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Market Guide for I&O Business Value Dashboards

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Infrastructure and operations leaders are adopting tools to report on business-related metrics that quantify the value they contribute to business performance. This market is not yet well-defined; however, I&O business value dashboards are well-suited to this effort, and this guide can provide help.

Key Findings

- The infrastructure and operations business value dashboard tools market is emerging as I&O leaders look for ways to communicate their contributions to business value.
- This small market offers a wide variety of viable tool options.
- The skills and knowledge required to build meaningful business value metrics and dashboards are lacking in the I&O organization.

Recommendations

- Identify and document core BVD needs to identify the critical features and capabilities required for any tool that may be selected
- Engage with vendors, including those mentioned in this research, to offset gaps in knowledge and internal skills.
- At a minimum, execute the first four steps for building a BVD, as outlined in this research.

Strategic Planning Assumption

By 2020, more than 50% of infrastructure and operations (I&O) organizations will adopt business value dashboards (BVDs), which will be a significant increase from today's level of less than 10%.



Market Definition

I&O leaders are increasingly tasked with providing and demonstrating business value to CIOs and business leaders.¹ This has been difficult, because a comprehensive understanding of what I&O does and how business leaders perceive its added value remain elusive. I&O leaders must bridge this perception gap and reposition its role from that of a cost center to a valued business partner.

For example, the I&O organization is accustomed to dealing with metrics such as network availability, application uptime, response time and mean time to repair, whereas the business ultimately cares how those things translate into revenue, cost, risk or some other business value metric.

Bridging this perception gap requires skills that are not common in the I&O organization: understanding, quantifying and communicating business value. I&O BVDs can select and appropriately align operational metrics with which I&O leaders are familiar (and that are reported internally within IT), and position them with relevant business-centric metrics. The message of I&O in particular, and all of IT in general, as a business partner can be better articulated. Moreover, throughout the process, I&O leaders require a better understanding and competency in business, financial and performance management.

For example, increasing the availability of a point of sale (POS) application can be expressed in traditional I&O metrics, such as application availability and response time. However, when improved availability leads to a growth in sales, this can be expressed in financial terms — the amount of increased sales — which business leaders will clearly understand.

Market Direction

The market for discrete I&O BVDs is embryonic. Gartner fields many inquiries from I&O leaders² who are looking for ways to communicate the business value of I&O. However, they often remain hamstrung by the existing tools, which are designed specifically to provide operational metrics, or internally developed tools that use products such as Microsoft Excel. Because of these limitations, Gartner believes that the discrete I&O BVD tools will be increasingly appreciated. The skill set of I&O is typically insufficient to draw the linkage between operational metrics and business value metrics, and the maintenance of homegrown solutions remains cumbersome.

Gartner expects growth in this market to be gradual, and it is likely to be dominated by smaller vendors in the near term. However, the attention on this market is likely to increase if and when one of the following occurs:

- A larger vendor acquires a player in this market.
- A larger, established IT operations management (ITOM) software vendor enters this market.

Gartner believes both are likely to happen during the next 24 months.

Market Analysis

The dashboard concept is not new (see "Magic Quadrant for Business Intelligence and Analytics Platforms"). Many organizations already deploy a dashboarding capability, a highly specific reporting utility targeted at I&O senior leadership. The idea behind this is to ensure that senior I&O leaders receive a quick, high-level, metrics-driven report with a visual indication of trends and performance to goals. However, the customary executive dashboard does not provide the visibility into the I&O team that is needed to show the value of the services delivered.

As shown in Figure 1, the I&O BVD gathers input from and provides input to a number of adjacent systems and capabilities. It also produces a business view.



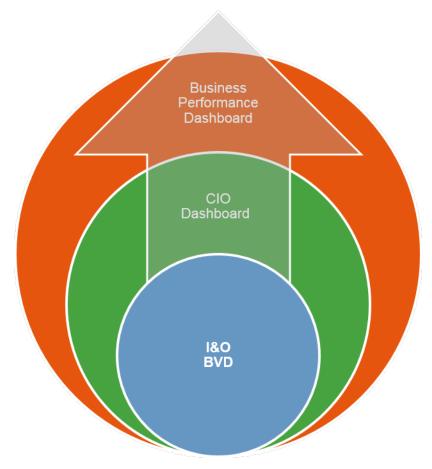
Figure 1. I&O BVD Adjacencies

Source: Gartner (May 2015)

I&O leaders use BVDs to provide CIOs, the executive team and business leaders with a value-based view of how the I&O group affects business productivity, as well as the key initiatives that transform and grow the business. Figure 2 illustrates how the I&O BVD feeds into a higher-level dashboard for IT, which feeds an even-higher-level dashboard.

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Figure 2. I&O BVD Feeds Other Views



Source: Gartner (May 2015)

Because of the need to provide the IT executive team and business leaders with a value-based view, the I&O BVD will become an integral means by which the I&O team educates the CIO and business leaders on how the I&O organization directly contributes to the business's bottom line, which is something IT has failed to do in the past. By 2020, more than 50% of I&O organizations will adopt BVDs, which will be a significant increase from today's level of less than 10%.

