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Analyze the Future

Future ready Enterprise - Converged Solutions

IS YOUR INFRASTRUCTURE READY FOR THE FUTURE?

An IDC InfoBrief, Sponsored by

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This IDC InfoBrief discusses the results of a recent survey of 450 IT leaders across France, Germany and the UK around IT/Business Alignment, IT Service Delivery and IT Infrastructure Technology trends. It looks at what makes the difference when it comes to the most business aligned and agile IT organizations, and the strategies they use to build and run their IT infrastructure.

To find out more about where you are on the journey and how your IT organization compares to others, the *IDC Converged Infrastructure Assessment Tool* provides an independently sourced, facts-based framework to help make business and IT decisions around IT strategy and the benefits associated with adopting converged infrastructure.

EXECUTIVE SUMMARY

In the digital age the success of organizations is driven by their capabilities to innovate and adapt to ongoing change.

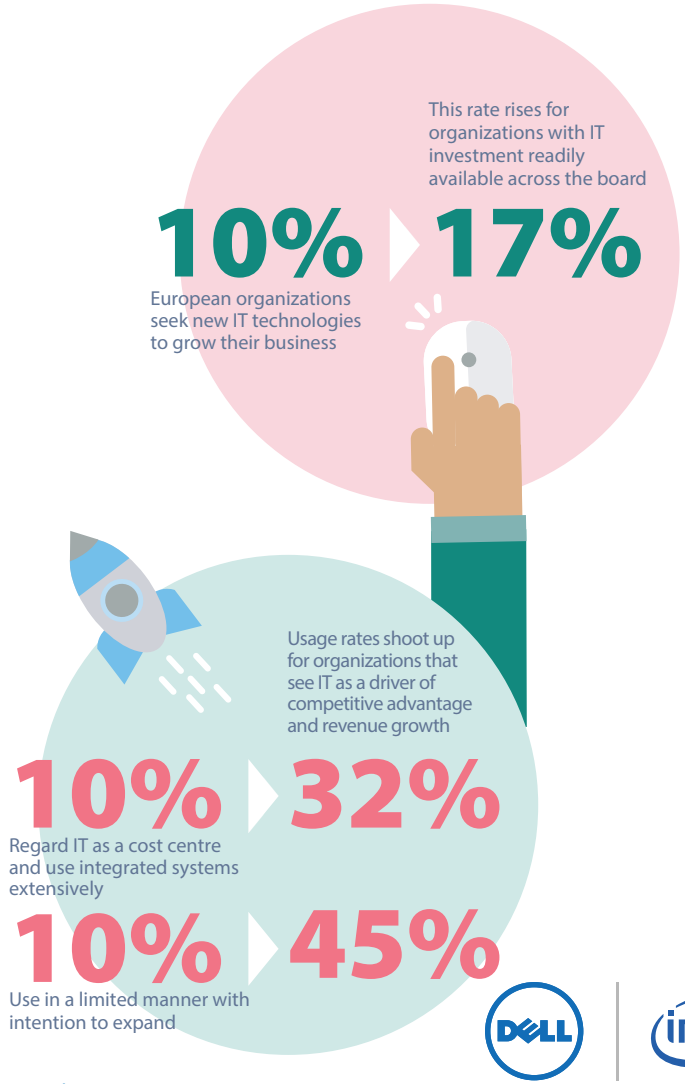
IT is no longer a cost centre, but needs to act as a key driver for competitive advantage with a business mindset that is looking for holistic solutions.

Integration of various hardware and software components is becoming crucial, which also needs to be supported by consolidating organizational functions to break down siloes.

Only **10%** of European organizations actively seek out new IT technologies or capabilities as a way to grow their business. But this rate rises to **17%** for those leading organizations that have IT investment readily available across the board.

10% of organizations that regard IT as a cost centre use integrated systems extensively and another **10%** use them in a limited manner with intention to expand. However, these usage rates shoot up to **32%** and **45%** respectively for organizations that see IT as a driver of competitive advantage and revenue growth.

So to remain competitive in the digital age, it is essential that organizations invest in innovative technologies such as integrated systems as part of their IT and business transformation strategy.

