describe best practices for IT service management processes
- linked to the ITSMF user-group.
- used by over 10,000 large industry leading companies.
- can be used to obtain an ISO certification.
- hp's IT service management reference model is based on ITIL



Linking people, processes, and technology



managing the
business value of

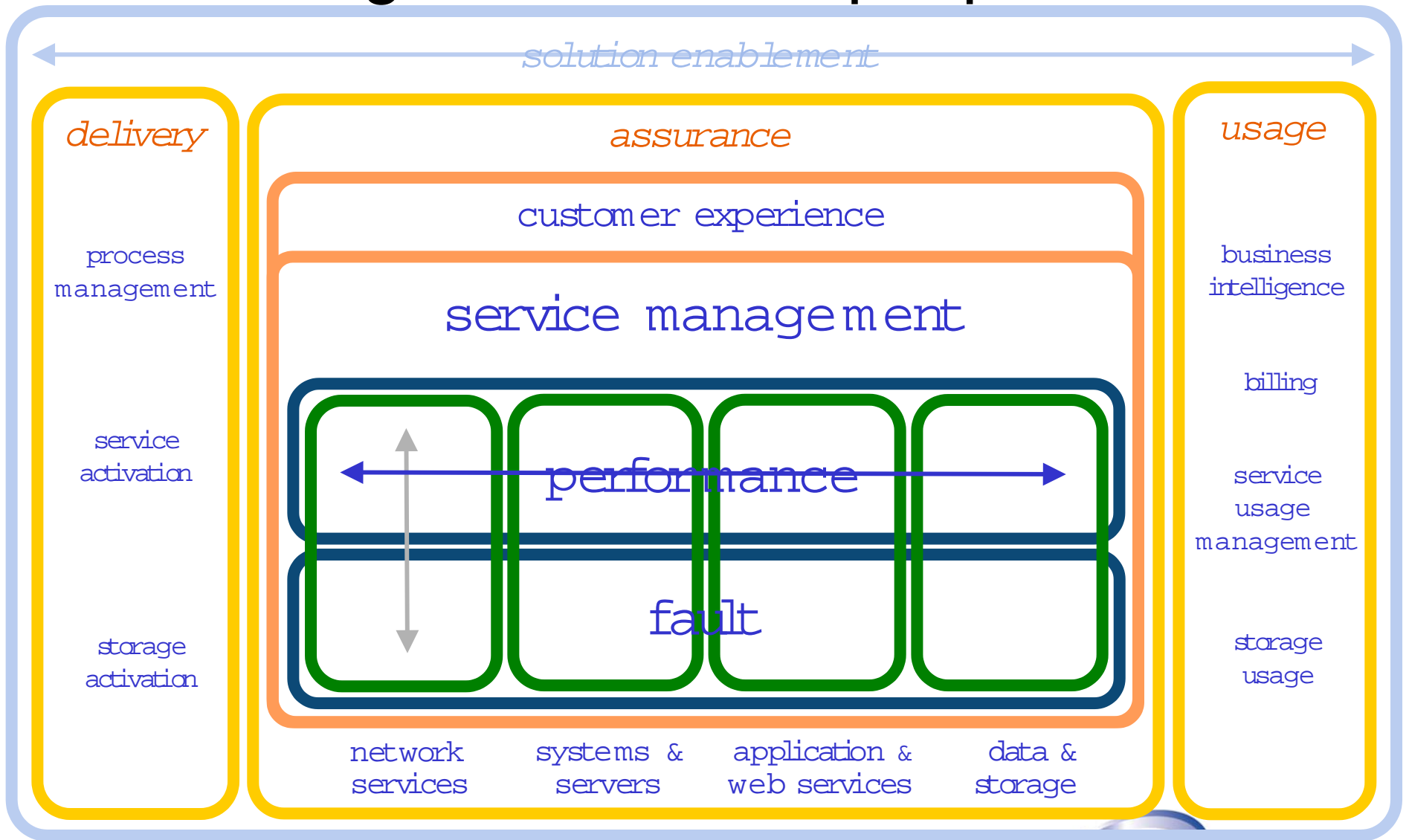
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IT
managing
the services

managing the
infrastructure

- demonstrate value delivered
- business impact analysis
- maximize return on IT investments
- manage customer experience
- enable new business opportunities

Getting started with hp OpenView



the cost savings...

- cost reduction
 - IT efficiency improved 26%
 - IT travel costs reduced 41%
- IT productivity
 - improved 54%
 - IT travel time costs reduced 53%
- user productivity
 - 21% reduction for operations
 - 31% reduction in downtime impact
- # servers per administrator
 - 47 to 61 after OpenView
 - 30% improvement
- LANs per administrator
 - 8 to 25 after OpenView
 - 300% improvement
- network segments per administrator
 - 16 to 28 after OpenView
 - 75% improvement
- # of help desk calls handled/week
 - 1,700 to 4,200 after OpenView

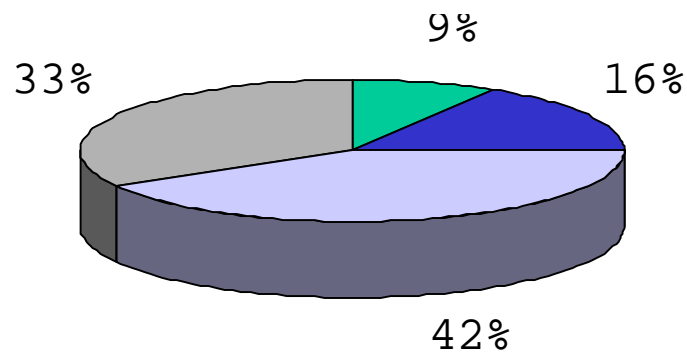
...drive return on IT Service Management investment

IDC OpenView Study, Spring 2002

investments \$ 12,819

savings \$ 233,585

return-on-investment 63 days



- IT productivity
- IT efficiency
- User Productivity
- Lost Revenues

- ROI of 1,296% on investment in OpenView tools
- 79% reduction in server downtime
- 74% reduction in overall downtime
- 49% reduction in the time to identify & fix downtime incidents

driving value to the business

BOMBARDIER

"IT costs decreased by 10% because we have fewer problems and we can restore services 40 % faster than before"

Heraeus

"we successfully consolidated our service infrastructure in only 9 weeks"

**OSLO STOCK
EXCHANGE**

"100 % uptime since 1999"

Procter & Gamble

"successfully managed over 1 million service calls"

Roche

"introduced a consistent global service management process"

AVAYA

"now we manage services rather than just network elements"