Management Solutions for the Adaptive Enterprise

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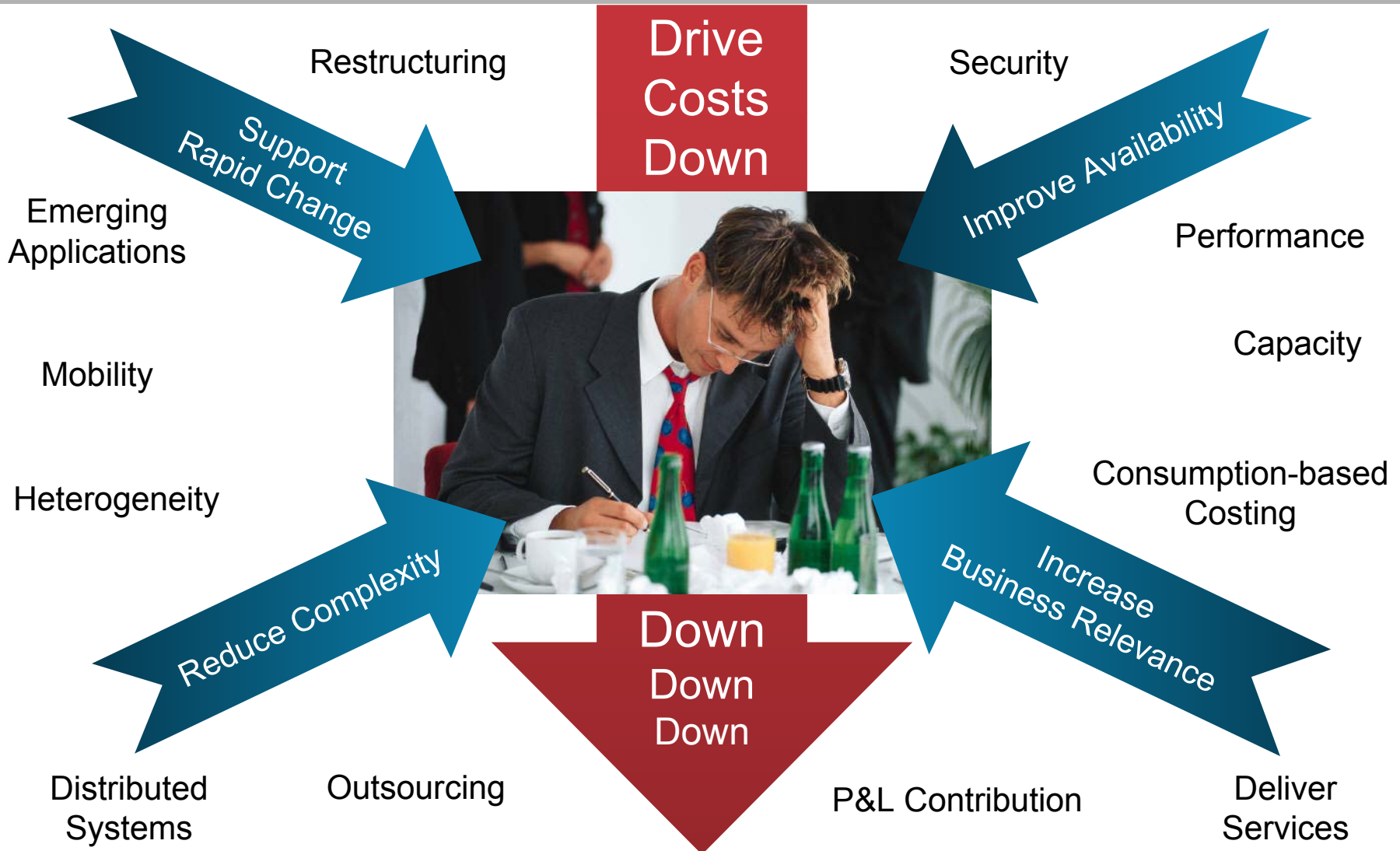**HP WORLD 2003**
Solutions and Technology Conference & Expo

