



With various forces combining to transform the IT landscape, how do you see the role of the IT department evolving?

The Complex Road to Business/IT Nirvana

The Application is the Business. And, the Business is the Application.

For companies that grasp and internalize the above, the road to Business/IT Nirvana becomes crystal clear. What is an application, really? It can be interpreted different ways by different people with different job functions. But at the most fundamental level, an application should be the business - and if it's *not*, then that application is probably weakening the business.

IT spent the last 10 years trying to align itself with Business - until last year. The economic downturn blew up the alignment myth. CEOs told their CIOs "You have no IT goals. IT goals **are** the business goals." Simple. Crisp. Total Alignment. But what's the best way to help ensure that your applications are the business and vice versa? The goal of aligning IT to business goals is not new - it has been around for many years, and remains a 'nirvana' that organizations strive to achieve. In an October 2011 report by Forrester Research, Inc. titled "Transform Your I&O Organization Into an Innovation Machine," report author Jean-Pierre Garbani writes, "In Partner Player organizations, technology and its leaders are viewed as critical to go-to-market offerings and provide a source of differentiation (the business is IT and IT is the business)."

Once Business and Applications are indistinguishable, risks to Applications are nothing but risks to the Business. This is an exciting time in business and technology. Private, public and hybrid clouds enable and support sensational new business capabilities. People are recognizing the differentiation Garbani notes, and want to more quickly align their IT capabilities and their business successes. Why? Consider a recent study by Aberdeen that found that 68 percent of the time, IT finds out about application issues from end-users. Enterprise Management Associates estimates that the amount of outages and application problems averaged out across mid-market and enterprise size operations cause 60 hours of downtime per year. The cost of that downtime is averaged at \$45,000 per hour (much higher for enterprises of course), and

businesses spend nearly \$3 million a year identifying and solving application issues in the cloud. 'What's so exciting about that?' you're asking. Well, never before have tools and methodologies been so available to propel IT transformation from IT centric to business centric. Today's solutions assess and view critical business metrics, in a repeatable and highly consistent manner, providing enormous insight to leverage and work more successfully with cloud computing technology.

So, why are we still using system metrics as a proxy for business risks? We should not. The primary metrics should be application metrics that are synonyms for business metrics like 'Sales in Past 5 minutes'. Traditional system metrics (like Network Latency) are still essential, but they now serve to support root cause analysis of business risks. Today, finally, there are solutions that provide critical business visibility through the technical operations. These tools can show not only that IT metrics are the business metrics, but that application metrics are business metrics. And I believe that companies that embrace this thinking will be successful.

This insight is elevating the responsibilities of CTOs and CIOs. They have always held responsibility for the vision and execution of a company's IT organization, but today they are at the business table. This is a fundamental shift that has been evolving and which is well underway today. Finally, IT is no longer an 'expense bucket' but a true business peer. When asked what the IT goals are, the answer is "business goals" - they are, and should be, one and the same. IT departments at today's successful businesses ensure everyone within IT has specific alignment in their roles with responsibility to those business goals. Whether an employee is a Sys Admin or in Dev Ops, the next generation IT operation has a clearer understanding of the department's end-to-end alignment to the business goals, and just as critical, *a way to measure it*. But how does a company or organization get from start-up chaos to business/IT hand-in-hand nirvana? They need to recognize that it's a process and have the right tools in place to know where they're at in the process and how to keep business and IT metrics continually aligned.

Where Are We, How Did We Get Here, and What's Next? The Complexity Challenge

Having trivialized alignment as a red herring worth completely ignoring, let's get back to reality. There is no silver bullet to immediate "Total Alignment." We learned early on that businesses have a natural progression in terms of their business model and alignment with IT. No one moves quickly or painlessly from 'survival mode' of look-guess-fix-repeat to an operation where IT and business goals are fully aligned, where IT and business metrics are harmonious, and where business and IT are working hand-in-hand to manage business risks. Through our close work with customers, we have identified five stages of a business risk 'maturity model' - starting

with 'Survival', then moving up to Reactive, Planning, Proactive, and finally full Alignment of business and IT. Forrester has recognized this progression also. The January 2012 report: "Develop An IT Service Management And Automation Strategic Plan" identifies it as a 'Complexity Curve' - companies moving along the curve transition from one state to the next. In the beginning they're focused on applications and infrastructure, then as the business grows, so grows the number of applications, then the applications become more complex services, and then finally become integrated with the business. Both of these models help companies identify their current stage of business/IT alignment, and also help guide businesses and IT departments through the challenging path of progression to complete business/IT alignment.

Successful organizations such as Etsy and Zynga have already merged the idea of business and IT performance as one and the same. They have helped the world understand how this can be done. We now have platforms and services that emulate these leaders and allow all of us to reach that nirvana. A place where IT risks are nothing more than business risks. A place where an IT application is the business. And, IT goals are nothing but business goals.

Businesses and organizations cannot evolve from survival mode to business/IT nirvana quickly and still focus on running a successful operation. But today there is a platform and tools available that are easily optimized for any organization at any stage of progression toward business/IT nirvana. The successful business will take advantage of these capabilities to ensure that the application is the business, and the business is the application.

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