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Making the Board Smile with HPE Business Value Dashboard

A new real time editorial that helps IT Operations become a more strategic business partner

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Making the Board Smile with HPE Business Value Dashboard

Introduction
Headline news. Read all about it.

News in black and white print? How many of us stare at our tablets and various screens to get the news.

We devour it real time, love it when the kids, parents, friends send us the latest.

It’s life today. Except in IT operations

Let’s face it how hard can it be to actually see what’s happening now.

IT Service performance slipping badly? You can’t possibly depend on users calling you to find that out.

Is IT cloudy? Well service measurements are a vital way to either see if you’re delivering what you promised or you’re receiving what the SLA you purchased said you would. If that doesn’t happen, well you’re only as good as your weakest link!

In fact today more and more entities are exploiting Hybrid cloud technologies so both of these aspects affect them.

As far as we can remember, IT operations teams have used some form of reporting tool. At the same time line of business managers and CIOs have been provided with various forms of executive reports.

But they have their limits and it’s really too late if they tell you what happened in the last crash, or that an abnormal number of your customers just shifted to a competitor. That’s yesterday’s news.

As in our private lives, we need to know faster, “live” what’s happening now. Even better learn what is going to happen soon which predictive analysis can tell you.

Just as black and white printed news isn’t the norm anymore, the way IT provides “news” has to evolve.
Why you need a real time editorial
Gartner’s research shown in this newsletter, indicates “I&O leaders fail to communicate their organization’s contributions in business terms, inhibiting investment in I&O initiatives that could add to business value.”

This doesn’t describe an accurate picture of IT’s contribution to the business. Ultimately if IT is not providing such visibility then it is often viewed as a cost center and not as a strategic business partner and has little influence on business priorities.

Diminishing confidence in IT stems partially from lack of visibility of IT’s value and influence on business targets, and a major factor in the multiplication of shadow IT projects. These projects stem from LOB teams contracting with external IT providers, multiplying risks to the organization, and complexity in the overall enterprise architecture serving the business.

Reflect a few seconds.
Surely IT systems and tools supporting processes are holders of vital information that characterize how IT resources and the service they support are impacting the business. IT operations teams do have monitoring that provides key visibility of applications and infrastructure health, typically expressed through availability and performance metrics. In many cases these techniques can easily portray business KPIs as well.

So what can be done and who can provide it?
We’re not suggesting that access to operations event and performance management dashboards should be provided to executives, but that IT tools hold vital information that when consolidated can be the source for powerful communication in tailored views for operations themselves as well as IT and business executives. IT is typically the holder of so much information that can really help to characterize how both IT itself as well as the business is doing in real time, what’s impacting it, and potentially how IT is acting to remediate.

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The clarity and real time visibility we have now in HPE Operations Bridge v10.10 is very innovative and precisely what we need at PlayTech. Our business teams have gained ground breaking visibility they never had before to see the state of the business in real time

Eli Eyal, PlayTech
Just like IT operations has its own set of dashboards to manage IT resources and services (though rarely are those that have an effective single pane of glass), IT and Business stakeholders need a real time summary. They want to be informed on the usual “run rate” of business and IT on an ongoing basis, but also be able to see if anything abnormal or unusual is happening.

How can you use different sources of IT and business information to create an IT news channel, a real time editorial something like a CNN channel of IT news?

Transmit IT information live.

What is needed to build a Business Value Dashboard

Flexibility is a first lesson from early implementations. When real time visibility is sought, there’s little point using a bloated platform to develop them. As described in bimodal IT, innovative initiatives require a loose leash, the means to rapidly try things out and learn from each of them.

Choice of which information can relay vital insight, which KPIs portray what’s really happening needs to be a collaborative exercise between the user and the provider of this kind of facility.

This kind of collaboration between LOB and IT executives is already a step forward, and particularly fruitful if the design of the end dashboard is fast and easy to create and modify using standard office tools for which skills are ubiquitous.