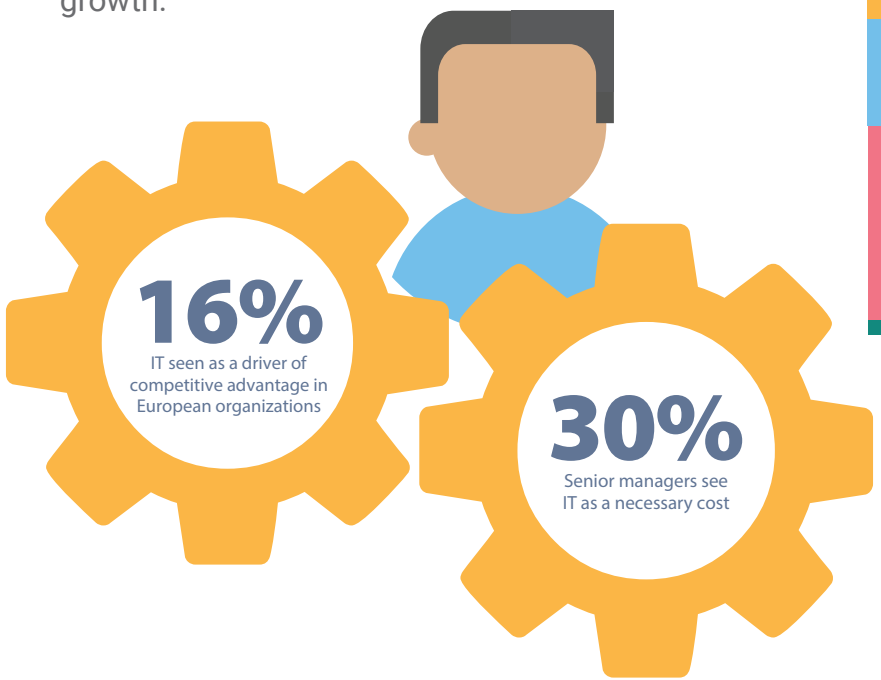


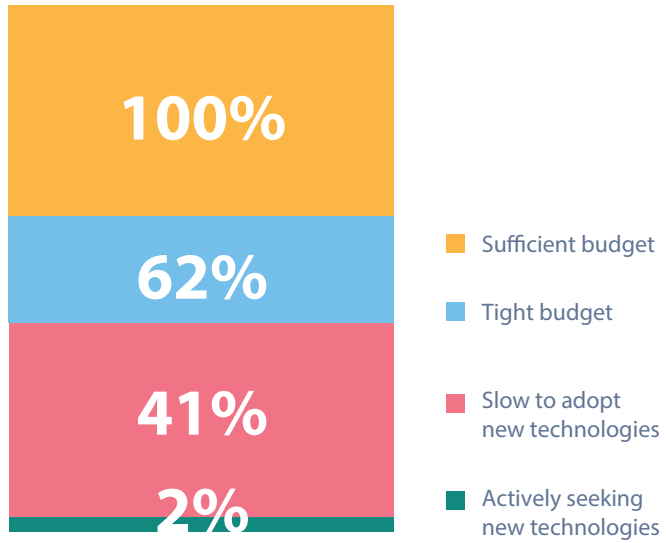
IT AND THE BUSINESS

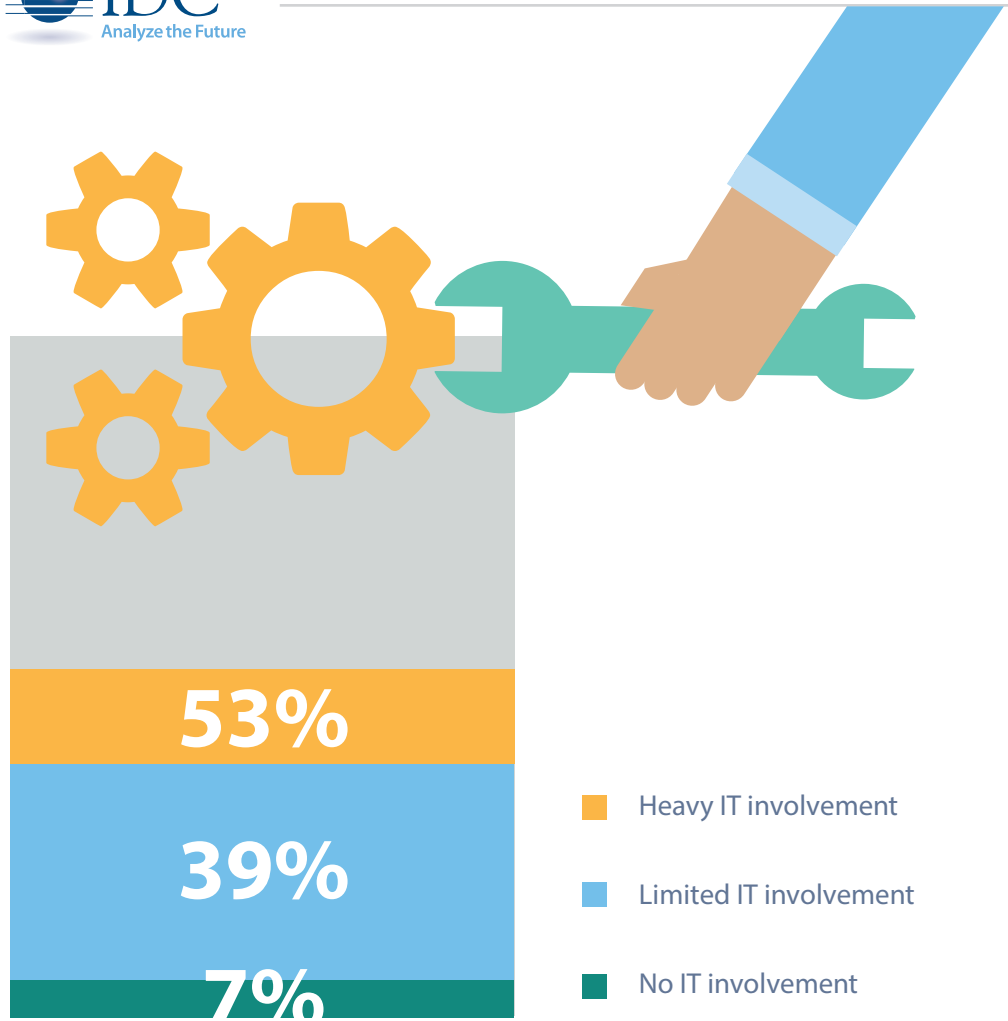
As companies are embracing 3rd Platform technologies including the cloud, mobility, Big Data and social business, competitive advantage is increasingly defined by value creation on top of these four pillars. In order to success in the long run, IT organizations needs to be capable of translating business goals and needs into applications and services – quickly and with quality. People, skills and technology have to be sufficiently integrated, and business processes and structures aligned accordingly.

IT is seen as a driver of competitive advantage in only **16%** of European organizations, while **30%** of senior managers still believe that IT is just a necessary cost.

100% of IT organizations that have sufficient funding levels believe that they are well aligned with the overall business strategy, while this only applies to **62%** of those that face tight IT budgets. IT investment is seen as tight in **41%** of organizations that are slow to adopt to new technologies but only in **2%** of those that are actively seeking out new capabilities for business growth.







53% of IT departments are heavily involved in planning most business projects, while **39%** are involved but not early or deeply enough. **7%** of businesses tend to go ahead with many technology related projects without bringing the IT department in. These findings show a correlation between funding for IT projects and the role of IT as part of the overall business strategy in view of innovation and competitiveness.

