

# I D C   E X E C U T I V E   B R I E F

## **IT Automation: Moving IT from Panic Mode to Managed Mode**

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Adapted from *Worldwide IT Asset Management Software 2005 Vendor Shares*, by Frederick W. Broussard; IDC #203294

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### **Introduction**

Remote systems management for IT organizations has come into its own in recent years. Further, providing solutions that cross multiple functional products for IT asset discovery and inventory, OS deployment, patch management, and system upgrades of remote systems has also gained acceptance and adoption. This type of aggregated solution is increasingly referred to as "IT automation." Organizations see IT automation as a way to shift manual processes for provisioning and updating user systems to an automated solution so key IT personnel may devote more attention to aligning IT with business objectives, integrating IT into business processes, and developing core competencies and competitive advantage for the business. Widely deployed in Asia, Japan, and Europe, IT automation services in the U.S. have grown rapidly since 2005. Some IT organizations also turn to a third party to provide certain services. This Executive Brief examines the need for and use of IT automation solutions, both in-house and via a managed services provider.

### **The Resource Balancing Act**

IT organizations are incessantly asked to provide more value with the same or less budgetary and/or organizational resources. Companies need IT to support new products and business-process initiatives, but when it comes to delivering ongoing services — e.g., system upgrades, application upgrades, security patches/updates, Web services, etc. — it can quickly become a resource-balancing act. Solutions to individual problems are commonly dealt with on a case-by-case basis or in "panic" mode.

This means business demand for IT support and services often remains manual or ad hoc, like a call to the fire department to "put out the fire." However, IT senior management reports that the ad-hoc business demands placed upon it are more costly, waste human resources, and deteriorate IT organizational effectiveness. Surveys

of IT senior managers consistently indicate that IT value can be substantially increased when aligned with business objectives, and IDC ROI studies have shown that automating manual processes has significant cost and business benefits.

Given the inherent demand to provide world-class IT services, yet still faced with the ever-increasing prospect of delivering greater value with diminished or diluted resources, IT organizations are increasingly turning to IT automation to help alleviate their panic-mode environments. IT typically chooses from two types of remote systems management:

- IT automation can provide individual services or an integrated platform of IT deliverables, while offering the flexibility to change, add, or delete services as needed;
- IT automation provided and supported by a third party offers a substantial range of cost- and resource-saving alternatives with little or no need for hands-on IT involvement.

## **The Business Case for IT Automation**

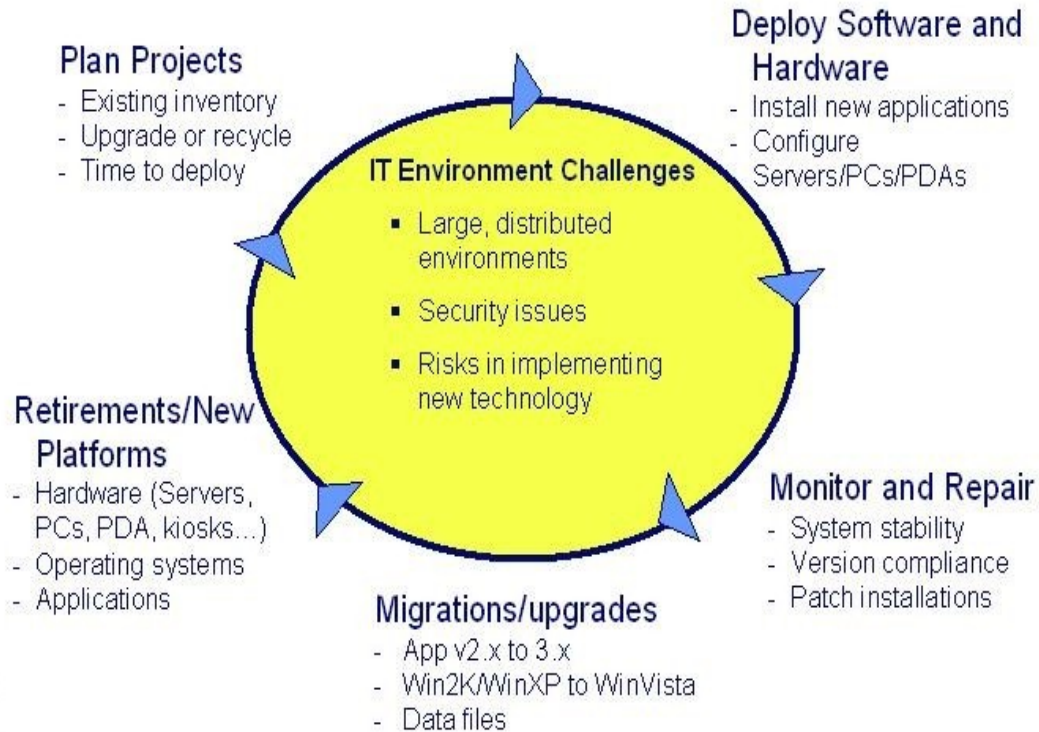
IT departments frequently have multiple desktops or laptop machines in the hands of users across the organization. Often these PCs are also spread out across many offices, sometimes around the country or around the world. Managing these PCs cannot simply be done manually because of the tremendous costs associated with travel to a remote office to repair, upgrade, or replace a PC. Mitigating travel costs is just one benefit of remote management.

