



Infrastructure & Operations
Symposium Community

Trip Report

Infrastructure & Operations Symposium Community

Members: 1256

This year's Gartner Symposium/ITxpo — held from 12 through 16 October in Orlando, Florida — was organized around the theme of IT and the economy. This report offers an overview of what was on attendees' minds and what they learned from Gartner analysts and each other.

Key Takeaways

At the start of the week, Gartner's head of research, Peter Sondergaard, outlined a key question facing infrastructure and operations (I&O) leaders: How can you do more with less? Going into 2009, I&O leaders face the dual priorities of modernization and cost optimization. Attendees following the I&O track at Symposium found a number of technologies and strategies to help them address these issues. These included:

- **Cost Reduction:** I&O leaders were told to start thinking like CFOs. During 2009, I&O leaders will not only need to reduce costs, but they'll also need to reprioritize their budgets to focus on IT that provides differentiation and competitive advantage.
- **Virtualization:** Virtualization is having a huge impact on infrastructure architectures, processes and operations, people and skills, and the business. It is the most important trend in I&O through to 2012. Virtualization, coupled with consolidation, represents the primary means that I&O leaders have to reduce the cost structure of their environment. These initiatives do "double duty" in that they are also the focus of near-term I&O modernization efforts.
- **Cloud Computing:** Cloud computing and Web platforms will be the main delivery models for external business service providers and business process outsourcing providers by 2015. I&O leaders should look to using cloud computing services as an adjunct to what they are doing within the I&O structure they have built.

Conference Highlights

The Future of Infrastructure and Operations

I&O leaders are striving toward service orientation, pay-for-use chargeback models and more virtualized and automated architectures. Virtualization will remain the most important trend in I&O for at least the next three years and likely longer. And in conjunction with cloud computing, virtualization will allow organizations to adopt a dynamic sourcing approach, with some services sourced in-house and some sourced from the cloud.

Recommendations:

- Consider economics, quality of service and agility as the principal metrics to determine whether to keep an IT investment in-house or to buy it as a service.
- Implement a modern infrastructure and source alternative delivery models to meet business needs.
- Build a strategic plan that aligns people, processes and technology with the business.

The Green Data Center Pays Off

Most data centers waste a substantial portion of the electricity they consume, due to inefficient and archaic power and cooling practices. Several techniques can help to make data centers more energy efficient: plugging raised floor breaches; installing blanking panels; hot and cold aisle containment; variable-speed fans and free cooling. Some of these techniques lend themselves best to new data center build-outs, but many of the techniques can be retrofitted.

Recommendations:

- Start measuring data center energy efficiency, and keep track of your results to demonstrate good corporate citizenship.
- Analyze and improve cooling efficiency with air flow analysis, the use of hot and cold aisles, and liquid-cooling solutions.
- Build new data centers from the ground up to be highly energy efficient.

Gartner's I&O Maturity Model: A Road Map to Business Alignment

I&O leaders need to provide IT services that businesses need at the cost, speed and performance that businesses expect. Gartner's I&O Maturity Model (IOMM) was developed to help I&O leaders achieve this. The model focuses on four dimensions: people, process, technology and business management and has five levels of maturity. The lowest level is survival, which is "just getting by" — with little I&O planning. At the highest level, I&O organizations are full partners with the business and increase its value and competitiveness.

Recommendations:

- Approach I&O maturity improvement with a sense of urgency — it offers a chance to demonstrate enhanced business value and reduce costs at the same time.
- Establish a task force to improve I&O maturity.
- Assess your I&O maturity using Gartner's IOMM. Look at maturity for each of the four dimensions, and focus your improvements on the least-mature dimension (and the attributes of that dimension).

Workshop: How Best to Address Key I&O Challenges

I&O typically accounts for up to 70% of enterprise IT budgets and 70% of CIOs' key issues. As a result, I&O leaders face incredible challenges and pressures. About 80 I&O leaders attended a workshop to identify their key challenges and best practices to help overcome these challenges. Workshop attendees used the IOMM to help build a road map for continual I&O improvement.

Best practices from the workshop included:

- Work with the business to determine key metrics.
- Appoint relationship or service managers to review business services.
- Build tools around processes in a business-focused way. Focus on end-to-end tools rather than components.
- Develop a portfolio comparison tool to assist stakeholders in business management and help them determine what's important.
- Develop an end-state strategy plan. Break this into phases and gain acceptance from the business for the phases and overall strategy.

The Unified Communications Scenario

Enterprises can improve workgroup productivity, customer service and communications for mobile workers through unified communications (UC), but it's unlikely to generate an immediate return on investment for IT departments. Gartner expects adoption of UC technologies to be slow until 2010, as organizations try to preserve their existing communications investment and overcome technical challenges. After 2010, Gartner expects UC to be an accepted part of enterprise communications.

Recommendations:

- Before embarking on a UC project, change the mind-set of IT budget stakeholders. UC can deliver operational benefits to workers, workgroups and business process, but will not necessarily lower costs for the IT department.
- Build a requirements matrix based on the requirements of the job — not on title, department or business unit.
- Review your organizational structure to decide if it is suitable for the emerging generation of communications.

Keynotes

Welcome Address and Analyst Keynote

Most IT budgets will take a hit from global economic problems, but the situation is not as dire as IT leaders who lived through the dot-com bust might expect. Gartner's recent surveys of CIOs show that at worst, IT spending worldwide likely will increase 2.3% in 2009, down from Gartner's earlier projection of a 5.8% increase. IT spending at worst will be flat in the U.S. and down in Europe.

