

How can we manage IT for business value while making the most of our resources?

Service Portfolio Management is a strategy for demonstrating and improving the business value of IT so you can:

Manage your demand,

Know your costs,

Show your value

Overview

Challenge

When business customers view IT as a cost center both IT and the business suffer – from budgeting, to prioritizing projects, to meeting operational expectations. With legacy silos of technology, IT struggles to manage different types of business demand, relate IT costs to business concerns and demonstrate how strategic investments and operational resources drive business value. Ad hoc efforts using spreadsheets, custom reports and personal politicking with the business is not sustainable.

Solution

Service Portfolio Management (SPM) is a strategy for demonstrating and improving the business value of IT. With integrated service and portfolio management solutions from CA you can continuously align IT investments and resources to business requirements for service quality, cost, function and benefit. SPM provides a repeatable approach for you to collaborate with your business customers to manage your demand, know your costs, and show your value.

Benefits

- Reduce costs by standardizing, consolidating and retiring services
- Communicate business value through service catalog, cost transparency, and portfolio analysis
- Improve business satisfaction by managing and meeting service expectations
- Reduce waste with integrated service demand and delivery
- Continuously improve service quality, cost and function

CA Advantage

CA solutions build on ITIL v3 best practices to implement and integrate disciplines that enable successful Service Portfolio Management. In fact, CA is the only major vendor independently certified for all fourteen ITIL v3 processes, including Service Portfolio Management and Financial Management¹. CA's pragmatic approach includes SPM "onramps" – targeted software and services solutions that implement supporting SPM disciplines in phases. With SPM onramps you can quickly address immediate pains through Demand Management, Service catalog, Service Financials, Service Level Management and Service Portfolio Analysis while building greater SPM maturity, integration and value.

Next Steps

For more information on how Service Portfolio Management can help you manage IT for business value, visit us at ca.com/spm.

CHALLENGE

Inward Focus and Technology Silos

Macro-economic pressures and emerging cloud alternatives to in-house IT are driving a mandate for IT to demonstrate its business value. Heroic, ad hoc efforts at “business alignment” – manual data gathering, custom reports, complex spreadsheets, slideware-driven meetings and decisions based on relationships and gut feel – are not sustainable. IT must build a bridge between its technical, operational and project management competencies to a systematic method for managing IT for business value, one that overcomes key obstacles including:

Unmanaged and fragmented business demand

Managing IT for business value starts with understanding what the business needs and why. This is difficult when there are multiple “front doors” to IT – a mash-up of formal and informal ways to request resources through projects (strategic demand), break-fix and changes (operational demand), and everyday requests like granting application access (tactical demand). “Squeaky wheel” and “first-in-first-out” approaches often decide which demand is met and when. IT finds it hard to say no, understand why, or accurately gauge the cost and time needed to deliver. Over-commitment leads to missed project deadlines and operational expectations, budget over-runs and an inefficient use of finite resources.

Costs don't relate to things the business cares about

Many IT executives dread the simple question from a business unit or CFO: “What are we getting for our IT dollars?” Even when IT budgets can be presented they are usually categorized by things the business doesn't understand or value. How can the value of IT be expressed without linking cost to benefit? In addition to frustrating attempts to make or defend sound investment decisions, a lack of financial visibility gives rise to the “free rider problem”. IT isn't free but sometimes the business makes demands or consumes like it is.

Unstructured delivery

Business users often don't understand what IT provides to them or how to get it, or why in a Web 2.0 world it should be so convoluted. Requests are typically made via service desk tickets, e-mails or chance encounters in the hallway. How IT responds and fulfills requests is often improvised, churning through valuable staff time and leaving the business user in the dark on exactly what to expect and when.

Quality under-shoots or over-shoots the mark

IT often lacks a clear agreement with the business on what quality metrics truly matter and why, and a way to cut through the technical clutter to monitor and report on it. As a result IT often misses business expectations for performance, availability or response time – even when all the lights and dials in operations are showing a calm, steady green. In addition, without sound demand management and financial transparency there is little reason the business shouldn't ask for platinum-level capabilities like 100% availability every time, leading to over-built capabilities that exceed business requirements and consume precious resources.

Open-loop investment bakes in high operational costs

IT builds and buys over time to meet business demand, often lacking the ability to take stock and see a clear picture of which investments are providing enough benefit to justify their ongoing operational cost. For all the worthwhile time and energy spent automating operations for a leaner IT environment, relatively little effort is spent deciding what is worth operating at all.