Buyers in this market face the age-old question of build versus buy. Many are feeling the pressure to show business value, yet they remain resistant to purchasing another ITOM tool. As a result, homegrown solutions exist, based mainly on common tools, such as Microsoft Excel. However, these solutions become cumbersome to maintain as the number of data feeds grows and the requests for current data approach real time.

In addition, most I&O leaders lack the skills and experience required to build and maintain these systems. Quality, executive-focused dashboards require a knowledge of business value and the ability to aggregate multiple performance data points into a single meaningful metric — and that is a rare capability in the I&O organization.



As defined by Gartner, I&O BVD tools provide I&O leaders with metrics, content and expertise to help offset much of the skills and knowledge gap. Out-of-the-box content is a key differentiator for BVD-focused tools. Additional areas of differentiation (see "Critical Capabilities for Infrastructure and Operations Business Value Dashboard Tools") include the following:

- Purpose-built dashboard interfaces
- Data analytics, modeling and mining capabilities
- Business and I&O value metrics libraries
- Advanced data modeling
- Data source integration
- Profile- or role-based design and customization
- Proactive alerting on thresholds and exceptions

There are various use cases to consider for this type of tool. Each one will attach varying importance to the areas of differentiation noted above. The use cases that should be considered include:

- I&O BVD administrator
- Executive leadership and end users
- I&O leadership

Vendors in this market vary greatly in background, approach and size. Many technologies and vendors offer, or are poised to offer, BVD solutions. Several smaller vendors actively address the I&O BVD market — some via performance and availability operational metrics and/or service desk metrics — whereas others provide more financial expertise. Larger vendors, such as BMC Software and FrontRange Solutions, have shown promising products.

The stand-alone vendors highlighted below are agnostic regarding the data feeds. Larger vendors that have shown an interest in this space are more likely to focus on data feeds from their particular solutions. Although these could add to the business value discussion, they are not likely to provide the heterogeneous solutions that many will seek.

We expect some merger and acquisition activity as the larger ITOM software suite vendors continue to enter this market.

Representative Vendors

The vendors listed in this Market Guide do not imply an exhaustive list. This section is intended to provide more understanding of the market and its offerings.

eMite



- Execview
- Icaro Technologies
- Northcraft Analytics
- PureShare
- Vyom Labs
- Westbury
- Xtraction Solutions

Market Recommendations

I&O leaders must begin articulating the business value of their organizations; otherwise, they will not be viewed as valuable business partners.

Some form of a BVD will be necessary, and, in many cases, that should come from a discrete software vendor that provides I&O BVD tools.

BVDs hold liberating promise for I&O teams willing to break down faulty assumptions and take the following pragmatic, stepwise approach to start clearly demonstrating their positive impact on business priorities:

- Step 1 I&O leaders should obtain key IT and line of business (LOB) executive support for an incremental BVD initiative.
- Step 2 I&O leaders should collaborate with LOB partners to determine the right questions to ask and the right way to provide the answers.
- Step 3 I&O leaders should determine and document the data and analytical techniques required to deliver BVD metrics.
- Step 4 I&O leaders should beta test manual BVDs with a subset of the intended audience, incorporating feedback. Alternatively, they could pilot BVD solutions from independent software vendors (ISVs).
- **Step 5** I&O leaders should opportunistically select, implement and develop tooling.

The BVD construction process depends on collaboration and broad support to measure the impact of I&O activities on the business, as defined by the business, and not by what data is easily available or what I&O teams use for technical optimization. BVD initiatives should be treated as parts of, not substitutes for, larger strategic business alignment efforts.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.



"I&O Leaders Must Gain Influence With Business Leaders by Reporting on Business Value"

"Use a Multidimensional Approach to Metrics to Measure and Report on I&O Quality"

"Map Infrastructure and Operations Metrics to Business Value"

"I&O Value Takes Center Stage With the Business Value Dashboard"

"Demonstrate I&O Value Through Business-Focused Metrics"

"First Steps in Building an I&O Business Value Dashboard"

"How to Complete Your I&O Business Value Dashboard"

"Critical Capabilities for Infrastructure and Operations Business Value Dashboard Tools"

Evidence

¹ Polling from U.S. Data Center Conference (December 2014)

Question: Do you know what your business values? (n = 76)

- Absolutely 26%
- Pretty good idea 41%
- A little bit 20%
- Somewhat unsure 7%
- Have no idea 7%

Question: Are you ready to adopt BVDs as a primary means to communicate value to the business? (n = 77)

- Already have BVDs 16%
- Next 12 months 60%
- Next two years 17%
- Not ready to think about it 5%
- Don't need it 3%

Question: What type of tooling are you most likely to use to automate your BVDs? (n = 59)

- Invest in a discrete BVD tool 5%
- Use existing dashboard or business intelligence (BI) tool 49%
- Use existing IT operations tools 12%



Stick with Excel and SharePoint – 34%

² For the trailing 12-month period ending 14 May 2015, Gartner fielded 1,452 inquiries involving the topic of business value.



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