

OPTIMIZE

**GOOD IT OUTCOMES DO NOT EQUAL GOOD
BUSINESS OUTCOMES: HOW TO OPTIMIZE
THE BUSINESS OUTCOME OF IT**

EXECUTIVE SUMMARY

Information technology (IT) is a critical part of business operations. Companies have invested billions of dollars in IT infrastructure to run the applications that run the business.

Today, IT executives have greater responsibility and accountability to their organizations than ever before. Corporate executives and boards of directors no longer view IT as a maintenance and support function, but rather as any other business unit responsible for the success of the business. They expect the same level of efficiency, reliability, and economic return from IT as they do from other parts of the organization: credible, predictable, reliable business results.

This shift requires a new focus from managing IT projects to delivering business outcomes. IT executives must be business leaders first, and technology managers second.

Enter Business Technology Optimization (BTO). BTO software helps companies identify and align the “touchpoints” between IT and business functions. Successful optimization of these touchpoints enables a wide variety of business benefits, from allowing companies to anticipate and manage change to helping them reduce costs and risks.

BTO is a new generation of enterprise software that allows technology professionals to automate and integrate the strategic functions within IT that are required to optimize business outcomes.

The depth and breadth of BTO software allows technology executives to better manage a wide range of strategic IT functions that directly impact business results. Effective project and portfolio management, testing new SAP deployments, or reducing the mean time to repair custom J2EE applications are just a few examples. BTO software addresses key functions recognized by IT executives and industry analysts as requirements for automating the new business/technology lifecycle. These include IT governance; project portfolio management; change management; and application quality, performance, and availability.

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THE STRATEGIC SHIFT: FROM MANAGING IT OUTCOMES TO OPTIMIZING BUSINESS OUTCOMES

Traditionally, IT organizations have spent up to 80 percent of their budgets on building applications and managing associated infrastructure. In spite of these costs, most IT departments have had little visibility into the business outcomes these tasks produce.

It's no longer acceptable for technology executives to focus on IT outcomes alone. Why? *Because good IT outcomes don't equal good business outcomes.* Business outcomes are not about more features or fewer bugs. An IT project may be delivered on time and on budget, but the application may deliver little value to the business. The code may be bug-free, but the business process still may not meet the needs of the user. A router may run at "5 nines" of availability, but the user still can't access an application.

Today's enterprises are completely reliant on IT to drive business value. Software applications drive mission-critical business processes. What counts today is how quickly and cost-effectively IT organizations can deliver high-quality applications that produce business results. Forward-looking IT teams are leading this shift.

Technology executives are implementing BTO software to drive the *right* decisions, cut the *right* costs, manage the *right* change, or fund the *right* new initiatives and produce the *right* business outcomes.

OPTIMIZING BUSINESS TECHNOLOGIES

The Point of Optimization

Today, more and more enterprises are realizing that maximizing the business value of technology requires a focus on areas that better manage and complement the software development lifecycle (SDLC). These areas include portfolio and proposal assessment, governance and validation, quality and performance assurance, business service levels, and application change management.

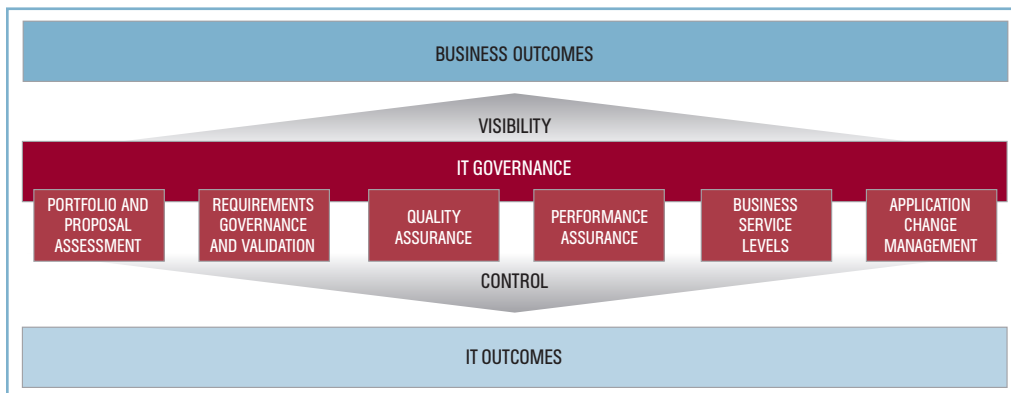
The decisions that need to be made at these mission-critical points are defined by a set of questions technology and business leaders must make together. When answered correctly, these questions help ensure that business and IT are in full alignment with what the enterprise needs and what IT must deliver.

