

EXECUTIVE BRIEF:

# ITLM – A Focus on Microsoft

By Theresa Lanowitz | September 15, 2006



EXECUTIVE BRIEF:

# ITLM – A Focus on Microsoft

By Theresa Lanowitz | September 15, 2006

## ◎ SUMMARY

The message of "it's more than tools" has been prevalent for quite some time. Most enterprises and software suppliers, however, remained steadfast in their focus on technology. In an era where expenditure, return on investment and customer satisfaction are paramount, a much greater importance is now being placed on overall IT lifecycle management (ITLM).

In this Executive Brief, we examine why ITLM should be a guiding principal for enterprise IT, and offer practical advice on ITLM strategy and adoption.

## ◎ TABLE OF CONTENTS

<b>Executive Brief: ITLM A Focus on Microsoft</b>	1
• What is ITLM?	2
• The Importance of ITLM	3
• Who is responsible for ITLM?	4
• How is ITLM manifested in the enterprise?	5
• When will the results of ITLM usage be realized?	6
• Some practical advice on ITLM	7
<b>The Microsoft Approach</b>	8
• Microsoft's Solutions for ALM and ITLM	8
• Progressing to the Hybrid Model	9
<b>The Microsoft ITLM Solutions</b>	9
• Microsoft Enterprise Project Management Solution	9
• Microsoft Office Business Scorecard Manager	10
• Microsoft Patterns	10
• Microsoft Solutions Framework	10
• Microsoft Dynamic Systems Initiative	11
• Microsoft System Center	12
<b>Net / Net</b>	12
• ITLM and Microsoft	12

## ⊙ WHAT IS ITLM?

### • Overview

Since emerging from Y2K remediation, the first decade of the new millennium has been marked by turbulence. The dot com crash resulted in a slowing in IT spending. With IT spending being scrutinized, it became apparent that each line of business needed to understand and communicate what they were getting in return for significant IT investment. The mentality of "just develop it" began to fade, and businesses rightly started to focus on measuring the real value of IT.

Enterprises today demand that IT organizations adopt a holistic approach to delivering solutions that advance the business. Today's modern enterprise must understand how to compete in a global environment while managing cost structures.

The enterprise IT organization, as a result of these business pressures, must:

- balance their own challenges such as growing technical complexity
- handle regulatory and compliance issues with the applications they are creating
- manage organizational changes
- understand the pros and cons of processes such as agile, ITIL, etc.

Simply put, the line of business and enterprise IT must coalesce. The line of business and the enterprise IT organization are in need of a common lifecycle management solution to track, balance, and communicate the systems that are being created and managed to successfully run the business.

As we close out the first decade of the new millennium, expect to see ITLM cause major shifts in how IT is organized and utilized by enterprise line of businesses. ITLM will continue to grow and evolve. We will see an updating of skills, more strategic in nature, while tactical skills will be outsourced. Finally, collaboration will signal the start of the next frontier of synchronization between the line of business and the IT organization.

### • The ITLM Solution

The basic problem ITLM addresses and solves is the overall synchronization and alignment of the line of business and the traditional IT organization. The synchronization provided by ITLM goes far beyond the widely accepted application lifecycle. ITLM addresses all aspects of a project, from business planning and strategy, to design. ITLM assists with cultural and organizational issues as well as technology issues. ITLM is an iterative approach to practical change.