91% of organizations that believe that they are coping well with business requests experience positive end-user satisfaction, while only **21%** of those struggling to cope with requests do so. Overall, **25%** of end-users are not happy with the level of service that IT provides.

A continuous improvement approach to IT should be adopted for constantly challenging the effectiveness and quality of existing processes.

Companies that actively seek out new IT technologies and capabilities for business growth are more likely to provide sufficient funding for IT investment **(86%)** than those who are slow to adopt to new technologies **(12%)**.

As highlighted by the survey results, board-level support for IT initiatives is critical, with mindset of regarding IT as an enabler and source of competitive advantage and business-level innovation rather than a back-office or cost center.

Effective IT organizations require the right people with the right skills to implement and maximize the benefits of the latest technologies. In order to improve their future-readiness, IT departments must evolve to work more closely and strategically with business management and the various lines of business.

86%

Companies seeking new IT technologies are more likely to provide sufficient funding for IT investment

12%

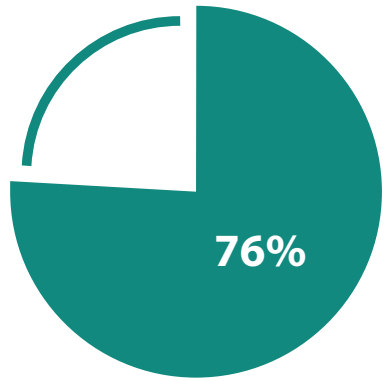
Companies slow to adopt to new technologies

IT SERVICE DELIVERY

IT service delivery capabilities are crucial for driving efficiency and getting value out of business operations. Self-service provisioning and management tools combined with automation and orchestration can help decrease the time to implement changes while also increasing predictability and quality.

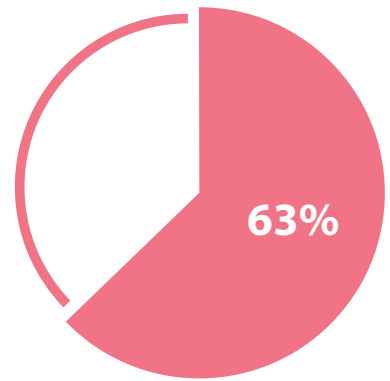
Automating tasks can free up developers' and admins' times so that they can focus on value-adding innovation that adds to the bottom line rather than spending scarce time, resources and money on just keeping things going. User satisfaction and application performance monitoring can provide valuable insight for understanding your pain points and help you avoid costly downtimes.

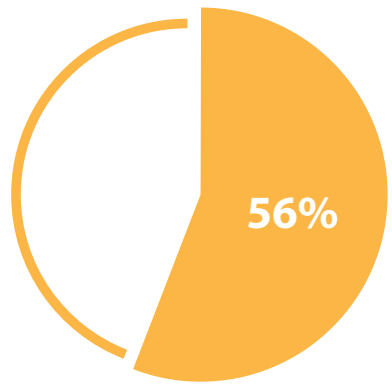
76% of organizations already use server virtualization extensively or in a limited manner with intention for expansion. **63%** use storage virtualization and **56%** network virtualization to similar extent. Virtualizing your entire infrastructure and managing it holistically also in combination with cloud resources is a major step toward unifying and simplifying your IT environment and processes. However, these efforts are often driven by CIOs or IT managers and lack executive-level support in many organizations.



Use server virtualization extensively or in a limited manner with intention for expansion

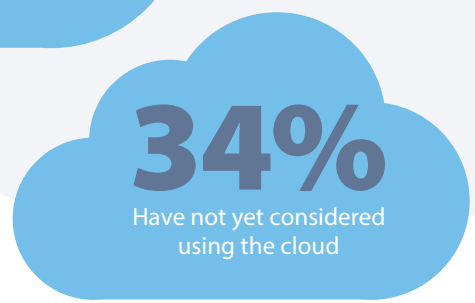
Use storage virtualization

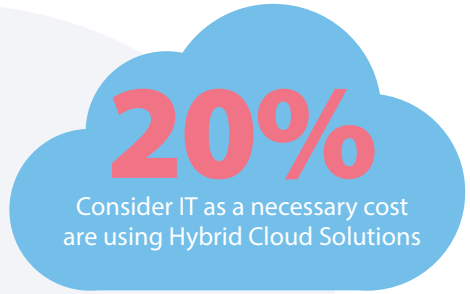


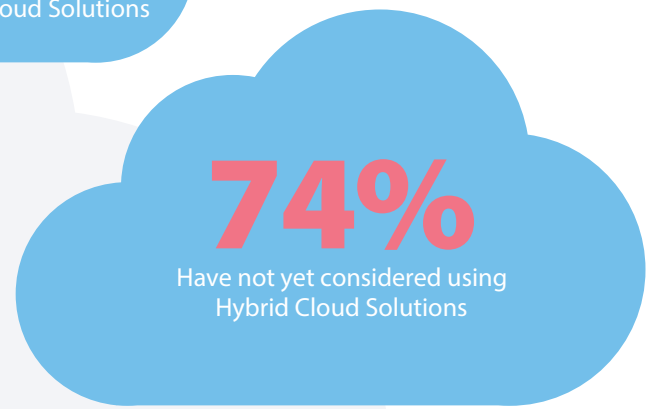


Use network virtualization

Hybrid cloud is used or piloted by **60%** of organizations that see IT as competitive advantage and **34%** have not yet considered it. However, only **20%** of those that see IT as a necessary cost are using or piloting hybrid cloud solutions while **74%** have not yet considered it.
Interest in hybrid and public cloud solutions is rising, particularly in the telco and IT services sectors. However, the majority of organizations only use it in a limited manner with plans for expansion.
While CIOs are often enthusiastic about the cost savings and flexibility that cloud solutions offer, they often lack the power in their organization to convince the board to give the green light.







