

IBM's Strategy for Business-Oriented Service Management

Introduction

Ptak, Noel & Associates believes that IBM's strategic focus on Integrated Service Management (ISM) and the application of IBM solutions under the Smarter Planet theme marks a milestone achievement in linking business and IT resources and assets for business success. Not the least because Integrated Service Management, in our opinion, leads directly to the broader message of how IT can effectively leverage and link together all enterprise assets and resources to achieve the goals of the business. ISM closely aligns with the Business Service Management (BSM) concepts that are being unnecessarily limited to discussions of just leveraging IT infrastructure. We discuss how IBM illustrates and documents enterprise-wide benefits to be realized from BSM.

The Path to ISM

In thirty years of high tech engagement...we've often been impressed with IBM's accomplishments from a technology perspective. However, IBM has consistently faced a marketing challenge in positioning the breadth and depth of its system and software capabilities, in a way that IBM's unique differentiation can be intuitively and quickly grasped by most businesses and IT executives.

After multiple IBM analyst briefings and IBM's Pulse event, we came away convinced that the marketing organizations deserve significant credit for their work and the results achieved over the past year. It's our considered contention that all too frequently; IBM has not been recognized for and given appropriate credit for what it is delivering. What we saw and heard at these events are encouraging signs that this is changing significantly.

In our opinion, what is making the difference is a consistent focus on a recognizable and popular vision of IT operating on behalf of and aligned with business operations and goals. IBM has been refining this message over the last 24 months, dropping dated portions and honing it to one that resonates with an increasingly diverse, growing target audience. IBM's message and vision is based on resolving very real, addressable and documented problems that face the business market. Problems that require the cooperation and involvement of both business and enterprise IT staff to resolve.

A perennial problem of IT has been the fanfare surrounding the latest technological/ terminological buzz. The buzz promises IT will now deliver on the magnificent promises of IT operations for business benefit.

Unfortunately all too often the result has been more headaches and complexity with only a modest increase in benefits. With its focus on results and day-to-day working solution implementations, IBM is taking significant steps to prevent this from happening to business-oriented service management.

It's our belief that IBM's business-oriented service management which now includes the rubric of Integrated Service Management (ISM) is a more appropriate definition of what is being embraced as Business Service Management (BSM).

IBM Software and Hardware: Aligning IT – Service Management

IBM's technology enablers, solutions and services were frequently positioned in the context of business needs and IT management. IBM also discussed the corporate alignment of both their messaging and development of IT products and services to the needs of the business community ...or what can be described as the market need for business-oriented service management. Also emphasized was the "vision" that "designed, integrated systems are part of the transformational story of the next decade." Note (see box) that IBM's BSM product definition is much more restricted.

NOTE: IBM has a software product called BSM (Business Service Manager) that focuses on the elements of performance analysis, capacity planning, application availability and performance management and monitoring. This product was named and in existence long before the term Business System Management was created for the larger market issue of better aligning IT and business. To avoid confusion between their BSM product and the broader BSM market, IBM is cautious in how they reference BSM in their marketing literature and product promotions. They need to resolve the conflict in messaging.

We expected to hear strategic technology directions and corporate positioning focused from IBM culture "out." That was present ...but it was complemented by a healthy and information rich context of how IBM is responding to their business customer "pulling" the technology vendor to be more responsive to critical business demands.

BSM's core principles of IT communicating in a language acceptable to the business community, of focusing on the client's "next steps" in achieving higher levels of business maturity, and of creating accountability in the IT-Business relationship repeatedly appear as part of IBM's messaging. Hearing of BSM concepts behind "designed" (...as in technology within the context of Smarter Planet) and "integrated" (...as it relates to IT management bridging more broadly across organizational silos) coming from the depth and breadth of IBM is a welcome message.

Systems design for a smarter planet

'Smarter Planet' was another frequent discussion topic. It was one of those experiences where we recognized the words, **but** this time the **vision** included real customer implementations. Smarter Planet in a nutshell: Pervasive instrumentation creates vast amounts of data, driving new application types, requiring real time data analysis and prediction (e.g. advanced search, medical imaging, video surveillance, threat management, and analytics with online transaction processing), and leading to (business) opportunities with significant implications for (IT) workload growth.

Numerous IBM customers discussed how they use technology for business innovation in ways quite compelling from a BSM perspective. They demonstrated how the means (IT) and the economics (business) actually work cooperatively to deliver smart healthcare, smart sewers,

smart traffic, and smart crime fighting. Also included were example patterns of existing and emerging “systems”, which clearly illustrated that with better visibility into what’s happening in the system, businesses have new opportunities to do something about it ...improve it, fix it, remove it, prevent it, etc

It was especially impressive that all levels and varieties of IBM presenters talked about how technology “**is being**” used today, rather than how it “**could be**” used. They highlighted the innovative efforts of enterprise (public and private) operations undertaken to achieve business as well as society’s goals. IBM’s Smarter Planet program illustrates how technology proliferation (...e.g. one billion transistors per human in 2010) moved ubiquitous computing from a hazy future to a real, concrete and current deployment. ISM or BSM is neither market-ware nor a ‘market-wash’, it is already underway in business and government and paying real dividends.

What’s the net result?

The inevitable conclusion is, IT is being applied to business systems, and fusing those systems with intelligence. There can be no doubt that the lines between IT and business are beginning to blur. As that happens, the processes and efforts must also converge and coalesce. We see IBM’s observations and deliverables re: Smarter Planet, as an explicit acknowledgement of the increasing need for a BSM perspective for both IT and Business managers.

