

SOLUTION BRIEF

Software Rationalization Services | August 2010

how can you stop sprawl in your IT infrastructure?

we can





You can optimize your software portfolio with Software Rationalization Services from CA Technologies. We can help you drive down costs and gain new efficiencies by tackling unnecessary redundancy and complexity in your IT infrastructure. Software Rationalization Services will help you reduce cost and run rate, increase throughput, and improve service quality to your customers.



executive summary

Challenge

Organizations accumulate technology over time and much of it becomes redundant, obsolete, or unnecessary. The IT infrastructure software becomes complex and redundant, which increases costs, hinders agility, and reduces the ability of IT organizations to deliver maximum value from IT resources (hardware, software, or staff). Time and money is wasted on maintaining unnecessary software assets, managing too many vendors, evaluating and testing integrations, and trying to find ways to optimize complex systems.

With Software Rationalization Services, customers have had the following experience:

- Average of 45% to 65% reduction in number of vendors
- Average of 50% to 56% reduction in the number of solutions
- \$4mm in savings in 60 days
- Run rate reduction of \$72mm over 5 years

Solution

Software Rationalization Services helps you streamline your software portfolio by mapping your existing software assets, assessing assets against business needs, defining a to-be state, and creating a plan to reach that outcome. Streamlining your IT infrastructure portfolio helps reduce complexity, eliminates redundant and unused software, and minimizes the number of disparate vendors in your environment.

Benefits

With Software Rationalization Services, you will reduce the complexity that is taxing your IT organization. We can help you:

- Reduce run rate, maintenance, and vendor management costs
- Improve efficiency in daily operations and increase service quality
- Improve agility—freeing resources and budget for strategic projects that drive business value

The CA Technologies advantage

CA Technologies approaches software rationalization from a strategic partner perspective. As the leading IT management software and solutions vendor, we know how solutions interact. We know where to look for and where to eliminate redundancy. We know what areas commonly consume excessive resource and staff. With more than 30 years of experience earned over thousands of engagements, no one knows CA Technologies—and IT management—better than CA Services.

section 1: challenge

Tackling “IT sprawl” is difficult

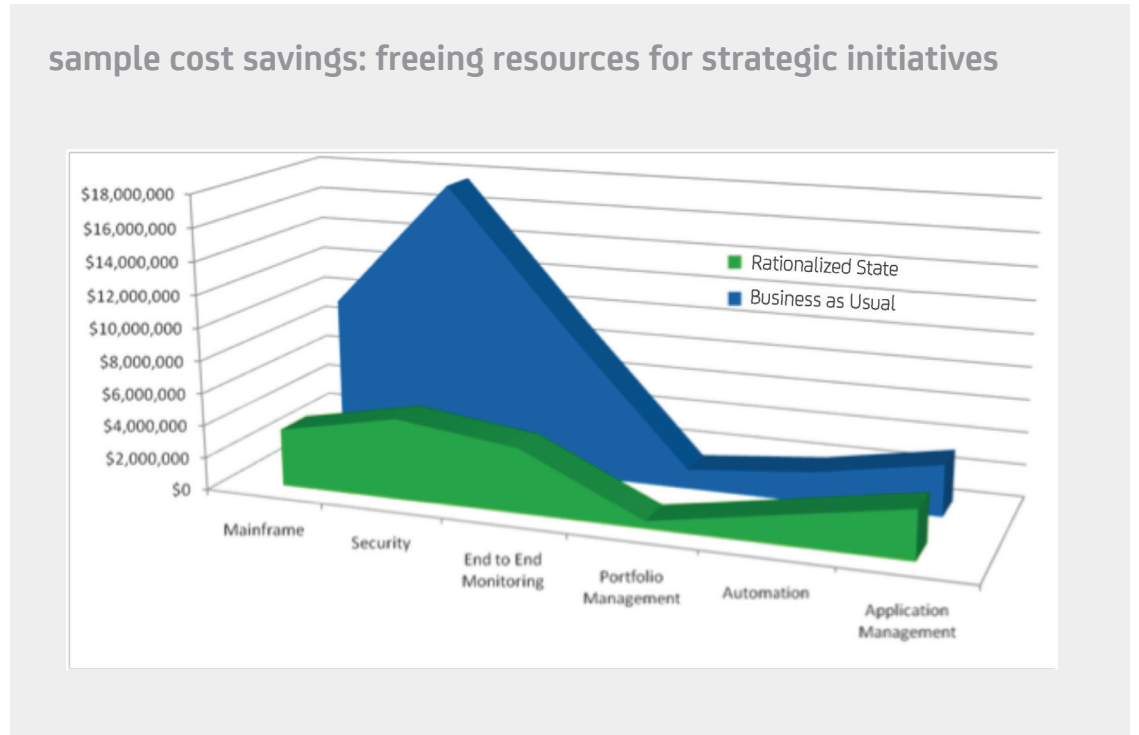
Today’s enterprise IT organizations must constantly balance two competing pressures. On the one hand, management expects IT to reliably deliver the existing business services that keep the company running smoothly—anytime, anywhere. At the same time, IT is under tremendous pressure to deliver innovative technology solutions that enable the company to outpace rival firms.