"Are we doing the right things right?"

In order to establish whether or not the right things are being done the right way, IT organizations must be able to clearly identify and prioritize projects and activities that provide the most business value. A clear business case must be established and IT executives must be willing to decide which in-flight projects to keep and which to kill; which existing application to support and which should be retired. New projects must be considered within the context of all others and stack-ranked against those they are already doing. Evaluating whether or not a project is being done right requires IT to provide credible, predictable business results. Once established, trust will be built at the level where IT and business intersect.

"Are we building what the business expects?"

IT executives must ask themselves if the projects they are working on will produce the right business outcomes. In order to do so, an agreement must be established between IT and the business to clearly understand what outcomes are expected. Establishing such an agreement requires IT to provide reliable, cost-effective, repeatable outcomes that are not possible within the constraints of the business.



Maximizing the business value of technology requires a focus on areas that better manage and complement the software development lifecycle (SDLC).

“Will the application work?”

It’s not enough anymore for IT to invest merely in building more applications or functionality. What’s needed now is a commitment to investing in testing, or determining which applications are working, which are performing, and which are functioning at the level the business requires. In order to establish whether or not an application will work, IT teams are employing activities such as system, integration, and user-acceptance testing to ensure the intended outcome of business processes.

“Will the application perform?”

Not only must the automated business processes produce intended business outcomes, but IT must also be concerned with whether or not the application will scale in the intended way. IT must be confident that an application will perform the way the business expects it to under load and stress-testing conditions that reflect real-world conditions.

“Are our business services available?”

Investing millions of dollars in infrastructure management is simply insufficient to address the status of business applications or understand the business impact of outages and events. Why? Because users experience applications, not infrastructure. Ensuring the availability of business services requires a shift to an end-user focused, business-centric approach to application management. Through this approach, business objectives and end-user requirements drive business service-level priorities, not legacy system-monitoring tools and management technologies.

“How do changes impact the business?”

There are two types of changes IT must be concerned with: planned and unplanned. In a planned change, IT must set up an efficient process and approve changes based on the interdependencies between applications and the infrastructure to avoid changes that disrupt service levels. Unplanned changes are more disconcerting. They require IT to proactively monitor the application and infrastructure to quickly determine what changes affect service levels in order to reduce risk and cost.

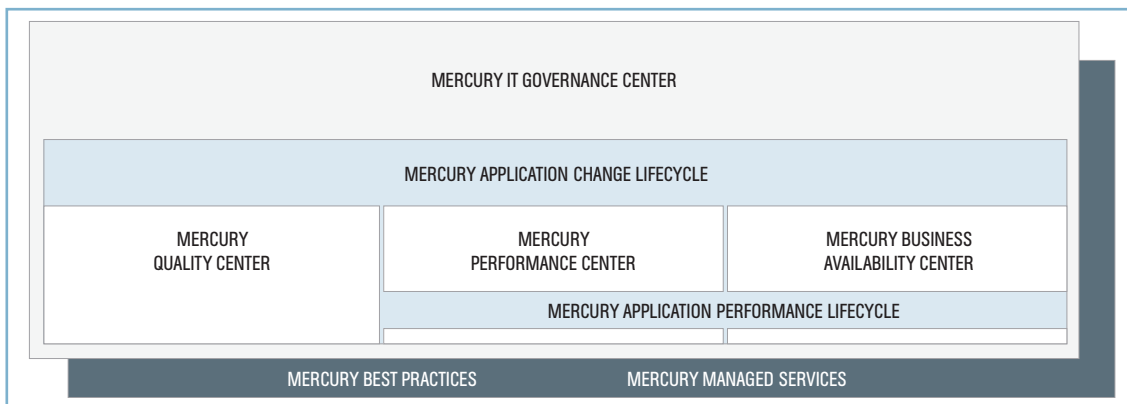
BTO in the Enterprise

Mercury BTO Enterprise is the industry’s first integrated suite of software and services built to answer these questions and ensure the business outcome of IT. Unlike other offerings that focus on improving internal IT functions, BTO Enterprise optimizes the strategic touchpoints between business and technology to ensure that IT investments yield the maximum return.

