



Service Quality and Utilization

“A service is a means of delivering value to a customer by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.” – ITIL V3 Service Strategy

Managing the business of technology requires that you manage more than cost. Well run IT organizations spend as much time driving up the return on capital as they spend managing the total envelope of IT cost. Since IT has a high proportion of fixed costs, it is vital to maximize the utilization of fixed costs and drive down unit costs. In addition, partnering with the business requires that IT be able to measure and communicate the Quality of the IT services they are delivering to their consumers. In both cases, marrying cost, quality of service and utilization data takes IT to the next level of management maturity.

APPTIO SERVICE QUALITY AND UTILIZATION SOLUTION

Apptio's Service Quality and Utilization solution enables IT organizations to measure and track key metrics on quality of service and utilization of their IT services. Calculating and reporting on service levels helps IT communicate to the business units the quality of services delivered. Service level data can also be used to tier pricing of otherwise similar services. Operational metrics around usage and utilization of IT services provides IT insight into capacity needs, helps identify underutilized services that are targets for consolidation, and actual usage data can be used to drive true consumption based chargeback.

QUALITY OF SERVICE

Service quality is typically tracked by an IT organization in the form of service performance metrics measured against service level objectives. Apptio can collect uptime metrics, support response time, and



Manage Cost, Quality of Service and Utilization

user performance characteristics and compare those to SLO's for a true picture of service performance. Common SLO's include metrics such as uptime, average speed to answer support calls, first call resolution percentage, and number of maintenance windows.

The impact of outages or impairments can also be quantified in financial terms to drive investment decisions such as adding servers or re-architecting an application to improve uptime.



DRIVING UP RETURN ON ASSETS AND CAPITAL WITH UTILIZATION DATA

IT tends to have a significant fixed cost structure. Measuring KPI's with regard to asset utilization helps to drive up the return on fixed capital and delay or avert future capital expenditure. Common IT performance metrics that facilitate this are facility utilization, asset utilization, virtual server compression ratios, the percentage of unused storage, and FTE to device ratios as a measure of employee productivity.

ANALYZING QUALITY AND UTILIZATION WITH SERVICE COSTING

Server quality and utilization data can be combined with cost data to improve decision making and drive more accurate allocation of service costs to business unit customers. For example, this enables the identification of application or infrastructure that can be virtualized and the creation of a full business case including the cost ROI of moving to virtualized infrastructure. Marrying cost and utilization data can help IT organizations assess storage efficiency and measure the financial benefits of changing archival policy or leveraging AWS.

INTEGRATED WITH THE BILL OF IT

Service Quality and Utilization can be seamlessly integrated into a Bill of IT to help business units understand the Quality of Service they are receiving from IT. This approach also forms the basis for the joint negotiation of more realistic and cost-effective service level objectives between IT and business units.



Quality of Service Integrated with a Bill of IT

SERVICE QUALITY BENEFITS

- Makes IT more efficient internally
- Drives up return on asset and capital
- Drives down unit costs
- Provides quality of service transparency to business units
- Forms the basis for service negotiation and demand management