IT managers are also focused on the overall PC life cycle of purchasing, installing, upgrading, and retiring hardware and software. Each step within the life cycle, as described in Figure 1, requires significant planning to address overall life-cycle costs. While planning for the initial deployment is relatively straightforward, system, settings, and OS migration that may occur years after installation gets less attention. But standardized desktops allow standardized migration from Windows 2000 to XP or to Windows Vista in the future. This standardization leads to simplified migration. Folders to migrate and locations to put files will create easier backup solutions as well as simplifying the migration task overall.

**Figure 1**

**Endpoint Life-cycle Management**

Using manual and automated processes to ....



Source: IDC, 2007

IT is also expected to manage the demand for IT services and business assets, ranging from security access to installing or upgrading applications to providing company-confidential reports and information. All these services are supposed to be accounted for in a set budget.

This balancing act is further complicated by business demands for computer-based analysis of fiscal risks and return on investment from business activities, both of which require a high degree of business-IT alignment. The IT Infrastructure Library (ITIL) process standard or framework is gaining traction as a set of best practices for incorporating people, processes, and technology to better the IT department, and in turn, the company as a whole through aligning IT processes more tightly with business outcomes. As a result, IT executives find they and their organizations are spending more and more time on next-generation ITIL improvements of service design, service operation, service transitions, and continual improvements to services.

The IT automation concept has emerged to address these and a number of additional service issues. For example, IT is expected to identify computers on the network, distribute patches, assure PCs are all consistently configured, keep spyware and virus definitions up to date and protect against attacks, keep the machines in compliance with the existing approved company configurations, update applications, and many other routine system maintenance tasks.

Further, managed services can be delivered either as an in-house solution, or remotely via a third-party provider. When managed in-house, the services are usually referred to as remote systems management or IT automation. The services may be contracted as a hosted solution, or as packaged software. IT automation service solutions developers provide applications and solutions that the IT organization can rent on a monthly basis. Similarly, managed service providers (MSPs) license applications and solutions and market them as OEMs on a similar rental, or time-based, fee system. The MSP adds value by managing the applications at the end-user site using remote tools and methods, so that the IT people don't have to be involved on a day-to-day basis.

### **Optimizing for Maximum Benefits**

Many IT organizations have neither the time nor the resources to build all the systems or applications needed to monitor, maintain, upgrade, protect, and enhance infrastructure. Moreover, these needs, often amounting to as many as 15 – 20 distinct categories, or silos, continually change over time: increasing, decreasing, or being retired when no longer needed.

A key benefit of the managed services that provide IT automation is flexible pricing. Services are commonly billed on a monthly basis and do not require complicated, long-term contracts or licensing agreements. Businesses ranging from 100 to 1,000 machines or endpoints will find this flexible pricing more economical than a typical one-time purchase or fixed-length licensing fees.

Another key benefit is that the remote managed services themselves are flexible, and can be tailored to the IT organization's needs and budget, making them ideal for businesses in the medium- to large-size range. MSPs add additional value by assuming responsibility for monitoring changing needs, such as the following:

- Virus and spyware updates
- ITSM and ITIL business process frameworks
- Loss or addition of a large-scale environment (e.g., business unit) that changes the usage or purchase levels of software

When delivered from a third-party provider, remote systems management offers other advantages, such as the following:

- The service or application is distributed from a Web site, which does not use a company's internal computing resources.
- IT can select the services it wants, rather than buy or license an all-encompassing application or suite of applications.
- IT can choose which managed services it wants to control, such as sensitive reporting, and which to turn over to an MSP to manage, such as routine updates and patches.
- Costs can be closely managed, down to dollars and cents, days or weeks.

## Considerations

Certain changes in thinking about IT's service orientation and business organization can help make the transition from a more traditional IT infrastructure to being able to take advantage of internal IT automation services and/or an MSP. Foremost is budgeting: how the IT organization buys outside services, and how the cost center bills them.

Planning is a critical aspect of deploying remote systems management. IT should begin by identifying the top three (but no more than five) problems to resolve with IT automation. Planning and identifying top problems brings up the efficacy of business/IT alignment through the business process. Business units may not perceive the benefits of business process alignment, so it's incumbent upon IT to educate business units.

When choosing between an internal IT automation service and an MSP, consider the following:

- The IT automation solutions provider should be willing to help the business or IT organization with planning, prioritizing solutions, and how to deploy.
- When choosing an MSP, be sure the vendor understands the IT organization and issues for your company's organizational size.
- Avoid solutions targeted for specific hardware, or those for an organization larger or smaller than your own.
- You should be able to acquire all your solution needs from one experienced IT automation or MSP vendor. Avoid choosing a vendor that specializes in a single environment.
- Work with the IT automation or MSP vendor on definitions; this will help determine which services to keep inside and which to manage from a hosted site.
- Don't think of managed services as a "set it and forget it" solution. If your organization does not wish to manage and adjust

solutions parameters, then make sure the vendor or solutions provider will be able to do so.

## **Conclusion: The Case for a Managed Solution**

Growth within IT automation can be attributed to the variety of problems that the technology can solve. Equally important, IT organizations are embracing these solutions because of cost savings, as well as access to key technologies that can be integrated into the existing IT infrastructure for improving productivity and strengthening business competitiveness. Other important reasons include scalability, ease of customization, and improved flexibility in business process.

Most IT executives believe their organization could be doing a better job of maximizing their IT investments and aligning them with business objectives. IT automation can provide the means to realize that goal sooner, effectively, and less expensively.

While some IT organizations could develop software in-house to address these everyday requirements, a more cost-effective alternative would be to acquire IT automation or managed services directly from a solutions provider or from a third-party vendor that understands your organization and its problems. In either case, an IT executive can expect to see reduced costs, improved efficiencies, and the headroom to further integrate IT with business processes.

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