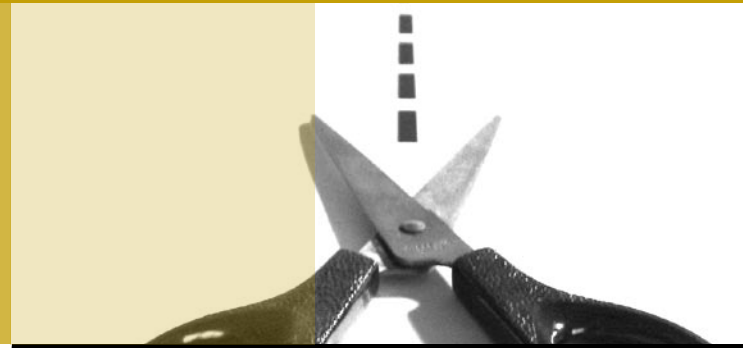


Précis

Thoughts on IT in Business



Cut to the Chase

Cut to the Chase

Even a cursory review of events occurring in the global economy today could lead you to the astonished conclusion that all has changed in the world of business.

In fact, you might be forgiven for feeling you've arrived mistakenly in an alien world: major financial bail-outs by governments, leading to "public" ownership of key financial players; global import and export trade faltering at the lack of bank-issued letters of credit; the demise of 100-year old stalwarts of the financial landscape – it all makes for a volatile and uncertain time.

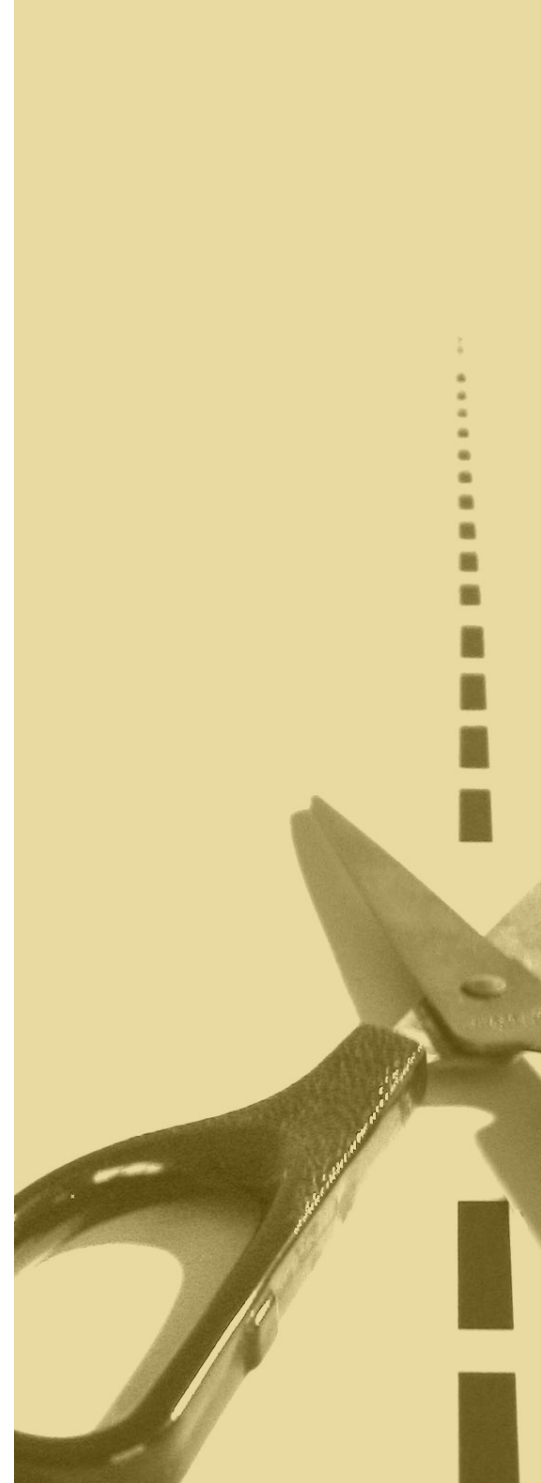
Yet amidst the calamity and change, one thing is clear: this is a time that requires focus and single-mindedness – not necessarily on slashing budgets, but more specifically on the fundamentals of business.

Interrogating the true effectiveness of your operations and what it actually takes to make money and exceed stakeholders' expectations will help deal with current economic challenges and reframe your organisation for future growth.

So, take courageous steps – make sure your focus is firmly on getting IT running the best it can, delivering the most it can – and, for each decision you take to steer through these tougher times, make sure you Cut to the Chase and do what really counts.

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Editors

Cut to the Chase

All Service Level Agreements are Not Created Equal – Nor Should they Be Frugal Firms are Revisiting their Approach to Service Level Management

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Faced with the challenge of squeezing the most out of shrinking IT budgets, IT decision-makers are taking a long, hard look at how and where they allocate funding for network support. The challenge for IT is that its role in the business is often vital. It may be viewed as “the plumbing” – but without it, many businesses would grind to a halt.

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Now more than ever, networks no longer merely support the business – networks drive the business. If your network is down, so is your business. Seemingly small slip-ups can bring a system down, and in today’s competitive marketplace, outages can be extraordinarily expensive in terms of business productivity and damaged client confidence.



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Précis recently spoke with Tiger Wessels, Chairman of the global logistics and freight organisation UTI to hear his perspective on what tactics he advised for 'Cutting to the Chase' in today's business environment. His recommendation was clear: above all, remain brave and courageous in pursuing your vision.

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Today more than ever, IT budgets are coming under the spotlight and IT executives face growing pressures to justify every dollar spent. However, while IT departments and decision makers may well express concerns about the mounting pressure to do more with less, and bemoan the impact that network performance problems have on employee and business productivity, their approach to managing or resolving these issues is not what it could be.

