BMC Software Special Edition

IT Service Brokering

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Learn to:

- **Get started as an IT service broker — and end catalog sprawl by serving as a trusted adviser to your organization**
- **Understand the role of an IT service broker**
- **Know what to look for in a service brokering solution**

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**Lawrence Miller, CISSP
with Alf Abuhajleh
and Simon Geddes**

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Publisher's Acknowledgments

Table of Contents

Introduction

*E*nterprises are demanding faster responsiveness and greater flexibility from their internal IT departments to stay ahead of rapidly evolving business needs and opportunities. To fulfill this demand, internal IT departments must transform themselves from reactive, "fix-it" organizations to proactive, visionary service providers that innovate and anticipate the needs of the business in order to deliver real differentiation and competitive advantage to the enterprise.

The proliferation of new technology trends and enterprise users increasingly obtaining IT services from anywhere and everywhere — "bring your own device" (BYOD) is fast becoming "bring your own IT" — is driving the adoption of an IT-as-a-Service model. In this fast-paced environment, the traditional role of internal IT departments has become obsolete and IT organizations that resist these trends will become irrelevant. Enterprise CIOs must recognize and embrace this paradigm shift — IT service brokering is your future!

About This Book

This book provides a broad overview of IT service brokering — what it is, why it's needed, and how it can benefit your organization. It also explains how to become an IT service broker, where to get started, and what to look for in an IT service brokering solution.

Foolish Assumptions

It's been said that most assumptions have outlived their uselessness, but I'll assume a few things nonetheless!

First, I assume you work in IT service management and have a general awareness of current technical trends, such as cloud computing, virtualization, and BYOD ("bring your own device").

I also assume that you are a business or technical decision maker, such as a CIO or IT manager, considering or evaluating IT service brokering solutions for your organization. If that's the case, then this is the book for you!

Icons Used in This Book

Throughout this book, I occasionally use special icons to call attention to important information. Here's what to expect:

You won't find a map of the human genome here, but if you seek to attain the seventh level of NERD-vana, perk up! This icon explains the jargon beneath the jargon!

Thank you for reading, hope you enjoy the book, please take care of your writers! Seriously, this icon points out helpful suggestions and useful nuggets of information.

Beyond the Book

Although this book is chock full of information, I can cover only so much in 24 short pages! So, if you find yourself at the end of this book, thinking "gosh, this was an amazing book, where can I learn more about IT service brokering?" just go to www.bmc.com/service-broker.

Where to Go from Here

If you don't know where you're going, any chapter will get you there — but Chapter 1 is a good place to start! However, if you see a particular topic that piques your interest, feel free to jump ahead to that chapter. Each chapter is written to stand on its own, so you can start reading anywhere and skip around to your heart's content! Read this book in any order that suits you (though I don't recommend upside down or backwards).

Chapter 1

What Is an IT Service Broker?

*I*n this chapter, we're going to update a bit of conventional wisdom for the 21st Century: If I.T. ain't brokered, you can't fix I.T. — at least not efficiently and cost-effectively! Get ready, you're about to learn everything you ever wanted to know about IT service brokering, but didn't know who to ask: *What* it is, *why* your business needs it, and *how* much value it brings to your enterprise!

Understanding What Being an IT Service Broker Means

A broker is a trusted agent that facilitates a transaction between two parties. For example, an investment broker buys and sells stocks on behalf of a client, and a real estate broker works with a buyer and/or seller to complete a commercial or residential property sale.

Key to the definition of a broker is the role of a "trusted agent." Unlike a "middle man" or "go-between," which may

sometimes be wrongly perceived as an added expense or an unnecessary layer of bureaucracy, a trusted agent helps you identify, select, negotiate, and implement the best products and/or services for your particular need.

An *IT service broker* is the single point-of-contact for users in an enterprise for any and all technology-related services (and increasingly, even non-technical services — you'll learn more about that in Chapter 2!). This includes services that may be performed by in-house resources — such as a centralized help desk or training department — or by a third party — such as an offshore developer, consultant, or cloud service provider. The role of the IT service broker is a transformational one in which an enterprise's internal IT department is the trusted agent that gets IT done for all of your organization's users!

Recognizing What an IT Service Broker Does

Now that you understand what it means to be an IT service broker, let's take a look at a few examples of what an IT service broker can do for an enterprise!

Onboarding people, services, and vendors

Technology is an integral part of almost every line of business or job function within an enterprise. As such, becoming an IT service broker is a unique opportunity for an IT organization to directly benefit almost every aspect of an enterprise in both direct and indirect ways that transcend IT and may not be readily apparent.

For example, enterprise processes for onboarding people, services, and vendors exist in every organization. Oftentimes, these processes may be decentralized and inconsistent between departments, manual and inefficient, and incomplete or obsolete.