“Lacking an understanding of service costs IT is left to allocate its costs as a single large charge (which) often provokes two questions from those paying the bill: Why does IT cost so much and what value am I getting from this?”

“IT Chargeback Adoption: The Haves and Have Not's” Forrester Research Inc. July 2009

IT and business contexts don't match

IT and business don't just speak different languages, they are immersed in different contexts. Project completion rates, application response time and server availability can be simply stated for non-technical users but still do not answer how well IT is helping a business unit open new markets, increase market share, reduce costs or manage risk.

SOLUTION

Manage for Business Value with Service Portfolio Management

Services Create a Common IT-Business Context

From its inception, the ITIL framework has made services the cornerstone of IT management best practice, with the notion of customer value right there in the definition of a service: “a means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.”

Services create a bridge between IT and the business by providing a common context for linking IT to business value. Line-of-business and C-level executives can understand how business services like “Customer Relationship Management” and “Order Fulfillment” support business objectives like increasing customer retention or reducing costly shipping errors. IT can understand how projects, applications, infrastructure, cloud services, and staff activity support services. With this common context, IT and its business customers can collaborate to ensure that the function, cost and quality of services are right-sized from inception to retirement to drive business objectives.

Introduced in 2007, ITIL v3 introduced Service Portfolio Management as a “dynamic method for governing investments in service management across the enterprise and managing them for value”. Now, CA is helping companies put this guidance into practice as a pragmatic, sustainable approach for managing IT for business value throughout the service lifecycle with SPM.

Continuously Align IT Resources to Business Value

Service Portfolio Management (SPM) is a strategy for demonstrating and improving the business value of IT. With integrated service and portfolio management solutions from CA you can use an SPM strategy to continuously right-size IT investments and resources to meet business requirements for service quality, cost, function and benefit. SPM provides common interfaces and metrics for fact-based collaboration with your business customers to:

MANAGE YOUR DEMAND with a unified process for balancing strategic, tactical and operational service demand against available budgets, staff and assets

KNOW YOUR COSTS with transparency into how your asset, staff and vendor costs relate to services that your customers value

SHOW YOUR VALUE with a single pane of glass demonstrating how your services align to business objectives, cost and quality

A Pragmatic Approach: SPM Onramps

CA solutions build on industry good practices such as ITIL v3 to implement and integrate disciplines that support SPM. CA provides a pragmatic approach for realizing SPM value faster by breaking SPM down into digestible parts with five SPM “onramps”—targeted software and services solutions that implement supporting SPM disciplines in phases, each with their own value. With SPM onramps you can quickly address immediate pains around Demand Management, Service Catalog, Service Financials, Service Level Management and Service Portfolio Analysis while building greater SPM maturity, integration and value.

FIGURE A

SPM continuously aligns your IT investments and resources to business requirements for service cost, quality, function and benefit. SPM onramps for Demand Management, Service Catalog, Service Financials, Service Level Management and Portfolio Analysis provide a pragmatic, incremental approach to implementing your SPM strategy.

SERVICE PORTFOLIO MANAGEMENT



Demand Management

CA provides a comprehensive solution for standardizing and integrating processes for managing all business demand. You can capture, evaluate and respond to **strategic demand** with CA Clarity Project and Portfolio Management, **operational demand** such as changes and break-fix with CA Service Desk Manager, and **tactical demand** such as provisioning access to applications with CA Service Catalog.

CA Clarity PPM’s industry-leading strategic demand management provides a platform for IT and the business to collaborate on fact-based investment decisions. Cost and ROI estimation tools help you build a business case for proposed services and enhancements while customizable alignment criteria score them for alignment with business objectives.

An aggregated view of strategic service demand is analysed against constraints such as budget and the availability and cost of staff and asset resources. This visual analysis helps you see which proposed services and enhancements should move forward and when, and guides the balance of function, cost and quality needed to get the most out of your IT investment.

As new service and enhancement proposals are approved they populate the service pipeline – the first part of the service portfolio.

“With integrated workflows between CA Service Catalog CA Service Desk and our HR application we reduced the time and cost of provisioning one of our commonly requested services from \$78 and several weeks to just \$4 and a few hours.”