More importantly from the BSM perspective, is IBM’s validation that “systems management” is now a hotter topic than before with its definition migrating to the interconnection of management of silos (storage, networking, applications, servers), which it calls “dynamic infrastructure. The obvious conclusion is that Smarter Planet transcends vertical industries ...with impact from the interconnection of policies, standards, technologies (IT) and customers (business). This interconnection of policies, standards and IT management technologies across organizational silos, including business, IT operations and development, is what IBM is calling “Integrated Service Management”.

Systems management tools for new levels of productivity and efficiency

One IBM Senior VP, indicated that in light of so much becoming digitalized, there is a need to start managing systems as business systems (...or a system of systems). Healthcare (collaborative care and patient records) represents just one example of a “system of systems” that is forcing a redefinition of systems management, forcing the question of, “How to do “systems management” (IT) when the business environment is changing so rapidly?”

Further, the point was explicitly made that IBM is focused on “integration and innovation” as a strategic choice in responding to changes in clients’ (business) needs; that IBM Systems and Technology Group’s vision is that designed, integrated systems are part of the transformational story for the next decade; and that innovation as viewed by IBM is the “art of the possible.”

Important for our BSM bias is the critical role that IT management plays within IBM's definition of "Integrated Service Management", particularly as the IT management technologies are used across business and IT.

IBM identified Integrated Service Management as a growth opportunity. When applied to IBM systems, ISM offers a "fully virtualized infrastructure for rapid deployment and lower cost." Definition of the datacenter's ISM included customer self service, automated provisioning, performance monitoring, virtualization management, storage/data management, security, energy and other elements of Tivoli's product portfolio.

The effectiveness of this ISM message is that it morphs as IBM moves the discussion up the technology stack. At each level, ISM offers a relevant value proposition for IBM solution audiences, while supporting an overarching vision of technology aligning with the business. As you move from the hardware level discussion, to software, and then to industry specific solutions, the message increasingly caters to the business need at the higher level.

New systems delivery models

IBM believes the market is only at the beginning of the virtualization movement. IT began with physical consolidation and is moving to virtual systems. ISM is essential for capturing the promise of cloud computing. Key for virtualization is solving the management complexity of a virtualized environment (providing increased value to the business customer by managing across technology islands). IBM concluded that the management framework is "the most important element in virtualization" and referred to IBM's VMcontrol as an example of what IBM is doing to unify and integrate systems management.

During the Pulse conference, five technology gurus described how IBM leverages "client focused collaboration" to surmount the challenges of implementing Smarter Planet with the "art of the possible." They provided a BSM case study of technology experts reaching out to the business community in their discussion of how the assets that make up the required infrastructure elements become more IT enabled and thereby permit the creation of event infrastructures in the context of necessary business services.

For example, industry infrastructures customized for specific business purposes can lower cost and raise quality, as a result of changes in their delivery and construction model. Cloud computing is an example of this, as new consumption and delivery models give Lines of Business easier access to IT services in a "pay as you go" business model. The CTO of Tivoli Software indicated such new delivery models depend upon full stack integration, and consequently increase management importance and visibility.

New delivery models reinforced a need for hardware accelerators that perform algorithmic functions, enhancing system and software interaction. The ability to go deep across technology disciplines is required for business to take advantage of new frontiers. Innovating within a silo is hard, if not impossible. Technology vendors must deliver integrated solutions. Only a total

system view allows corporate and government enterprises to take advantage of new business capabilities.

IBM's Success with BSM Deliverables

BSM is the package of whatever it takes to deliver the desired/required services to the business community in a way that business entities can understand, appreciate, absorb and benefit from. That BSM goal depends upon a successful collaboration of the IT organization, business entities and IT management vendors to deliver the goods.

While acknowledging the larger context of ISM (and BSM), IBM focuses on their own methodologies, services, products and plans aimed at assuring parity between the abilities of the business to absorb and make maximum use of IT and IT-related (communications, networking, storage, server, mainframe) assets, resources and services and IT's ability to deliver them. IBM's message is notable, not only for its ambition, but also for the substance provided by articulate and knowledgeable customers.

The Final Word

We see a lot of value in IBM's message. The Smarter Planet plays well in combination with Integrated Service Management. IBM continues to present and articulate ISM as a significant focus for enterprise IT and IBM products. What makes ISM a richer and more tangible statement is IBM's explicit link to the broader set of business functions that it can play in because of its horizontal products that yield business and industry-focused solutions such as the Enterprise Asset Management (Maximo) and IT Asset Management portfolio, the financial accounting power of its usage and tracking products (Tivoli UAM) and extended analytics.

IBM provides considerable evidence that directly supports and advances the BSM message even though they rarely reference the term in their positioning. The strategic, long term importance IBM attributes to ISM proves they have moved beyond mere positioning to actively engage in implementing BSM customer initiatives.

All that said, 50+ years after the emergence of 'modern' computing – the promise of computing to make sense and productive use of the vast array of dispersed and divergent available data is coming closer to broad realization. IBM is to be congratulated for their efforts in articulating the strategy and implementing its successful delivery.

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About Ptak, Noel & Associates LLC

We help IT organizations become "solution initiators" in using IT management technology to business problems. We do that by translating vendor strategy & deliverables into a business context that is communicable and actionable by the IT manager, and by helping our clients understand how other IT organizations are effectively implementing solutions with their business counterparts. Our customers recognize the meaningful breadth and objectivity of our research in IT management technology and process.

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