An important tool for IT service brokering is a comprehensive IT service management (ITSM) solution. In traditional IT organizations, this is perhaps most commonly thought of as the help desk ticketing system. In some organizations, it may also consist of an IT service catalog.

But to truly enable IT service brokering, an ITSM solution must be comprehensive — it's much more than a ticketing system or service catalog. It integrates with customer relationship management (CRM) systems, enterprise/manufacturing resource planning (ERP and MRP) systems, HR management systems, training libraries, corporate intranets and extranets, cloud service providers, and much more.

For example, onboarding people involves many steps that can be automated across numerous departments, such as these:

✔ **Human resources.** Documenting completion of required reference/background checks and testing; scheduling orientation and training

✔ **IT.** Procuring approved technology devices and applications, provisioning network and email accounts

✔ **Security.** Creating security badges and assigning parking permits

✔ **Facilities.** Designating office space and purchasing furniture

✔ **Individual departments.** Distributing office supplies and ordering business cards/nameplates

✔ **Accounting/payroll.** Assigning employee IDs, and payroll or timekeeper numbers

Similarly, new services within the organization and approved vendors can be managed through an IT service brokering solution.

Managing workflows and processes

Many thousands of workflows and processes typically exist within any enterprise and many of these are often manual, poorly documented, and/or obsolete. Similar to "shadow IT,"

critical processes may exist as "shadow" or "back-channel" processes, fully understood by or known only to the employees that have performed these processes since the dawn of time!

A comprehensive IT service brokering solution goes beyond IT, enabling an enterprise to document and proactively manage its workflows and processes, both internal and external (as well as hybrid) from a single "pane of glass."

Finally, an IT service brokering solution can automate many enterprise practices and procedures to help maximize efficiency.

Transforming your IT organization to become an IT service broker may lead to enterprise-wide process improvement initiatives. For example, a comprehensive ITSM solution can be an excellent repository for process inventories and work-flows, both IT and non-IT, throughout the enterprise.

Delivering services throughout the enterprise

Acting as an IT service broker helps ensure that the best tech-nology solutions for the enterprise are available throughout the enterprise. By providing a user-friendly, consumer-oriented ITSM portal, IT can advertise new and existing services to the organization and train and educate the organization's users to maximize their productive and effective use of technology.

Beyond IT, a comprehensive solution can likewise be used for other service delivery functions throughout the organization. Examples might include HR benefits enrollment, training mod-ules, internal recruitment, and marketing toolkits.

Analyzing business value and effectiveness

Finally, an enterprise can objectively measure and analyze the business value and effectiveness of the IT organization when it evolves to perform like an IT service broker. Through the ITSM portal, actual costs can be assigned to specific technology products and services provided to individual

lines of business and users, and the effectiveness of any given solution can be evaluated. In this way, the IT service broker's contribution margin can be calculated and the real value of IT can be assessed.

Identifying the Business Need for IT Service Brokering

The rapid pace of innovation and technology change over the past 20 years continues to drive the breakneck speed of business in our global economy today. In fact, the modern business era is defined by — and our global economy exists because of — innovation and technology.

Cloud computing, consumer technology, the digital workplace, and Segways are a few examples of how profoundly our world has evolved in just two decades! Okay, maybe Segways haven't quite revolutionized transportation the way Steve Jobs predicted (yet), but he may have been onto something with that iPhone thing!

Cloud computing has become one of the most significant IT business trends over the past ten years allowing organizations that have embraced the cloud to enjoy benefits such as these:

- ✔ Faster time-to-market with simple and rapid on-demand self-provisioning of cloud-based services to support new business initiatives

- ✔ Rapid and flexible scalability to dynamically support enterprise capacity needs for more (or less) compute, storage, and other cloud infrastructure in near real-time

- ✔ Shifting IT investment from a CAPEX ("build") model toward an OPEX ("buy") model that enables business agility and cost reductions

The proliferation of consumer technology — more specifically, the "consumerization of IT," is another modern trend that would have been hard to miss over the past decade — unless you've had your head down in your favorite mobile app! If that's the case, you may not have observed the trend, but you certainly helped set it — so consider yourself a trendsetter!

I can see clearly now. . .

The cloud means many things to many people, so just to ensure a common lexicon, here's a quick refresher on some cloud fundamentals.

The U.S. National Institute of Standards and Technology (NIST) defines five essential characteristics of cloud computing:

- **On-demand self-service.** Tenants can provision (and de-provision) resources without manual intervention by the provider.

- **Broad network access.** Resources are available over the network from many different endpoints (including mobile devices).

- **Resource pooling.** Resources are pooled by the provider and can be dynamically assigned and reassigned to serve multiple tenants.

- **Rapid elasticity.** Resources can be rapidly expanded or shrunk (often automatically) to meet dynamic demand requirements.

- **Measured service.** Resource usage can be controlled, optimized, monitored, and measured.