Guard Against Compliance Complacency

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In the midst of a downturn, it is natural for companies to change their priorities and shift more resources to focus on the crisis at hand. Battle-worn executives may be tempted to move the spotlight away from laws, regulations and other complex administrative obstacles. But beware - taking your eye off the compliance ball is something you do at your peril.

Case Study

Moving from Network-Centric to Customer-Centric Assurance

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The competitive nature of the financial services industry today and the changing landscape of customer expectations and their approach to investing in financial products, puts an onus on providers to consider how well they are dealing with new and existing customers' business transactions. This case study outlines how Dimension Data recently assisted a large Southern African Financial Service institution to apply technology to manage and improve its operations and mitigate the risk of downtime-related financial loss.

Research Notes

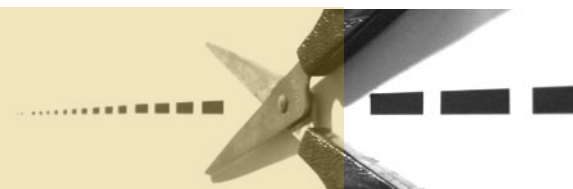
What's New in the World of Technology Research

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Recent studies reveal:

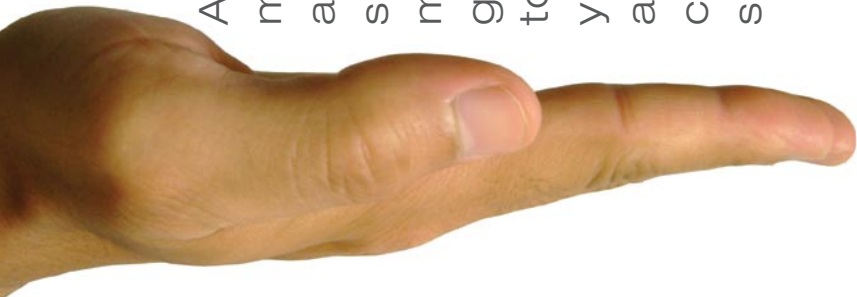
- Over half of IT users connect to a network that is not their company's on a daily basis
- Large organisations are more likely to suffer from misaligned SLAs

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All Service Level Agreements are Not Created Equal – Nor Should they Be

Frugal Firms are Revisiting their Approach to Service Level Management



Adopting a more analytical approach to service level management can go a long way to making sure you are applying adequate yet cost-efficient service levels

Faced with the challenge of squeezing the most out of shrinking IT budgets, IT decision-makers are taking a long, hard look at how and where they allocate funding for network support. The challenge for IT is that its role in the business is often vital. It may be viewed as “the plumbing” – but without it, many businesses would grind to a halt.

The risk is that making hasty cuts in the short term can result in irreparable damage to the business in the medium and long term. It’s a critical balance to manage. Now more than ever it’s essential to keep existing clients and at least maintain current business, if not grow it, while working to bring new clients to the business. Is it really possible to reduce operating expenditure while maintaining service levels and not put the operating ability of the enterprise on the line?

Adopting a more analytical approach to service level management can go a long way to making sure you are applying adequate yet cost-efficient service levels. When it comes to service level agreements (SLAs), one size doesn’t fit all - the key to making sure you are not over- or under-insuring your assets is scrutinising the business-criticality of the different services. Let’s take a look at how this would work in practice:

Step One: Identify and prioritise business goals and objectives

In order to make informed decisions on where to channel your investment in network support, you’ll need to undertake

Once the criticality and recovery time objective for each service has been identified, this information can be used as a basis for establishing the required levels of availability and reliability for each discrete service

a thorough evaluation all your organisation's ICT services, establish how critical they are to the achievement of your business objectives, and ascertain the business impact of the failure of each of these services. Ideally this should be undertaken in collaboration with your business unit stakeholders. In addition, consider spending time with different groups of IT users and gaining an understanding of how they perceive the various services and what is important for business success or failure.

Once the criticality and recovery time objective for each service (that is, the maximum length of time the company can afford to be without the service) has been identified, this information can be used as a basis for establishing the required levels of availability and reliability for each discrete service. Most organisations will not and should not attempt to manage every conceivable service at 'five-nine' level. Besides being far too expensive, it would simply not add value to the business.

Bear in mind that it is quite likely that service levels may differ from location to location and between different business units. For example, certain services, such as e-mail, Internet access, VoIP and common business applications such as

Microsoft Office, are used by everyone, everywhere. At the same time, business units will have vastly different needs in areas such as database constructs, specialised industry applications and tools.

Step Two: Rank each service according to its business criticality

The next step in the process is to sort the various services into categories or 'tiers'. Tier One services would typically require continuous availability and apply to mission-critical applications or services where any loss of service would result in severe financial loss. At the other end of the scale, Tier Five services would include less business-critical applications or services for which a loss of service spanning more than ten working days might result in client concern. There may be as many tiers as deemed appropriate, with the requirements for each tier adapted to the organisation's particular needs. Naturally, Tier One services will require more funding than Tier Four or Tier Five services – after all, resilience costs money and capacity on demand, storage-on-demand and disaster recovery arrangements would need to be built into the system design in these areas.

Performance issues in Tier Five areas, which may include database applications for instance, while always irritating to end users, do not require the same zero tolerance of service-quality problems, so a lower SLA threshold can be specified, and the associated cost would be much lower.

Step Three: Engage with your service provider

Having a clear understanding of your organisation's service requirements across your entire IT estate is critical to making informed decisions around where and how to channel your investment in network support – but it's equally important that your service provider is on board. A collaborative approach between client and service provider can go a long way to developing support contracts that 'hit the mark'.

The results of a recent Dimension Data survey revealed that a significant percentage of organisations (26%) report that they work closely with their service providers to determine SLA metrics. This is an encouraging statistic, especially given the move to engagements that are flexible enough to meet the organisation's unique business needs and service level requirements.