99% of organizations that see IT as a driver of competitive advantage view IT in terms of services delivered across all or most of the organization. However, only 73% of those that view IT as a cost centre share this view.

A clearly defined service catalogue is in widespread use in **41%** of organizations, self-service workload provisioning in **29%**, but automation and orchestration only in **22%** of businesses. Setting up these types of self-service management tools is an important step towards achieving a more agile IT environment that is more flexible and responsive to business-driven changes.

Service level monitoring is not in widespread use at **55%** of organizations. Although many firms use it in a limited or ad-hoc manner, they are not fully enabled to deliver IT on the basis of clear service level metrics and need to build out these capabilities alongside their infrastructure upgrades and organizational realignments. It is crucial to focus on end-users and ensure that they receive the right level of service as the IT departments' customers. If users are not happy or services are too complicated to use, then often users find ways around IT policies, which can lead to a growth in shadow IT that can negatively affect the CIO's power and control in the organization.

41% Clearly defined service catalogue is in widespread use

29% Self-service workload provisioning

22% Automation and orchestration

9%

Service level agreements are non-existent

44%

have clearly defined SLAs in widespread use

Service level agreements are non-existent for **9%** of organizations, while **44%** have clearly defined SLAs in widespread use. These figures underline the gap identified on the service monitoring side and highlight that the majority of businesses still need to improve the way how they define, measure and enforce clearly understood service levels. This is a major step towards becoming more user-focused, with reasonable expectations for service quality, waiting times and uptime guarantees.

55% of organizations invest in shared IT infrastructure a lot or wherever possible, while **15%** find it very challenging or do not even try. Investing in shared infrastructure is one of the first steps towards a leaner, more cost-effective infrastructure alongside the virtualization of your server, storage and networking systems. Further improvements can then be achieved by introducing converged systems to run these workloads on.

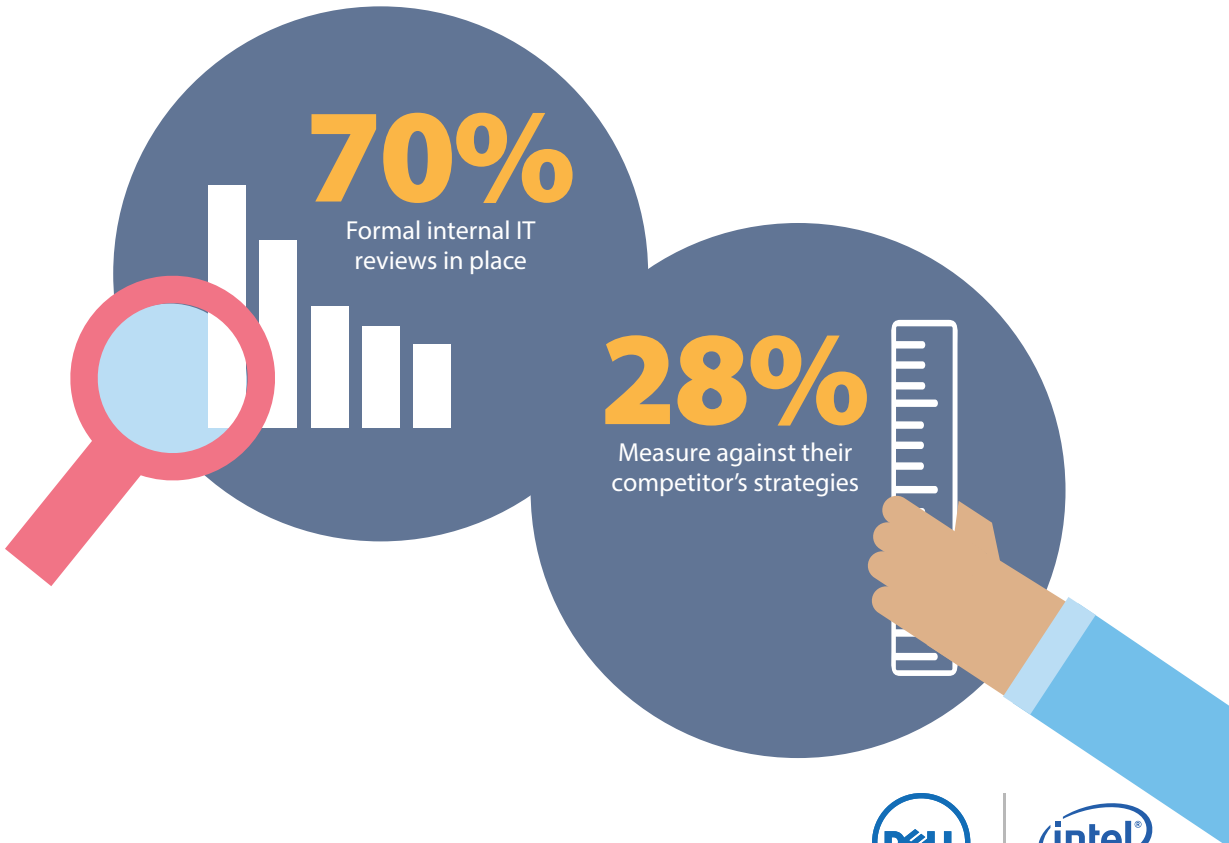
Investment in end-to-end IT service monitoring and management tools is essential for keeping systems up and running and avoid costly downtimes or security issues. They also help with proactive service quality management and keep customers or employees happy and reduce the cost of support.

IT INFRASTRUCTURE TECHNOLOGY

Virtualization and cloud solutions can provide some relief for organisations who struggle getting agility, value and performance out of their legacy hardware.

Converged infrastructure, which integrates servers, storage, networking and management into a single optimized package designed to work well together out of the box, can help to accelerate IT transformation to help deliver better agility and faster time to value.

