

WHITE PAPER: BUSINESS SERVICE MANAGEMENT

# Business Service Management Links IT Services to Business Goals

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# Executive Summary

## Challenge

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Business activities and profitability increasingly depend on technology, challenging IT to optimize services based on business priorities. The most effective way to deliver business-optimized service is to adopt a process-driven, holistic approach to IT operations, shifting the focus from technology to important services, and measuring success from the service consumer's perspective.

## Opportunity

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Business Service Management helps establish IT as a strategic service supplier that streamlines customer transactions and enables business growth. While organizations will undertake BSM initiatives to align IT activities with business goals, the ultimate impact of Business Service Management goes beyond services — to strategic partnership in the business. Having created agile and resilient services that can respond to varying demands, IT is better able to drive technology innovation that can open up new revenue sources, help grow the business, and change how business is done.

Business Service Management is not just technology; it's also about people and processes across IT. BSM is an opportunity for IT to build a more proactive and innovative team. A key first step toward integrating IT and business is adopting a process-centric approach to IT, applying ITIL® best practices and building a service-oriented team culture committed to continuous improvement and the success of service consumers.

## Benefits

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By managing IT to business goals, Business Service Management empowers IT to:

- Offer reliable, flexible, business-sensitive levels of service
- Measure service quality in terms of business user experience
- Improve operational efficiency and agility end-to-end
- Reduce and control costs through automation and integration
- Become a strategic partner, value generator and source of innovation

SECTION 1

## Business Service Management: How IT Optimizes Service for Business

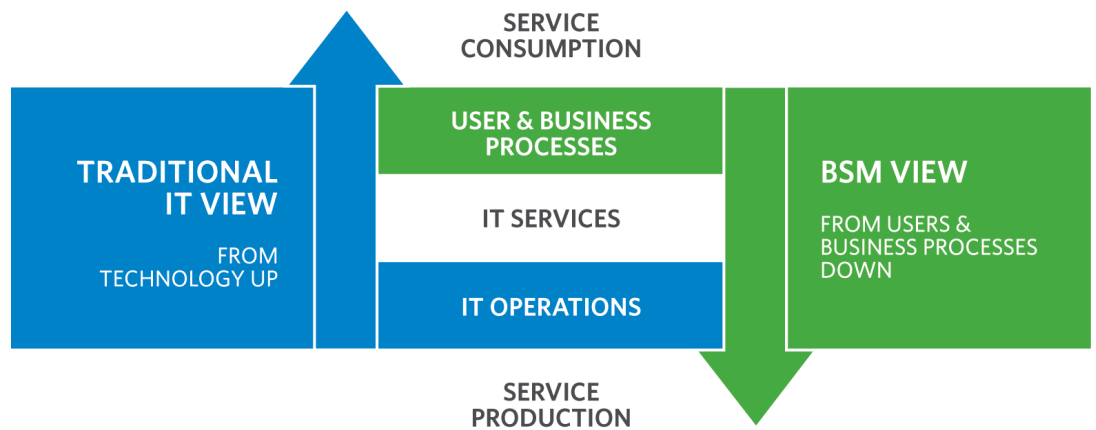
As more business processes move online and business users become more demanding, IT is expected to continually improve the quality and management of the services that support these business activities. As business dependence on IT increases, so does the need for IT to be accountable, meaning IT must understand how business evaluates the services IT provides. Service must be measurable, and business priorities and user success must be the ultimate arbiters of quality. To ensure accountability and shared goals, both IT and business stakeholders need visibility into the quality of services IT provides.

This development in the role of IT includes a business-oriented perspective that represents a paradigm shift for IT, moving the focus from the technology to the user, from managing the processes that produce services to managing the services that meet the needs of service consumers. This shift signals an evolution from service management to *business service management*, which links IT services to business goals. Business Service Management is how IT manages business-driven services by consolidating the service-delivery supply chain, automating processes, ensuring user success and controlling service support and operation costs.

FIGURE A

Illustrates IT's shift in perspective from service production to service consumption.

### BUSINESS SERVICE MANAGEMENT IS A PARADIGM SHIFT FOR IT



Getting to this customer-centric, accountable state is a challenge. To put BSM in place, IT must consolidate the management of complex and diverse IT assets, correlate the status of business processes with the underlying IT infrastructure and applications that support them, and manage changes and demand peaks without business disruption. Business processes need to be automated and integrated with infrastructure and application management. As the basis for measuring service to users, IT needs mapping capabilities, role-based dashboards, processes to assess user experience, and a *unified service model* — the information model that provides a complete 360° view into IT services, mapping the relationships of the technology assets that support a service.