The recent economic downturn has sent enterprises around the globe into cost-cutting mode and many CIOs are scrambling to find ways to do more with less

A word of caution to service providers: given the growing interest in variable SLAs, providers need to be flexible and not impose a 'one size fits all' approach on their clients. Take into account that in the current economic climate, organisations are going to be on the lookout for partners that have a comprehensive suite of service level offerings and that allow them to pick and choose between different service levels according to their specific business requirements – and budgets. More and more, clients will be asking questions such as: "For less business-critical services, can you offer me a 8x5x next business day SLA, but perhaps also allow me to opt into a 24x7x365 restore SLA for another area of my infrastructure where I can't afford to have breaks in service? Do I have the option of engineer on-site versus an engineer to site? If it's a business-critical service, can I opt into having a dedicated service delivery manager?" and so on.

The recent economic downturn has sent enterprises around the globe into cost-cutting mode and many CIOs are scrambling to find ways to do more with less. The good news is that for most organisations, real possibilities exist for reducing network support costs without compromising service levels through the undertaking of a thorough and detailed review of the organisation's existing service level management strategy. The level of success will depend on your capability to link the business objectives to underlying IT performance and to identify the critical success factors of the underlying IT infrastructure. At the same time, close and ongoing consultation with business unit stakeholders will pave the way for the creation of SLAs that are sufficiently business-aligned to create meaningful and effective parameters for service delivery. Last but not least, remember that engaging collaboratively with service providers in strategic, outcomes-based conversations and collaborating to distil the most important service elements can go a long way to crafting the optimum suite of SLAs that match both your business requirements and your budget.



TelePresence – A Reality in the Business World

Movie characters like Superman, Captain Kirk and Luke Skywalker all had one thing in common. They had the ability to travel the world, or sometimes the galaxy, in real-time – appearing in several different locations in one day. The idea that today's information workers could have the same capabilities almost seems too good to be true.

As the costs of transportation, both environmental and commercial, rise, broader use of remote visual communications becomes increasingly viable.

Convergence, the ability to run voice, video and data on the same network, is enabling the new dawn of meeting and collaboration tools. The concept of TelePresence was recently introduced to the market, promising the ultimate communication experience where all participants in a teleconference appear life-like and full size.

Neil Louw, Dimension Data's CTO in Europe says, "TelePresence is a collaboration tool used in conjunction with audio and web conferencing, messaging, mobility and IP telephony. TelePresence is a new form of digital communications that rivals the effectiveness of in-person meetings."

The concept of TelePresence is simple. A solution typically comprises of large high-definition screens that transmit the information workers at the table in their respective locations, to each other in actual size. The technology and equipment provide superior audio and visual quality. There are no fade-outs in speech, no lost words, no judder or staccato body movements. Just pure, rich, seamless surround sound, perfectly synchronised with fluid, natural flowing body motion – all in real-time.

Louw says that video conferencing solutions are today commonly used in the business world to enable meetings across geographical boundaries. "Most information workers will tell you that traditional video conferencing systems do not provide a substitute for in-person meetings. These systems are often difficult to set up, and often do not

have the capability to replicate in-person meetings. With a TelePresence solution, the participants benefit from a face-to-face interaction as you would expect at a 'real' meeting."

"TelePresence is not just another video conferencing facility. It's all about the experience. It is exactly as if you were sitting right there in front of your colleagues and could reach out and shake their hand. That's how real TelePresence is," he says

The "being there" experience

The advantages of using a TelePresence solution are that it reduces travel costs as well as travel associated down-time. "TelePresence enables ad hoc, face-to-face confidential meetings at a moment's notice. Want to speak to someone in Hong Kong face-to-face unexpectedly? It's easy – go to the TelePresence room, dial one number and the whole experience is initiated," says Louw.

"Using the reach and intelligence of the network, TelePresence completely changes the experience of remote communications. It creates a real sense of sitting face-to-face with a person on the other side of the virtual TelePresence table," says Louw.

Additionally, with traditional video conferencing systems you cannot capture the non-verbal nuances individuals exchange through face-to-face meetings. "It is common knowledge that 60 percent of communication is through non-verbal cues, for example, the raise of an eyebrow or a slump of the shoulders. With traditional video conferencing equipment it is just not possible to transmit those cues effectively. TelePresence enables you to reserve those important nuances," says Louw.

Adopting TelePresence into your organisation

Organisations that are considering a TelePresence solution need to consider what expertise and skills will be needed to design, deploy and manage the solution. First of all you need to determine your organisation's readiness in terms of network and bandwidth requirements. Also, do you have the necessary processes in place to leverage all your collaboration tools?

Louw concludes that organisations that haven't adopted TelePresence, will need to start considering the benefits of

Organisations that haven't adopted TelePresence, will need to start considering the benefits of this collaboration tool

this collaboration tool. "Although TelePresence is relatively new to the market, in a couple of years it will become a common business tool, almost in the same way IP telephony and other collaboration tools have been adopted by businesses. Organisations that do not adopt TelePresence will face a distinct competitive disadvantage."

For any organisation considering a TelePresence deployment, here are a number of best-practice recommendations:

Establish business requirements

Obtain a broad-spectrum understanding of the business requirements of TelePresence to establish parameters such as locations, type or users, type of meetings, number of users in each location, number of locations in each meeting and so forth. This will provide the framework for network, end-point type, infrastructure requirements, scheduling and ongoing management and maintenance methodologies.

Appoint the necessary staff

We recommend three key positions: an overall project manager, a technical lead and a facilities manager, who handles the system from a client perspective. This includes

managing bookings and enquiries, compiling usage statistics and so on. You'll find that having a single point of contact greatly simplifies management and improves the user experience.

