

Analyzing the Conventional Wisdom



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Introduction

In late June Network World produced the "IT Roadmap" seminar in Chicago. As part of this seminar, there were six tracks that covered a wide range of IT topics. I moderated two of these tracks - the one on Network Management and the one on Network and Applications Acceleration. While moderating those tracks I had the opportunity to survey hundreds of network managers about the current IT environment in general, as well as the current network management environment in particular. I am going to use this month's IT Impact Brief to compare and contrast what I heard from the seminar attendees with the current conventional wisdom in the industry.

Server Consolidation

The conventional wisdom in this area is that many companies are consolidating servers out of their branch offices and into centralized data centers. Some of the factors that are motivating companies to consolidate servers include the desire to reduce cost, as well as to the desire to provide better security and comply with government and industry regulations. One of the reasons that server consolidation gathers so much attention in the industry press is that in many cases server consolidation leads to serious application performance issues.

The feedback from the seminar attendees is that the conventional wisdom on this topic is correct. In particular, roughly 40% of the seminar attendees indicated that their company either already had begun, or soon would begin to consolidate their servers.

ITIL

During both of the presentations that I made during the seminar I suggested that IT organizations need to improve some of their key IT processes, such as change and configuration management. I also suggested that rather than trying to enhance these processes in a vacuum, that IT organizations should take an existing framework, such as ITIL (IT Infrastructure Library), and customize it for their environment. A number of the other seminar speakers also recommended the use of ITIL as a way to enhance the efficiency of IT organizations.



The recommendation that I and the other speakers made to use a framework such as ITIL is consistent with the frequent stories that appear in the industry press on this topic. However, the seminar attendees not buying it. Only a very small percentage of the attendees indicated that their company either already had begun, or soon would begin to use ITIL as a way to enhance their key processes.

Innovation in Network Management

In both of my presentations I focused on some of the areas of innovation that I am seeing in network management. This included the development of tools to manage web services based applications, as well as the use of analytics to determine both the existence and cause of serious network anomalies. I also discussed the growing sophistication of automated configuration management tools and the slow, but seemingly steady development of technologies to enable the deployment of a true CMDB (Configuration Management Database).

However, when I asked the seminar attendees if they were seeing at least a moderate amount of innovation in the general area of network management, the vast majority of the attendees indicated that they did not.

Service Level Management (SLM)

SLM is a topic that has been around for a long time. The conventional wisdom states that if a company's annual revenue is a billion dollars, they probably spend around fifty million dollars a year on IT. The conventional wisdom also states that if you were running a fifty million dollar a year company that you would take the time and effort to identify who your customers are, and what products and services you provided to them.

When I asked the seminar attendees if their company had made any attempt to deploy SLM, only a relatively small percentage of the attendees indicated that they had. Even more telling was the fact that when asked, virtually none of the seminar attendees indicated that they had successfully implemented SLM.

Enabling Strategic Initiatives

Recently there has been a lot of discussion in the industry about the fact that the typical IT organization spends between seventy and eighty percent of its resources on maintaining the production environment. The obvious observation that is then made is that only a relatively small percentage of the IT resources are available to support new strategic initiatives.

The marketing organization at a number of vendors have jumped on this lopsided allocation of IT resources to create marketing messages that all state something to the affect of "buy my product or service and with all the IT resources it enables you to free up, you will be able to work on all of the strategic initiatives that you have been dying to work on." I decided to test this message with the seminar attendees. The good news is that the vast majority of them indicated that if they become more efficient and hence free up headcount, that they could usually keep that headcount and reassign it to other tasks. However, virtually all of the seminar attendees indicated that if they become more efficient and hence reduce their annual spend, that they can not automatically keep money saved to invest in other projects.

Perceived Value of IT

Over most of the last decade, the perceived business value of IT has been on a roller coaster. In the late 1990s, IT organizations got a lot of attention from CEOs who looked to the IT organization to eliminate any potential Y2K problems that would interfere with business operations. Shortly after the Y2K hysteria died down, we entered the dot com era. During this era IT was perceived as offering tremendous business value as many companies believed that the IT organization would allow them to fundamentally transform their business. As everyone knows too well, the dot com era lead to the dot bomb era. During this era companies began to look at IT as nothing more than a utility and the vast majority of companies cut back their spending on IT.

Today the conventional wisdom as manifested by the industry press is that companies are beginning to make very modest increases in their IT budgets. However, there is virtually no buzz in the press about an increase in the perceived business value of IT.

In order to determine how IT was currently being perceived, I asked the seminar attendees if in general their company's business and functional managers 'get the business value of IT'. I was happily surprised when the vast majority of attendees indicated that they did.

Business Process Redesign

It was well over a decade ago when the display shelves in book stores were full of books on the topic of business process redesign. Today you have to look a bit harder to find those books. In addition, about the only time that business process redesign is mentioned in the industry press is in an article about Services Oriented Architectures (SOA) in which a generic comment is made to the affect that implementing an SOA will make it easier for the company to change their business processes.

From my consulting practice I had begun to sense that business process redesign is wide spread. Hence, I was only slightly surprised when virtually all of the seminar attendees indicated that their company was currently in the process of re-engineering one or more of its key business processes. While I have no current data to support it, my belief is that one of the main reasons that the business value of IT is on the rise is that a company's business and functional managers realize that IT is a key enabler of the business process changes that they are working to implement.

Perceived Value of Network Management

The conventional wisdom is that network management is the Rodney Dangerfield of IT. By that I mean that the popular perception is that network management does not get any respect. Given that the vast majority of the seminar attendees indicated that their company's senior managers did 'get the value of IT', I was optimistic that perhaps the perceived value of network management had also increased. However, the seminar attendees brought me down to earth as only a small minority of them indicated that their company's business and functional managers 'get the business value of network management'.

Managing Application Performance

I previously asked questions of the NetScout user community about problem identification. However, I could not help myself. I had to ask it again. So, hoping for a different answer than I got from the NetScout community I asked the seminar attendees 'if the performance of one of your company's key applications is beginning to degrade, who notices it first? The end user? The IT Organization?'

Unfortunately, I got the same answer from the seminar attendees as I got from the NetScout community. That answer being that in almost every case, the end user notices application degradation before it is noticed by the IT organization. While I have no current data to support it, my belief is that one of the main reasons that a company's business and functional managers do not 'get the business value of network management' is because their organization notices application degradation before the IT organization does.

Summary

Whenever you do a broad assessment of where we stand as an industry, some of the results are satisfying and some are disturbing. For example, I was extremely pleased by the fact that the majority of functional and business managers get the value of IT. I was also pleased to see what a large percentage of companies are in the process of re-engineering at least one of their key business processes

However, I continue to be disappointed in the fact that neither ITIL nor SLM are having much impact. I am particularly disappointed with the fact that it is the end user and not the IT organization that first notices application degradation. As I mentioned, I do believe that this is one of the reasons why business and functional managers do not get the value of network management.

The topics covered in this IT Impact Brief are important to all of us. With that in mind, future IT Impact Briefs will drill down into a number of these topics in an attempt to better understand what is both driving and inhibiting success.

For more information on this topic and others like it

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