



IT Business Intelligence

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" One of the most perplexing challenges faced by IT leaders has been to convey the business value of IT in terms readily understandable by business executives."

Gartner 2008

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SMT Data
IT Business Intelligence

The challenges faced by a CIO

Over the years, IT departments have often been perceived as more or less isolated cost centers constantly in need of more resources. This perception has to a large degree contributed to defining - and in reality limiting - expectations to the individual IT department.

But now the Global CIO Survey 2008, performed by Capgemini Consulting ¹⁾ and based on interviews of 395 CIOs and senior managers worldwide, confirms that there are entirely different challenges ahead for a CIO.

A group of 18 "top innovator" organizations (top 5%) were identified as organizations where innovation is recognized as a top priority for the business and where the business sees the IT function as playing a leading role in that innovation. (*Innovation* defined as: "*Change that creates a new dimension of performance*").

The top-5% innovator group differs from the norm in five major respects:

1. *The business leadership team thoroughly understands IT*
2. *Effective relationships between IT and the business*
3. *Strong delivery of fundamental IT services*
4. *The CIO reports into CEO/COO (rather than CFO)*
5. *The IT function plays the role of partner to the business, as opposed to trusted supplier or utility player.*

Furthermore, when it comes to budgets, the level of spend across the IT value chain for the top innovator group is more skewed towards strategy than the average. To sum up, the experience of this top innovator group clearly shows the importance of creating a partner relationship between the IT function and the business.

A report, prepared in April 2008 ²⁾ by Ken McGee, Vice President and Gartner Fellow, and discussing the biggest challenges that a CIO will be facing for the next many years expresses it in the following terms:

"One of the most perplexing challenges faced by IT leaders has been to convey the business value of IT in terms readily understandable by business executives".

As IT services take on an increasingly larger strategic role for the company's profile, it is only natural that a far better overview of the connection between business and IT is needed. It is thus essential for a forward-looking CIO to be able to link IT investments to business-related plans and activities.

Without tools that link the use of IT directly to the company's bottom line and development potentials, the IT department retains its mark of isolation - with a CIO who runs the risk of distancing himself or herself more and more from the rest of the company management.

This need not be so complicated. Over the years, SMT Data has developed the concept: *IT Business Intelligence*, defining a common reference frame for business and IT which – presented in a simple and manageable way – makes sense at the level where the dialog is taking place.

IT Business Intelligence

As a standard, IT systems generate a wealth of technical data which describes everything from availability and resource utilization to user activity and service levels. As an example, a mainframe has more than 50,000 points of measurement and a Windows server more than 2,000, all recorded continuously. A large IT installation thus registers many million points of measurement every single day.

Most IT installations use one or more monitoring tools to monitor the operation. Monitors take the installation's temperature by continuously evaluating selected points of measurement up against standard values and showing the actual state through dashboards etc. As tools with a purely operational aim it is however extremely difficult to find use for monitors at a tactical or strategic level.

The same points of measurement can however be used for creating useful information at all levels. SMT Data's tools first perform an intelligent evaluation, sorting and aggregation of this technical data. The data is then provided with suitable attributes describing their relation to the business. And finally, the resulting information is saved and historized in a business-oriented data warehouse.

The transformation from technical data to business-related information creates value at a tactical and strategic level. SMT Data provides overview and user friendliness by placing a true Business Intelligence tool on top of the uniquely business-dimensioned data warehouse. With the right mixture of built-in standard reports and individually customized solutions, the tool thus presents a manageable foundation for a dialog between business and IT.

It is this dialog that leads to business-based IT investments. The foundation is thus created for actually conveying the business-related value of IT – one of the biggest new challenges that a CIO faces, according to Gartner.

On the road from operational data over tactical to strategic information, reports are generated for countless purposes, contributing to for example:

- Optimization of the existing environment
- Trends, projections and forecasts
- Granulated cost distribution according to consumption
- Decision support in connection with consolidation and virtualization of servers
- Assessment of technical and economical consequences associated with implementation of SOA
- Assessment of new investments - which are the most important
- Evaluation of costs associated with new products, services or work routines
- Estimates of IT-related costs associated with changes in the business
- Questions concerning outsourcing / insourcing / smartsourcing
- Control of the Facility Management supplier's operations optimization

SMT Data thus establishes the foundation for the IT installation's daily management and ongoing follow-up as well as the decision foundation at a tactical and strategic level. All the needed information originates from the same source – also for reports addressing the level aiming at the business. IT Business Intelligence quite simply addresses the most essential challenges faced by the company's CIO – now and in the years to come.

SMT solutions

SMT Data supplies solutions for all platforms and utilizes true Business Intelligence (BI) technology to create the total overview.

SMT/Server Capacity

Server Capacity collects and historizes information from Windows, Unix, Linux and VMware where the unique reporting facilities create a long-needed overview.

SMT/ERM

ERM collects and historizes information from the mainframe. Most of our customers now outsource IT operations and use the solution for optimizing the costs by "breathing over the supplier's shoulder".

SMT/SNMP Connect

SNMP Connect collects and reports information from the rest of the IT installation – for example network components, printers etc.

SMT/SAP

Reports on SAP applications on all platforms and reports consumption, bottlenecks, volumes et cetera per business system.

SMT/Account

Utilizes information from the rest of the solutions to distribute IT costs on business areas according to consumption of IT services.

SMT/Reporter

A true BI tool that in a simple and manageable way visualizes the myriad of information created in the data warehouses of the SMT tools. With a few mouse clicks it is possible to move from the helicopter view to a specific detail via drill-down on the individual report. From multi-dimensional drop-down menus, a user can select his or her personal report from thousands of possible combinations.

SMT/IT Business Intelligence Services

The top level of SMT Data's extensive professional services lets both IT and business management benefit from SMT Data's vast experience in the area of IT Business Intelligence. Based on individual requirements and wishes, an ITBI portal is established controlling access to the relevant personal information.

About SMT Data:

SMT Data was founded in Denmark in 1990 and has developed IT Business Intelligence from scratch – the underlying tools and the pertaining methods and processes. With a market share of 60% in Denmark and an aggressive strategy for growth abroad, the company is regarded as a market leader. In particular, the combination of software and professional services is considered to be quite unique. Our customers see the solutions as business-oriented, value-creating and cost-reducing.

¹⁾ <http://www.capgemini.com> (search for "cio survey").

²⁾ Quotes from ComputerWeekly.com on 11 April 2008.