IT organizations are facing “IT sprawl”—the gradual proliferation of tools, infrastructures, and applications. IT sprawl comes with these problems:

- Overlapping functionality
- Inconsistent or multiple software architectures
- Abandoned or underutilized applications
- Sourced from too many different vendors

These problems combine to have a crippling effect on increasingly lean IT budgets. More and more money and resources are spent on maintaining and managing the existing infrastructure. So, when the business comes to IT with an idea for an innovative new initiative to support growth, the answer is too often “no.” The money is not there. Resources are tapped out. Companies must be able to allocate resources to support new business opportunities or they will suffer lost market share, missed revenue opportunities, and diminishing brand equity.

Figure 1



So what can companies do to eliminate the gap between the growing demands of business and shrinking IT budgets and resources? Here are a few questions to consider:

- Do you know exactly what makes up your complete software portfolio?
- How is it being used today?
- How does it interact with other tools and applications?
- How can you prioritize potential replacements?
- How do you effectively execute on a rationalization plan?

Companies need a practical but innovative approach to alleviate IT sprawl: an approach that quickly shifts resources from the day-to-day management of the current infrastructure to one that frees IT to support and sustain IT innovation.

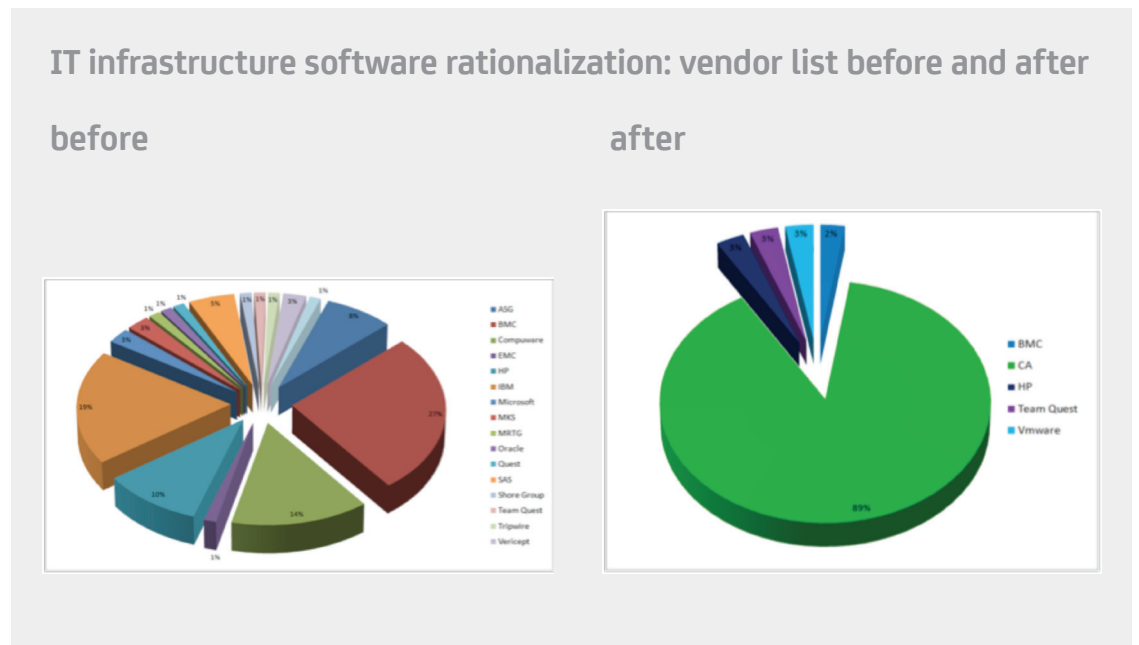
section 2: solution

Streamline and optimize your IT software portfolio

If IT overhead is keeping your business from moving forward, it is time to reevaluate your IT infrastructure software portfolio. With Software Rationalization Services, you can:

- Eliminate redundant and unused software
- Minimize the number of disparate vendors in your environment
- Improve operational efficiency
- Free up budget and resources to drive business innovation

Figure 2



Software Rationalization Services can help you achieve greater operational efficiencies while reducing IT complexity, enabling you to focus your financial and human resources on supporting the constantly changing demands of your business. By identifying redundant, unused, or ineffective legacy tools, Software Rationalization Services define a new, balanced, and optimized software portfolio that delivers greater value to your organization while reducing run-rate and expenses.

Software Rationalization Services segments the rationalization process into four (4) manageable stages:

- Analysis
- Rationalization
- Results and recommendations
- Delivery

Stage 1: analysis

Software Rationalization Services begins with a detailed cataloging of your IT infrastructure software portfolio. Then, your software portfolio is assessed based on IT alignment, business alignment, and financial impact. Assessment criteria include:

- **Software product activity.** Reviewing what products are used, by whom, how frequently, and for what purpose.
- **Duplicate functionality and redundant products.** Determining which products across your organization are doing the same work or have similar capabilities.
- **Value and total cost of ownership.** Assessing the business value of each of software asset, including the total ownership costs in terms of OPEX (e.g. staffing and maintenance) and CAPEX (e.g., licensing).
- **Business alignment.** Determining what business function the software aligns with and whether it delivers measurable value.
- **Process and procedure review.** Determining what processes each asset enables to determine its value to the business.
- **Resource and staffing.** Determining how each software product consumes resources and staff, including future staffing requirements.

Figure 3

redundant software capabilities identified

Category	Enterprise Software																																	
Count of Normalized Asset	Functions																																	
Normalized Manufacturer	Systems Mgmt	Identity Mgmt	Database Mgmt	Network Mgmt	Threat Mgmt	Application Mgmt	Reporting	Event Mgmt	Network Security	Asset Mgmt	Change Mgmt	Performance Mgmt	DLP	Workload Automation	Service Desk	Storage Management	Backup & Recovery	DR Mgmt	PPM	Server Provisioning	Document/Records Mgmt	Patch Mgmt	Enterprise Log Mgmt	Config Mgmt	Capacity Planning	Access Control	Software Deployment	SOA Security Mgmt	Availability Mgmt	Tape Mgmt	Incident Mgmt	Service Catalog	Project Mgmt	Grand Total
CA	4	2	3	2		2	4	1			4	1	2	3	4	2			1		2						1	1						41
BMC	1		5	1				1																									1	18
IBM	2	1	6			1				1	3																	1						15
INTEGRATED RESEARCH	6		1			1	1	2				1													1								13	
ALLEN SYSTEMS GROUP	7																				2												9	
QUEST	1	1	1	1		2										1						2				1							8	
MCAFFEE INC					7								1												1								8	
HP	2			2			1														1			1									7	
SYMANTEC					3								3														1						7	
ARCHER TECHNOLOGIES										1									3											1			5	
OPNET	1			1		1													1			1											5	
ORACLE		2																		1	1					1							5	
DORIAN SOFTWARE CREATIONS							4													1	1												4	
FUJITSU				1					3																								4	
COMPUWARE CORPORATION	1		1			1																											3	
INFOVISTA				3																													3	
INTELLIDEN		1																			1				1								3	
SYNCSORT INC			3																														3	
MICROSOFT	1	1																															2	
EMBARCADERO			1								1																						2	
OPEN SERVICE				2																													2	
Grand Total	29	24	23	16	12	11	9	9	8	7	6	6	5	5	5	5	5	5	4	4	4	3	3	3	3	3	2	2	2	2	1	1	1	225

