

# VMware IT Business Management Suite

A Fact-Based Approach to Run IT Like a Business

## AT A GLANCE

VMware® IT Business Management Suite™ provides transparency and control over the cost and quality of IT services. By providing a business context to the services IT offers, IT Business Management helps IT organizations shift from a technology orientation to a service broker orientation, delivering a portfolio of IT services that align with the needs of line of business stakeholders. With benchmarks providing objective evidence, IT Business Management also provides the fact-based approach needed to minimize the cost of IT while maximizing the value IT delivers to its customers. Greater transparency and alignment, and the continuous improvement of IT services they enable, support IT as it seeks to develop competitive advantage through major IT transformation initiatives such as cloud, mobility and data center modernization.

## KEY BENEFITS

- Gain Transparency into IT Service Costs and Quality - Enable IT to make fact-based business decisions on IT investments and implement demand management
- Enhance Governance - Drive increased accountability across the extended enterprise including LOB, IT, and third-party vendors
- Increase Efficiency - Optimize costs and sourcing across internal infrastructure, including virtual and private cloud, as well as, public cloud

## Business Orientation as an IT Service Broker

Cloud is driving a fundamental change in the way lines of business and IT interact. The ability of lines of business to source IT services directly from third parties is forcing a change in IT's mission from a primary focus on the delivery of IT services to a new role in which IT is first and foremost a "broker" of IT services and secondarily a builder of those services. Making the cost and quality of services transparent is a key responsibility of IT in this new "broker" role, as it helps ensure that the organization can make optimal decisions around what services can be delivered internally versus services that should be consumed from the public cloud. VMware IT Business Management Suite enables IT to move from a technology orientation—in which it manages servers, storage, networking and applications—to a business orientation in which it manages a portfolio of services.

## Complete IT Cost Transparency

Minimizing IT costs while maximizing business value is a core tenet of IT business management. The bill of IT is the product of IT cost transparency and shows lines of business the products and services they consume along with the cost for those products and services. Preparing an effective bill of IT requires an in-depth understanding of the costs associated with delivering IT services and the ability to accurately showback or chargeback these costs in a way the businesses comprehends. IT Business Management Suite offers several capabilities to automate transparency and help IT run like a business.

## Agile Service Costing and Modeling

IT Business Management Suite uses a deterministic engine and powerful modeler to allocate or translate IT costs (physical, virtual, labor, vendor, overhead, facilities, software, support, cloud, etc.) to each IT business service. Supporting simple allocations to usage-based and complex activity-based costing, this approach provides superior control, agility and transparency over inference approaches whose algorithms offer you little control.

## Planning and Budgeting

IT Business Management Suite automates the manual processes of planning and budgeting. By consolidating and centralizing budgets, IT finance saves time and can appropriately rationalize budgets and allocations, provide transparency into planned versus actual spending and variances, and track accumulated savings.

## What-If Scenarios

What-if scenarios are used to evaluate, compare, plan and optimize spending decisions. For example, IT Business Management Suite can show how overall costs, service costs and specific business unit costs would be affected if a vendor were to be replaced, physical server support penalized, or an application retired.

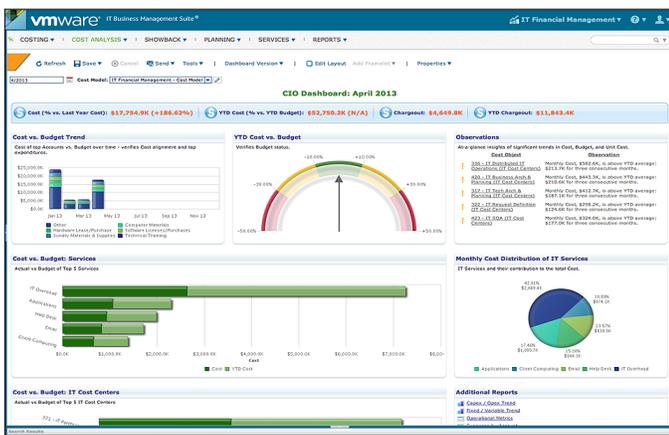


Figure 1. CIO Dashboard Showing IT Service Costs

These decisions and more can be modeled and answered with IT Business Management Suite to enable fact-based decision making.