It should then be able to quickly deploy this kind of capability, ensure it’s accessible from everyday devices, like tablets, smartphones, any browser really. In particular it should be loosely coupled to data sources. Access should be secured but shouldn’t require any executive to need an account on management systems.

What else is needed?

Well even though IT systems hold vital information, business data warehouses are perfect sources of KPIs that describe how consumers are being served. In some cases determining what’s happening means connecting to the world beyond.

With proliferation of sensors and devices connected to the internet dawns the Internet of things, and this brings an immense choice of information that may easily bring key visibility.

Let’s consider a few examples.

I&O leaders should collaborate with LOB partners to determine the right questions to answer and the right way to provide the answers.

Gartner Research Note G00237598 “First Steps in Building an I&O Business Value Dashboard”
A bank branch manager is measured on transactions, revenue, cash flow, etc., and increasingly he’s measured on the user experience at the branch.

Customer wait times, environmental information such as temperature, human facilities such as secured doors, escalators, and lifts can all influence the number of customer visits. In this case the manager may even need to have video streams from live cam feeds in the branch. A regional manager may need a similar view but of 10s or 100s of branches.

An example of a Business value dashboard is shown in Figure 1. With a specific design that mixes IT status of key resources supporting bank teller applications as well as temperature and other facilities.

Figure 2 shows another case of a financial services executive. His role might be a line of business director in finance, a marketing director for customer services, or CIO of major business systems. He needs to see what’s happening across the company’s world facilities, a rolled up view of key KPIs such as regional revenue, as well as see key news feeds and even a Bloomberg type channel.

External graphics such as floor plans, graphical maps, regional views and other designs can easily be imported to add to the cognitive power.

All in the same dashboard.
We’re delighted with our new HP Operations Bridge v10 installation. Now our Operators are working on the right issues and are cutting down our MTTR in half. Our new Business value dashboards are proving very popular and helping us to visualize business and IT performance in real time.

Daniel Boschbach, Engineer, Die Mobiliar

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Here’s another example of a healthcare provider shown in Figure 3. In this case the VP of Operations has a dashboard that not only shows the status of key IT devices, but also graphs of customer calls and their duration. He also has information on key tickets raised. His visibility allows him to see when a pump failure occurs in a data center. Providing a real time editorial to him and his line of business manager might mean they can make a business critical decision to switch the workload to a public cloud provider and keep the business on track during maintenance.

In gaming, the software and services provided must provide key satisfaction as well as meeting the business targets through a win-win between gamers and the provider. Thus it’s vital that each service is kept healthy. Figure 4 shows an example of how both the line of business manager and IT might use their corporate information in this Business Value Dashboard example to show both business metrics concerning user satisfaction and IT metrics of the vital services IT is providing.

Figure 3 : Healthcare IT provider Business Value Dashboard

Source: Hewlett Packard Enterprise (HPE) | France

Source: Hewlett Packard Enterprise (HPE) | France
Which data should be chosen
A Business Value Dashboard like the ones we show here should be capable of consuming practically any data sent to it. Business KPIs could include revenue $, numbers of orders, users satisfaction, number of calls, application response times, transaction throughputs. IT metrics and status information could include availability, performance metrics such as applications and DB availability %, specific domain information such as VMs consumed, average CPU and disk throughput. IT Service information might include specific high priority tickets, averages of ticket duration and asset usage.

What we’re saying is that really the sky’s the limit. What’s important is to discuss with the intended users, choose information that they often seek in reports, use these as primary choices as data sources added to a simple but colorful dashboard template that’s easily designed using popular office tools.

Making it real
It’s not only essential to be able to choose the relevant data according to the intended user, but the flexibility to choose designs that are not just pleasing cognitively to eye but portray in powerful context the information that assists more rapid decision making. In real time. The best magazines and online channels are those that show editorial information in colorful and easy to absorb designs.

Figure 4 : Watch Luke Bradley of Vodafone Group describing their own use of the Business Value Dashboard

Source: Hewlett Packard Enterprise (HPE) | France
What does HPE provide

Our IT Operations solution for monitoring IT, application and datacenter is called **HPE Operations Bridge**.