## • Guiding Principals in ITML Evolution

ITLM will progressively be adopted and gain importance in the enterprise because of the following incidents and principles:

- The IT model of today is outdated – enterprises must focus on the business, not tactical projects
- The traditional enterprise IT organization will consist largely of strategic business analysts with tactical technical work being sent to a trusted outsource provider
- Standards will evolve because of the increase in outsourcing
- Service levels worldwide will decrease because of inflexible enterprise systems and the inability to accurately interpret and implement requirements
- Hybrid is the watchword for the enterprise and technology suppliers

## ◎ THE IMPORTANCE OF ITLM

### • Customer Promise

The enterprise has a responsibility to its customers. Customers are promised specific service goals by the enterprise. The expectation is the service level goals will be met. If the service level goals are not met, the customer has recourse. The recourse may be different for each type of customer. In some cases, the customer will find another provider which will result in the expensive attempt to re-win that business, consequently driving costs higher. Some customers may have monetary penalties assigned to failed service levels, again resulting in higher costs. Any time service levels are not met, business costs will increase because of a broken and inflexible system.

ITLM provides a lens across the entire project and aids in showing where, when, and why service levels may not be met. ITLM offers the ability to create predictable results. Predictable results must be managed appropriately and handled proactively.

### • Reverse the Trend

Inflexible systems are common in today's enterprise. These inflexible systems break and deplete service levels and have been created and deployed because of the way enterprise IT organizations have been designed and function.

Enterprises are beginning to understand the associated costs of failed systems, and ultimately, violated service levels. As a result, enterprises, including its IT organizations, will undergo change. The failed systems can be traced back to a lack of requirements. The real problem is that today's technology requirements are not managed well enough to provide a superior experience for the customer.

## • **Manage IT as a Business**

Today's IT model is outmoded and often bloated. IT organizations must be managed as a business. The enterprise with failing systems and violated serviced agreements will understand this and organize IT organizations appropriately. This revamped organization will embrace the value of the business, share risk and reward and will be guided by the principles and tenets of ITLM.

Part of the philosophy of ITLM is meeting the demands of the business. Business must be able to make intelligent decisions around the use of technology, and appropriately manage strategic and tactical activities.

## ☉ **WHO IS RESPONSIBLE FOR ITLM?**

### • **Business is in Control**

Responsibility and accountability are critical drivers of the customer satisfaction equation. In many organizations, silos and kingdoms have been built that discourage individual contributors to take responsibility for anything outside of their immediate scope of duties. Business has allowed this culture and attitude to prevail. Now, businesses understand how this culture is costing precious resources to manage which equates to cost overruns and lost profitability. We are in the information age; people and their intellectual property are assets to the business. It is important to appreciate the creativity and individuality of the intellectual property in the enterprise, creating an environment where human assets can thrive.

With renewed purpose, the line of business is assessing where, how, why, when, and who is spending its precious resources. The movement to align IT and the line of business began when IT spending was significantly reduced due to a global economic downturn. In retrospect, that curtailment was the catalyst that sparked the modern movement to create and implement practices such as ITLM.

Emerging from the over-zealous spending days of the late 1990's to the constricted early times of this millennium, business has taken inventory of its assets. As part of this process, business has realized that IT spending was largely an appendage to the running of the business. The business knows it relies on the projects created and managed by IT in order to remain competitive. As a result, the business is taking control of IT and bringing the modern day IT organization in line with business goals. This is a culture shock for most IT organizations. Although IT organizations have been hearing the mantra of "align IT and the business" for the past several years, little has been done to make that a reality. We are witness to the birth of enterprise IT organizations behaving like software companies.

Since the business is held accountable for customer satisfaction, the line of business will also take responsibility for the IT organization. The line of business will be accountable for meeting business expectations with the delivery of each and every project.

## • IT Organization Today

Today's line of business, in most cases, does not own the IT organization. At best, the line of business will have a counterpart in the IT organization to set goals, metrics, etc. This informal matrix system between the line of business and IT is the first step in truly aligning their goals, priorities, and aspirations.

## • IT Organization Tomorrow

The future IT organization may in fact be folded into the line of business. Strategic project managers may be part of the line of business. Those project managers will be able to pull from a variety of resources available in a centralized and standardized IT organization. Rising costs will see the majority of enterprises centralize key strategic IT skills and processes, while depending upon outsourcing for tactical components.