Room selection

It is important to select a room that is suited for TelePresence. Each TelePresence end-point has its own set of requirements, from boardroom-style units all the way down to the executive personal systems. Considerations include ambient noise levels, HVAC (heating, ventilating, and air conditioning) location, power, room acoustics, lighting and wall, ceiling and floor materials.

Maintaining a consistent theme across all TelePresence rooms will provide you with a true "in person virtual meeting room" experience. This includes wall colours, room adornments and lighting.

Audit your network

Once you have the proposed locations for each end-point, the next step is to audit (and if necessary, upgrade) the network path that will connect them. Parameters to audit include end-to-end packet loss, jitter and latency.

TelePresence's key driver is the user experience, so you need to know if it's meeting expectations. Make sure you have a mechanism in place to receive and review feedback

Prepare your infrastructure

When deploying TelePresence a phased approach is advisable. The first phase should encompass any activities that are hard to forecast in terms of time, such as room and network preparation. Some locations will need to be upgraded for carrier and/or equipment requirements, and the lead times for these will vary. Some building works also require council and regulatory approvals – and room remediation procedures (lighting fixtures, air conditioners, etc) may have lengthy lead times.

Optimise, then deploy

Once the carriage, network infrastructure and rooms are in place, we recommend you optimise your end-to-end network configurations for TelePresence. Network path assessments between proposed end-points can help in ratifying network readiness for TelePresence. Once this is done you are ready to install each TelePresence end-point. Ensure a sound acceptance testing document is drawn up to test network performance during TelePresence sessions, ensuring correct end-point operation and overall system functionality.

Have a well thought-out communications plan

Once it is all in place, you want your stakeholders to understand the new technology and how it works, how best to use the system and what the process is for accessing it. A 'user guidelines' communication can be especially helpful in this regard.

Feedback is vital!

TelePresence's key driver is the user experience, so you need to know if it's meeting expectations. Make sure you have a mechanism in place to receive and review feedback.

Measure your results

On the business side, you need to demonstrate the cost savings and rapid ROI that TelePresence can achieve. Put mechanisms in place to measure the benefits in terms of productivity gains, process efficiency and travel costs (at Dimension Data, our system saved us nearly US\$24,000 in travel costs in just its first five weeks of operation).



Minor Errors... Major Consequences

Raise Your Defences Against Network Downtime

Now more than ever, networks no longer merely support the business – networks drive the business. If your network is down, so is your business. Seemingly small slip-ups can bring a system down, and in today's competitive marketplace, outages can be extraordinarily expensive in terms of business productivity and damaged client confidence.

Downtime equates to wasted productivity, lost sales, user frustration and more, none of which you can afford during lean times. With service continuity at risk, you need ways to improve response times to network problems and, importantly, you need to put measures in place that ensure that you are covered when the unforeseen happens. So what are your options?

First, let's take a look at some threats to network uptime that are often overlooked:

Gaps in coverage

It is not uncommon for there to be a discrepancy of up to as much as 20% between what devices an organisation believes are covered by its maintenance contract, and those that actually are – even in relatively sophisticated environments. For example:

- **Devices not in use:** Many organisations are paying maintenance fees on devices not presently in service.

The devices in question may have been retired, failed or been swapped... but the device was never moved off maintenance asset list.

- **Devices not covered:** It is equally common for companies to overlook support on some devices that are actually in service – these typically include replacement devices, user-installed devices or infrastructure that has been moved between sites and has 'fallen off the radar'.
- **Devices missing in action:** Divestiture of assets, consolidation due to economic downturn, green initiatives that involve moving devices around to improve power and cooling – any of these can result in a gap in coverage.

Coverage gaps such as these mean wasted maintenance spend, uninsured equipment and an increased possibility of downtime – all of which can seriously erode the value of your IT estate and expose your organisation to unnecessary risk.

Configuration drift

The average IT team often simply doesn't have time or resources to scrutinise each and every element of complex infrastructures individually, on a regular basis. Over time, systems end up being deployed into the infrastructure that aren't fully configured to a defined standard. This results in "configuration drift", i.e configuration settings that, without your knowledge, have changed over time until they're far from what they're supposed to be. Configuration drift negatively impacts an enterprise's operational performance and availability, security, and, eventually state of compliance to internal and external standards. When this happens, the threat of unplanned downtime looms large. To mitigate the risks associated with misconfiguration, you need to make sure that you have the resources in place to keep up with the pace of change within your organisation – or alternatively engage with a service provider with the requisite skills and experience to manage this function on your behalf.

Security attacks

Security breaches represent a more sinister, yet equally common kind of threat to network uptime. This enemy has many face: hackers, script kiddies, organised crime, espionage, spammers, phishers, viruses and worms. Criminal organisations that dedicate time, money and resources to defrauding corporate networks are rife, and are predicted to proliferate.

The impact of a suspected or actual security breach on your network can be grave – it is estimated that network downtime resulting from security attacks is costing large organisations more than two percent of their annual revenues – a sobering

When it comes to business-critical IT services, you can't afford breaks in service and when unplanned events occur, it's a race against time to get your systems up and running.

thought. Unscheduled downtime caused by security breaches can bring the wheels of your business to a grinding halt, not to mention the implications of damage to your reputation. To keep these threats at bay you need to make sure your products are kept up to date, and that they are fully aligned to configuration, security and patch management best practices. Best practice configuration ensures maximum security and consistency, as well as regulatory compliance. However, bear in mind that becoming compliant is only half the task – staying compliant is the real challenge. Your organisation needs to put measures in place to ensure your infrastructures are maintained at recommended levels on an ongoing basis.

Proactive steps for maximising network uptime

The good news is that the effects of service interruptions flowing from errors and unexpected events can be mitigated, and in some cases, downtime can be completely avoided. Maintenance contracts provide predictability (in terms of cost, time and resources) to care for these events when they happen. While network maintenance has typically been viewed as a 'grudge purchase', its value should not be underestimated, as it provides protection against unpredictable mishaps that you know are bound to happen, at some stage. Engaging with a service provider with the relevant expertise and suite of services can go a long way to helping you to manage your IT support costs, increase your network availability, reduce the likelihood of failures and facilitate the evolution of your infrastructure to the support the evolution of your business.