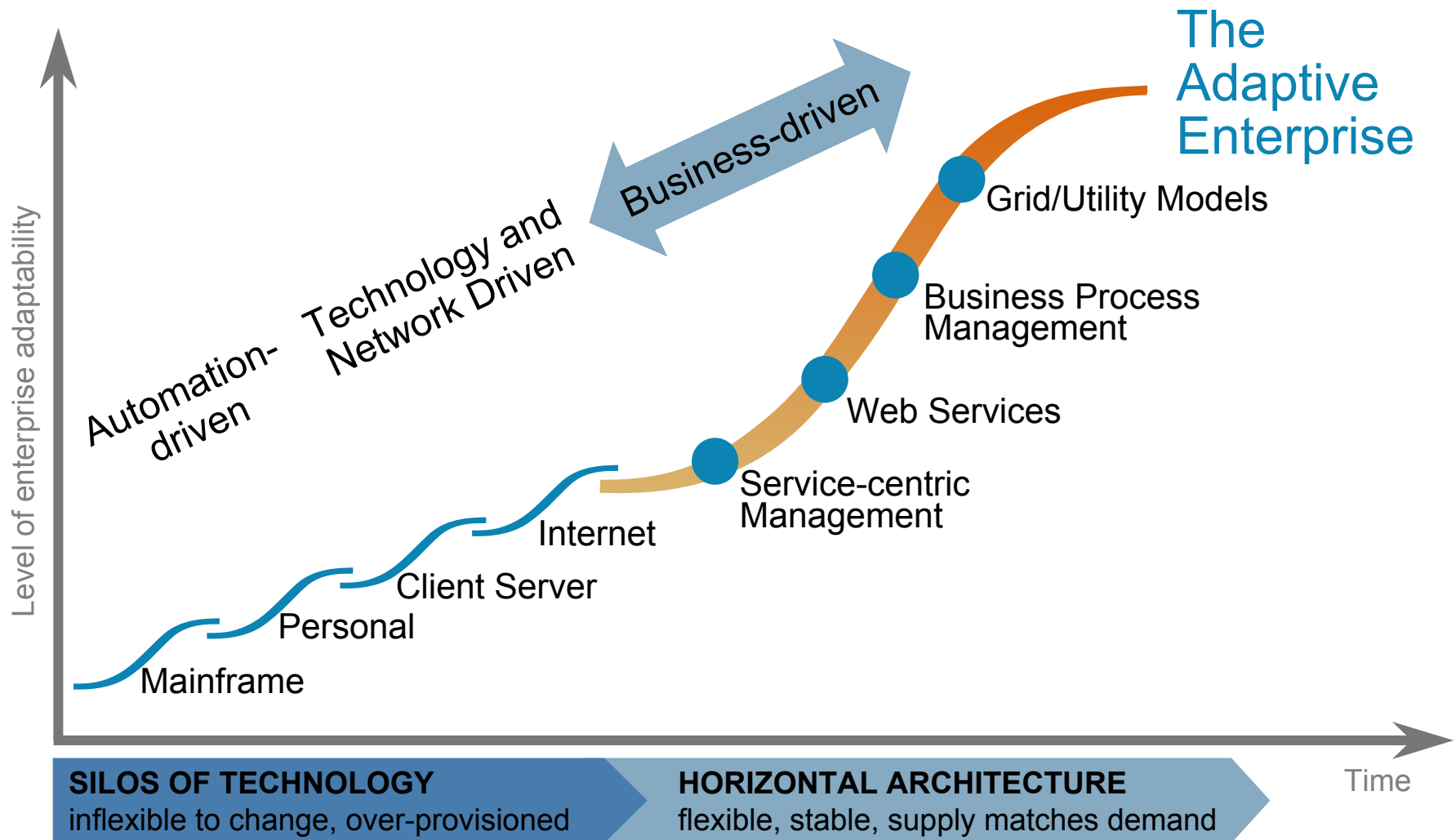# Today's business challenge

> **"** It is not the strongest of species that will survive nor the most intelligent but the one most able to change...**"**
>
> *– Charles Darwin*

