

Is it TIME for you to manage IT better?

How IT organizations can weather the storm through a disciplined approach to avoiding the 'credit crunch'.

Micro Focus has spoken to a few industry journalists in recent weeks, and their interest has focused on the issues facing financial institutions in the wake of the 'credit crunch' and economic downturn. Similar challenges were highlighted in Julian Dobbins' ["Storm Warning" article](#)ⁱ earlier this year, featured in 'In Focus'. This paper takes these issues further and asks how this current economic climate affects IT's ability to deliver, and how IT can better prepare itself for the challenges ahead.

So, what are the current problems facing IT, especially in financial services, now that the "storm" is upon us? Well, the rather depressing start point is that it is worse than you think. Not only does the economic upheaval mean that costs have to drop dramatically, but at the same time your organization may have been involved in a "shotgun wedding" merger, prompting unprecedented need for change. Never has the challenge of IT integration and consolidation been faced against such a difficult background of cost and risk aversion.

What to consolidate, what to integrate, what to use, what to get rid of, are now pressing issues facing new IT organizations. How is a 'new' bank going to serve its customers and take the redundant costs out of the business without impacting day-to-day operational performance?

As Gartner would put it, it takes "TIME". Industry analysts agree the need for a systematic process of determination and assessment, before any decisions can be made about possible IT choices. Gartner describe the necessity to "clarify the value, cost and risk of their situations and drive any modernization decisions they make. Using this type of strategy, organizations can prioritize their application workloads according to business need and technological status and make modernization decisions accordingly"ⁱⁱ

TIME is an acronym for Tolerate, Invest, Modernize and Eliminate, coined by Gartner; the four choices available to each IT system, a prescribed method in which rated applications can be plotted to allow appropriate strategic decisions to be taken. Forrester share this view, using a similar methodological approach entitled Total Economic Impact as a means of plotting the value of IT systems against key indicators. In both cases, the assertion is that the process must be robust, and assisted by technology. As Forrester states, organizations need "something more than spreadsheets, snap-shot evaluations, and half-hearted attempts at rationalization"ⁱⁱⁱ. Simply, the business cannot afford further mistakes.

By providing the means to ensure that all of the relevant information about IT systems and their value to the business can be centrally stored and reviewed, the discipline of Application Portfolio Management (APM) promotes better decision-making based on factual data.

Robust APM solutions cover the breadth of quantitative (factual, technical and operational) and qualitative (survey-based) in order to understand important system attributes such as related revenues, system business value, end-user satisfaction, "bug" reports, number of changes, size of

teams, skills availability, technical composition, technical health. This provides a holistic view of IT, allowing queries to be undertaken and decisions to be reached based on a genuine appreciation of all salient factors (Figure 1). With only one or two data-points, the complete picture cannot be assessed, running the risk of poor decisions being taken.

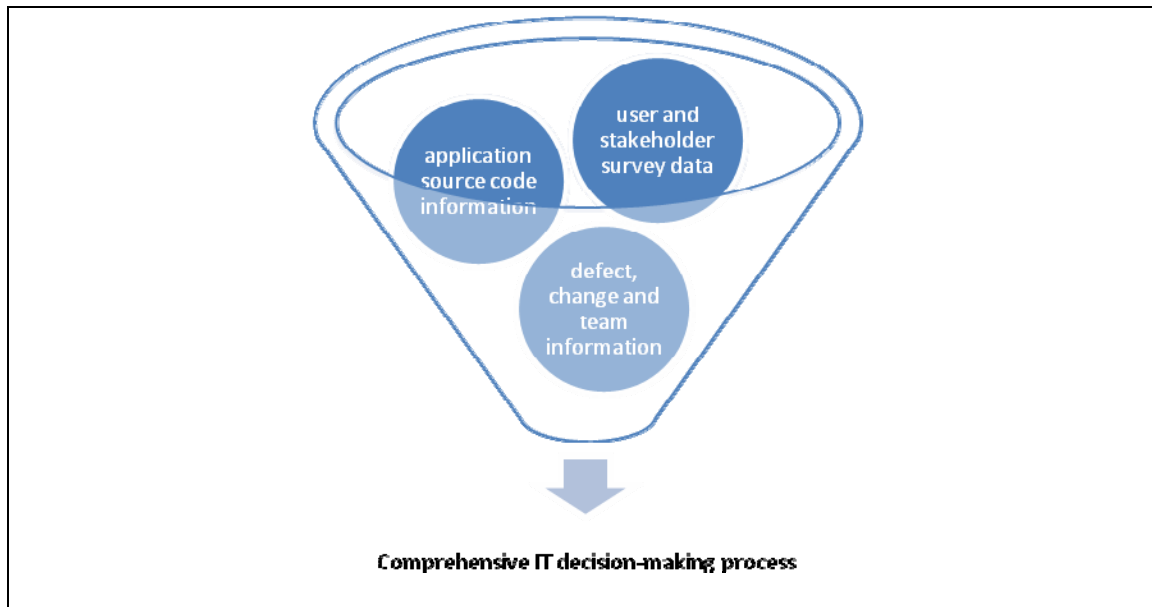


Figure 1- a comprehensive IT decision support model

Once the information is collected, it is very much the case of establishing the assessment, importance and weighting framework that works for your business, based on our own situation.

Here are a couple of examples:

Bank A - who is currently struggling - but has just acquired Bank B, must move quickly to discover the side-by-side value ratings of the various IT systems, and allow it to draw comparisons between them. A rapid, scientific method of establishing metrics for both sets of IT systems will be vital in order to compare “apples with apples” to help the IT integration plans start on the right foot. Secondly, where no merger has taken place, but there is perhaps the need to drive costs out of the business starting with 3rd party outsourcing suppliers, this might require us to perform a similar broad assessment but to then rate according to business value plus adherence to supplier service level agreements. The process is similar, but the key indicators are slightly and significantly different.

But in either case, making decisions without a full knowledge of the technical make-up of the IT systems being scrutinized, mapped against the specific scenario the business wishes to resolve, will only introduce further jeopardy into the business at a time when it is simply cannot be tolerated. IT drivers covering optimization, governance, platform choices, compliance, M&A and even retirement projects must rely on factual data that helps prove a given hypothesis for change.

The business must also recognize that this is not a one-off task. IT strategy is a journey, not a destination, and therefore all supporting information needs to stay current. Future validation against plan and – of course -the next round of strategy decisions requires up to date supporting data.

By providing automated, continuous and factual business intelligence based on both quantitative and qualitative organizational data, Micro Focus Enterprise View™ provides the necessary technological support for a process of informed strategic decision making. As industry analysts and our customers are asserting, the “time” is now to implement a mature and robust model.

The latest release of Micro Focus Enterprise View, version 5.6.3, is now available.

Derek Britton is a member of the Product Management team at Micro Focus

ⁱ <http://www.microfocus.com/Resources/Newsletters/infocus/2008/2008-03/storm.asp#1>

ⁱⁱ Dale Vecchio, Gartner, 2007

ⁱⁱⁱ Phil Murphy, Forrester, 2006