## Business Management for Cloud

Cloud is accelerating choice for businesses – enabling them to source IT services from third parties instead of internal IT. This change is forcing more and more IT Infrastructure teams to be transparent on the infrastructure services they offer. As a result, the infrastructure team is challenged with determining the fully loaded cost of their infrastructure when questioned by the business on the cost of private vs public cloud. While the need to cost out infrastructure is increasing, most organizations lack the ability to do so quickly and easily.

VMware IT Business Management Suite can help address these challenges, by providing the cost of a virtual machine and utilization of shared resources to help you better manage demand, budget, CapEx/OpEx; driving accountability over cloud resources to lower TCO.

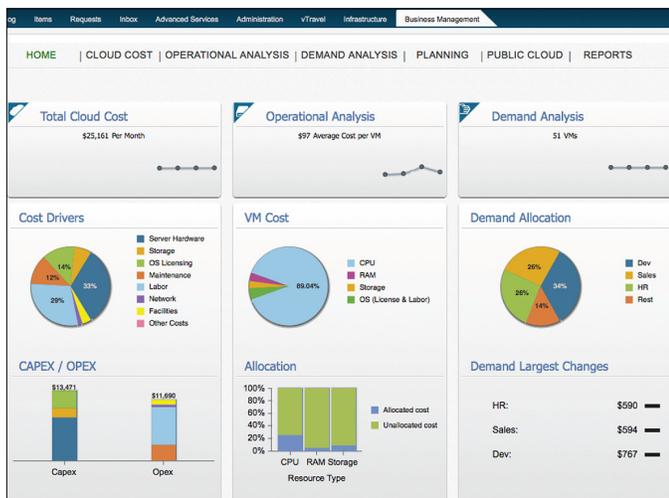


Figure 2. Business Management for Cloud

## Benchmarking: Objective Evidence to Illuminate Your Journey

VMware comprehensively addresses another challenge of undertaking IT business management: the question of “so what” after IT costs are identified. Peer benchmarks provide the critical objective evidence needed to indicate where you are today, where you could be in the future, and what paths you could take to improve.

VMware IT Benchmarking™ covers 18 Towers or Domains, 20 industries and more than 3,500 metrics. VMware IT Benchmarking

uses industry and functional peers to compare your costs to the costs of other firms in your industry and firms that match your IT footprint of scale and complexity. With integrated objective benchmarks, your journey will always be illuminated and your current progress always visible.

## Service-Quality Management

The tradeoff between cost and quality seems straightforward, but it is actually quite complex. Some services offer dramatic cost savings with small reductions in quality; others operate more like fixed-cost services. To take costs out of IT and run it more like a business, you need to understand the hard facts behind this tradeoff. Business customers frequently oppose service-level reductions until you present the corresponding cost reduction. Service-level tiers are a great way to manage cost or service-conscious customers while reducing and optimizing your IT spending.

Service-quality management also applies to vendors you use for entire services or portions of a service. By tracking the business agreement and automating the service flows, KPIs and escalation paths, you’ll find yourself well positioned to start or accelerate your transformation to a service broker—ensuring that IT is minimizing costs while maximizing value.

## Enterprise Platform

The foundation for IT Business Management Suite is a robust enterprise platform providing broad functionality in a secure and scalable way. Connectors check that data is properly collected, cleansed and validated before being added. When issues are detected the connectors send notifications / alerts. Role-based dashboards ensure that the right people can access the right information, and the information serves as a central repository and single source of the truth for IT cost, quality and value. And IT Business Management Suite includes an observation engine that monitors costs and quality to highlight changes that might require special attention. Furthermore, integration with the VMware portfolio of products enables direct metering and costing of cloud usage and calculation of overall public, private and hybrid costs.

## Find out More

VMware IT Business Management Suite is packaged into three editions (Standard, Advanced, Enterprise) and is available as an on-premises or software-as-a-service offering. For more information, as well as case studies, and discussions of how other IT organizations have approached IT Business Management, go to <http://www.vmware.com/products/itbm-suite/> or call 1-877-4-VMWARE (outside North America, +1-650-427-5000).