Consider incorporating the following elements into your maintenance contract to minimise the risk of downtime:

A customised service level agreement (SLA)

When it comes to business-critical IT services, you can't afford breaks in service and when unplanned events occur, it's a race against time to get your systems up and running. Today, many organisations are opting to work with providers that offer service level agreement (SLA) flexibility and the option to choose service replacement, reconfiguration or restoration timeframes appropriate to their needs and the criticality of the IT service in question. Bear in mind that while a 'replace' SLA may have a slightly lower price tag than a 'restore' SLA, swapping out a failed part will not

necessarily cost you less than having a device restored to its original working order by your provider. There are a number of hidden costs involved, including skilled resources to restore configuration as well as clerical labour to update asset logs. If you opt into a maintenance contract that does not cover unplanned expenses, you'll end up adopting a "pay as you go" model to restore your network. In the long run, this may end up being more expensive.

Network assessments

As mentioned earlier, safeguarding your organisation against security threats and related downtime requires that you maintain your infrastructure at recommended levels and deploy security best practice features. However, you may not have a clear picture of what assets you currently have and where these are located. If this is the case, consider commissioning an external provider to undertake a once-off assessment of your IT estate in order to identify all the equipment in your existing infrastructure and create the topology map that can be used as the base for future maintenance. Furthermore, if you lack the resources required to investigate, scope, plan and execute upgrades and feature configuration and deployment, it may be worth investing in a Secure Network Infrastructure Assessment. This service can help you understand what you have and what is putting you at risk. By discovering, cataloguing and providing remediation recommendations for your hardware and software, Secure Network Infrastructure Assessments help you to keep your products up to date and assist you to align your estate to configuration, security and patch management best practices.

Value-adding service elements

Regrettably, too many organisations still labour under the misapprehension that saving money on maintenance means getting the lowest price for their support contract. Be careful not to over simplify this issue – the true cost to maintain your IT environment is not one dimensional. Fortunately, today a number service providers offer various 'opt-in' service elements that can go a long way to help you to reduce downtime and related business issues. For instance, many give you the option of tailor-made reports such as end-of-life and end-of-service reports as well as analysis and identification of trends and the causes of incidents, other than technical network issues. On-line services is another popular

value-add: this service enables your provider's engineers to quickly and accurately diagnose and resolve incidents, with less involvement from your staff and provides you with real-time information about the status of your network. You can also consider investing in a security signature update service. Here, you empower your provider to activate and configure the security functionality of your assets to protect your network from viruses and other malicious intrusions. Today, many providers' security signature update service licenses access to security updates on your behalf, so that it continually and automatically downloads the latest updates – without you needing to get involved. Certain providers also give you the option of having access to a real-time online service portal, through which you can raise and track service requests, view automated reports, review your configuration and additional access service information such as release notifications. Having real-time visibility of your entire IT estate and access to the right information equips you to manage expectations. Finally, consider opting into service elements such as contract management, which includes configuration item tracking to avoid configuration drifts and moves, adds changes and deletes (MACDs) to facilitate the integration and evolution of your network.

In the current economic climate, it's essential to keep existing customers satisfied. As a result, it's now more critical than ever to take proactive steps to protect your organisation – and its profitability – from the scourge of network downtime. In this context, undertaking a thorough review of your existing maintenance contracts to ensure that you are adequately covered when the unforeseen happens, makes a great deal of business sense.

It's now
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Courage: Now More Important Than Ever

Précis recently spoke with Tiger Wessels, Chairman of the global logistics and freight organisation UTI, to hear his perspective on what tactics he advised for 'Cutting to the Chase' in today's business environment. His recommendation was clear: above all, remain brave and courageous in pursuing your vision.



When economic conditions take a dip, it's not unusual for executives to panic too quickly, which sends a sense of fear and dread rippling through the organisation

Could you tell us more about UTI today? Where does it operate? What are its main product / service lines? What kind of organisations are its customers?

UTI is an integrated supply chain provider. It performs a range of activities in the supply chain space, ranging from the initial analysis and design of efficient supply chains to the implementation and delivery of supply chain services on a global basis. In a nutshell, our role is to provide ongoing competitive advantage to our clients' supply chains.

Listed on NASDAQ, UTI now operates in about 400 cities across 63 countries. The company employs approximately 21,000 employees and generates revenues of about US\$5 billion. Due to our global footprint, multinational companies (MNCs) comprise a significant portion of our client base.

Tell us a little more about your role in UTI. Where and when did you start? How long have you been with the company? What is your involvement now?

I was one of the founders of the company, 32 years ago. I recently retired from an executive role, although I remain non-executive chairperson.

In times when economic conditions are tough, how do you think organisations will 'Cut to the Chase'?

When economic conditions take a dip, it's not unusual for executives to panic too quickly, which sends a sense of fear

and dread rippling through the organisation. This in turn negatively impacts productivity and morale. I believe one of the hallmarks of a good executive is consistency. He or she should paint the vision continuously and communicate it confidently, both internally and externally. I personally am not one for radical transformations or ‘kicking the organisation in the ribs’ overnight – I believe it is far better to take a more subtle but ongoing approach to change. Even when times are difficult, you can make quite a number of changes on the periphery which can have a significant impact on the bottom line, without people even noticing that they have been made. It is also extremely important that the CEO and the CIO are on the same wavelength. IT is no different from any other area of the business and when conditions are tough, it is not necessary to completely annihilate the IT department. For example, it is possible to realise cost savings just by natural attrition, thus allowing peripheral resources to move gradually out of the business.

Given the current tough economic conditions, do you expect to see a slew of new outsourcing and offshoring deals?