Stage 2: rationalization

After identifying and cataloging your “current-state” software portfolio, the Software Rationalization Services team will work with you to outline your desired future-state. The team considers your mid- and long-term IT strategy, business priorities, and competitive needs. Future state software rationalization criteria include:

- What IT and business challenges are not being met by your current software portfolio
- What future needs, anticipated projects, and technology developments should be considered
- Which vendors and technologies are strategic partners today, and which will be strategic in the future
- What IT and business risks should be considered before making changes to your software portfolio
- What is a reasonable timeframe for planning and implementing changes

Figure 4

rationalization can significantly reduce the software portfolio

product category	current products	rationalization targets	products rationalized
Infrastructure monitoring	60	53	88%
Security	60	35	54%
Automation	6	4	67%
Project and portfolio management	5	5	100%
Mainframe	66	16	24%
Enterprise IT Management (all)	225	113	50%

Stage 3: results and recommendations

With the information gathered in stages 1 and 2, CA Technologies will collaborate with your IT and executive management teams to develop a multiphase plan to streamline your software portfolio. This plan compiles the findings—including a savings matrix and solution matrix—and provides options for a course of action for your organization to achieve a new, more balanced and optimized portfolio.

In the end of this stage, you’ll be able to answer these questions:

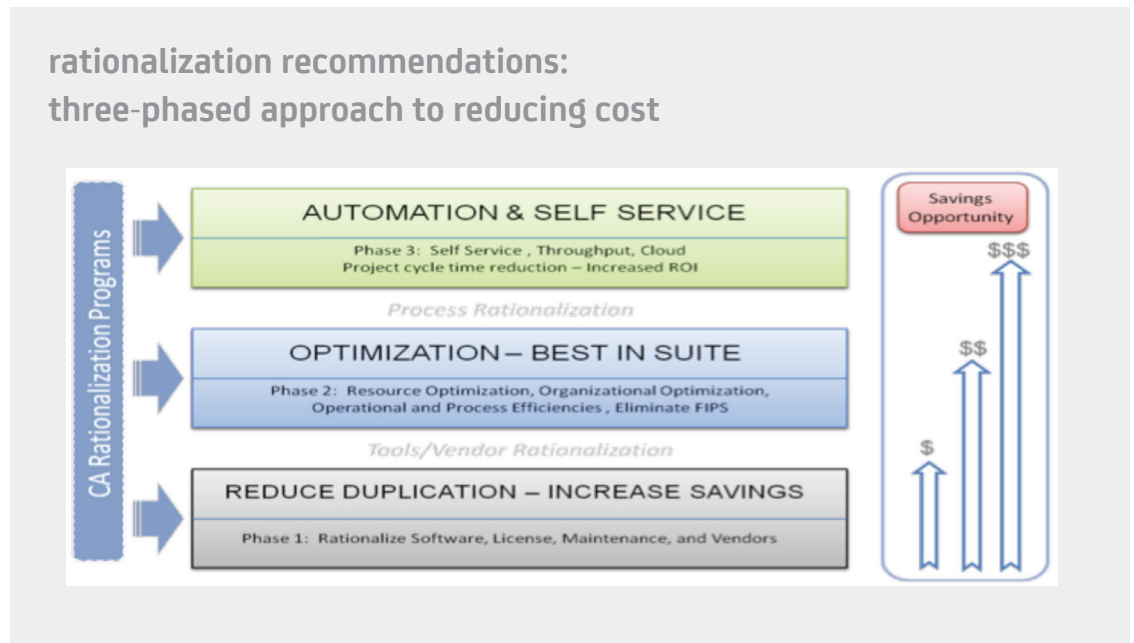
- What is the relative value and risk of keeping, eliminating, or replacing specific software products?
- Which IT processes and services are effected, positively or negatively?
- What is the financial impact of implementing these recommendations?
- Which best practices can be employed to reduce risks, speed change, and deliver quality results?

Recommendations and their associated cost savings are organized into three phases: reduced duplication, optimization, and automation/self service. Customers gain initial “quick-win” savings by eliminating software with redundant capabilities, thereby eliminating associated license, maintenance, and vendor costs.