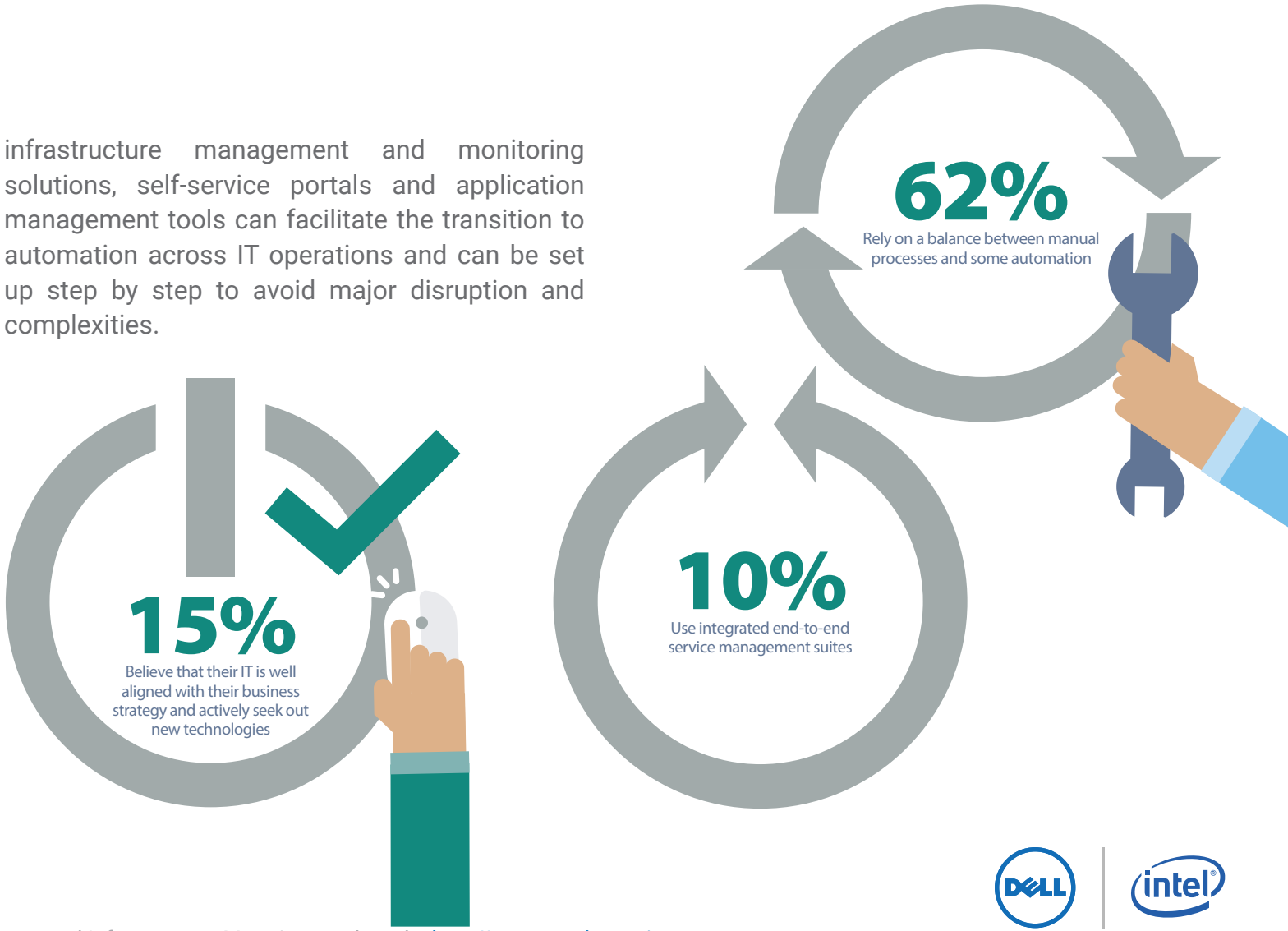
70% of organizations have formal internal IT reviews in place, but only **28%** look at what other companies are seen to be doing. That means, most organizations have taken the first step of introducing review mechanisms, but do not necessarily have the right benchmark in place by ignoring their competitors' strategies. Leading organizations should always measure against the best in class in their industry and try to get ahead in terms of innovation, technology and quality delivered.