NIST defines three cloud service models as follows:

- **Software as a Service (SaaS).** Access to applications and/or databases are provided to users through a web browser or application interface. The provider manages the software's underlying platform and infrastructure.

- **Platform as a Service (PaaS).** Users deploy applications (either custom or third-party) to a provider platform. The provider manages the underlying infrastructure and operating systems.

- **Infrastructure as a Service (IaaS).** Users provision and manage physical or virtual compute, storage, and network resources in the provider cloud, and possibly some select networking services (for example, firewalls, load balancers, and switches), as well as the deployment and configuration of applications on those resources.

Finally, NIST defines three deployment models (a fourth deployment model, *community cloud*, is also defined but less common) as follows:

- **Private cloud.** Cloud infrastructure used exclusively by a single organization, although it may be on- or off-premise, and managed and/or hosted internally and/or by a third party.

- **Public cloud.** Cloud infrastructure used by multiple organizations.

- **Hybrid cloud.** A combination of public and private cloud infrastructures with multiple providers with some level of integration that enables data and/or application portability between clouds.

The consumerization of IT describes the process that occurs as individuals find and use personal technology and applications that are more powerful or capable, easier and more convenient to use, and quicker to install and manage, than the enterprise IT applications and devices that are provided to perform the same work functions.

Closely related to the consumerization of IT is the "bring your own device" (or BYOD) trend. BYOD refers to enterprise mobile device policies that allows individuals to use their personal mobile technology for both personal and work-related purposes.

Yet another emerging trend is "corporate owned, personally enabled" (or COPE), in which the enterprise provides a choice of approved mobile devices for its users, and allows them to install personal apps and use the device for certain non-work related purposes. But alas, like "consumerization," COPE doesn't sound as cool as BYOB. . . er, BYOD, so it'll probably never be as well known!

BYOD and the consumerization of IT are key business IT trends that recognize the disappearing boundary between our personal and work lives, and enable the *digital workplace*.

The digital workplace leverages the increasingly prevalent technical literacy of Millennials, Gen Xers, and even Baby Boomers in roles that transcend their traditional job functions. This, in turn, promotes a more innovative and productive enterprise in a more social, mobile, and autonomous workplace.

According to Gartner Inc.'s April 2015 report, Digital Workplace Key Initiative Overview, digital workplace principles include the following:

- ✔ By promoting employee engagement, digital workplaces create a workforce that makes discretionary contributions to business effectiveness.
- ✔ Digital workplaces have an explicit goal of creating a consumer-like computing experience that enables teams to be more effective.
- ✔ Digital workplace strategies exploit emerging smart technologies and people-centric design to support dynamic, nonroutine work.

Thus, in the same way that technology and innovation have driven a modern business transformation, modern business is now driving an IT transformation. Rather than futilely attempting to "be all things to everyone," enterprise IT departments must become a "one-stop shop" — an IT service broker, if you will — for all the enterprise's technology needs, whether those needs are ultimately fulfilled by internal IT resources, third-party partners, or cloud service providers.

And that's a perfect Segway. . . er, segue to the business challenges of traditional IT support organizations and the benefits of an IT service brokering model (discussed in the next section)!

Acknowledging the Challenges of the Status Quo

Transforming your IT organization to an IT service brokering model helps to better align IT with your business. The reality is that IT organizations everywhere have struggled to keep pace with modern business for years. Driven by intense performance and time-to-market demands, line of business managers and individual users often turn directly to outside IT service providers to address their technology needs more quickly. This "shadow IT" culture can create an adversarial "cat-and-mouse" relationship between the business and IT, in which IT is perceived as an *inhibitor* rather than an *enabler* of business. Additionally, many new — and sometimes dangerous — challenges arise, including the following:

- ✔ **Loss of accountability.** When a line of business manager goes "rogue" and unilaterally purchases a new application or technology, the question of who is responsible when things inevitably go wrong can become a counterproductive and ugly exercise in finger pointing.

- ✔ **Higher costs.** Enterprises are unable to leverage economies of scale when individual lines of business or individual users make their own procurement decisions without consulting their IT department.

✔ **Integration and interoperability problems.** Individual technology solutions may be implemented that do not easily integrate with other existing technology within the enterprise, or are otherwise incompatible.

✔ **Privacy, security, and regulatory compliance issues.** Non-technical managers and individual users that make technical decisions are not often aware of the privacy, security, and regulatory implications of those decisions.

✔ **Lack of support.** IT organizations struggle to support the growing array of technology solutions used in the enterprise, possibly constrained by a lack of skills and time, or even knowledge of a particular application or device's existence — until it breaks! Worse yet, some IT organizations adopt a "hands off" attitude towards "unsupported" solutions.