ITLM is critical to the success of the line of business in the future. The line of business will rely on each of the components of the ITLM to understand and deliver a highly satisfactory customer experience.

In the process of streamlining the IT organization to become a part of a matrix, enterprises will realize a significant reduction in cost due to concentrating on the core competence of the business. This requires the restructuring of IT to meet the real needs and demands of the business.

## ⊙ HOW IS ITLM MANIFESTED IN THE ENTERPRISE?

### • ITML Activities

ITLM is manifested in the enterprise through the activities of the line of business. The line of business activities ultimately has impact on the activities of the IT organization.

The following line of business activities are part of the strategic implementation and management of ITLM:

- Business planning and strategy – this is an inclusive process with all stakeholders involved
- Project portfolio management – any and all IT spending to support the business requirements including processes and tools
- Application portfolio management – assessing existing application assets and defining investment guidelines
- Business requirements – understanding the true business requirements of a project and managing appropriately to meet the desired requirements
- Business processes and orchestration – dynamic execution of a business process

- Application development and validation – part of the traditional application lifecycle prior to deployment of an application
- Business performance and management – exploring the system holistically to create architecture focused on performance via the application. Performance aspects include:
  - availability
  - performance architecture
  - performance responsiveness
  - performance under load
- Detailed lifecycle around the business activities – a separate lifecycle encompassing business activities to support ITLM
- Design – this activity goes well beyond the traditional boundaries of the line of business and IT. By bringing focus to design, the line of business accelerates and showcases its commitment to customer excellence.

## © WHEN WILL THE RESULTS OF ITLM USAGE BE REALIZED?

### • Synchronization – The Ultimate Goal

Since enterprises are working within an ecosystem of suppliers and partners, it is essential that results of a project be predictable. Predictable results are best managed through high level checklists throughout the lifecycle of a project.

In other words, project predictability is the balance between science and art. The cautionary tale is that many organizations overdo the desire for predictability and become too focused on predictable behavior and results. This unequal focus strips organizations of their ability to provide necessary and desirable creativity. Do not fall into the trap of managing knowledge workers, your people, like machines.

ITLM and its benefits will ultimately be realized when the line of business and IT - in whatever form it takes - are truly synchronized.

The reality today is that the line of business and the IT organization are not synchronized. ITLM is a necessary component of alignment and more importantly synchronization. Synchronization means the two organizations operate in unison. The need for synchronization has made itself known over the years. When complete synchronization occurs, the enterprise will have reached the most efficient use of resources and recognized the greatest business value. Synchronization will be achieved through practices and usage of ITLM.

---

## ◎ SOME PRACTICAL ADVICE ON ITLM

### • It Takes an Ecosystem

Effective use of ITLM requires an ecosystem of suppliers, partners, and providers. ITLM has evolved because the traditional IT organization needed to bring in multiple providers to deliver on a project.

Organizations that adopt the basic behaviors of a commercial software company will be more successful than those who run their IT shops as a cost center. Following the lead of commercial software companies is an expression by the enterprise that the applications created and deployed are truly running the business and provide competitive differentiation.

### • Behave as a Commercial Software Company

Practical behaviors of commercial software companies that should be adopted by the enterprise are:

- Small, efficient teams – commercial software companies consist of small, focused, and efficient teams developing strategic technology. Most of today's enterprise IT organizations are bloated with redundant behaviors. These large and non-productive organizations result in cost overruns to the business often in excess of 50% of the overall IT budget.
- Efficiency throughout the lifecycle – a commercial software company understands how to appropriately size a project and provide reasonably accurate estimates on time and cost. The entire lifecycle of a product is mapped out before commitment and work begins. Enterprise IT organizations should take the same "cradle to grave" approach for their projects and applications. This approach will prevent having applications in production well past their useful life.
- Appreciation for time-to-market – because commercial software companies are able to accurately size and estimate the time to market, especially on product updates, estimating accurate time-to-market is a predictable behavior. By understanding the product lifecycle and the importance of meeting with all cross-functional team members, time-to-market is a concerted and planned activity.
- Customer focus – commercial software companies always put the customer at the center of any release. If the customer is not satisfied, the product is not successful. Indeed, there are miscues, however, overall, the commercial software industry moves customers along at a reasonable pace.