Customers gain phase 2 savings by optimizing resources, staff, operations, and processes. Optimization often involves replacing disparate software and vendors with a best-in-suite solution from a single vendor. CA Technologies product recommendations will be clearly identified to the customer.

And, finally, phase 3 savings can be achieved by automating processes and providing self-service solutions that can scale savings exponentially.

Figure 5



Stage 4: delivery

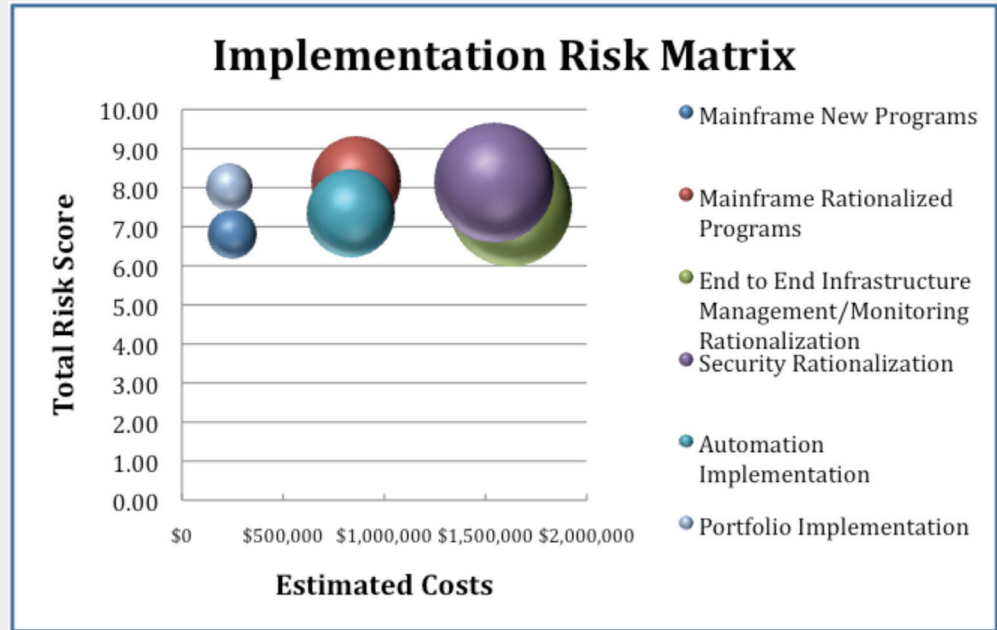
The final stage is to execute on the plan for software rationalization, maximizing cost savings while mitigating risk. With more than 30 years experience and thousands of implementations, no one is better suited to help you execute on your software rationalization programs with less risk. In this stage, you and CA Technologies will initiate the selected IT projects to rationalize your IT infrastructure portfolio.

Steps in this stage include:

- Developing a project management office (PMO)
- Executing on the agreed upon findings
- Re-deploying or removing software portfolio components
- Converting to best-in-suite solutions
- Establishing ongoing portfolio governance

Figure 6

Software Rationalization Services evaluates the costs and risks of rationalization programs



section 3: benefits

Software Rationalization Services simplifies and streamlines your IT infrastructure, delivering ongoing value to your company by:

- **Reducing costs and overhead.** Rationalization reduces run rate and maintenance costs.
- **Improving daily operating efficiency.** Reducing the number of software applications and vendors to manage, allows your team to be more productive and efficient.
- **Delivering more value from your IT infrastructure.** Ensure every tool and application in your environment provides true worth to your business—while providing real savings over time.
- **Creating throughput for new initiatives and innovation.** Rationalization frees more staff and resources to focus on strategic projects.