*Harry Butler III
Director of Service and Support at Elbit Systems of America*

Service Catalog

As services are ready for production they move from the service pipeline into the service catalog. CA Service Catalog provides you with tools to describe standardized services and packages and publish them via role-based Web views in your customers’ language and context. Executive views provide descriptions and metrics for top-level business services such as “Customer Relationship Management” or “Order Management”. End-user views provide easy point-and-click self-service ordering and status for requests like “Provide Access to ERP Accounts Payable” or “Order iPhone”. Out-of-the-box content for more than 100 common services helps you kickstart your service portfolio definition.

IT views include technical IT Services like “Virtual Server” or “Hot Backup” – and define how these services underpin other services. Integration between CA Service Catalog and CA CMDB provide catalog managers with visibility into the CMDB’s understanding of service configuration to facilitate service fulfilment and costing. Going the other direction, IT operations staff can use CMDB to launch into service catalog to better understand the business view of the service including SLAs as well as descriptions and pricing.

Demand signals such as business subscriptions and user requests trigger your IT supply chain for just-in-time lean delivery. Automated workflow orchestrates service approval and delivery, captures service consumption and measures fulfilment processes for continuous process improvement. Fulfilment can be automated end-to-end with integration to tools that provision identities, software and virtual machines and more.

FIGURE B

CA Service Catalog helps you define, standardize, advertise and streamline delivery of services to the business

“Service catalogs and ‘CRM for IT’ are part of IT business management. What did you do for me yesterday? What can you do for me today? These are questions that the business users of enterprise IT are asking. IT has to ease access to its services and improve the business’ perception of its services and costs.”

“Market Overview: The IT Management Software Market In 2009” Forrester Research Inc. March 2009

YOUR STOREFRONT TO THE BUSINESS

The screenshot shows the CA Service Catalog interface for a user account named "Human Resources - 400". The interface includes a navigation menu with tabs for "Subscriptions", "Requests", "Invoices", "Profile", and "Accounting Profile". Below the navigation, there is a section titled "Available Subscriptions" with a table listing various services. The table has columns for "Subscribe", "Currently Subscribed", and "Catalog Services". The "Customer Support" service is currently subscribed, indicated by a checkmark in the "Currently Subscribed" column. Other services listed include Application Services, Corporate Services, Demo Services, Facilities Services, IT Support Services, Network Services, Online Banking, Personnel Services, Project Services, Regulatory Compliance Service, Retired Services, and Telecom Services.

Subscribe	Currently Subscribed	Catalog Services
<input type="checkbox"/>		forwardinc
<input type="checkbox"/>		Application Services
<input type="checkbox"/>		Corporate Services
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Customer Support
<input type="checkbox"/>		Demo Services
<input type="checkbox"/>		Facilities Services
<input type="checkbox"/>		IT Support Services
<input type="checkbox"/>		Network Services
<input type="checkbox"/>		Online Banking
<input type="checkbox"/>		Personnel Services
<input type="checkbox"/>		Project Services
<input type="checkbox"/>		Regulatory Compliance Service
<input type="checkbox"/>		Retired Services
<input type="checkbox"/>		Telecom Services

Service Financials

CA provides a comprehensive yet practical solution for both IT and its business customers to gain transparency into service cost and consumption. CA Service Catalog is natively integrated with robust Service Accounting. Service Accounting provides top-down cost allocation modeling from budget to service, providing improved understanding of your services cost without the investment in a bottoms-up data warehouse approach. Set customer-facing pricing for different service packages and service level options, then automatically track the total value of each customer's service consumption. Cost and consumption reporting can be used internally to guide investment and operational resource alignment decisions, either shared with the business as information-only "showbacks" to help business customers make cost-aware choices, or delivered as invoices for formal chargebacks.

CA Clarity PPM and CA IT Asset Management manage the costs of key service components. CA Clarity PPM provides tools for estimating the cost of a service before it is built and delivered, and can then provide visibility into the cost of staff activity throughout the service lifecycle. CA IT Asset Management provides visibility into the costs of hardware and software assets that support your services, including contractual terms and conditions such as software license, support and warranty provisions that can affect service access and pricing.

FIGURE C

CA Service Catalog's natively integrated Service Accounting provides top-down visibility into the cost and consumption of your services.