ITLM focuses on an integrated view between the line of business and the IT organization. On the business side of the equation, the organization is in need of a product line manager for IT. This product line manager is the business manager and has responsibility for budget activities, the entire project lifecycle, compliance issues, and human resource management. The product line manager will report directly to the CIO and will oversee the business analysts.

This approach streamlines the organization, and keeps accountability for projects with one individual rather than assign to a group or committee.

## ◎ ITLM – A PRACTICAL APPROACH TO CHANGE

ITLM also means a practical approach to change, in other words, making changes incrementally. Complete, abrupt change frazzles people and disrupts any sort of rhythm an organization may have. To effectively implement ITLM, you must break apart the various components the organization ultimately wants to adopt. Once the components of ITLM are identified, and realize this is different for each organization, you must communicate a vision. Once the vision has been communicated and agreed upon, you may then conduct a gap analysis. A gap analysis is defined as the difference of two states - those two states are where the organization is today, and where it must be tomorrow. Once the gap analysis is complete, identify the pain points. Agreeing upon the most egregious pain points will be the genesis of a solution roadmap for the organization. Implementing organizational change based on existing pain points or challenges will help foster consensus to implement the needed change. Realize, each organization will have different pain points - some organizations will have cultural challenges, while others may have technical, skill, or organizational deficits.

This basic and practical approach is the most reliable, rational, and realistic way to implement ITLM. ITLM is flexible, and is best implemented in phases. It is not a rigid process.

## THE MICROSOFT APPROACH

### ◎ MICROSOFT'S SOLUTIONS FOR ALM AND ITLM

Microsoft® Visual Studio® 2005 Team System (VSTS) is an application lifecycle management (ALM) solution which comprises technologies and process guidance for disciplines such as:

- project management
- requirements management
- modeling
- application development and deployment
- software testing
- software configuration management

Microsoft has traditionally excelled in the developer segment of the market and is now expanding Visual Studio to cover roles in the rest of the development and quality teams.

ITLM refers to a broader set of products, processes and solutions to solve the management needs of:

- project portfolio
- application lifecycle
- systems management

Visual Studio Team System is part of a Microsoft solution to solve the needs of an enterprise IT organization. This solution comprises a broad range of integrated Microsoft technologies, products, solutions, and ecosystems such as:

- Microsoft Enterprise Project Management Solution
- Microsoft Office Business Scorecard Manager
- Microsoft Patterns and Practices
- Microsoft Solutions Framework
- Microsoft Dynamic Systems Initiative
- Microsoft System Center

By utilizing its knowledge and expertise of building an ecosystem of partners, Microsoft is crafting a new image. Microsoft is taking a more strategic and holistic approach to solving deeply rooted enterprise IT issues. Because of this more strategic approach, the enterprise is becoming aware of Microsoft's solutions to ITLM.

## © PROGRESSING TO THE HYBRID MODEL

With the introduction of offerings for the application lifecycle and ITLM, Microsoft has moved beyond a purveyor of products. Microsoft is now moving into a hybrid model around the area of ITLM and leveraging its developer heritage in the application lifecycle market.

Microsoft has established their reputation in the industry for building out ecosystems and supply chains of partners. The partners range from small independent software vendors creating useful utilities to implementation partners. Microsoft intends to do the same around the application lifecycle and ITLM.

In addition to products, Microsoft has built and is constantly evolving its Visual Studio Industry Partner program (VSIP). In addition to VSIP, Microsoft will provide patterns and practices and the Microsoft Solutions Framework.