CIO's challenges

Restructuring

Drive Costs Down

Security

Support Rapid Change

Improve Availability

Emerging Applications

Performance

Mobility

Capacity

Heterogeneity

Reduce Complexity

Consumption-based Costing

Increase Business Relevance

Down Down Down

Distributed Systems

Outsourcing

P&L Contribution

Deliver Services

The next wave: The industry is moving to a new model of computing

The Adaptive Enterprise

Level of enterprise adaptability

Automation-driven

Technology and Network Driven

Business-driven

Mainframe

Personal

Client Server

Internet

Service-centric Management

Web Services

Business Process Management

Grid/Utility Models

Time

SILOS OF TECHNOLOGY
inflexible to change, over-provisioned

HORIZONTAL ARCHITECTURE
flexible, stable, supply matches demand

This is your stack, managed by HP

Heterogeneous

Multi-vendor

Multi-platform

Partially outsourced

Business processes

ERP | Collaboration | … | Productivity | CRM

Applications

Infrastructure services

Registry services | Security services | Web services | Grid services | …

Virtualized resources

Virtualization

Sourcing | Sharing | Pooling

Resources

Clients | Printers | Servers | Storage | Network | Content | Environ-ment

Infrastructure

HP Adaptive Management
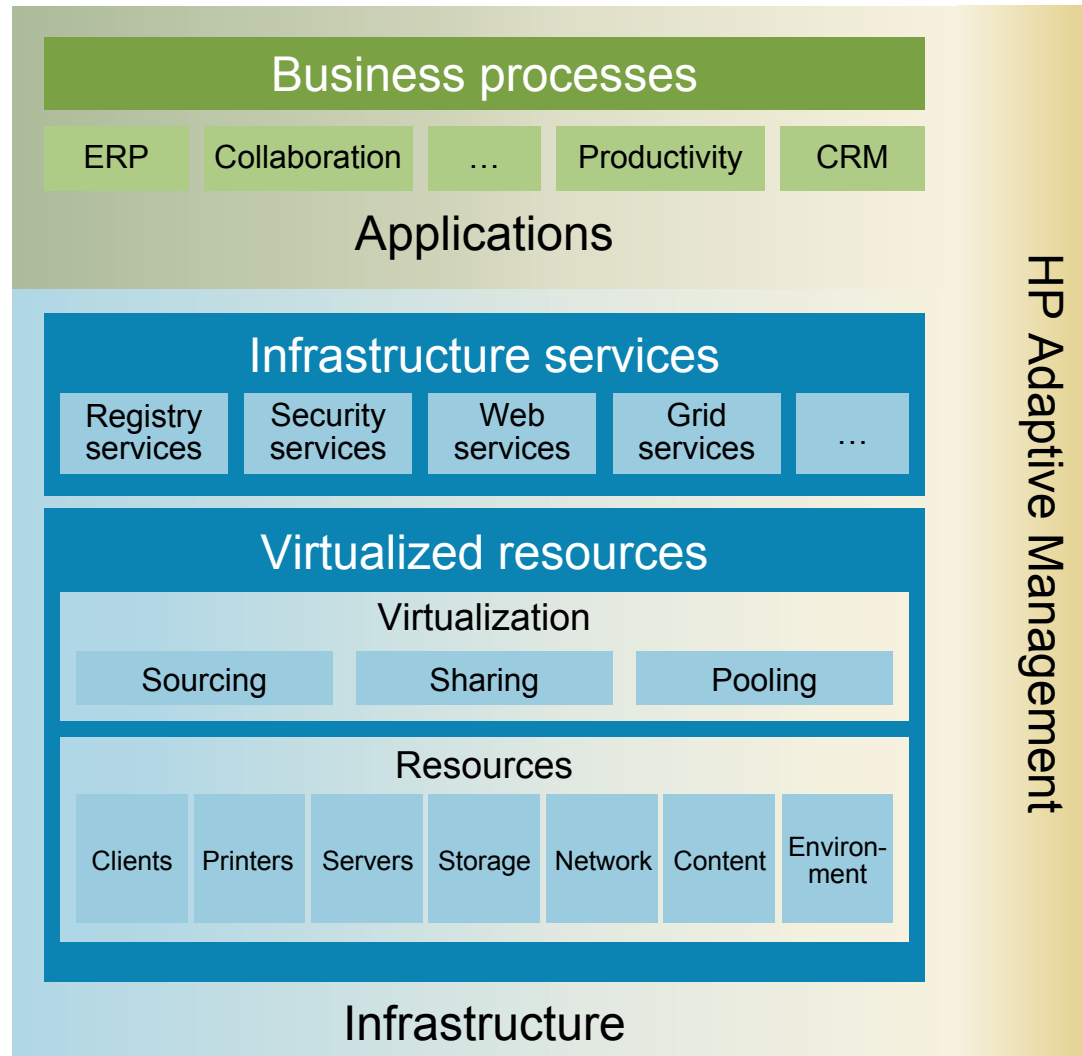
Controlled

Stable

Predictable

Efficient

Effective

Automated

Flexible

Management principles

Management ensures the right resources are available to the right people at the right time
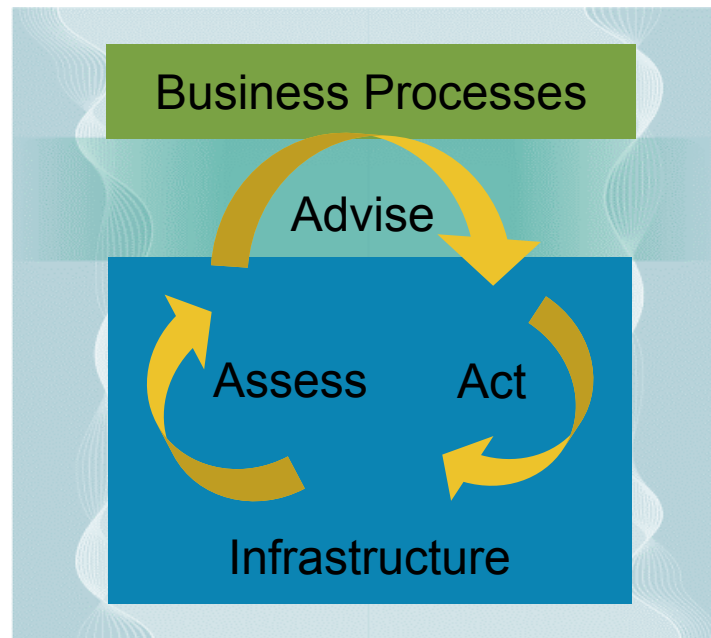
Embrace reality

