

Leverage Three Attributes of DevOps to Demonstrate the Business Value of I&O

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Infrastructure and operations leaders often struggle to show the business value of their organization. DevOps is a growing, business-driven approach to rapidly delivering solutions through collaboration. I&O leaders can gain greater support by demonstrating how DevOps will support business outcomes.

Key Challenges

- I&O leaders remain challenged to show the business value that's being generated by their organizations.
- I&O organizations that provide operational metrics to business leaders without direct dialogue are often viewed as "out of touch," which inhibits support from the business for their initiatives.
- I&O leaders who remain solely tethered to Mode 1 initiatives with long cycle times will fail to progress in ways that support the rapid changes that digitalization provides to the business.

Recommendations

I&O leaders should:

- Expand the inherent communications with business leaders that DevOps requires to strengthen the dialogue between I&O and business leaders.
- Adopt DevOps approaches to rapidly identify projects that could have a material impact on value to the organization.
- Highlight DevOps' ability to enhance release cycles and drive mean time to value.

Introduction

Bimodal IT refers to the two modes of IT development and delivery (see "How to Achieve Enterprise Agility With a Bimodal Capability"). Because of its emphasis on agile, lean and other methodologies,

DevOps is usually assumed to be appropriate only for a Mode 2 organizational culture; however, this is not always the case (see "DevOps Is the Bimodal Bridge").

For those cases in which there is uncertainty and in which agile development is used, a Mode 2 approach, which typically uses DevOps, will be necessary. However, with enhanced scrutiny for infrastructure and operations (I&O) to provide increasing value to the business, a business case should be made when embarking on that new approach.¹

DevOps is increasingly being adopted for its benefits in agility, innovation and experimentation, as well as its ability to shorten mean time to value (MTTV). However, articulating all of its benefits in business terms is a critical step toward gaining support and sponsorship from the organization and delivering what the business determines is valuable.

Analysis

Expand Communications With Business Leaders

Gartner takes hundreds of inquiries from clients looking to convey the value of the IT organization in business terms (see "Five Steps to Empower the I&O Organization to Prove Its Value"). However, a simple practice that is overlooked is maintaining a direct and open dialogue with the lines of business (LOBs) being supported (see "Establish I&O Metrics That Matter to the Business").

One of the key advantages of a DevOps approach is that it requires regular communications with business leaders. The involvement of business representatives ensures that projects will be more than just IT optimization efforts. This direct involvement enables rapid identification of requirements and feedback on whether a solution is meeting the need. This is critical for Mode 2 projects that, by their nature, are exploratory and have a high degree of uncertainty. The business may have only a general idea of the concept that needs to be tested, so they must be an integral part of the team as it rapidly iterates toward a decision on whether a business concept or product is viable.

Although there is a representative of the business on the DevOps team to ensure broader sponsorship, additional communications and marketing efforts are still recommended to business leaders and other groups outside of the core team. This level of direct, candid and ongoing communication with the business removes traditional barriers between business and I&O leaders. This will enhance the focus on the business outcomes and goals.

I&O leaders must take this lesson from DevOps and expand this direct dialogue beyond DevOps. Potential actions that should be taken include:

- Regular meetings (e.g., monthly, quarterly) with key LOB constituents
- A formal communication plan, involving multiple channels, indicating what I&O is doing to support business initiatives
- A blog that encourages open dialogue between I&O and business leaders

The exact nature of the dialogue is less important than instituting dialogue. For example, I&O leaders frequently ask Gartner which metrics are best to show business value. The answer to that question is best answered internally by business leaders, who ultimately define what's valuable. Only through regular and open dialogue with the business can I&O leaders avoid delivering mountains of metrics that the LOB leaders find boring or not at all useful.

Establish a dialogue with business leaders. There does not have to be a business representative on every project, as is the case with DevOps, but a consistent, open and direct dialogue is essential to ensuring that I&O is delivering on the factors that are important to the enterprise's higher business goals.

Adopt DevOps Methods to Explore Business Ideas That Affect Value

I&O leaders should run their organizations like businesses. One of the ways businesses run into trouble is treating situations as "business as usual," when they aren't. Digitalization and other technologies force movement at a rapid pace. If IT is treated merely as an organization that helps run the business, then the business will miss opportunities and lose its competitive advantage.

To support growth and/or transformation, innovation must be built into the ecosystem, and agility can be a driving force of innovation. However, innovation requires the ability to fail and to learn from the failure. When agility is used as a force for innovation, the failures and successes happen more rapidly.