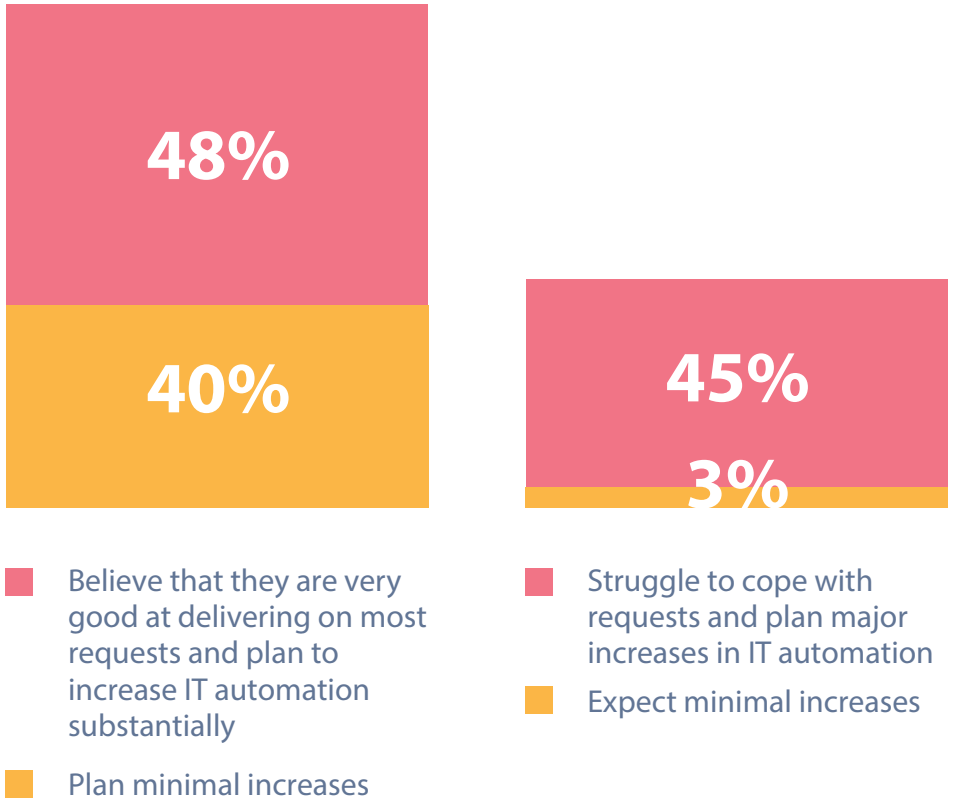


15% of organizations that believe that their IT is well aligned with their business strategy actively seek out new technologies, while none of those that believe that IT is out of sync with the business do so. These low rates show that most companies still need to improve on their innovation strategies, and the first step is to better align IT with business requirements.

Only **10%** use integrated end-to-end service management suites, while around half **(49%)** use a combination of specialized management tools with some 'out of the box' tools.

The majority of organizations surveyed **(62%)** rely on a balance between manual processes and some automation. Introducing tools such as infrastructure management and monitoring solutions, self-service portals and application management tools can facilitate the transition to automation across IT operations and can be set up step by step to avoid major disruption and complexities.





48% of IT organizations that believe that they are very good at delivering on most requests plan to increase IT automation by a lot, and a further **40%** plan minimal increases.

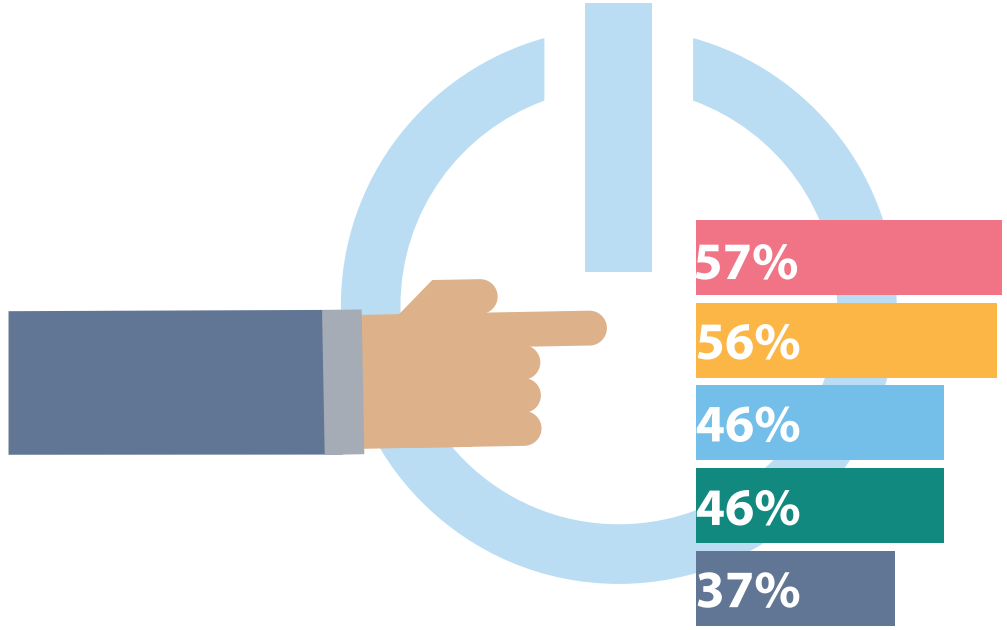
In contrast, only **3%** of those that struggle to cope with requests plan major increases in IT automation, and another **45%** expect minimal increases.

IT management needs to be automated in order to increase efficiency, agility and consistency, and to minimize the risk of human error. This also frees up admins' and developers' time to focus on value-adding activities. Automation should be applied across the board to remain competitive and be able to sufficiently integrate various processes and systems.

The main limitations for companies' abilities to improve IT service delivery have been identified as juggling conflicting priorities **(57%)**, followed by IT skills shortages **(56%)**, budget constraints **(46%)**, operations resources being too busy with routine tasks **(46%)** and lack of insight into quality **(37%)**.

Automation has the potential to solve most of these issues to some extent by improving governance and control with the ability to set clear priorities. Fewer staff is needed if routine tasks are performed by machines, which can lead to cost savings. Quality of the service can be analysed and improved by bringing in the right infrastructure management tools.

IT organizations that see themselves as well-aligned with business requirements pointed out OpEx spend as the most common IT metric **(46%)**, followed by IT cost control (budget vs. plan, **18%**) and IT efficiency **(17%)**. Organizations that see IT as out of sync with business requirements saw IT cost control **(34%)** as a main metric followed by OpEx spend **(28%)** and CapEx spend **(15%)**. Astonishingly, user satisfaction, service quality and IT staff skills were not considered major metrics by any type of organization.