Mercury BTO Enterprise comprises the latest releases of Mercury’s four Optimization Centers, as well as two new lifecycle solutions for managing change and application performance. In addition, BTO Enterprise encompasses a framework for integrations that provide common dashboard technology, automated and integrated IT processes, and shared applications and assets.

Optimize Centers of Excellence

Mercury Optimization Centers comprise integrated software, services, and best practices that enable organizations to take a Center of Excellence (CoE) approach to governing and managing all IT operations.



Mercury BTO Enterprise is the industry’s first integrated suite of software and services built to ensure the business outcome of IT.

Mercury IT Governance Center: Mercury IT Governance Center provides visibility and control over the demands being made of IT, the portfolio of IT projects, and the rollout of strategic changes across the enterprise. It offers total transparency regarding IT priorities, projects, and investments, and helps lower the cost of compliance with regulations such as Sarbanes-Oxley by automating processes, required controls, and reporting. In addition, the Center supports quality programs and process control frameworks such as Six-Sigma, CMMI, and COBIT by automating best practice processes and providing the information required for continual improvement.

Mercury Quality Center: Mercury Quality Center provides a web-based system for automated software quality management across a wide range of IT and application environments. Not only does Mercury Quality Center integrate your existing quality processes, but its new dashboard technology gives IT executives visibility into exactly where a quality project stands. This includes whether requirements have been tested and satisfied, tests have been executed, or defects have been found and resolved. Mercury Quality Center provides an unparalleled ability to equally engage business analysts and QA engineers in application quality – integrating them into the process even before coding is complete.

Mercury Performance Center: Mercury Performance Center provides the industry's first lifecycle approach to optimizing application performance. The lifecycle enables IT to effectively manage performance optimization when an application goes live and to rapidly resolve performance issues that arise in production, using fully integrated diagnostics. Unlike other solutions, the lifecycle scales from project-based performance testing to a 24x7, globally accessible solution for Performance Centers of Excellence.

Mercury Business Availability Center: Mercury Business Availability Center enables proactive business service management by helping IT executives measure and manage what matters most. This real-time view of applications and infrastructure enables quicker response times and allocation of appropriate resources – increasing the value applications deliver to the business. The Center includes integrated applications and a business dashboard for performance and application monitoring, system availability management, service-level management, configuration management, application mapping, diagnostics, and problem resolution.

Lifecycle Solutions: The Integration of Optimization

Mercury BTO Enterprise includes two lifecycle solutions that enable critical assets to be shared among Optimization Centers.

Mercury Application Change Lifecycle: Mercury Application Change Lifecycle provides a holistic approach to managing application change and mitigating business risk throughout the IT Service Management process. The solution's integrated approach manages application and business risk by providing measurable ongoing and continuous KPIs and visibility into how change did, does, and will impact applications and business services. Mercury Application Change Lifecycle also provides visibility to the business on the status of change while controlling and governing how that change takes place.

Mercury Application Performance Lifecycle: Mercury Application Performance Lifecycle offers a unique approach for assuring appropriate performance of critical applications. It allows for greater operational efficiency via the reuse of scripts, offers complete visibility into performance requirements based on real user behavior, and incorporates unified diagnostics to help developers locate performance bottlenecks both pre- and post-production.

Mercury BTO Enterprise automates IT governance as well as application delivery and management to maximize the quality, performance, and availability of applications. Global IT organizations are able to control key IT processes such as application testing, complex product management, change, and performance across distributed teams and outside suppliers. The result is the delivery of enhanced, total business value.

MERCURY BTO ENTERPRISE

- **Mercury Quality Center™ 8.2**
- **Mercury Performance Center™ 8.1**
- **Mercury Business Availability Center™ 6.0**
- **Mercury IT Governance Center™ 7.0**
- **Mercury Application Lifecycle Change Management™**
- **Mercury Performance Lifecycle Management™**
- **Mercury Managed Services™**
- **Mercury Best Practices™**

ADDRESSING KEY IT INITIATIVES

IT organizations are addressing initiatives across four strategic areas: IT governance and compliance initiatives, IT transformation initiatives, business application initiatives, and IT operations initiatives. Mercury BTO Enterprise drives and supports these initiatives in the following ways:

IT Governance and Compliance Initiatives

Companies require solutions that automate key IT processes to ensure they are working on the right things to provide business value, improve project execution and resource allocation, and automate the change process to deliver compliance in a sustainable way. Mercury BTO Enterprise helps to drive IT governance and compliance initiatives in three areas:

1. Drive alignment and delivery of IT investments with business objectives.

- Manage your portfolio of current applications, inflight projects, and proposed investments to align IT with business objectives.
- Provide transparency into IT resources, projects, and investments to establish IT credibility.
- Deliver on-time and on-budget, with everyone on the same page.