It is a single pane of glass to manage the health of business and IT services applied to Hybrid Cloud, mobile and traditional infrastructures of all types. It federates operational data and shows it in the context of your business services, highlighting status, performance and issues that require operator attention. Monitored data is taken from typical existing 3rd party domain IT management tools and HPE native data collectors. The solution then applies different types of analytics for availability and performance management to provide operators and subject matter experts with root cause analysis and executes automated remediation.

This solution aggregates many information types collecting events and metrics from many types of data collectors, extracting key information from log messages, and calculating forecasts of resources usage and even predicting alerts based on anomalous behavior, making it the ideal starting place for the capabilities discussed here.

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**This HPE Operations Bridge v10.10 Business Value Dashboard is completely new capability for Vodafone and will dramatically improve communication and collaboration between IT and teams through the business**

The **HPE Business Value Dashboard** is thus provided with this solution. It is a lightweight solution to present information represented by tags in a template designed using Microsoft Visio. That template and its data tags is then uploaded to separate servers for presentation. No user account access to the HPE Operation Bridge event correlation and management system is needed to use the Business Value Dashboard, they are tablet ready and data is transmitted using https data streams. Information can be obtained from online internet sources as well as connectors that extract information from SQL databases, http streams, Big Data sources and beyond.

A key advantage of the HPE Business Value Dashboard is that it does not create yet another copy of business and IT data, it consumes existing data and produces a real time true representation of it. Aggregation and calculations are performed in the underlying tools from the HPE Operations Bridge (or other sources).

**Getting Started with the HPE Business Value Dashboard**

This is easy.

First, see a live demo of the Business Value Dashboard. Just follow the yellow arrows to walk through the demo.

Next, use our sandbox to build your own dashboard. Register for our SaaS hosted trial of the software.

Learn more about our Automate, Orchestrate, Transform strategic solutions.

Read more on the HPE Operations Bridge.
Linking what I&O does with how business leaders perceive its added value remains elusive. By reporting on business value, I&O leaders can bridge this gap and refine the perception of IT from cost center to valued business partner.

**Key Challenges**

- I&O is often viewed as a cost center and not as a strategic business partner.
- I&O leaders fail to communicate their organization’s contributions in business terms, inhibiting investment in I&O initiatives that could add to business value.
- I&O has little influence on business decisions.
- I&O leaders focus on the cost of IT, because I&O is viewed as a cost center, rather than the value provided to the enterprise.

**Recommendations**

- Deploy I&O business value dashboards (BVDs) to better frame and communicate I&O’s value to business leaders.
- Report business-related metrics, in addition to operational metrics, to the CIO and the business.
- Map I&O metrics to the business metrics they impact using the I&O business value map (BVM).
- Designate an I&O finance person reporting to I&O management.
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**Strategic Planning Assumption**
- By 2017, 25% of mature I&O organizations (where the ITScore for I&O is three or higher) will invest in discrete BVD tools as the primary means of communicating to the business, up from the midteens today.

**Introduction**
Infrastructure and operations (I&O) continues to command most of the total IT budget. That puts this group in a unique position to impact the dialogue between IT and business leaders. In our 2014 survey of more than 2,800 CIOs, 73% indicated they use financial value as an IT performance metric. However, according to the more than 2,000 responses to our I&O ITScore query, only 11% of organizations are in a position to make value statements regarding I&O performance. This creates an interesting conundrum for I&O leaders. The CIO needs to convey value to business leaders but currently lacks the ability to do so in the business’s language. This contributes to the perception of IT in general, and I&O in particular, of making operational — but not strategic — contributions. If the status quo is maintained, I&O will fail to be viewed as a strategic partner to the business and will continue to be viewed as the organization that just “keeps the lights on.” Changing the nature of the conversation will allow IT, and therefore I&O, to have greater influence at senior management levels.
Analysis
The dialogue between IT and the business remains suboptimal — most IT staff simply do not have the skills to speak the same language as business leaders. Most CIOs would like to use financial value as an IT performance metric, but very few possess the organizational maturity to make value statements regarding I&O’s performance. Because of I&O’s dominance over the IT budget, it must provide what the CIO needs to bridge that communication gap, thereby leading the transition from support organization to valued business partner. This research outlines four steps to bridge that gap through the reporting of business value and other best practices.