Put in a business sense, failures in an agile environment, such as DevOps, are likely to cost less than failures in a typical Mode 1 initiative, because they happen rapidly and can be abandoned more quickly, while consuming fewer resources (people, hardware, etc.). The earlier failures allow more-risky projects to be tried (see "Improve User Experience With A/B and Multivariate Testing"). Although there may be more failures, the successes driven by innovation are far more likely to have a meaningful impact.

Consider an example from the investment world. Venture capitalists look to invest in early-stage companies by providing the cash needed to fund development and growth at a time when the company can't finance its own operations. What makes these investments interesting to investors is that they often represent an innovative, transformative approach to a sector or technology that could result in tremendous financial performance. However, not all of these companies will ultimately become successful, and many will fail. Because early-stage companies present a significant risk, these investments must be spread across a large number of companies — as many as possible, based on the amount capital that risk-aversion will accept.

The theory here is that many of these investments will fail, perhaps badly. However, a single success is likely to be large enough to more than offset the failures, creating significant net ROI. Think of DevOps in the same way, but don't position it as a plan in which 80% of the efforts will fail. Failure is accepted, but it's not the endgame. Transformative success is the endgame. However, to achieve that level of success, some acceptance of failure must be embraced and, in fact, encouraged.

When business transformation is the goal, consider adopting a DevOps approach. Accept that not all efforts will be successful. Creativity and a DevOps approach will help create successes that are more impactful than a traditional approach. This will make it that much easier to communicate the business value of the effort.

I&O leaders that treat their organizations like businesses will be better positioned to prioritize initiatives and categorize them into the key areas of run, grow and transform. Although DevOps approaches are typically aligned with Mode 2 environments, there may be opportunities to use this approach in Mode 1 environments as well.

I&O leaders must tactically and strategically adopt new methods to keep up with the rapid pace of change. The method chosen is likely to depend on the desired outcome. Identify those areas in which changes is most needed, and deploy a DevOps approach or embrace the attributes of DevOps to create the agility required to meet ever-changing demands.

Highlight DevOps' Ability to Enhance Release Cycles and Drive MTTV

Because of the nature of the agile development environment of a DevOps approach, release cycles become faster (see "Five Steps to Increase Development Release Velocity"). This is one of DevOps' major objectives.

Given business objectives of driving speed, time to market and time to value, there is a natural affinity between the business and the DevOps approach. However, it is not just faster release cycles, although that is very valuable in itself. When successful, the DevOps approach will drive release cycles at the pace the business requires for transformative efforts. Remember, the "wins," or value, in a DevOps approach can be more transformative than in a Mode 1 approach. By combining transformation and faster MTTV, it creates a momentum that has considerable benefits for the business.

Furthermore, DevOps generally mitigates risk. By deploying small changes in a rapid and often continuous deployment model, the risks incurred from any single release are minimized.

Finally, when the IT organization adds value to the business, it is usually because, at some level, the efforts contribute to increased revenue, optimized costs and reduced risk (see "Establish I&O Metrics That Matter to the Business" and "Data-Driven DevOps: Use Metrics to Help Guide Your Journey"). In this case, the successes will affect revenue or some other key value metric. We have also mentioned the impact on risk and the impacts this approach has on reducing the costs of IT resources. Greater levels of automation, which bring in even more cost-optimizing activities, are also inherent in this approach.

I&O leaders frequently struggle to articulate the value the organization brings in business terms. DevOps drives not only MTTV, but overall business value. Make the case in business terms, using metrics to hammer home this message. Even in applications that are not DevOps-enabled, incorporate the business value messaging noted above.

MTTV is only one of the metrics that can be articulated to the business. For projects that affect revenue-producing services or applications, show the value that is gained by increased revenue. This could be through improved response times and reduced downtime, but it can also be via

increased transaction flow. When they result from I&O efforts, these transactions should be translated in term of their impact on corporate financial results.

When projects are aimed at optimizing costs, they can be articulated by their financial impact on the business. Similarly, when I&O efforts result in reduced exposure or risk to reputation (security-related or otherwise), this too needs to be articulated in ways not currently common in I&O communications. In short, develop business-related metrics in concert with the business, and present them in ways that can be clearly understood.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"How to Achieve Enterprise Agility With a Bimodal Capability"

"DevOps Is the Bimodal Bridge"

"Five Steps to Empower the I&O Organization to Prove Its Value"

"Five Steps to Increase Development Release Velocity"

"Establish I&O Metrics That Matter to the Business"

"Data-Driven DevOps: Use Metrics to Help Guide Your Journey"

"Improve User Experience With A/B and Multivariate Testing"

Evidence

¹ In 2014 and 2015, Gartner has had 1,412 interactions with IT leaders that included the topic of business value, which increased 14% from 630 in 2014 to 720 in 2015.

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