It is likely that organisations may give greater consideration to offshoring and outsourcing as an avenue to cut costs. However, I suspect many businesses will still fail to realise the anticipated benefits of taking this route and these days even offshoring is becoming pretty expensive. In addition, often the level of disruption that outsourcing creates within an organisation is underestimated – managing this very carefully is crucial. IT decision-makers also need to think carefully about what parts of their IT infrastructure to outsource and what to keep in-house and the definitions around these issues need to be very clearly made. They should be mindful that it is critical to keep a certain amount of key intellectual property in-house, as their organisation’s ‘point of difference’. Don’t throw this out in the process.

What leadership skills and competencies will be critical to successfully weather the storm?

I don’t necessarily believe that effective CIOs need to have spent all their lives in IT, provided that they have a broad business sense and a competent technical support team – understanding where you want to go is much more important. Also, I believe the more senior one is in an organisation, the

more important it becomes to understand the ‘people factor’ and have well-developed change management and team-building skills. For this reason, individuals with Humanities backgrounds often make highly effective leaders.

How would you interpret the directive to ‘Cut to the Chase’ in your business?

First and foremost, leaders need to be aware that they need to maintain agility and growth in tough times. My view is that the most prudent approach is to be conservative, focus on your top priorities, keep your eyes and ears open and ease your foot gently off the pedal where appropriate, when times are tough. Don’t slam on the brakes. Also, be aware that unfavourable economic times don’t necessarily mean it’s going to be impossible to generate new business. Don’t automatically shelve every project that’s on the go – it makes more sense to be courageous and stay the course. During lean times it’s more important than ever to focus on revenue-generating activities. Also, rigorously avoid the mistake of cutting out areas that are core to your ability to generate sustainable business in the future. Often when CEOs are given a mandate to reduce costs, they end up cutting out the very things that make the company sustainable. Whatever you do, be sure you are not throwing away your core skill sets, talent and heritage!

Leaders need to be aware that they need to maintain agility and growth in tough times

Optimising the Network to Support Business

New Research Shows IT Departments are “All Talk and No Action”



Today more than ever, IT budgets are coming under the spotlight and IT executives face growing pressures to justify every dollar spent. However, while IT departments and decision makers may well express concerns about the mounting pressure to do more with less, and bemoan the impact that network performance problems have on employee and business productivity, their approach to managing or resolving these issues is not what it could be.

With many business operations depending on their network to deliver the communication services and process enablement they need to keep running, you'd expect the management and measurement of network performance to be fairly rigorous. Moreover, you'd assume that the tracking of ROI on network investment would, as matter of course, include the actual performance the network delivers. However, recent research* findings reveal that a shocking

23% of IT departments don't take network performance into account when calculating return on investment (ROI); in fact, 23% don't calculate ROI on network investments at all and thus can have no clear understanding of the monetary impact that network performance can have. This is startling and cause for concern, especially now, when economic conditions dictate that CIOs be able to demonstrate tangible business benefit for their organisations' technology spend.

“Without the ability to look at ROI, a company leaves itself open to losses and costs that cannot be quantified,” said Gary Middleton, business development manager for Network Integration at Dimension Data. “What’s more, the ROI business case for network performance-improving technology is both compelling and easy to prove – with a typical payback period as low as seven months.”

The research indicated other worrisome trends: While a staggering 30% of end-users report frequent computer crashes and slow running software, only around 30% of IT departments have complete, defined processes for handling network performance issues. And the warning signs don’t stop there: less than 40% of IT departments have the full capability to monitor network performance, and even less show evidence of a granular view of network traffic – a critical factor in effective performance management.

Despite the fact that new business initiatives can (and in most cases do) impact network performance if implemented without prior network consideration, the research showed that network implications are not always considered by IT decision-makers.

“Even in scenarios which involve the total integration of IT networks, systems and procedures such as mergers and acquisitions – fewer than half the IT decision-makers said they would consider network implications. In this example particularly, a lack of visibility could result in either unnecessary over-investment, or conversely too little investment, and in turn unwelcome costs and performance implications,” explains Middleton.

Half of IT decision-makers surveyed believe their networks are prepared for future increases in network traffic and changing traffic patterns. As strategic projects such as data consolidation and virtualisation gain more favour, and bandwidth intensive technologies continue to be voraciously adopted into the work place, not having a firm handle on performance management could be hazardous and extremely costly. Given that 1 in 5 respondents polled did not see network spend as an essential expense, it is nothing short of surprising that so many are confident that their network is future-proofed. One is left wondering what call to action these IT departments are actually waiting for...

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*The Network Performance Frustration research was conducted to investigate the challenges that poor network performance presents to organisations, their employees and their IT departments. The research was commissioned by Dimension Data, sponsored by Blue Coat Systems and conducted by Datamonitor.

The full research report is available for download from www.dimensiondata.com/speedoflife.

Guard Against Compliance Complacency

Don't Allow Organisational Challenges to Derail your Compliance Plan

In the midst of a downturn, it is natural for companies to change their emphasis and shift more of their resources to focus on the crisis at hand. Battle-worn executives may be tempted to place less focus on laws, regulations and the intricate and complex administrative necessities of compliance. But beware – taking your eye off the compliance ball is something you do at your peril.

Over the last decade, the world has become a more regulated and legislated – and punitive – place than ever before. Governments exercise ever-greater control over many aspects of commerce, production and corporate life, leaving organisations increasingly tightly defined space to manoeuvre. Navigating a business environment that seems to be booby-trapped with laws, regulations and administrative obstacles has become a fact of life for the typical executive. Across the board, in companies of all sizes and competing in all industry sectors, we have seen regulatory compliance become an issue that organisations face each day.

While regulatory demands may at times seem unduly onerous, the fact remains that good governance translates into good business and, now more than ever, focusing on sound business principles is an imperative.