*The core value of Business Service Management is the ability to link business processes to IT services and their underlying applications and infrastructure components, providing insight into service quality from the user's perspective.*

Business Service Management requires systems for mapping, measurement, reporting, and adjusting services — all of which are required to manage IT resources as a function of business processes. Mapping the entire service delivery pathway — the service supply chain — and leveraging the configuration details in a federated CMDB establishes the base for defining the service model, where the focus is on the service. Service mapping links the IT service to its underlying applications, IT infrastructure components (servers, networks, databases, etc.) and processes that power the business. When services are mapped and IT can measure and visualize services from the users' perspectives, you gain the insight to act quickly and decisively when an IT service is at risk. And even better — you increase the opportunities to automate the processes that make up and deliver the service.

Optimized service is a function of supply and demand dynamics. If the infrastructure is robust, applications are available and perform well. But unless IT can manage service supply in line with business priorities, agility is lacking, and changes to the environment may put business processes at risk. When you have the tools to link the availability and performance of applications and underlying infrastructure components to actual business processes and can measure services, you can manage IT services as holistic entities, not individual technology silos. This is the core value of Business Service Management.

But adding technical capabilities is not enough. For IT to succeed in managing services based on business priorities and service consumption, the enhancements must also occur in the people and processes IT uses to manage services. Companies looking to be leaders in benefiting from business service management are also adopting ITIL best practices and committing to continuous process review and improvement. A well-planned BSM initiative typically includes adoption and automation of ITIL processes.

Guided by the BSM vision, IT can transform into a source of business innovation by committing to:

- Optimizing IT services to streamline business processes and transactions
- Consolidating monitoring processes and tools to correlate the management of infrastructure and applications to business processes and provide visibility and accountability to stakeholders
- Reaching beyond process automation and cost reduction objectives to focus on creating new services and innovative uses of technology resources for business advantage

Empowered with complete, real-time information and corrective capabilities, IT can support business processes proactively and insightfully — simultaneously optimizing both service quality and cost efficiency. Ultimately, IT can look to moving beyond alignment with the business to become a source of technology innovation that drives new revenue streams. This is the vision of the emerging Business Service Management paradigm.

### **Optimize: Map, Measure, Automate, Visualize**

While nearly every IT organization is under pressure to align its activities with business goals, many lack the mature infrastructure management capabilities, processes and visualization tools required to do so. BSM presents a vision for evolving IT towards seamless business integration by delivering the insight and corrective capabilities IT needs to support business processes in a way that optimizes both service and cost control. As this robust level of service is achieved and maintained, IT can become a source of strategic value and competitive advantage.

Steps on the BSM journey guide IT to map business processes to assets, measure performance in business terms, and automate policies, changes and corrections to optimize staff utilization and responsiveness. An inclusive BSM implementation maps business processes to infrastructure and application components, measures and analyzes service, automates processes and provides real-time views for visualizing and taking action on service in line with business goals. The result is a transformation from a technology silo orientation to a business service orientation, with deep insight into the quality of users' experience and the ability to turn the infrastructure on a dime in response to demand.

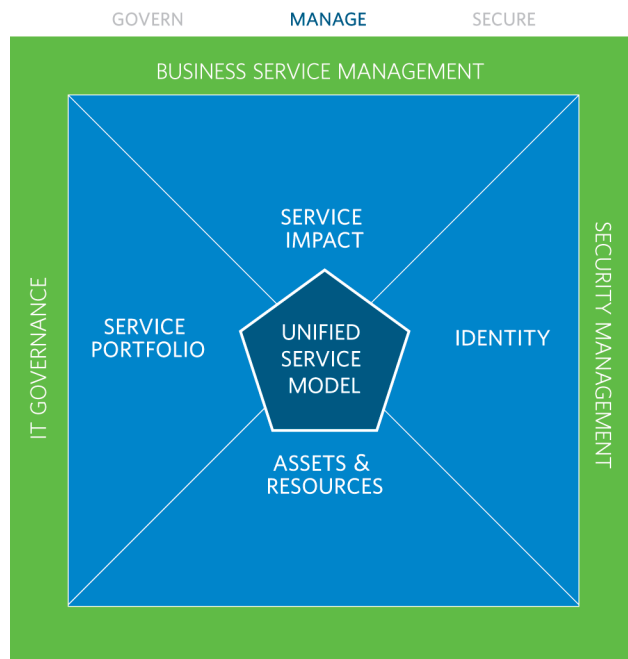
The foundation for this level of seamless business alignment is an agile, well-controlled infrastructure and process-centric IT management that can respond proactively and dynamically to business needs. Forward-looking IT organizations are moving in this direction by developing these BSM capabilities:

**CREATE SERVICE MODELS** The key to holistic service management is a central service repository — a CMDB — where service definitions, standards, dependencies, and configurations are maintained. To build a mature service environment, you also need mapping and modeling capabilities. Together, the CMDB and mapping and modeling tools enable you to manage service based on a Unified Service Model, which affords a 360° view of each service, links the service from the user through all the contributing technology, and maintains the integrity of service definitions throughout the service life cycle.

**FIGURE B**

Illustrates the Unified Service Model's role in connecting service impact to IT assets and resources.

**THE UNIFIED SERVICE MODEL IS THE CONTROL CENTER FOR BSM**



**OPTIMIZE SERVICES BY OPTIMIZING THE INFRASTRUCTURE** The foundation of service is the diverse IT infrastructure and applications, so it is essential to optimize the data center by improving capacity and availability planning, infrastructure and application performance, workload automation, disaster recovery, and so forth. The more completely the management of these assets is consolidated and correlated, the better the accuracy and immediacy of the information available for measuring and adjusting service. When the infrastructure is managed holistically for service performance and availability rather than as individual domains, IT is better able to ensure that service is managed to business priorities. The fully optimized infrastructure also includes disaster recovery, workload automation, and capacity management.

A mature, optimized infrastructure is what makes it possible to manage with business-centric metrics, manage change from the perspective of business users, and match IT services to business demands. Infrastructure optimization lets IT maximize resources, and consolidate and correlate events. The more mature and optimized the infrastructure, the more effective and strategically beneficial a BSM initiative becomes.

**MAP THE COMPLETE IT SERVICE SUPPLY CHAIN TO BUSINESS PROCESSES** What users perceive as a service encompasses multiple infrastructure components, many of which may be “technology silos” today. IT needs to be able to identify all elements of the infrastructure and applications that support each aspect of business operations to be able to allocate resources and address problems in a way that optimally reflects business priorities. In other words: IT unerringly fixes what has the biggest business impact first.

**MEASURE PERFORMANCE BASED ON BUSINESS GOALS AND USER SUCCESS** Operational data such as server performance statistics and network response data often do not mean much to users. By aggregating this operational data in the service model, IT can measure service performance from a business perspective. This means being able to directly show business stakeholders how well IT services are supporting business processes. This builds synergy between IT and business units, clearly illustrates IT’s value to business stakeholders and builds IT credibility. This service-centric visibility also helps IT manage service holistically and unify the IT team around service goals.

**STANDARDIZE AND AUTOMATE PROCESSES** To effectively automate process requires that these processes first be standardized as policies. Automation makes it easier to maintain service and cost-control goals without imposing undue rigidity. Automation enables IT to streamline the management of policies, changes, corrections, and user requests and problems and to better control both services and costs. By addressing the tactical concerns, automation therefore enables strategic allocation of people in IT.

**INTEGRATE BUSINESS GOALS** A service catalog enables IT to define and publish service offerings in business terms, with the appropriate quality attributes so IT can measure, manage and report on the overall IT service performance while at the same time provide operational and cost transparency to demonstrate the business value that IT delivers every day. By establishing service contracts with the business and monitoring IT adherence to agreed upon service level agreements, IT can better manage demand and increase its flexibility and agility to deliver critical services enabling business operations and growth.

### **Integrating IT and Business: Beyond Business Alignment**

IT departments today are still spending most budget and staff time on keeping the machines running and responding to urgent demands. In this scenario, IT is a cost center. Yet in a growing number of enterprises, IT has evolved sufficiently mature capabilities not only to align with business goals, but to drive innovation and value creation — creating new ways to market and deliver products and services that confer competitive advantage and open new revenue streams.

Many IT executives are at least thinking about how to embrace this strategic focus. Creating these capabilities will first entail significant restructuring of processes, people, and technology not only across the IT environment, but also across BSM and administration activities.