Control complex, heterogeneous environments

Deploy practical solutions for today

Anticipate innovation for the future

Deliver best Return On IT

Business Processes

Advise

Assess   Act

Infrastructure

Enable agility

Align business priorities and IT systems

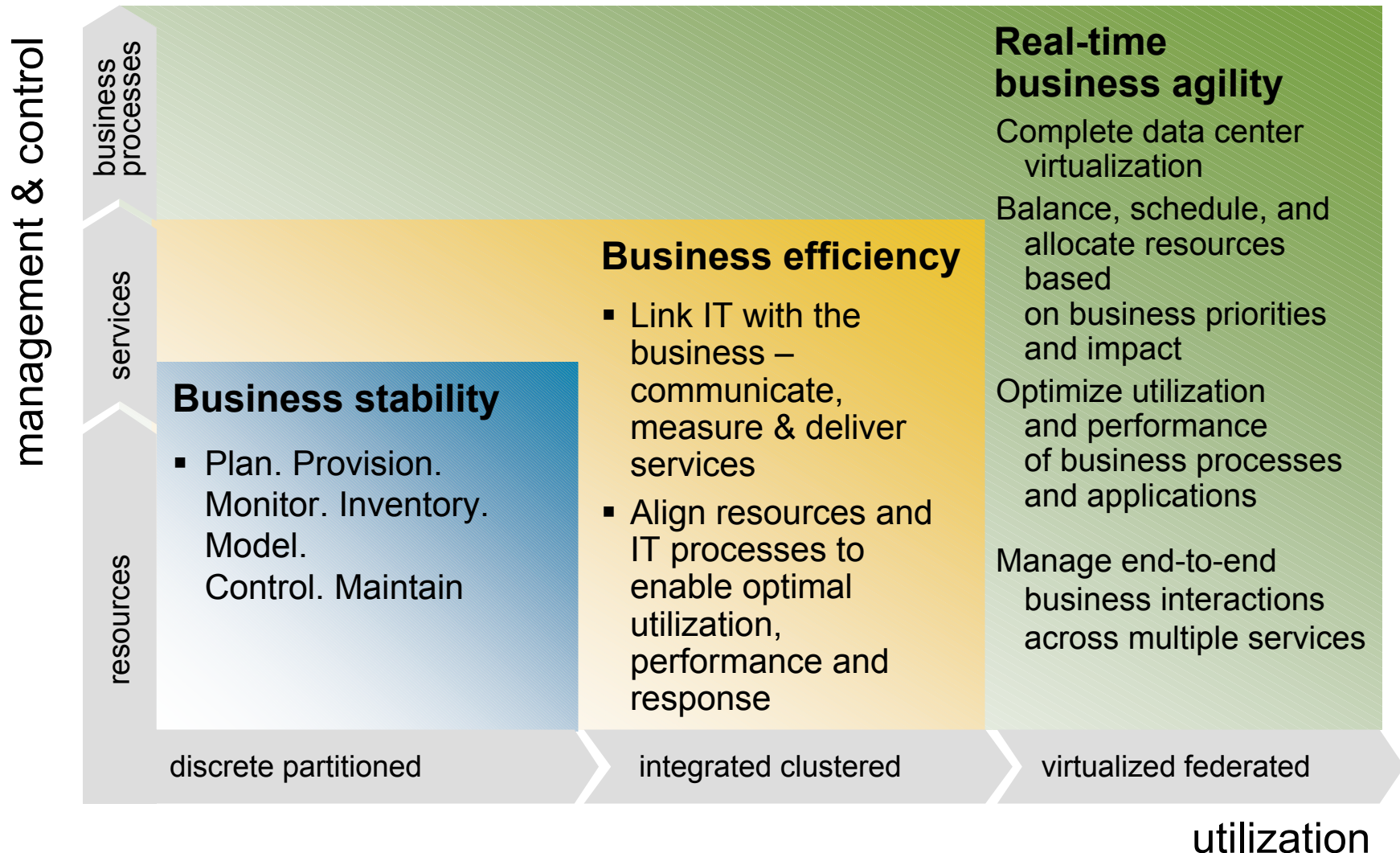Adjust IT resources to business demand

Automate processes

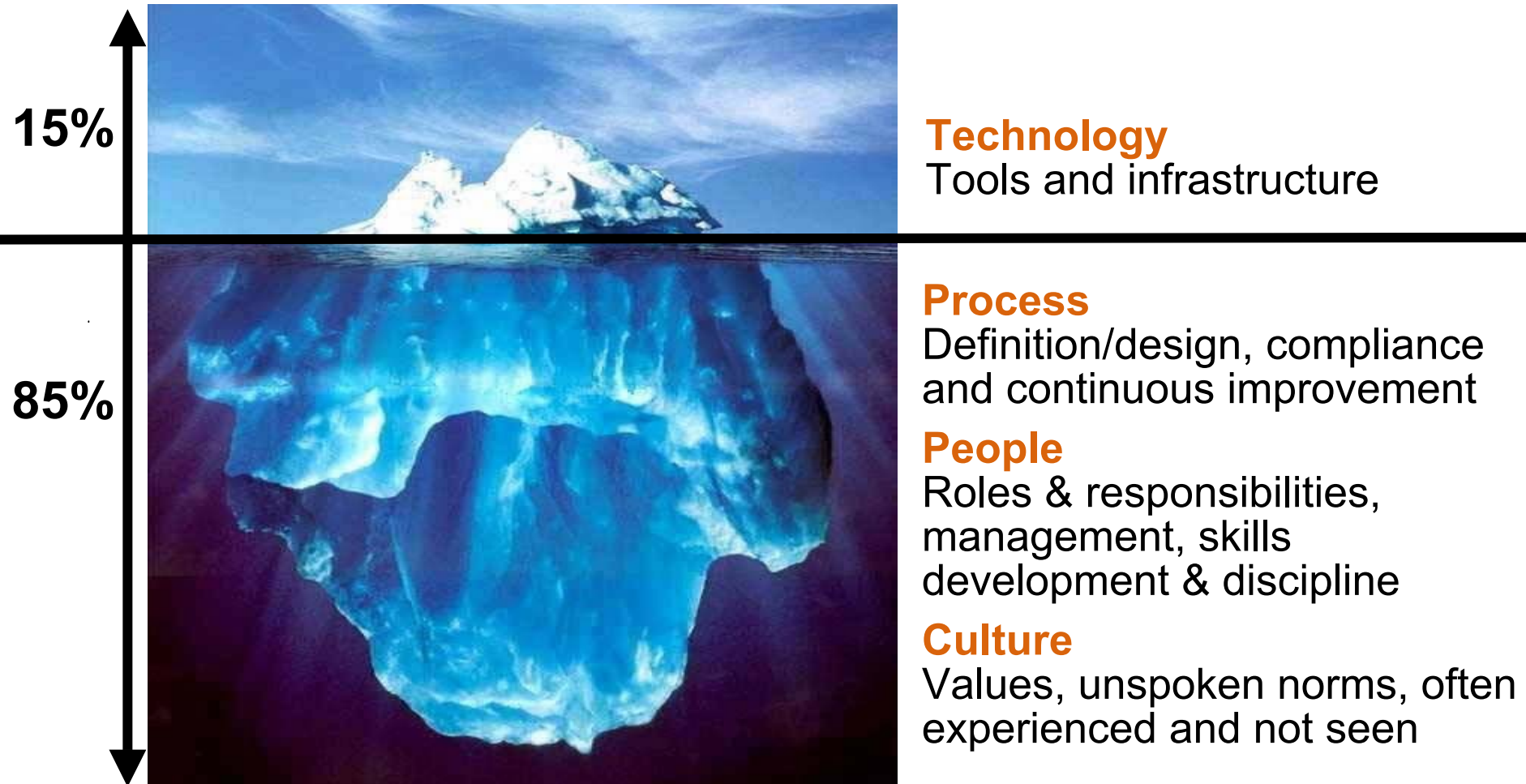Optimize service portfolio

Improve quality of service

Implementing adaptive management

management & control

business processes

services

resources

Real-time business agility

Complete data center virtualization

Balance, schedule, and allocate resources based on business priorities and impact

Optimize utilization and performance of business processes and applications

Manage end-to-end business interactions across multiple services

Business efficiency

- Link IT with the business – communicate, measure & deliver services

- Align resources and IT processes to enable optimal utilization, performance and response

Business stability

- Plan. Provision. Monitor. Inventory. Model. Control. Maintain

discrete partitioned

integrated clustered

virtualized federated

utilization

**HP innovation —
Leadership for the Management
Solutions for The Adaptive Enterprise**

HP's perspective: management is more than technology

15%

85%

Technology
Tools and infrastructure

Process
Definition/design, compliance and continuous improvement

People
Roles & responsibilities, management, skills development & discipline

Culture
Values, unspoken norms, often experienced and not seen

Management enables business agility

Benefits to you:

- Reduced risk and implementation time

- Reduce overall IT costs

- Improved quality of business service

- Enhanced value of IT to the business

HP ITSM Reference Model
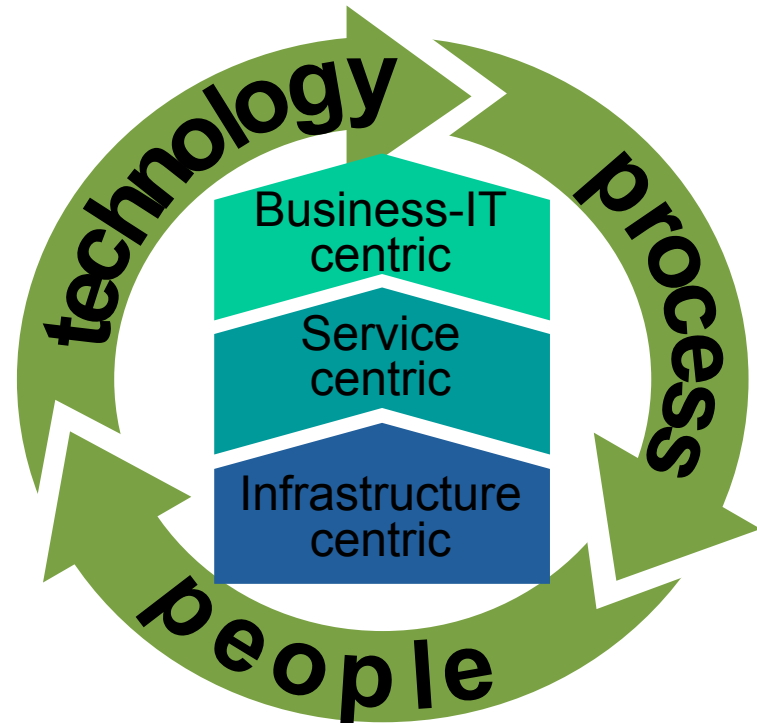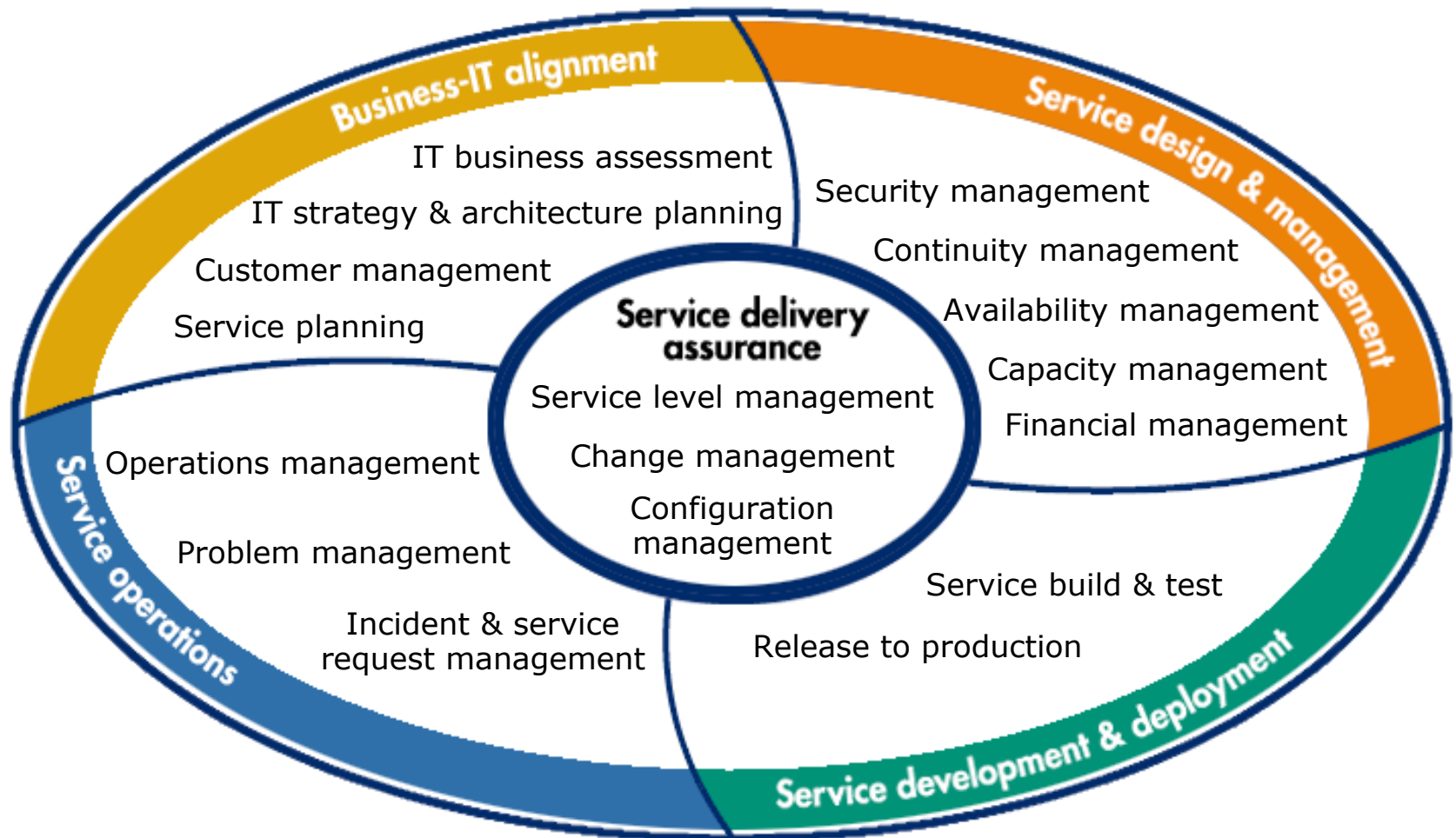
HP's approach to management
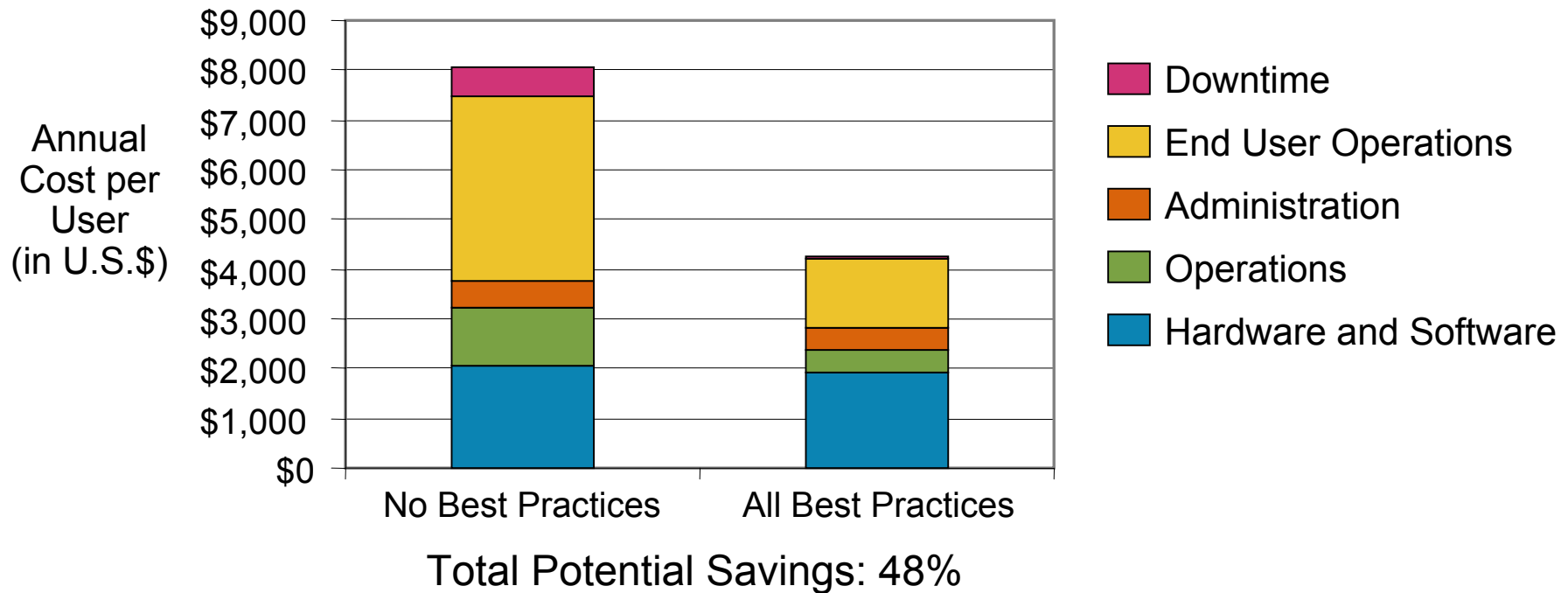
HP ITSM Reference Model
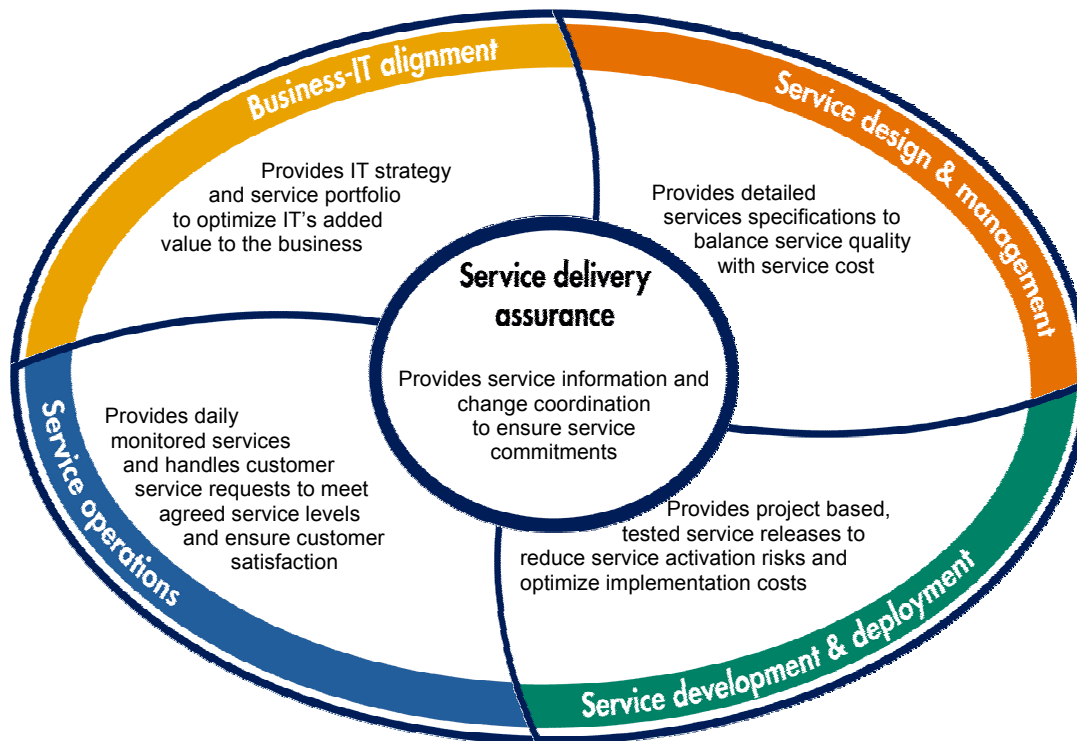
Transforms IT from a tactical technology provider to a strategic "business partner"