Compliance lapses can threaten the existence of your organisation. If you fail to comply with important laws and regulations you open yourself up to the risk of significant damage to your reputation – the kind of damage that can take years to repair and that diverts management time and attention away from the business of running the organisation. Compliance problems can also drain management time and resources in a number of other ways: compliance failures can lead to lawsuits, civil penalties, and restitution settlements for clients damaged by unfair practices. Share prices may suffer, and senior executives may choose to leave rather than stay at an institution with a damaged reputation. And of course, customers can take flight.

All the abovementioned consequences are bad enough during good economic times, but it's far worse in times of stress, when management is likely to have its hands full dealing with market uncertainty and volatility along with their associated commercial realities. When an organisation is trying to maintain its profitability, the last thing it needs is to be tagged with charges of unfair or deceptive practices.

So what does this mean for your technology infrastructure? Consider the following suggestions for ensuring your organisation's compliance posture is not compromised:

1. Wherever possible, leverage best practice standards. For organisations that aren't required to comply with any particular regulation or standard applicable to their organisation type or industry, it's best practice when establishing a standard to follow, to adopt an existing standard. This will reap huge benefits and prepare you for any compliance regulations that may come in the future. One of the major benefits of leveraging best practice standards is increased availability,

as a non-standard configuration on networking devices increases the likelihood of downtime if such configurations are suboptimal. Configurations have the tendency to “drift” throughout the course of normal maintenance. Regular auditing against defined standards minimises this risk and defends the network against the catastrophic effects of configuration errors, which are well chronicled.

Categories of Compliance

The three broad categories of compliance are: specific compliance, general compliance, and voluntary compliance.

- **Specific compliance** applies when an organisation is required to comply with the specific recommendations of a certain standard as a prerequisite to being able to do something else. The best example of this is the Payment Card Industry’s (PCI) Data Security Standard (DSS). This standard gives instructions on exactly how infrastructure is to be configured, managed, and secured. Compliance to the PCI DSS standard is required for most institutions worldwide involved in any kind of credit card transaction.
- **General compliance** relates to situations where an organisation is required to adhere to certain laws or guidelines and are typically reactions to recent abuses of public trust. These laws or regulations, such as Gramm-Leach-Bliley (GLB), Sarbanes-Oxley (SoX) and Basel II, are laws written by politicians and therefore lack the specificity of a compliance specification.
- **Voluntary compliance (best practice)**
Organisations that are relatively mature from an IT standpoint usually have a desire to ensure the security and availability of their IT infrastructure through security and general configuration best practice. In such cases the organisation will typically document its configuration standards using an existing best practice standards set as a basis – the PCI DSS standard is an example of one of these.

2. Establish a general security policy. This should address all facets of security and is essential as it drives direction at a fundamental level. Make sure compliance requirements are met with security in mind – and that security projects are run with compliance in mind. Remember that one does not automatically lead to the other.
3. Define and document roles within the organisation to ensure separation of duties. This allows the organisation to know who should have access to what.
4. Create and document device configuration standards. The configuration standards for each of your network devices should be documented and made available to everyone who maintains, manages, and makes changes to your networking environment.
5. Establish a clear and documented change management process in order to ensure that changes made to the environment are reviewed and executed by qualified personnel and that new situations initiate a review process that is added to your base configuration standards.
6. Define a regular internal auditing process to ensure you stay on track. During the course of routine maintenance it is easy for configurations to drift from documented standards. An auditing process will help to ensure detection when this occurs.
7. Don’t start from scratch. Save yourself the time and effort by leveraging work done and best practice developed around all of these steps. Studying ISO 27002 and ITIL (IT Infrastructure Library) or even searching the Internet will provide you with a head start that will save much time and effort while helping you to produce a quality result.

Don’t allow organisational and financial challenges to derail your compliance plan. Your organisation’s flexibility and ability to pull together as a team to address challenges as they arise – without compromising other core responsibilities – are critical. IT decision-makers will need to work hard on an ongoing basis to make this balancing of priorities work the way it should.

Case Study

Moving from Network-Centric to Customer-Centric Assurance

The competitive nature of the financial services industry today and the changing landscape of customer expectations and their approach to investing in financial products, puts an onus on providers to consider how well they are dealing with new and existing customers' business transactions.

In addition, due to the increasing reliance on IT by business and IT-driven customer self-service in this sector, customers are directly impacted by IT failure. This case study outlines how Dimension Data recently assisted a large Southern African Financial Services institution to apply technology to manage and improve its operations and mitigate the risk of downtime-related financial loss.

Client background

Our client is one of the largest full-service Southern African banks and operates in a range of banking and related financial services. It has a wide representation which spans 18 African countries and 20 countries outside of Africa with an emerging markets focus. The bank has 694 branches in South Africa and 323 in the rest of Africa.

Business challenge

Given the increased dependency of its business on IT systems, the bank wished to investigate ways to improve its IT service management and mitigate the risk of financial loss due to system downtime. Specifically, it needed to find a way to obtain real-time visibility of its IT service-bearing infrastructure in order to manage availability and

Quick Overview

- **Industry:** Financial Services.
- **Country:** South Africa.
- **Challenge:** The bank was looking for ways to improve levels of IT service management and mitigate the risk of financial loss due to system downtime while reducing the number and cost of management systems.
- **Solution:** Dimension Data's Operations Management software and services enabled the bank to gain end-to-end visibility and control of IT service delivery across its entire IT estate. This in turn allowed the bank to ensure the efficient delivery, availability, performance, and compliance of critical IT services, while leveraging its existing investments in management systems. By adopting a single management platform, the bank was able to reduce the on-going operational cost of maintaining systems.
- **Results:** The bank now enjoys real-time visibility of all IT service-bearing infrastructure, which in turn provides assurance of the optimal usage, availability and performance of all ICT infrastructure that supports its business services.

performance. The focus was on the impact of business service on the IT systems. At the same time, there was the requirement to provide the capacity to support the current and growing business needs.