2. Execute processes within IT as efficiently as possible.

- Manage resources across both strategic and keep-the-lights-on activities.
- Transition from manual, time-consuming activities to repeatable, automated, and scalable processes.
- Optimize IT change, control, and compliance processes from demand through production deployment.

3. Ensure the right people make the right decisions.

- Automate and enforce a decision-making and accountability framework.
- Provide real-time, role-based information necessary to make the right decisions and ensure segregation of duties.
- Get control over demands being made of IT and how IT resources are being used.

IT Transformation Initiatives

IT transformation initiatives help IT provide more value towards producing business outcomes. IT transformation initiatives are usually quality, cost, or organization efforts in the areas of CMMi, Six Sigma, centralization, consolidation, standardization, and strategic sourcing. Mercury BTO Enterprise helps drive IT transformation initiatives in three areas:

1. Standardize IT solutions across dispersed teams.

- Eliminate silo approach to purchasing and testing to generate cost savings.
- Consolidate skill sets and experiences to create a virtual organizational memory.
- Provide real-time visibility to IT management and the business into number of cycles spent on testing.

2. Centralize IT processes and resources.

- Transform project-based testing into an organization of experts.
- Consolidate capital expenditures and human resources to streamline your delivery of services.
- Deliver higher quality of service due to increasing depth of skill sets.

3. Manage strategic sourcing relationships.

- Provide visibility into the status and progress of ongoing projects.
- Provide measurability to establish baseline KPIs.
- Overcome the complexity of managing "follow-the-sun," geographically dispersed projects.

Business Application Initiatives

Business applications are the lifeblood of the modern organization. Analysts estimate that as much as 90 percent of business processes are automated in software applications – making the quality performance and availability of the applications critical to the business. Mercury BTO Enterprise helps to:

1. Minimize deployment cost and risk.

- Manage the quality testing process.
- Automate the creation of functional and performance tests.
- Leverage business analysts and subject-matter experts in the testing process.

2. Maintain quality of service for production applications.

- Proactively identify end-user performance issues.
- Lower time-to-resolution with diagnostics.
- Automate test generation based on real user activity.

3. Managing complexity and frequency of changes.

- Automate the creation of functional test requirements and impact analysis for all change requests.
- Automate the deployment of changes from development through production.
- Monitor changes to ensure that business service levels are maintained.

IT Operations Initiatives

IT must not only deliver business services, but also provide clear visibility into and accountability for the department's performance, at the lowest possible cost. Initiatives include business services management, application performance management, infrastructure management, and ITIL service management. Mercury BTO Enterprise helps drive IT operations initiatives in three areas:

1. Increase business visibility into service levels.

- Measure, manage, and report on business service levels.
- Provide a real-time, single dashboard view of business, user, and system availability and performance.
- Map application to infrastructure elements and their relationships.

2. Optimize application performance and availability.

- Receive proactive alerting of issues faced by users before they have negative impact on the business.
- Leverage investments across the application lifecycle.
- Achieve lower time to resolution with diagnostics to identify, triage, and isolate problems,

3. Ensure successful deployment and reduce cost.

- Best practices with onsite consulting to prioritize mission-critical applications.
- Achieve faster time-to-value with Mercury Managed Services.
- Leverage agentless monitoring to improve overall total cost of ownership.

CONCLUSION

BTO software and services are a strategic investment made globally by savvy, forward-looking CEOs, CIOs, CFOs, and executive teams.

Technology executives committed to true business leadership are using BTO software to ensure that IT initiatives are focused on the right business outcomes. Gaining meaningful visibility and alignment requires BTO software that automates the governance of, and control over, critical IT processes, as well as application quality, performance, and availability.

Mercury BTO Enterprise focuses on automating and integrating the touch points between business and technology. Only with the proper level of management, control, and automation is it possible to improve the business of IT. Mercury BTO Enterprise ensures the transition from managing IT outcomes to optimizing business outcomes.

MERCURY[™]

Mercury is the global leader in business technology optimization (BTO). We are committed to helping customers optimize the business outcome of IT.
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