Deploy or Plan to Deploy I&O BVDs to Better Frame and Communicate I&O’s Value to Business Leaders
I&O leaders have a significant opportunity to build the credibility of IT and the CIO as contributors to business success. However, the CIO and I&O leaders often do not demonstrate their business, financial and performance management competencies. The result is that I&O continues to be viewed as a cost center and does not help raise the maturity and reputation of IT. This view of the demonstrated competencies can start to shift if I&O leaders can communicate department results in more business-centric language that will then enable the CIO to convey how I&O contributes to business objectives.

An examination of survey and ITScore Maturity Assessment data yields some very interesting findings relative to the perception of CIOs within business organizations. Some of these findings deal with how the CIO is perceived by the organization’s business leaders.

Findings from the survey include:

- 50% of CIOs report their enterprises “never or rarely” manage to be explicit about leading performance measures, making them unable to articulate the vision for achieving strategic goals.
- 60% of CIOs report they regularly present the IT organization’s priorities to the chief executive (access) to ensure consistency with business objectives, but 49% report they have little to no formal capability for ensuring their plans are consistent with business expectations (influence).

I&O leaders lack influence because CIOs do not have significant influence over business decisions. As discussed in a recent Gartner report, a dearth of business, financial and performance management competencies is the greatest inhibiting factor for CIO influence and credibility.

I&O BVDs have the potential to bridge the gap between I&O and business leaders. By taking the appropriately aligned operational metrics with which I&O leaders are familiar (and that are reported to the CIO) and translating them to relevant business-centric metrics, the message of IT as a business partner can be better articulated. Moreover, through the process, the CIO and I&O leaders build a better understanding and competency in business, financial and performance management.

Gartner has produced specific research regarding I&O BVDs. Guidance is helpful and initial steps are important. In addition, several vendors have established products in this particular area and address various capabilities helpful in establishing a BVD.
I&O Leaders Must Report Both Business-Related and Operational Metrics to the CIO

I&O costs typically are the largest portion of the IT budget, and, yet, the organization still lacks the perception of being a catalyst to the business — even in a successfully implemented bimodal IT environment. But investing in a rock-solid infrastructure, or “refreshing the core,” remains a high priority to CIOs.

In fact, in our CIO survey, when asked to indicate the top three technology spending areas that will receive the highest amount of new/discretionary funding in 2015, 31% of respondents named infrastructure and data center, trailing only business intelligence/analytics and ahead of areas such as cloud and mobile.

That said, for its own survival, I&O must be able to articulate how it contributes to value. In the research, “Enterprise IT Maturity, 2014: CIOs Are Seen but Not Heard,” one of the recommendations is for CIOs to establish their credentials as business leaders. I&O leaders must do the same and develop business and financial management competencies. One recommendation is to designate an I&O finance person that is tasked with how I&O reports business-related metrics to the CIO and business leaders.

In the CIO survey, when asked how they use financial value as a performance metric, 68% of CIOs did not identify financial value as a major performance metric. Finance is the language that the business speaks, so I&O must be prepared to learn that language.

A disconnect remains between how I&O measures success and how it is viewed by the business. Increased investment in I&O is anticipated, but enhanced business value is not. I&O is viewed as a necessary cost, but I&O must embrace its role as business enabler. This entails continued maturity improvement, the ability to embrace BVDs, and learning some basic business, financial and performance management competencies to bridge the language barrier between I&O and the business.

In the meantime, I&O must begin to map its own metrics to business-related metrics and report those to the CIO and business leaders. The first step is to establish appropriate metrics. Stand-alone metrics often add more value when viewed in conjunction with other metrics.

When proper raw and multidimensional metrics have been identified, begin the process of mapping these to specific business-related metrics, explored in greater detail in the next section.