## THE MICROSOFT ITLM SOLUTIONS

### © MICROSOFT ENTERPRISE PROJECT MANAGEMENT SOLUTION

An example of Microsoft delivering on an integrated and collaborative ITLM solution is the Enterprise Project Management (EPM) Solution. It is a solution for managing the enterprise's projects and project resources as an investment portfolio. The EPM Solution consists of two core servers:

1. Microsoft Office Project Server 2003
2. Microsoft Office Project Portfolio Server 2006

Project Server 2003 is the platform that provides centralization and standardization of project and resource information to enable:

- Enterprise resource management
- Web-based time and status reporting
- Web-based management of portfolios and analysis of project data and performance
- Portfolio analysis and modeling
- Customization and integration with line of business (LOB) systems
- Financial tracking for projects, programs, and portfolios

Expect to see integration between Project Server and VSTS in upcoming releases to provide a real-time portfolio view of project status and metrics.

## ⦿ MICROSOFT OFFICE BUSINESS SCORECARD MANAGER

Microsoft is leveraging the power of Office across the enterprise. The server-based business performance management scorecard application serves as a dashboard and assists enterprises in building, managing and implementing scorecards as well as key performance indicators (KPI's) along with analysis.

This means enterprises can use the power of Office, something every organization thrives on, to understand business challenges and make strategic and insightful business decisions. Business Scorecard Manager is an example of ITLM reaching across multiple lines of the enterprise and allowing constituents to have information to make decisions about their business.

## ⦿ MICROSOFT PATTERNS AND PRACTICES

The idea of pattern usage in software development is certainly not new. What is new is the practical application of patterns in software development. Until now, pattern usage in software development has been more of an academic theory on how to best improve software development.

Microsoft has been working for the past several years on understanding how to practically apply patterns in software development. The result - the Software Factory, a treasure trove of real examples and guidance for software teams building usable applications. Microsoft has Software Factories available for Web Services, Smart Clients, Mobile Clients, architecture, etc. In addition to the patterns and practices, a community with supporting tools such as webcasts, white papers, and blogs are available.

The Software Factory patterns and practices are an extension of the VSTS product line and are part of building a complete ITLM solution. Without realistic ideas and guidance on how to employ patterns and practices, VSTS would remain just a product, and implementing a true ITLM with Microsoft at the core would be virtually impossible.

Patterns and practices show that Microsoft is committed to partnering with the enterprise IT organization to deliver on ITLM best practices.

## ⦿ MICROSOFT SOLUTIONS FRAMEWORK

Microsoft Solutions Framework (MSF) is a customizable, scalable, integrated set of software development processes, principles, and practices designed to deliver guidance in the development process. MSF has been developed by cultivating best practices offering guidance from valuable sources both inside and outside of Microsoft.

Microsoft shipped two MSF templates with VSTS:

- MSF for Agile Software Development
- MSF for CMMI Process Improvement

These templates may be used as is, customized, or used as a starting point for creating new and different templates.

The inclusion of MSF is certainly something new and different for Microsoft. MSF was built by working with a global set of systems integrators (EDS, UNISYS, Accenture, etc.) This impressive list of partners signals that Microsoft has indeed moved beyond being just a tool provider. This sophisticated culling of best practices shows Microsoft's desire and intent to be a trusted enterprise partner. A trusted enterprise partner offers solutions, best practices, and acknowledges that things are often difficult in the enterprise IT organization. Those difficulties may certainly be overcome with advice, services, and offerings from trusted partners. Microsoft is rapidly moving to the IT partner role.

Microsoft continues to add new products, patterns, and frameworks to its impressive cache of ITLM building blocks. Microsoft certainly understands that software runs the business and a successful ITLM strategy goes beyond the constituents of the application lifecycle. Design is at the core of everything the enterprise is creating. Microsoft's Expression product line is targeted for the designers of applications. Microsoft envisions the day when human factors and interface design will be part of the overall ITLM process and has created a starting point for designers. The Expression product line is still in its early phases. However, it is through newly-envisioned products and ideas that the lifecycle will expand.