KNOW YOUR COSTS

Services	Service Option Groups	Items	Total	Quality Assurance	Supervision	Support	-Direct Expenses (%)	-Indirect Expenses (%)	-Overhead Expenses (%)	Dis
Service Desk	Service Desk	Service Desk Cost	R1	15000.00	15000.00	15000.00	4%	4%	4%	
Trading Forward	Trading Forward	Subscription / ...	R2	15000.00	15000.00	15000.00	4%	4%	4%	
HR Management S...	Payroll	Payroll cost	R3	15000.00	15000.00	15000.00	4%	4%	4%	
Travel Portal	Travel Portal	Travel Cost	R4	15000.00	15000.00	15000.00	4%	4%	4%	
My Project	Project	Project Cost	R5	15000.00	15000.00	15000.00	4%	4%	4%	
My Timesheet	Timesheets	Timesheet Cost	R6	15000.00	15000.00	15000.00	4%	4%	4%	
Quoting Service	Subscribe to Qu...	\$100,000	R7	15000.00	15000.00	15000.00	4%	4%	4%	
Hosting Servers	Hosting Servers	Application/Web...	R8	15000.00	15000.00	15000.00	4%	4%	4%	
		DNS Hosting	R9	15000.00	15000.00	15000.00	4%	4%	4%	
		Email Hosting	R10	15000.00	15000.00	15000.00	4%	4%	4%	
Backup and Rec...	Backup & Recov...	Disk Backup	R11	15000.00	15000.00	15000.00	4%	4%	4%	
		Tape Backup	R12	15000.00	15000.00	15000.00	4%	4%	4%	
IP Backbone	IP Backbone	IP Backbone	R13	15000.00	15000.00	15000.00	4%	4%	4%	
Voice PBX	Voice PBX	Voice PBXs	R14	15000.00	15000.00	15000.00	4%	4%	4%	
Mobile Messaging	Mobile Messaging	BlackBerry	R15	15000.00	15000.00	15000.00	4%	4%	4%	
		VPN Access	R16	15000.00	15000.00	15000.00	4%	4%	4%	
Exchange Messag...	Exchange Messa...	Hosted Exchange...	R17	15000.00	15000.00	15000.00	4%	4%	4%	
		POP3 Mail Service	R18	15000.00	15000.00	15000.00	4%	4%	4%	
Cash Management	BU Subscription...	another subscri...	R19	15000.00	15000.00	15000.00	4%	4%	4%	
Online Banking	Subscribe to On...	Subscription	R20	15000.00	15000.00	15000.00	4%	4%	4%	
BU Subscription...	BU Subscription...	Monthly Cost	R21	15000.00	15000.00	15000.00	4%	4%	4%	

Service Level Management

CA solutions for Service Level Management help you define and measure operational service quality from a business perspective. You can proactively monitor SLA performance metrics and thresholds in near real-time across multiple data sources. In addition to working with your existing data sources, CA also provides a full range of solutions that includes monitoring and managing of service level objectives (SLOs) and operational level agreements (OLAs) across various domains, including application transactions, infrastructure, request fulfillment, incidents and changes.