#### SECTION 2

### **The Business Service Management Journey**

Business alignment and value creation is an ongoing journey rather than a destination. The gradual renewal of monitoring and management technologies will help guide some of the steps along the way. Remodeling the related IT processes — as well as the activities and perspectives of the people involved — are also essential.

#### **The Role of ITIL in Business Service Management Initiatives**

The Business Service Management vision is closely aligned with and enabled by ITIL best practices. The ITIL process framework provides highly relevant, best practices guidance for implementing and automating service-focused process transformation for organizations seeking greater maturity and business alignment as steps toward optimizing service.

ITIL fosters a culture of continuous improvement in IT service quality through a Service Lifecycle model. This approach delivers better, more consistent services — key to the maturation of the business/IT relationship. A further benefit of adopting ITIL best practices in line with Business Service Management initiatives is that it enables IT to better manage the stress and disruption of change.

ITIL promotes an overall shift in focus from the IT systems and processes themselves to the services customers consume. This viewpoint helps ensure that customer success is the basis for measuring IT service quality. It also helps IT align with business objectives and serve as a strategic partner in the business.

Finally, ITIL can help control IT costs by guiding organizations toward a top-down, business-centered approach to problem resolution. ITIL supports policy-based automation by helping IT develop policies and measure the success of automation, leading to a more rational organizational structure and processes.

For many organizations, the biggest hurdle to adopting ITIL best practices is not time, money or expertise: it is overcoming internal resistance to this level of process change. Many IT professionals will not initially be comfortable with the scope of the transformation. Success strongly depends on setting realistic expectations, planning thoroughly, and making it a priority to educate and communicate effectively about how change will impact people and processes, not just technology. For example, IT will need to plan and communicate how one team will hand off information and responsibilities to another team.

*In the May 2007 release of ITIL version 3, BSM is defined as “an approach to the management of IT Services that considers the business processes supported and the business value provided.”*

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### The Starting Point for Every BSM Project: Assessing Maturity Levels

As discussed above, achieving full Business Service Management relies on a strong foundation of IT management process maturity for its success. Organizations that do not have stable component and operational level IT management capabilities in place should address those issues as a starting point for BSM.

Many organizations still grapple with IT silos, react to user complaints rather than responding proactively to optimize service, and are frequently challenged to isolate the underlying cause of problems at the business process level. Without comprehensive application monitoring, event management, and threshold management, for instance, it will be an uphill battle to implement BSM.

IT infrastructure maturity can be measured against four broad levels of capability. The activities an organization would perform at any given level are unique to it and are separate from a maturity assessment. Improving the maturity level of IT is a goal that will comprise multiple steps, along with a commitment to continuous improvement in each area deemed relevant.

### CA's BSM Capabilities

CA offers solutions for all the capabilities IT needs to achieve Business Service Management and ensure that these capabilities link together to support process-driven IT operations. But BSM is broad and spans each department in IT Operations, so planning a BSM initiative can be complex. Some companies will choose to focus on one area of operations first and then expand BSM into related areas of IT Operations.

BSM can be approached through smaller initiatives, each of which contributes to IT process improvement through consolidation, automation, and business insight — and each of which can be linked together, which is most easily accomplished when the implementation is planned with future improvements in mind. These smaller initiatives focus on one key aspect of BSM:

- **Infrastructure Management** Consolidate infrastructure and applications management to streamline service supply and gain insight into root cause of issues for rapid resolution
- **Data Center Automation** Centralize and automate processes that dynamically supply services and optimize asset utilization
- **Service Management** Ensure seamless management of the complete life cycle of services and gain a business-impact perspective for Service Management
- **Application Performance Management** Manage application performance to improve user experience and meet service level commitments and business goals

Each company's starting point depends on the company's own process improvement goals and priorities. Whatever the starting point, all BSM initiatives include:

- A commitment to process-driven best practices (e.g., ITIL) and continuous review and improvement
- Assessment of current maturity levels
- Understanding of business goals and measurable objectives for IT
- Integrated plans for enhancements to people, processes, and technology across IT Operations

For more information on the BSM initiatives and CA solutions, refer to the CA technology brief, *IT Initiatives for Dynamic Business Service Management*.

