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THE GENIUS OF GOOD GOVERNANCE

The complex processes, management, and decisions essential to good business should extend to technology if you want to get ahead of the competition.

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Streamlining Collaboration With Enterprise Systems Management

In the increasingly complex world of business systems, ESM can bring focus to your governance formula.

By William D. Bone, EDS

A few decades ago, many businesses ran their burgeoning technology off a single mainframe. It was easy for the IT staff to monitor any issues or problems, and relatively simple to run basic reports on the business itself. Today, the technology has evolved into a complex system of platforms, services, and applications, with many different approaches to reporting and tracking across disparate departments. Harnessing it into a single useful tool for governance—or any business use—seems a daunting task at best.

However, the technology infrastructure can be one of your company's strongest and most valuable assets in moving to a more mature model of governance, if you know how to handle it right. This is where Enterprise Systems Management (or ESM) can help.

Beyond the obvious function of managing IT to business expectations, ESM capabilities play a critical role in advancing governance within an organization.

Though it seems quite technical, ESM is basically a common technology thread that runs through and ties together all the company's different platforms, services, applications, and data. It is a framework of processes and software that forms the connective links among the disparate points, functions, and portfolios and provides a way for all of the pieces and parts to work together. Good ESM is a seamless blend of several elements:

- Effective systems management strategy
- Skilled support staff
- Facilities, infrastructure, and application management processes
- System management software and related tools

ESM provides a foundation for major IT initiatives such as creating real-time, flexible IT enterprises, managing global IT services, implementing the IT Infrastructure Library® (ITIL®), and optimizing business applications deployment. It provides real value to both business system owners as well as the people who support these systems. In either an in-sourced or outsourced environment, ESM continues to evolve and change the management capabilities of corporations and governments. In fact, it is becoming nearly indispensable as an enterprise tool, especially with global, mission-critical systems.

Beyond the obvious function of managing IT to business expectations, ESM capabilities play a critical role in advancing governance within an organization. Because business and IT agendas are converging, leaders who understand the importance of these intersections are pulling ahead of the competition. IT that is unified by strong enterprise systems management can drive value as a collaborative tool for the executive team and bring a level of connectivity and transparency to an otherwise impenetrable operational structure. How is this value created? ESM provides improved visibility into service operations as well as utilization of management controls.

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An ideal approach to governance at its highest level ties business processes to applications, integrates all data and events, looks at long-term implications of decisions (cost and benefits), and utilizes multiyear planning. With timely and accurate data provided by the ESM system, corporate and government leaders have an enhanced decision capability, which enables end-to-end processes and shared data sources as opposed to tower-driven vertical execution. More importantly, this helps create a better experience for customers, who enjoy smoother interactions with the company because all the departments, portfolios, and other silos now work without boundaries.

For example, a financial institution might offer services such as mortgages, checking and savings accounts, and insurance. But when a customer calls to change an address, he shouldn't have to contact each department, even though they operate independently of one another. With ESM in place, the customer can go online and fill out one "change of address" form, and it will populate the key fields in all the financial institution's databases.

ESM can also be used to integrate facilities, infrastructure, and applications management into a single managed unit.

Obviously, this enterprise approach would be impossible to achieve without an integrated technology system with common ties throughout the organization at all levels. It is critical to align a "full stack," or end-to-end, comprehensive technology architecture to the overall business plan and to integrate processes, applications, infrastructure, and operations throughout the enterprise.

A strong ESM capability fulfills this role. But enterprise systems management has to be more than the traditional integration that organizations may have used in the past. In this real-time, self-service world, integration must encompass the broader range of business processes, applications, infrastructure, and service operations. After all, your ESM should create and manage much of the information needed to successfully govern all business systems.

This higher quality information, which can now be obtained at each segment of the business life cycle (planning through operations), greatly enhances the decision-making process and capabilities of the leadership teams. Further, ESM helps control business systems and helps develop different solution options. In this way, when properly utilized, ESM truly connects the elements of daily business into a seamless process and elevates the enterprise, raising the entire organization to a higher level of management, performance, and results.

This also helps an enterprise interact with its vendors, suppliers, and customers. A food and beverage company might have many different products and divisions, with separate R&D, pricing, marketing, and distribution systems. However, when it comes to getting the product out to a major retailer, the company needs to present a united front. The retailer doesn't want to buy each product in separate transactions, nor deal with separate deliveries. An integrated technology system allows the divisions to coordinate functions and to get a multifaceted shipment out the door and into the hands of consumers.

However, as is commonly said, it takes more than a change in technology to achieve business results. It takes smart planning. Many enterprises are implementing the newest ESM capabilities and are surprised that they are not seeing maximum benefits or desired results in their governance effort. Here are five common barriers to success:

1 Lack of understanding of ESM and resultant business value.

Many IT managers still think of ESM with a focus on monitoring and reporting infrastructure and applications status. In other words, they use it exclusively as a tech tool. But ESM has undergone significant change within the past few years and has evolved dramatically. While it still serves in a technical function, creation of new capabilities has evolved to the point that new management paradigms have surfaced, managing many disparate business systems that operate on different technology

An integrated technology system allows divisions to coordinate functions and get a multifaceted shipment quickly to consumers.

platforms. ESM can also be used to integrate facilities, infrastructure, and applications management into a single managed unit—like the food and beverage company sending a shipment to a major retailer—and to connect business and systems process improvements to automate them at the combined business/system level.

