

# CA Advisor

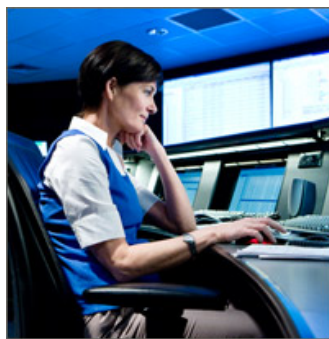
IT MANAGEMENT NEWSLETTER

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## How You Can Turn IT Cost Cutting into IT Performance Improvements

By Helge Scheil and Brian Bell

If you're like a lot of the IT professionals that we speak with regularly, you probably find yourself faced with having to cut costs for the coming year or, at the very least, scrutinizing future investments in IT technology. The question then becomes, do you have a methodology in place for determining and then delivering the services your organization really needs?



We're not talking about back-of-the-envelope calculations. We're speaking about a methodology that yields a holistic understanding of a given service — the demands for the service, its costs and its ROI. Just what does it take to deliver a new knowledge-management system or equip users with Blackberry service? For that matter, *should* you deliver a new knowledge-management system *or* offer Blackberry service?

To answer that sort of question, we're advising enterprises to pay close attention to Service Portfolio Management (SPM), especially as defined by ITIL® v3. With SPM, IT is understood as delivering services to the business. Services may be at the business level such as "accounts payable," and at underlying technical and tactical levels such as "collaborative file sharing service" or "provision additional capacity to accounts payable system." SPM then provides a methodology for governing investments and resource allocations across those services and managing them for maximum value.

Existing CA customers can build towards SPM through the use of five CA products. Service portfolio planning is managed by [CA Clarity™ Project Portfolio Manager \(PPM\)](#). Business executives and end users gain visibility to the portfolio of existing IT services and a mechanism for ordering them through [CA Service Catalog](#). [CA Service Accounting](#) provides the business and IT with insight into the cost of consuming those services. To help users get fuller value from consuming those services, [CA Service Desk](#) provides for incident and self-service management. To gain a deeper understanding of what a service costs, a holistic view is required across all of IT's assets; CA makes this available through [CA Asset Portfolio Management](#). And a regular review of the service portfolio and its performance is facilitated through the CA Clarity PPM Service Portfolio Management capability.

SPM benefits the organization in at least four ways.

- First, it supports governance of IT's entire set of resources, including people, operating expenses and capital expenses. This allows a CIO to more easily gain alignment from the business for the allocation of resources away from legacy systems — especially redundant legacy systems — and towards those services that are highly valued by the business.
- Second, users receive the right service faster because they can proactively select the IT service that best suits their needs, then have their service requests fulfilled with standardized, measurable and automated processes.
- Third, relations between IT and the business improve because IT now offers services that are expressed in business, not IT, terms.

- Fourth, IT can align resources with services by exposing the business to the costs for their service consumption. Each service now comes with business service levels and realistic business costs, understood both by the consumer and the service provider (IT).

**Service Portfolio Management provides a methodology for governing investments across IT services and managing them for maximum value.**

All facets of the organization benefit. Change Advisory Boards gain because they're empowered with information to make the best decisions for the business. IT management benefits because service-portfolio-based IT governance

supports rationalization and consolidation of services and gains credit for keeping the lights on. The application group gains by being able to reduce software costs methodically, driven by service portfolio planning. Operations and configuration management staff can now plan and execute changes and minimize fire drills. At the service desk, costs are reduced as service reps now need only be utilized for exceptions, not for mundane services. The business gains by being able to consume services based on their business requirements and costs. Finally, the user and line of business benefits because they can consume the services within their budget.

In the end, SPM then isn't just about turning IT into a great penny pincher. It's about turning IT into a great service provider — providing the services the organizations needs today and investing in the ones it needs tomorrow to gain a competitive advantage in the market.

*Helge Scheil is Senior Vice President and General Manager at CA, responsible for its IT Governance business unit. He joined CA through the acquisition of Niku in July 2005. As Niku's CTO and SVP of Research and Development, he was responsible for the entire product development life cycle and the creation of an innovative, extensible, scalable and fully globalized architecture. Helge has more than 20 years experience in enterprise business application development and consulting, a career that took him from Philips Medical System in Germany to Oracle's headquarters in California, where he has held various development management positions. Helge holds a Bachelor of Science in Business and Computer Science from the University of Kiel, Germany.*

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*Before joining CA, Brian was VP of Solutions Marketing at BMC Software, where he defined the overall Business Service Management (BSM) marketing strategy across their product portfolio. Prior to this role, Brian led worldwide marketing at Remedy (acquired by BMC in 2002) and spent several years with Boston Consulting Group (BCG) advising Fortune 500 clients on corporate strategy and business development. He has also held business development and product management positions at Extricity, a business-to-business integration software vendor, and Kao Corporation, the leading Japanese consumer products vendor.*

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