### SECTION 3

## The Value of CA's Business Service Management Approach

CA views Business Service Management as a comprehensive approach to managing business-oriented service. While some vendors and analysts exclude key capabilities from their definition of BSM and consider these to be only related to BSM, CA believes that the best way to achieve holistic and proactive BSM is by including all the processes in the ITIL vision of the service life cycle.

CA has made a company-wide commitment to helping customers unify and simplify the way they govern, manage, and secure enterprise IT management. That commitment extends to ensuring that the solution for managing IT — Business Service Management — connects fully and easily to solutions for governing and securing IT.

CA is also committed to simplifying the automation of ITIL processes and ensuring the fastest time to value by continuously improving the integration of our products and developing additional workflows and policy packs that expedite implementation. Because CA is in just one business — IT management software — all our decisions are driven by improving our value in this market.

CA brings unique value to the BSM market with these strategic advantages:

- A comprehensive Unified Service Model that extends the value of the CMDB, enabling broad and exacting management of services throughout the service life cycle
- Integration with CA's complementary governance and security solutions for portfolio-driven, identity-aware business-oriented enterprise IT management
- A complete BSM approach — from user experience management through the Unified Service Model and down to every part of the applications and infrastructure that deliver and support service — that includes maturity assessments and implementation blueprints
- The most comprehensive, vendor- and platform-neutral solutions for all BSM requirements
- Services such as assessments that support planning and decision making
- Key feature differentiation:
  - Application dependency mapping via unique Cohesion technology
  - IT financial transparency via Service Catalog
  - Ability to manage the user experience: beyond just measuring service levels
  - Automation of policies and processes, including ITIL
  - Integrated IT Flows (workflows) and policy packs that accelerate time to value

CA works with companies to assess their current state, discover needs, risks, and priorities, and develop an Implementation Blueprint. CA can also advise companies on sources for education and staff development workshops, and we enthusiastically work with consulting firms and system integrators who specialize in process improvement practices.

#### SECTION 4

## Conclusions

Realizing the Business Service Management vision empowers IT organizations to:

- Manage service based on a Unified Service Model to provide the information base for a service approach, link business goals to service, and ensure conformity throughout the service life cycle.
- Improve IT agility. By mapping business processes to IT services to IT infrastructure components in a Unified Service Model, BSM makes it easier to determine the root cause of service issues experienced by business users, and to prioritize IT support activities in terms of business benefit. It also increases automation opportunities and compresses turnaround times on delivering new services and enhancing existing offerings.
- Present information on exactly how well IT services are supporting business-critical processes. Such information provides an ideal foundation for optimizing stakeholder satisfaction and demonstrating the business value of IT. This information can also be used for planning new services, mergers, and other technology and business changes that affect IT.
- Identify issues at the level of IT components that affect business services. This leads to improved performance and reduced downtime because IT can correctly prioritize activities in terms of business relevance.
- Manage change and configuration dynamically to any part of the infrastructure, applications, and client systems without disrupting service. This assures a seamless service life cycle.
- Reduce mean time to repair (MTTR) service problems in line with understanding the dependencies among business processes, IT services, and underlying IT infrastructure (servers, storage, networks, middleware, databases, etc.). For example, because it entails implementing end-to-end, cross-component processes and metrics, BSM helps IT address service problems that span multiple components, as opposed to one group “pointing the finger” at another when users experience problems.
- Strengthen alignment with business goals. Because its paradigm drives improved IT management across the board, BSM makes the technology easier to manage in relation to policy, and makes costs easier to calculate. The mature IT organization can leverage a service catalog to track and report service costs, which helps IT document its financial contribution to the company.

For companies that are positioned and motivated to begin the journey to Business Service Management today, early adoption can drive competitive advantage not only by enhancing business agility and performance, but also by creating an IT environment that supports the business focus crucial to unifying IT and business. Software and consulting vendors can play an advisory role in helping companies plan how to implement, measure, and benefit from BSM.

#### SECTION 5

## About the Author

Sarah Meyer has over 20 years of experience in bringing business-centric enterprise applications and solutions to market at large and small companies. In ten years at Lotus Development Corporation she held positions including development manager for server-management products and marketing manager for learning solutions. Sarah is currently Director of Business Service Management Solutions marketing at CA.

CA, one of the world's largest information technology (IT) management software companies, unifies and simplifies complex IT management across the enterprise for greater business results. With our Enterprise IT Management vision, solutions and expertise, we help customers effectively govern, manage and secure IT.

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