Map the I&O Metrics to Business Value With the I&O BVM

I&O leaders need to change the way they talk about IT to communicate value to the business. Fundamental to the business value conversation is for IT to talk about business needs — not about technology. The I&O business value conversation must tell business leaders how I&O impacts the business’s objectives and contributes to critical business metrics. Gartner’s I&O BVM provides a template to map the things I&O manages and measures to topics executives care about.

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This value model is designed to help map IT operational activities and measures to areas of business importance in a way that will capture the attention of business leaders and underscores the contributions I&O makes to the success of the business. I&O leaders should include the I&O BVM in their planning as they proceed down the path of communicating business value within and outside of IT. See Figure 1 for an example of a BVM.

**Designate an I&O Finance Person Reporting to I&O Management Who Is Also Engaged With Finance Personnel From the Business**

Getting the entire I&O staff to think in business terms is a noble initiative. However, there is a high probability that the I&O team has a number of people who are either educated in or interested in the business aspects of IT.

**Figure 1. Business Value Map Example**

**List Business Value Drivers**
- Revenue Impact
- Cost Reduction
- Risk Mitigation

**Identify Value Impacting IT Services, Applications or Initiatives**
- Transaction Systems
- Customer Support
- Shopping Cart
- CRM Systems
- Order Entry
- Client Support
- Productivity
- Efficiency
- Staffing Optimization
- Asset Optimization
- Service Level Alignment
- Operational Loss
- Reputation and Audit
- Compliance and Operational Security
- Data and Operational Security
- Vulnerability Remediation

**Catalog Relevant Metrics**
- Metrics examples: NPS, MTBF, Transactions/Hour, Total Uptime, Latency, Bandwidth Utilization, Unplanned Downtime, Instances/User, TTR, Labor as % of Budget, Change Failure Rate, Capacity Utilization to Plan, Vulnerabilities Remediated/Period, and So On

**Capture Control Points**
- Connectivity
- Security and Compliance
- Hardware and Software
- Service Support
- Service Continuity
- Management Processes

Source: Gartner (March 2015)
There needs to be a point person on the I&O team for this initiative. Not only do metrics with business-related value need to be defined and/or identified, this can only be done effectively in communication with the lines of business themselves.

Potential candidates for this role could be those involved in existing business relationship management efforts or, conceivably, business analysts from outside of IT to build the internal talent base.

Specific responsibilities of this role might include:

- Establishing regular communications with internal business customers.
- Guiding the I&O team in determining appropriate metrics.
- Verifying that I&O metrics align with business-related metrics.
- Testing the assumptions that lead to business value (for example, does an hour of downtime really cost that amount of money?).
- Evangelizing the needs of the business, as measured by how the business leaders are measured, to I&O.

**Evidence**

1 Gartner’s 2014 Annual CIO Survey, which included 2,810 CIO respondents from 84 countries, representing $12.1 trillion in revenues and $397 billion in IT spend.

2 Gartner’s 4Q14 ITScore for I&O, which included 2,289 respondents; 89% indicated they were below level three, the level at which maturity is sufficient to relate to business value.

3 “Enterprise IT Maturity, 2014: CIOs Are Seen but Not Heard,” survey data collected from more than 2,800 CIOs and research of Gartner’s ITScore data between 2010 and 2014.

*Source: Gartner Research G00272979, Gary Spivak, Jeffrey M. Brooks, Robert Naegle, 20 March 2015*
About Hewlett Packard Enterprise

Hewlett Packard Enterprise is an industry leading technology company that enables customers to go further, faster. With the industry’s most comprehensive portfolio, spanning the cloud to the data center to workplace applications, our technology and services help customers around the world make IT more efficient, more productive and more secure.

For HPE Operations Bridge see hpe.com/software/opsbridge.

For HPE Business Value Dashboard see hpe.com/software/bvd.

For HPE Operations Analytics see hpe.com/software/opsanalytics.

For our ITOM management solutions please see hpe.com/software/itom.

See also our Blog channel here.

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