“In the Financial Services sector, the ramifications of system downtime are most often directly customer and hence income affecting. However, obtaining real-time visibility of the status of one’s entire IT estate is problematic, as the effort of manually mapping applications, relationships, usage and dependencies is onerous. What’s more, because IT environments are by nature highly dynamic, the outcome is almost immediately dated. Faced with these challenges, the bank approached Dimension Data for assistance in identifying an automated solution that could provide guarantees of quality levels of IT service and business continuity at a reasonable return on investment and total cost of ownership,” explains Paul Diepenbroek, who is responsible for Operations Management at Dimension Data in the Western Cape .

Our solution

After reviewing the bank’s technology challenges with its senior management team, Dimension Data recommended that the bank adopt a customer-centric IT service management approach, in other words, adjust the focus away from monitoring the IT infrastructure elements only, towards monitoring and managing the impacts of system failure from a service perspective.

“Essentially, we created platform to enable the monitoring and management of the bank’s business service bearing IT infrastructure and ensure the optimal usage, availability and performance of this infrastructure. The system touches business critical components of the IT infrastructure architecture. It keeps its finger continuously on the pulse of the customer services, identifies the service impact, correlates this with the corresponding IT infrastructure problem and from there allows the appropriate management action to take place.” explains Diepenbroek.

In addition to providing a real-time dashboard of the status of the bank’s infrastructure, the system enables the bank to manage line-of-business service (application) availability. With associated systems, it can also conduct trend analysis and historical reporting on the performance of all business service-bearing infrastructure, thereby pre-empting problems before they are customer impacting.

Value added

Having a holistic, real-time view of the status of all its service-bearing infrastructure has slashed the time it takes for the bank to isolate and resolve problems. This in turn greatly reduces the risk of potential revenue loss due to the unavailability (downtime) of the infrastructure supporting critical business applications.

Thanks to the new platform, the bank’s IT team is more aware of business impact of its services and better equipped to anticipate business impacting problems and optimally manage corrective action according to business priorities. As a result, the bank’s IT operations are better aligned with the business’s objectives than ever before.

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Research Notes

LARGE ORGANISATIONS CAN SUFFER FROM MISALIGNED SLAs

Recent research commissioned by Dimension Data revealed some interesting differences in organisations' approach to SLAs, depending to their size. The research, which involved interviews with 370 CIOs from 14 countries across five continents surveyed CIOs' sentiment regarding two principal elements of a SLA:

- SLA metrics (e.g. service availability, service incident response time, service incident resolution time);
- SLA coverage (e.g. percentage of normal working hours, time elapsed).

Enterprises with fewer than 10,000 employees seem to be satisfied with their SLAs. The survey indicates that SLAs

are built along the relevant metrics and the SLA coverage corresponds well to business needs. However, larger organisations, particularly those with more than 10,000 employees, report some issues with SLA definition and coverage. Organisations with more than 10,000 employees are more likely to have misaligned SLAs since they are:

- More likely to have SLAs defined around the wrong parameter (i.e. SLA defined on service incident response time whereas service incident resolution time may be more apposite);
- More likely to have too comprehensive SLA coverage (i.e. SLA guarantees service availability 99.999% of the normal working hours whereas 99.95% would suffice).

For more results from this study, go to www.dimensiondata.com/howdoyoumanage

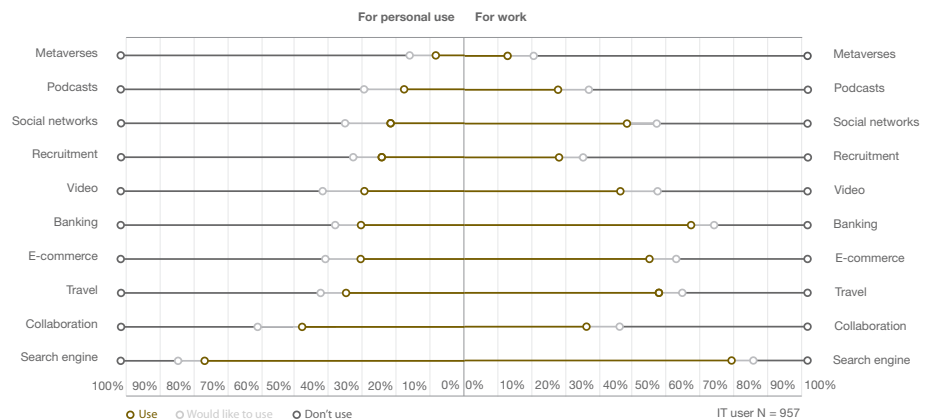
RECENT RESEARCH LIFTS THE LID ON USAGE AND BEHAVIOUR PATTERNS OF TODAY'S IT USER

The results of a recent Dimension Data survey revealed some interesting statistics relating to usage and behaviour patterns of today's typical IT user, what technologies they are using, and how and where they are accessing them.

Leading industry analysts suggest that more than 50% of network traffic is not business related, and that most enterprises have very little visibility of this. The results of Dimension Data's recent Network Frustration Research Report certainly give credence to this statistic. Of the nearly 1,000 IT users asked how often they connected to a network that is not their company's, over 50% of respondents answered that they connect daily.

While 12% of respondents only use IT connections at work, nearly two thirds also use alternative connections outside of work. In order to further investigate what exactly the IT user is accessing whilst at work, they were asked what external Internet resources they used at work, and whether they were for personal or work use. The results revealed that end-users increasingly use Internet resources for both work and personal reasons, as indicated in Figure 1.

Figure 1: End-users increasingly use internet resources for both work and personal reasons



For more information about Dimension Data's Network Frustration Research Report, sponsored by Blue Coat Systems, please see www.dimensiondata.com/speedoflife.

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