Where business and IT are perfectly synchronized simultaneously adapting to change!

HP ITSM reference model

Realized cost savings via best practices

Annual Cost per User (in U.S.$)

Chart legend:
- Downtime
- End User Operations
- Administration
- Operations
- Hardware and Software

X-axis: No Best Practices, All Best Practices

Y-axis: $0 to $9,000

Total Potential Savings: 48%

- **Best practices are key to reduce cost, increase quality and mitigate risk**

- Strategic importance with tactical implementation
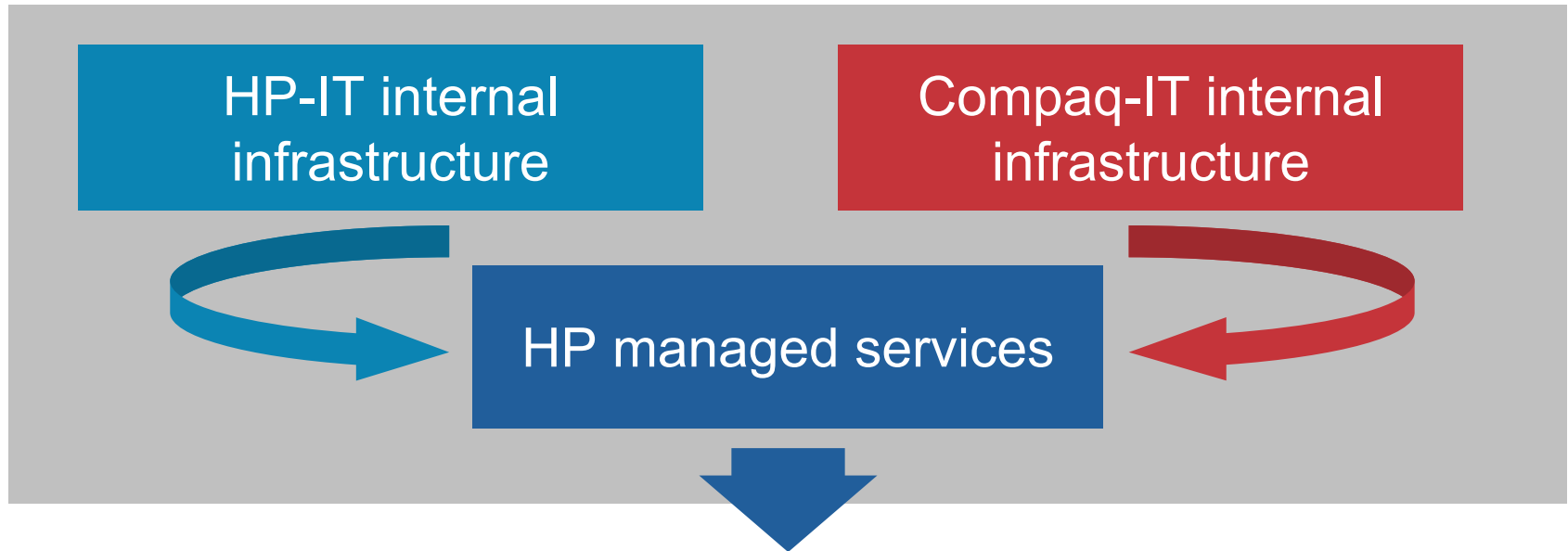
Source: Gartner Measurement

Improved quality of service pinpointing efficiencies

- IT staff productivity +53%

- IT staff efficiency +26%

- Reduced downtime 79%

- Average savings per 100 user in 3 years is $246,100

- 63 day payback time

Source: IDC, 2002

HP/Compaq IT merger – the first 12 months

- IT infrastructure costs: 12% reduction in run rate
- 27% decrease in cost per server (all platforms)

Case study: HP managed services

Background:

- HP among top-5 outsourcers worldwide

- HP's complete IT infra-structure operated by HP managed services
  (110,000 users, 12,000 servers, …)

- $950 million cost per year

Solution:

- Unified IT processes based on ITSM reference model

- HP OpenView as management backbone

- Organizational alignment and centralization

- State-of-the-art process integration and automation

Successful site delivery consolidation

	BEFORE	AFTER
Number of Organizations	27	1
Number of Helpdesks	24	One Virtual (three locations)
Call Resolution	40%	78%
Call Center Satisfaction	3.6	4.8
User Support Costs		$52m savings
Exchange Users Migrated		68,000 Users = $12m savings
Number of Messaging Orgs	5	1
Financial Processes		
Separate Finance Orgs.	19	1
Financial Support Staff	40	20
General Ledgers	19	1
Service Definitions	300	15
Location Codes	2237	50
Billing Systems / Records	15 / 1.8 billion	1 / 1000

Case study:
HP managed services - results

25% overall cost reduction

- Cost per server 56% lower than reference group
- Storage cost 50% lower than reference group

IT productivity doubled

- # of servers per operations engineer doubled
- 82% higher productivity in operations than reference group

Service quality improved

- Average server availability 99.96%
- Average call-wait time 8 sec.
- Customer satisfaction index consistently high

- Tailored service levels to meet different business demands
- Operational processes prioritized by service level
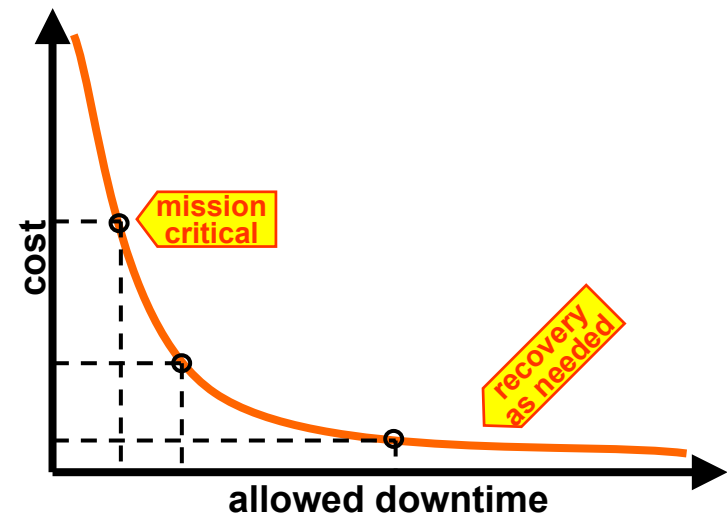
Service level examples

- Supply chain = 99.99% avail. (volume $12B/yr.)
- Development systems = recovery as needed

Where do you begin?

Management is a step-wise approach

Business-IT centric

Assess
Advise
Act

- Manage end-to-end business interactions across multiple services
- Dynamically adjust supply of resources to support business processes

Service centric

Assess
Advise
Act

- Link IT with the business – communicate, measure and deliver services
- Align resources and IT processes to enable optimal utilization, performance and response

Infrastructure centric

Assess
Advise
Act

- Plan. Provision. Monitor. Inventory. Model. Control. Maintain

Managing the infrastructure

Business-IT
centric

Assess
Advise
Act

Service
centric

Assess
Advise
Act

Infrastructure
centric

Assess
Advise
Act

Consistent Management of Network, systems, storage, middleware and applications to lower your IT costs and assure infrastructure availability and performance.

- Infrastructure visibility
- Fault management
- Performance management
- Resource optimization
- Application management
- Management of web applications
- Integrated operations

Managing IT services

Business-IT centric

Assess
Advise
Act

Service centric

Assess
Advise
Act

Infrastructure centric

Assess
Advise
Act

Align IT with critical business goals. Ensure consistent execution with streamlined, measurable and automated IT processes that demonstrate value to the business.

- Optimize IT processes based on best practices
- Service level visibility, administration and management
- Demonstrate quality of service to the lines of business
- Provide closed loop service level management
- Service impact analysis and diagnostics

Managing the business value of IT

Business-IT centric
- Assess
- Advise
- **Act**

Service centric
- Assess
- **Advise**
- Act

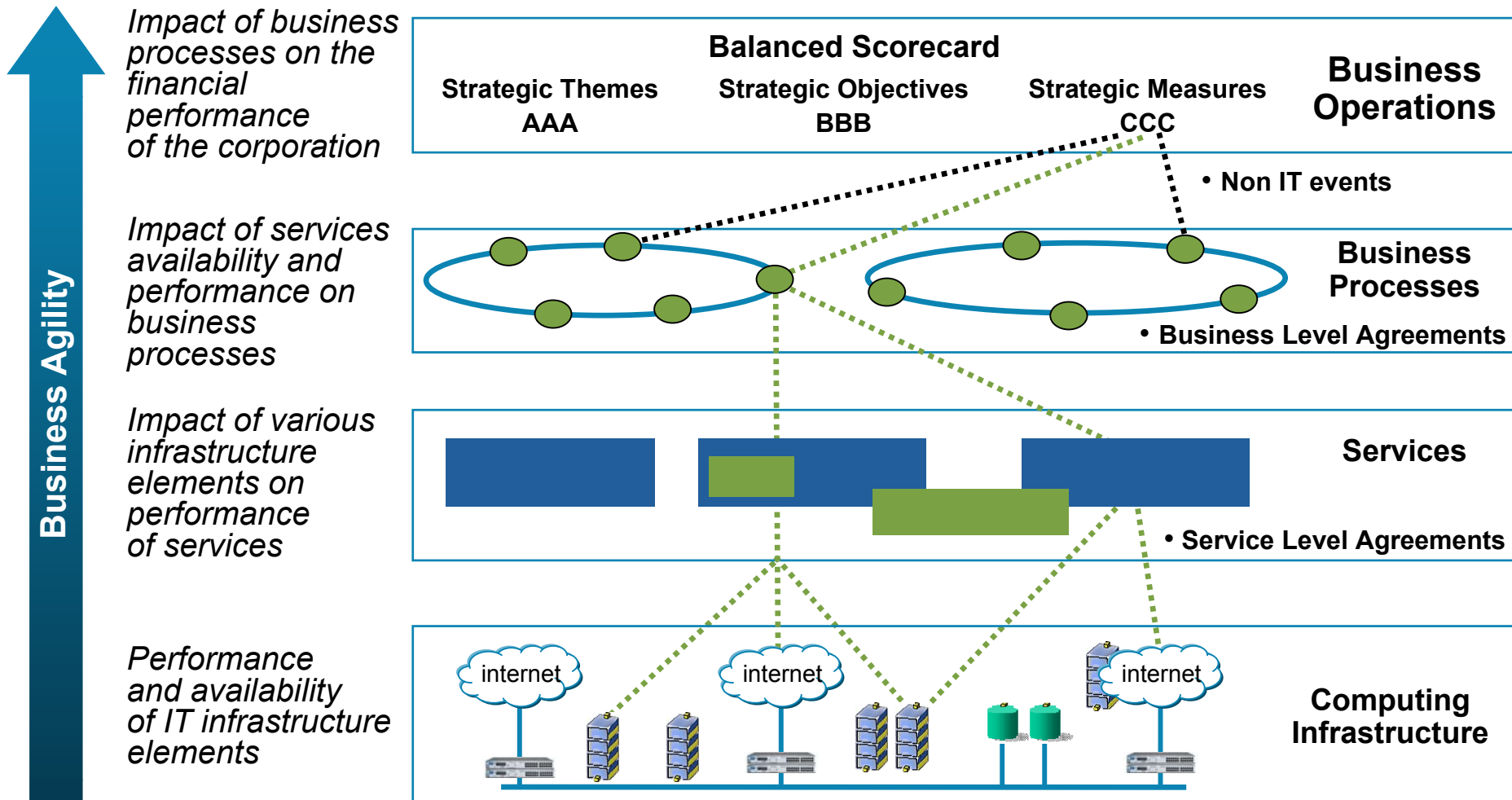**Infrastructure centric**
- **Assess**
- Advise
- Act