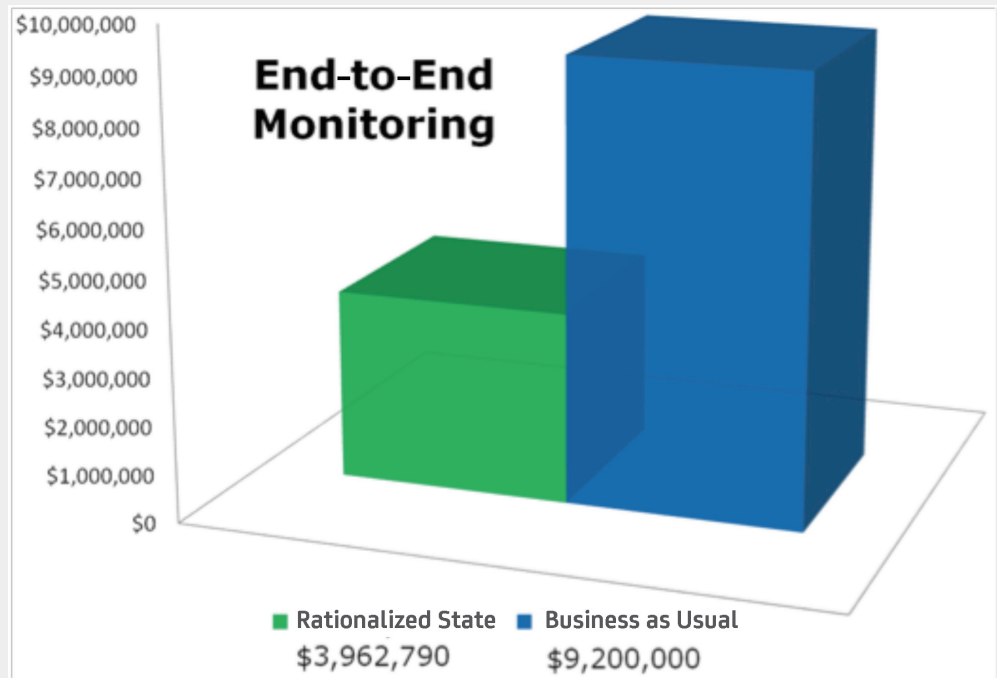
Figure 7

impact ranges for rationalizing infrastructure management software

benefit	impact range
Increased revenue due to increased network and systems availability	18%–22%
Improved level-1 and level-2 support personnel productivity	28%–32%
Reduced cost of additional network and systems hardware	17%–22%
Reduction in operating expenses for WAN lines	4%–6%
Improved productivity for network and systems management FTEs	5%–10%
Improved IT staff productivity due to less infrastructure outages	10%–15%
Decrease in hardware cost based upon optimized utilization of hardware	5%–15%
Decrease cost from manual rework of on-line registration dropouts	20%–30%
Reduction in performance issues through proactive incident management	70%–80%
Reduced amount of time required to detect, triage, and resolve incidents	25%–35%
Reduction in time spent troubleshooting performance issues	25%–35%
Proactive application performance monitoring to increase availability	2%–7%
Forecasted increase in IT staff productivity.	25%–35%

Figure 8

sample total cost of ownership savings for end-to-end monitoring software



section 4: the CA Technologies advantage

CA Technologies approaches software rationalization from a “foundational vendor” perspective—and no one knows your core IT infrastructure better than your core IT vendor. With 30 years of experience in IT infrastructure and management solutions across diverse environments and domains, CA Technologies has the expertise to help you leverage your existing technology and manage your software investments. With 1200 expert consultants and a highly skilled talent pool, CA Services can address your most complex requirements—because no one knows CA Technologies like CA Services.

section 5: next steps

For more information on how Software Rationalization Services can help you define a new, balanced, and optimized software portfolio that delivers value to your organization, visit ca.com/services.

CA Technologies is an IT management software and solutions company with expertise across all IT environments—from mainframe and physical to virtual and cloud. CA Technologies manages and secures IT environments and enables customers to deliver more flexible IT services. Our innovative products and services provide the insight and control essential for IT organizations to power business agility. The majority of the Global Fortune 500 rely on CA Technologies to manage their evolving IT ecosystems. For additional information, visit CA Technologies at ca.com.

Copyright ©2010 CA. All rights reserved. All trademarks, trade names, service marks, and logos referenced herein belong to their respective companies.

This document is for your informational purposes only. CA assumes no responsibility for the accuracy or completeness of the information. To the extent permitted by applicable law, CA provides this document “as is” without warranty of any kind, including, without limitation, any implied warranties of merchantability, fitness for a particular purpose, or non-infringement. In no event will CA be liable for any loss or damage, direct or indirect, from the use of this document, including, without limitation, lost profits, business interruption, goodwill, or lost data, even if CA is expressly advised in advance of the possibility of such damages. 2649_0810