## © MICROSOFT DYNAMIC SYSTEMS INITIATIVE

Microsoft's Dynamic Systems Initiative (DSI) delivers further capabilities necessary to effectively manage within ITLM and uses the ecosystem of Microsoft and its partners to deliver. DSI provides enterprise IT organizations a mechanism to capture and use information and knowledge to deliver more manageable systems and automate ongoing operations resulting in self-managing dynamic systems. The benefits of these two design results deliver reduced cost and more efficient use of time.

The line of business benefits from self-managing dynamic systems in areas of productivity from the technology side of the business, improved system compliance with business and IT policies and agreements, and responsiveness to ongoing and changing business demands.

Through the use of information and knowledge, DSI aids in reducing complexity and increasing the manageability of an application across the entire lifecycle. The "knowledge" Microsoft captures and ratifies in DSI is:

- Knowledge of a designer's intent for the system - this builds out the ecosystem to include architects and designers beyond the traditional developer.
- Knowledge of the environment where the system operates – this aids in managing the application across the lifecycle.
- Knowledge of IT policies that govern those systems – this assists in streamlining the operation and understanding the allocation and use of resources.
- Knowledge of the user experience associated with those systems – this is meaningful to all involved throughout the lifecycle from the line of business to development to production.

## ◎ MICROSOFT SYSTEM CENTER

Microsoft System Center is an integrated, modular, ITIL-based family of systems management solutions for dynamic IT management. System Center delivers solutions for:

- Operations management
- Change management
- Configuration management
- Release management
- Asset management
- Data protection management
- Problem management
- Capacity management
- Incident management

System Center addresses the issues of complexity, reducing waste and optimizing efficiency from the operations point of view. Integrating the operations side of a project with the development and quality aspects is a holistic solution. This way of thinking and problem solving highlights a comprehensive solution rather than building and fostering silos. This is the ultimate goal of enterprise IT organizations - build solutions for the business through an integrated and streamlined effort with dedication to customer satisfaction.

## NET / NET

### ◎ ITLM AND MICROSOFT

Watch for Microsoft to continue to fortify its ecosystem with strong partnerships, communities, best practices, customizable solutions, managed services, and of course, products.

Microsoft will certainly have to prove itself to the enterprise over a longer duration. To truly be an enterprise partner, Microsoft will have to resist the temptation that has served them so well in the past. That is, the company must figure out a strategy to allow for long term migration of Microsoft solutions rather than creating and forcing new architectures every two to three years.

Microsoft is clearly focused on the entire development process and its growing band of constituents. With its movement to make practical advice and best practices part of the project delivery phase, Microsoft is entering a new chapter.

Microsoft is maturing in its understanding of enterprise excellence, and is poised to be a technology partner for the 21<sup>st</sup> century.

# Contact Information

## Corporate Office

voke, inc.  
2248 Meridian Boulevard  
Suite H  
Minden, NV 89423  
USA

## Asia Pacific Office

voke, inc.  
75-1027 Henry Street  
Suite 111A #424  
Kailua-Kona, HI 96740-3154  
USA

Phone/Fax: +1.808.885.5353  
Web: [www.vokeinc.com](http://www.vokeinc.com)  
Blog: [www.voke.blogspot.com](http://www.voke.blogspot.com)



## © ABOUT VOKESTREAM

vokeStream is the intellectual property that differentiates voke in the analyst community. Through streaming insight, voke strives to provoke thought and encourage discussion while delivering industry opinion in fluid, dynamic, and collaborative ways. Because of voke's dynamic model, the content delivered in the vokeStream products is updated on a regular and timely basis.

Subscriptions available at [www.vokestream.com](http://www.vokestream.com)



*Moving markets beyond the status quo!*