IT budgets will be largely spared because IT runs almost all aspects of business, and IT is increasingly viewed as the means to improve and transform the business, but IT leaders still have to deliver. Economic downturns tend to amplify disruptive technologies, so IT leaders should research virtualization and modernization opportunities. IT leaders also should take stock of the whole IT portfolio to see what the business can run for less or live without. For every application and system, ask:

- Why is this needed?
- What does it cost?
- How can it be implemented with fewer resources?

Mastermind Keynotes Show Other Organizations' Strategies

Gartner analysts interviewed three IT leaders to gain insights about their strategies and outlook for 2009:

- John Chambers, CEO of Cisco Systems, said Cisco plans to work on dozens of projects in 2009 that aim to expand the company's scope past just networking into networked-enabled processes to improve productivity. Cisco will use partnerships to help customers boost scale and speed. Cisco has a unique opportunity in the economic downturn to help its clients enable transformative business strategies, Mr. Chambers said.
- Joseph Eng, Executive Vice President, Systems and Technology at JetBlue Airways, urged IT leaders to show how IT can help transform and differentiate the business, as his group has done to make JetBlue a customer-centric airline. Mr. Eng described how JetBlue customers are empowered to make their own decisions and are provided with perks to make the trip better. This strategy has greatly helped JetBlue grow and has provided more opportunities for revenue.
- Steve Ballmer, CEO of Microsoft, insisted that what has been an apparently slow uptake of the Vista operating system among enterprises doesn't indicate a problem with Vista. In fact, he said, Vista's uptake is roughly comparable to the uptake of Windows XP at a similar stage. Ballmer also said Windows 7, Vista's follow-up, will be a true release, not a mere update. He acknowledged competition from Google, but was critical of Google Apps, saying that it is "just not good enough today" for enterprise-level adoption. Cloud computing will also be a challenge for Microsoft, he said, since it involves a paradigm shift, but he predicted the company will adapt. Cloud computing will be delivered "piece by piece by piece," he said. "This is a technology that Microsoft is embracing, but it won't be ready the day after tomorrow."

What People Asked About

I've just become the head of I&O. What's the best way to structure I&O?

Follow established principles for running a business. Start by focusing on your customers and identifying their needs. This should help you develop a well-thought-out product portfolio. Once you've done that, develop business and financial management strategies to support these needs and to help you understand costs and determine pricing models. A good way to align with the business is to appoint relationship managers to seek out business goals, requirements and expectations of service quality. It's critical for IT organizations to learn how to articulate their services in language businesses understand. Also, use Gartner's "Toolkit: Maturity Assessment for Infrastructure and Operations" to assess your organizations' strengths and weaknesses and then develop an action plan for targeted improvement.

How can I show the value of I&O to the rest of my organization?

IT organizations must be driven by business goals and culture. Open the lines of communication to business customers. It is critical to learn how they perceive your value and how you can improve it. Know your business and its culture and adjust the IT organization to meet the needs and expectations of major IT stakeholders.

My budget has been cut dramatically. How can I reduce costs going into 2009?

You'll need to review and refocus your portfolio of IT investments. You're probably going to have to defer things you were thinking about. Typically, these are capital expenses and upfront investments. Organizations that are running Windows XP are well-positioned to delay 2008 PC replacements until 2009. In addition to deferrals, open contract renegotiations with vendors — even if it's a multiyear contract. Let vendors know that if they don't help you out now, you'll remember it when it comes to renewal time. But you'll need to act now, if you're going to feel the impact in 2009.

Things to Watch For

Virtualization: Virtualization is the second-most important priority for I&O leaders after cost optimization. Virtualization technologies will make it easy to consolidate to larger resources and make distributed resources easier to manage and use efficiently. At the moment, much of the excitement surrounding virtualization is focused on server virtualization, but virtualization in storage and client devices is moving rapidly. I&O leaders should view virtualization as an agent for strategic change in areas of cost, agility, architecture and alternate sourcing.

Cloud Computing: The hype surrounding cloud computing has grown exponentially during 2008. This new computing model ultimately drives revolutionary changes in the way solutions are designed, built, delivered, sourced and managed. I&O leaders need to consider cloud computing as an alternative to established delivery models. Organizations that do not modernize their infrastructures will become nonviable compared with third-party providers that have new and modern real-time infrastructures. Organizations that do modernize will be able to make dynamic and intelligent business decisions about what to source from the cloud, and what to maintain in-house.

Unified Communications: During the next five years, the number of communications vendors will be reduced by at least 50%. This change is driven by increases in the capability of application servers and the general shift of communications applications to common off-the-shelf server and operating systems. This will result in massive industry consolidation, as formerly distinct markets and vendors converge in the communications industry. I&O leaders will need to develop careful, detailed plans for when each category of communications functionality is replaced or converged.

Interactive Polling Results

About 85% of I&O leaders who attended the session on green data centers said they planned to renovate, expand, upgrade, outsource or relocate a data center during the next two years. The poll also found that problems with current data centers varied widely.

Greatest Facility Problems With Current Data Center

Insufficient cooling – **23%**
Insufficient raised-floor space – **9%**
Insufficient power – **30%**
Power location – **10%**
Excessive facility cost – **11%**
None of the above – **17%**

Source: Gartner (October 2008)

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