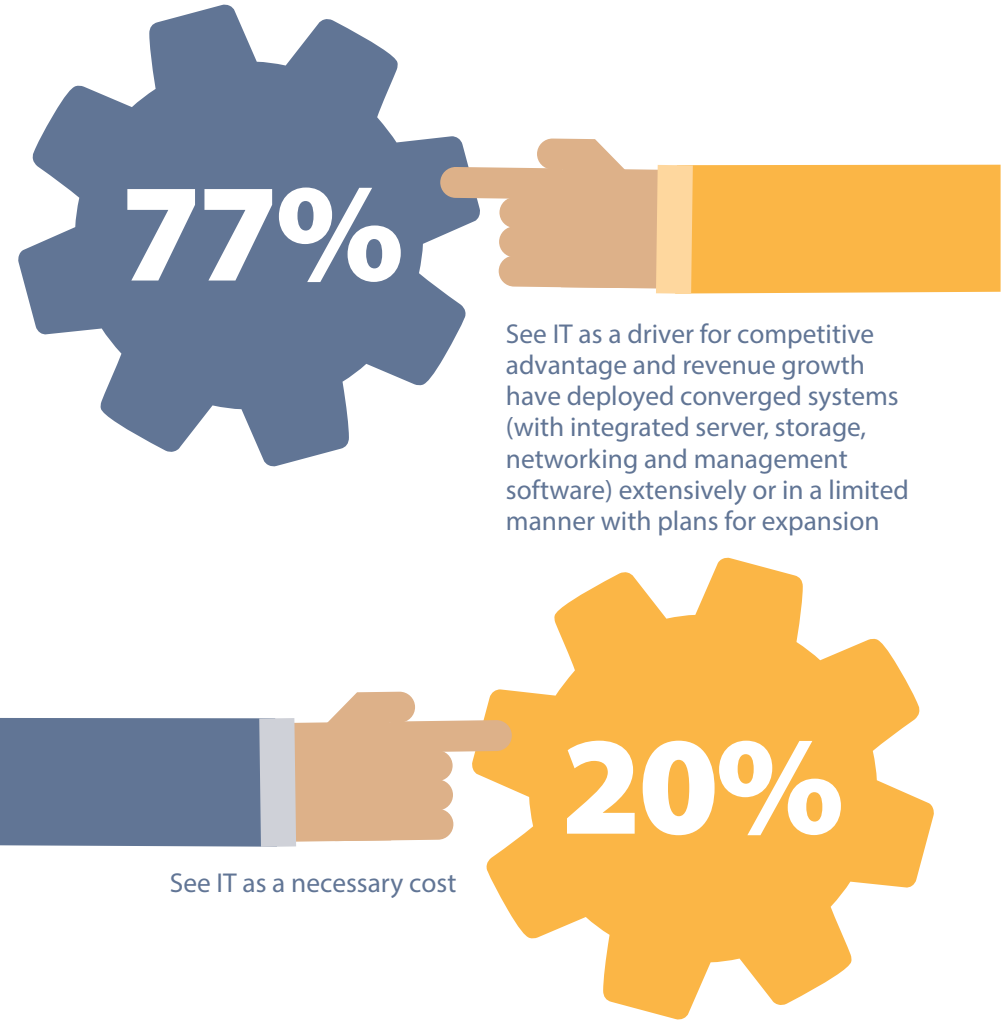


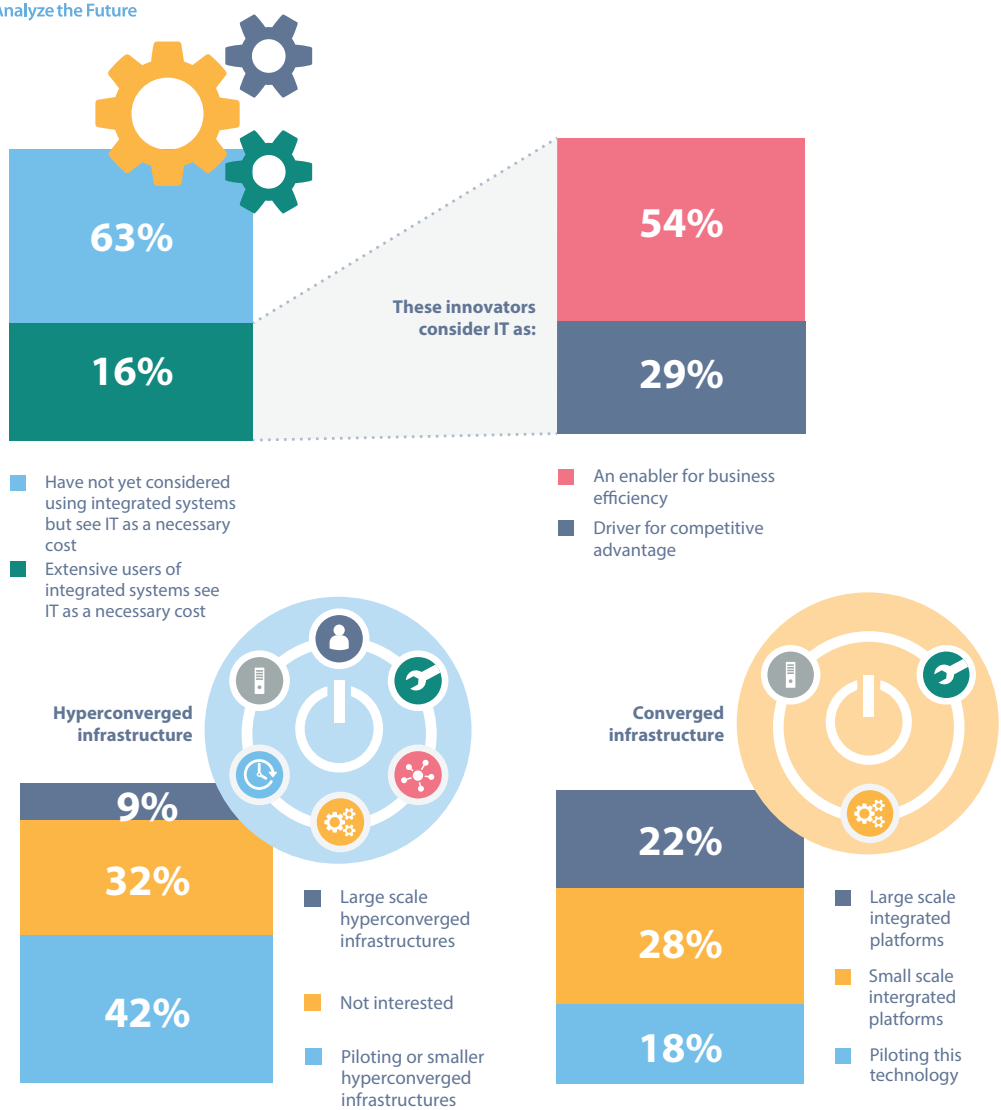
WHY CONVERGED SYSTEMS MATTER

More than half **(51%)** of organizations have already embarked on organizational convergence with integrated server, storage and networking teams. There is still some way to go for many though, as **29%** still have all three areas as separate units. Organizational alignment is only the first step towards convergence - technology investments need to be integrated and stacks managed holistically in order to gain real value from these efforts.