2 Failure to include ESM capabilities in governance strategy.

On the flip side of the problem above—not adapting technology to governance and business—is the inverse issue of not adapting existing governance models to these new ESM capabilities. Thinking outside of traditional governance models and boundaries (assessment, control, compliance, reporting, ensuring transparency, etc.), a company can, and should, adapt its management approach to take advantage of the many new possibilities opened up with the implementation of ESM. As you broaden the gap of what you can assess, analyze, and manage, it makes good business sense to mix those into your governance strategy and utilize those tools to raise your management to a higher level.

Examples of these ESM capabilities include

- site assessments (environment, facilities, infrastructure, applications, and data);
- quality of service for automated business process management;
- end-user experience assessments;
- effectiveness of legacy integration;
- business/system capacity planning and performance analysis;
- business defect assessments.

3 Lack of integration with business objectives and customer goals.

In addition to utilizing ESM as a common thread that ties business and technology operations together, the technology can also help align those operations with long-term planning, business objectives, and customer needs. To achieve this, program planning and management must be integrated into the technology road map. This is very similar to the principles that are applied in creating a service-oriented architecture (SOA). In doing so, the overall architecture achieves higher business value and provides a higher return on IT investment. Conversely, failure to align business goals with technology utilization can undermine the value of the ESM and your IT investments.

4 Failure to implement both proactive and reactive elements of ESM.

Traditional thinking tends to be focused upon the reactive, using technology to assess and manage information available during or after business process execution. In other words, measuring what already happened. Moving systems management to the enterprise level, however, opens up the opportunity to blend in proactive processes as well, extracting and applying information available in real time as it happens and, in some cases, modeling the business processes to see projected results before they happen. Blending both proactive and reactive approaches provides a multidimensional picture of service level management at both the business and system level.

By capturing and evaluating this data as it happens, the company can improve performance and efficiency for customer interactions much more quickly.

One of the best uses of this approach is in profiling business transactions to improve the end-user experience. For example, certain ESM tools today can link and evaluate all elements of a new transaction, during the transaction itself, as they relate to the end-user. By capturing and evaluating this data as it happens, the company can improve performance and efficiency for customer interactions much more quickly. This is particularly important in situations where customer satisfaction is dependent upon timely and accurate capture and analysis of customer-provided data, such as optimizing call center applications.

If you've ever called a computer help desk, you've probably experienced an application like this: The technician enters your problem into her database, which finds possible solutions. As she continues her conversation with you, the application helps her diagnose and work through your issue and resolve the issue over the phone. Customer satisfaction probably would not be as high if the technician just took note of your issue and said she'd call you back.

ESM also provides the ability to baseline this information for future use, which is key in business process improvement (BPI) initiatives. BPI is focused upon improving business performance from one business state to another, and tracking various processes provides measurable results that can be used in changing those processes for the better. In the help

RFID tags make it easier to monitor the efficiency of the supply chain, but there must be a plan to capture and analyze the measurements.

desk example above, the system might track customer problems with a certain model of laptop, alerting the developer of design flaws that could be addressed in newer models. The baseline data can also be useful in crafting contractual and licensing agreements.

Beyond this example, of course, there is a broad range of proactive capabilities available to improve the business, technology, and operational performance levels within the enterprise. Additional examples include the following:

- Providing capacity and performance assessments during dynamic business transactions
- Providing simulation results of new business transactions under development
- Evaluating new application upgrade packages with regard to customer transactions
- Analyzing weak points in the infrastructure when additional users are scheduled to be added
- Suggesting/validating failover scenarios when planning high-availability system designs
- Suggesting/validating disaster-recovery scenarios when planning business-recovery options

5 Lack of metrics to measure key business benefits.

As a business goes about making changes in the way it operates, leaders need to develop new ways of measuring the objectives and processes that are aligned with the broadened capabilities of ESM. You now have the ability to measure things you could not measure before, so you'll need to broaden what you're tracking accordingly. The advent of RFID tags, for instance, gives enterprises the ability to monitor individual products as they move through the supply chain. A company could use this new technology (and subsequent measurements) to analyze the efficiency of their shipping routes. But there must be a plan for the capture and use of the metrics. Defining those new measurements means understanding what the newer ESM capabilities provide and adapting these metrics to fresh business-value descriptions. What can you now measure?

- End-user experiences for key business processes (total time to complete a business transaction as compared to targeted time)
- The effectiveness (through time and number of business steps completed) of a supplier executing their defined function within an overall business process
- Business process metrics (i.e., time to complete catalog update functions, time to respond to customer complaints, etc.) followed by comparison to desired objectives

It seems like a lot to consider. Blending IT into business operations and objectives, even at its highest levels, is undoubtedly a complex process. Dodging these barriers along the way can make the journey even more challenging. But these growing pains are necessary to stay competitive and to move to a governance process that truly changes the business for the better. Good management is key. Supplementing that knowledge base with integrated business and technology capabilities, enabled by enterprise systems management, can help an organization achieve enhanced performance at the next level. |s|

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