Balance, schedule and allocate resources based on business impact. Optimize resource utilization and application performance .

- Maximize return on IT Investments
- Tie your infrastructure operations to your business rules and environmental conditions
- Virtualize your infrastructure assets to deliver the most economical IT services possible
- dynamically rebalance infrastructure according to demand changes
- Manage customer experience
- Analyze business impact

Managing Business Agility

From infrastructure to business

Impact of business processes on the financial performance of the corporation

Impact of services availability and performance on business processes

Impact of various infrastructure elements on performance of services

Performance and availability of IT infrastructure elements

Business Agility

Balanced Scorecard

Strategic Themes AAA

Strategic Objectives BBB

Strategic Measures CCC

Business Operations

• **Non IT events**

Business Processes

• **Business Level Agreements**

Services

• **Service Level Agreements**

internet

internet

internet

Computing Infrastructure

**HP – your partner
for management**

Why HP for management solutions?

Pioneer in IT Service Management

- 8+ years experience in IT service management
- ITIL user group (itSMF) board members
- Developer, reviewer and user of ITIL
- Industry-broadest partnership & community for HP OpenView

Industry-leading Solution

- 135,000 HP OpenView installations including all Fortune 500 enterprises
- Modular building block approach driving industry-leading ROI
- Highest customer satisfaction

Complete Service Offering

- 35 support centers
- 120 education centers
- 400 service management consultants
- 500+ dedicated HP OpenView support engineers
- 1000+ trained OpenView consultants
- 2500+ students trained on ITIL annually

A global partner with a global approach

Everywhere you need us

- 65,000 IT professionals in 160 countries
- #1 in mission-critical services
- #1 in services across open IT environments
- #1 in enterprise Microsoft® services
- #1 ranked outsourcing company
- #3 global IT service provider
- Undisputed leader in open, multi-technology & distributed infrastructure environment including UNIX®, Windows®, and Linux®
- End-to-end solutions capability from consulting and integration, managed services, and customer support
- Flexible, partner-oriented engagement style that puts you in control and provides choices
- Unparalleled infrastructure expertise and history of purposeful innovation
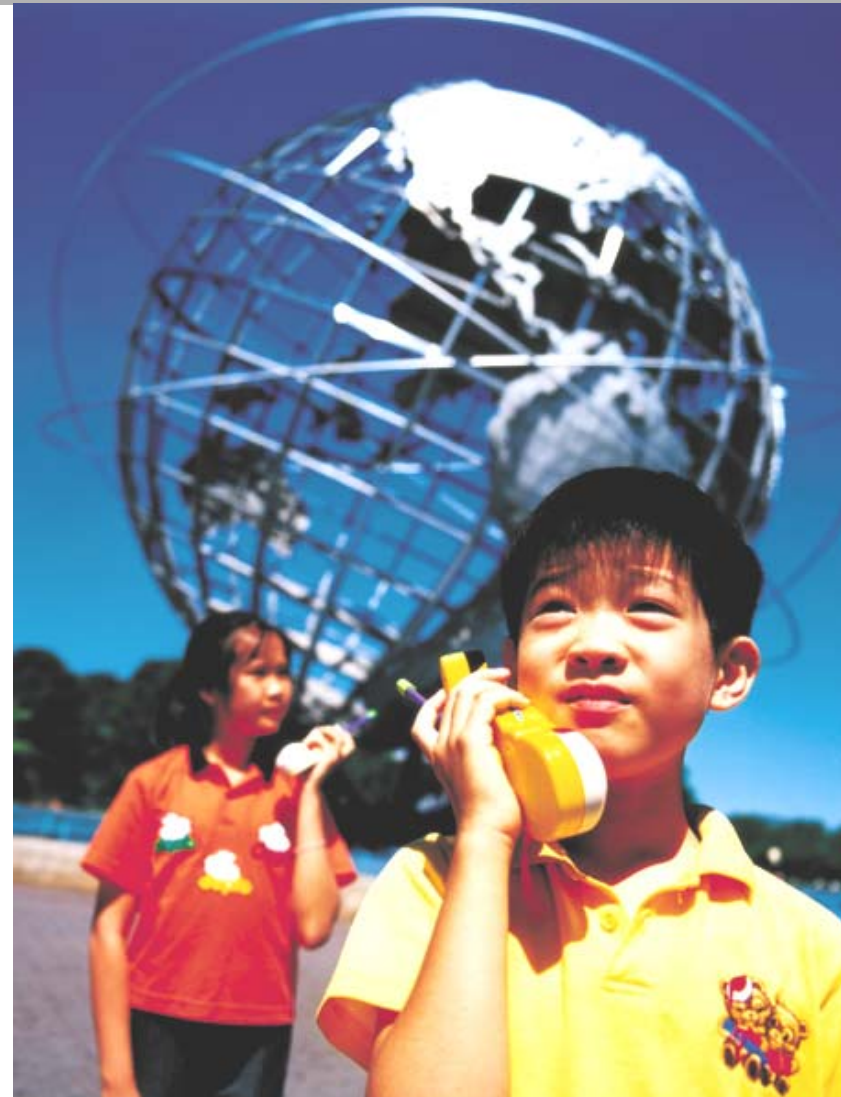
explorers + hp = everything is possible

Interex, Encompass and HP bring you a powerful new HP World.