These figures show that convergence is happening to some extent for many IT organizations. However the introduction of converged systems could drive forward integration among those IT departments that still operate separate server, storage and networking teams. By integrating these teams and systems, better management and insight can be achieved, leading to fewer bottlenecks and a more structured and flexible way of operating your IT which can adapt better to business needs.

77% of organizations that see IT as a driver for competitive advantage and revenue growth have deployed converged systems (with integrated server, storage, networking and management software) extensively or in a limited manner with plans for expansion. However, this only applies to **20%** of those who see IT as a necessary cost.





The majority **(63%)** of those who have not yet considered using integrated systems sees IT as a necessary cost, while only **16%** of those using them extensively have the same view. These innovators rather consider IT as an enabler for business efficiency **(54%)** or as a driver for competitive advantage **(29%)**.

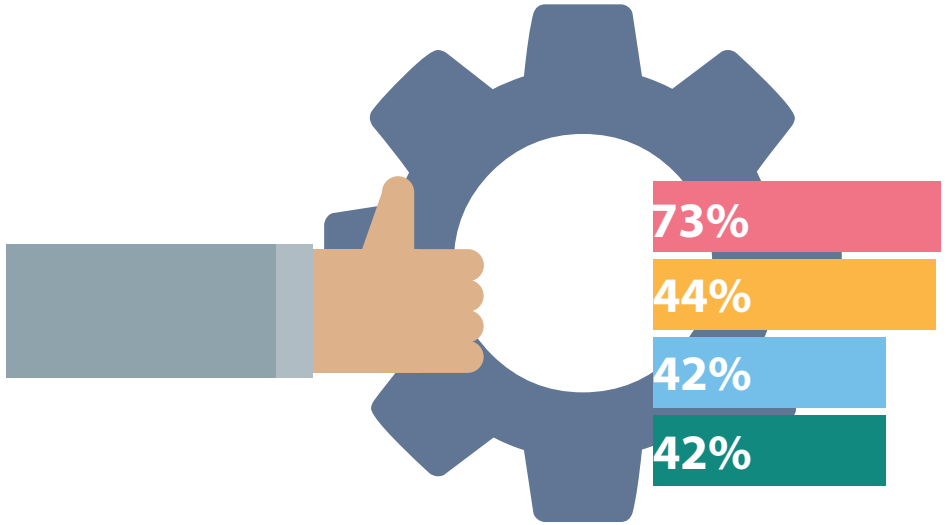
Hyperconverged infrastructure is gaining in popularity due to its ability to scale flexibly and is particularly useful for organizations running VDI or real-time analytics at several branch sites. **9%** of organizations have deployed hyperconverged infrastructures on a large scale and another **42%** are piloting or have smaller deployments in place, while **32%** are not interested in this approach at all.

Integrated platforms could also be considered as part of converged infrastructure for specific use cases such as analytics and vertical-focused applications. They are usually sold together with additional pre-integrated software. **22%** have deployed integrated platforms on a large scale, with another **28%** on small scale and **18%** piloting this technology.

IT managers and executives are encouraged to adopt integrated systems by better utilization of resources **(55%)**, 'out of the box' integration **(42%)**, as well as process/infrastructure standardization and simplification **(39%)**. Other factors that drive adoption of converged infrastructure included overall IT cost reduction, ease of compliance, improved security and more predictable performance.

Organizations that see IT as a competitive advantage have pointed out the following challenges in moving to integrated systems: Concerns about technical maturity and reliability **(73%)**, cost and doubts regarding the projected ROI **(44%)**, a single point of failure **(42%)** and meeting application performance requirements **(42%)**.

In comparison, organizations that see IT as a necessary cost also see technical maturity and reliability **(65%)** as a major challenge, followed by cost and doubts regarding the projected ROI **(60%)**, single point of failure **(59%)** and lack of staff skills **(51%)**. Some clients also fear vendor lock-in and find it difficult to segregate data across multiple users.



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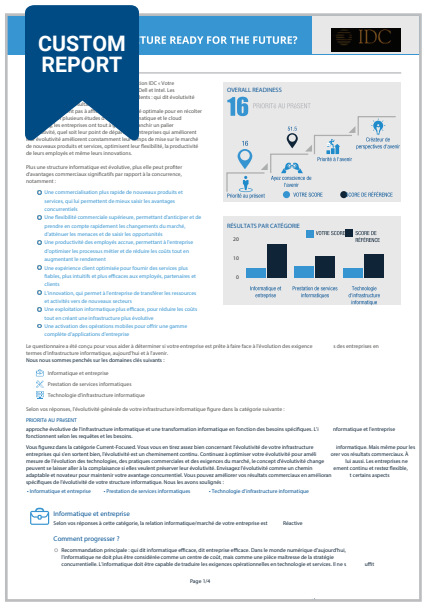
- Meeting application performance requirements



IS YOUR BUSINESS INFRASTRUCTURE READY FOR THE FUTURE?

Complete the online maturity benchmark tool to find out how ready your business infrastructure is for the future.
Upon completion, you will be provided with a customized report on your infrastructure readiness and tips on where to improve.

Take the assesment now!

More resources

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The IDC data presented in this InfoBrief is UK/Germany/France focused from the following survey:

IDC European Converged Infrastructure Maturity Benchmarking Survey (2015)
N=450 IT decision makers in UK, Germany and France