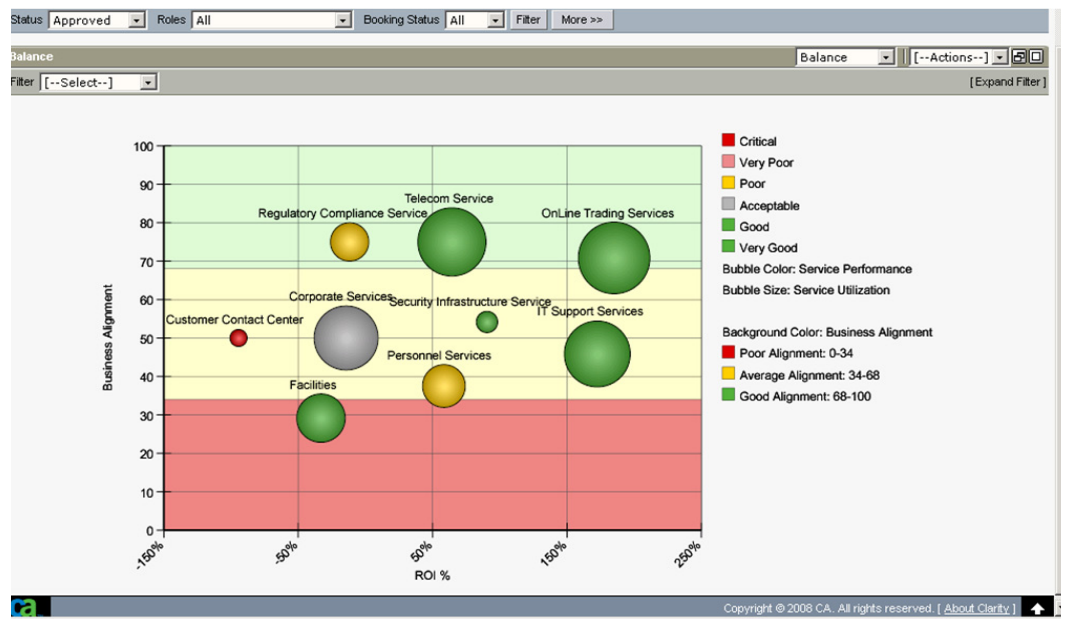
Portfolio Analysis

SPM is a closed-loop process for continuous improvement of business value. This includes pulling back from day-to-day activity for a strategic look at the service portfolio as a whole. After services have been operating long enough to collect a 360-degree view of their cost, quality and benefit, portfolio analysis helps you and the business see where to reduce vs. increase investment to drive greater business value. CA Clarity PPM includes advanced analytics, what-if analysis and scenario planning at the service level, providing a single pane of glass for a clear view of the services in your portfolio that might need combining, retiring, outsourcing or additional investment.

FIGURE D


CA Clarity PPM visualizes how service cost and quality align to business objectives, revealing opportunities for cutting cost in some areas while investing in others to optimize the business value of your service portfolio.

DEMONSTRATE YOUR VALUE



Integrating SPM to Manage Your Service Value Chain

SPM should not be an isolated analytical exercise. In order to drive the right value-based decisions your SPM processes should be continuously fed by real-world operational data on service quality, cost, and consumption. This may include performance and availability data from application and infrastructure management, incident and problem data from service desk, staff time from PPM, asset costs from IT Asset Management and service configuration from a federated CMDB or Configuration Management System.



To ensure your value-based portfolio decisions are carried out faithfully throughout the service lifecycle, service-aware execution tools can dynamically allocate resources according to the business priorities set by SPM processes. This may include automating incident and change priorities in service desk, project task priorities in PPM, operational level agreements in application and infrastructure management, virtual server provisioning in datacenter automation, and access provisioning in identity management.

With CA's unique breadth of Lean IT management capabilities you can ensure SPM not only helps you do the right things, but also ensures that you do them well, balancing supply and demand throughout the service value chain.

Rapid Implementation Services

CA Services can help you achieve rapid results and maximum business value from your Service Portfolio Management initiatives. Through our proven nine-stage deployment methodology and best practices, we help you accelerate time-to-value and lower risk, from initial project kick-off to knowledge transfer and sign-off. By working with CA Services you can achieve:

- **LOWER RISK:** best practices leveraged from thousands of successful deployments
- **FASTER RESULTS:** projects implemented incrementally so you can see results quickly
- **IMPROVED OUTCOMES:** up-front planning and methodology to help you get the business impact you are expecting
- **SATISFIED USERS:** on-boarding, education, and support so users will make maximum use of the implementation

BENEFITS

Maximize Value, Minimize Cost

With CA you can take a systematic approach to Service Portfolio Management that helps you:

Cut surgically and increase efficiency

- Right-size service performance and capacity with business demand
- Reduce waste and manual effort with standardized services and automated delivery
- Consolidate, retire or outsource inefficient and redundant services

Improve customer satisfaction

- Make the right promises and keep them with integrated demand management
- Make it easier for your business customers to order services, then deliver as expected
- Continuously improve service quality, function and cost

Demonstrate IT's business value

- Advertise services in business language
- Provide transparency into alignment of costs with business-valued services
- Visualize alignment of service cost and quality to business objectives

ADVANTAGE

THE CA ADVANTAGE

SPM initiatives pursued in an analytical vacuum will not deliver their intended value. Unlike point products, CA provides solutions that support, feed and take input from SPM so you can do the right things and do them well throughout the service lifecycle. CA solutions help you run lean throughout your service value chain spanning service creation, transition, operation, assurance, automation and security. In fact, CA is the only major vendor that is independently certified for all fourteen ITIL v3 processes, including both Service Portfolio Management and Financial Management.

CA provides integration of the market-leading solutions for PPM, Service Catalog, IT Asset Management and Service Desk. A combination of services, CA's pragmatic approach using SPM onramps, ITIL expertise and rapid implementation offerings allow you to quickly address immediate pains while building greater SPM maturity, integration and value.

NEXT STEPS

Next Steps

To learn more about Service Portfolio Management and the best place to start with your unique requirements, contact your CA sales representative or visit us at ca.com/spm.

To see how CA software solutions enable organizations to unify IT and simplify the management of complex computing environments for better business results, visit ca.com.