Seeing the Business Benefits of IT Service Brokering

In addition to aligning IT with the business and effectively addressing the many challenges of a shadow IT culture, an IT service broker model enables a better end user/customer experience that provides more effective communication and interaction with the IT organization. Other business benefits of IT service brokering include:

✔ **Establish clear accountability.** When LOB and IT managers work together to purchase and implement new applications and technologies, clear accountability for ongoing maintenance and support can be established before issues arise.

✔ **Reduce costs.** A centralized vendor management function within IT can advise and guide purchasing decisions by helping to identify approved vendors, trusted partners, competitive alternatives, and market prices. Additionally, IT can consolidate purchases to maximize discounts and help negotiate better terms.

✔ **Build greater agility.** IT can deliver technology solutions faster when they have a better understanding of the business challenge and don't feel compelled to build the solution themselves (or "re-invent the wheel"). Additionally, integration and interoperability issues can be identified early and addressed appropriately during the requirements-gathering phase of the project.

✔ **Ensure privacy, security, and regulatory compliance.** IT security teams can properly assess new applications and technology solutions to ensure they are compliant with relevant privacy and security policies, as well as any regulatory requirements.

✔ **Improve productivity.** IT support teams can ensure they have the proper training, skills, and tools to support all of the enterprise's applications and technologies. Line of business managers and individual users can focus on their job functions instead of IT "do-it-yourself" projects.

Chapter 2

Getting Started With IT Service Brokering

*I*n this chapter you learn the first steps to becoming an IT service broker in your enterprise.

Changing the IT Service Paradigm

IT service brokering requires a new IT business model that is service-oriented, demand-driven, and fits in the digital enterprise. The perception of IT as a business inhibitor rather than a business enabler has given rise to a shadow IT culture that bypasses or circumvents the IT organization in many enterprises.

To change this model, an IT service broker must give up some control and allow line of business managers and individual users to explore alternative technology solutions under the IT service broker's careful tutelage. In this way, the IT service broker can build the necessary relationship between the business and IT, and become a trusted advisor.

IT service brokering also requires adopting new technologies, including external services and cloud computing. Rather than feeling threatened by third-party technology offerings, an IT service broker should:

- ✔ Accept third-party solutions and relationships as an extension of your internal IT resources.
- ✔ Leverage their expertise and depth-of-knowledge to help your own IT organization grow and learn.
- ✔ Offload routine technology services (such as email management and data archiving) to focus on more strategic, value-added IT services for the enterprise.

Developing a Service App Store

IT service catalog sprawl has become a problem for many enterprises that have tried in vain to document the technology products and services that they offer. For many users, the IT service catalog is as clunky and unwieldy as a mail-order catalog from the 1980s, and the back-end order fulfillment — with its manual, labor-intensive processes that take far too long — is about as efficient!

The concept of an IT service catalog isn't the problem, it's the presentation and fulfillment. An enterprise still needs a central repository for all of its IT products and services. But the interface needs a makeover. Employees in today's digital workplaces don't want to page through a catalog — they demand the convenience of a service app store! And the back end needs to mirror this makeover — complete with automated processes for quick and effective order fulfillment.

More than just listing options, a service app store guides and informs a user's choices. Given a specific business problem and a set of requirements, the app store guides the user to the best solution for their business need.

Delivering IT and Non-IT Services

An IT service broker must be able to deliver IT and non-IT services alike throughout the enterprise. To limit your service offering to IT-related services risks making your IT transformation little more than an IT department rebranding.

Consolidate all your services throughout the enterprise — even those that aren't IT — to simplify the end users' hunt for things they need, and to simplify the back-end fulfillment of those requests for all departments throughout the enterprise.

Integrating Custom and Third-Party Applications and Services

Identify all your enterprise's custom and third-party applications, and internal and external services. An IT service brokering solution must be able to integrate with all these applications and services, including those applications and services in public, private, and hybrid clouds, to be effective.

Allowing vendors to on-board themselves, just like a merchant does on Amazon, opens up the door for greater participation. Today, IT sets up individual catalogs for each vendor, each with a different look and feel, creating a confusing jungle of portals for your end users.

Chapter 3

Taking IT Service Brokering to the Next Level

*I*n this chapter you explore how to take IT service brokering to the next level in your enterprise and ensure its success.

Empowering End Users

Whether you like it or not, your end users are already empowered. The shadow IT culture in many organizations is pervasive and detrimental to the enterprise as a whole. Through IT service brokering, your end users can not only be empowered — but also authorized!

A key to IT service brokering is the concept of on-demand, self-provisioning. This means delivering services and processes that can be automated to the point of requiring no human action beyond the initial user's request.

Expanding Your Service Portfolio Incrementally

Beginning with an enterprise service catalog as the foundation, you can add other services to your app store over time to build a unified view of the full range of business and IT services that your organization offers. Begin with basic IT services like storage and server provisioning, then move into other areas such as payroll and salesforce automation. Finally, take on more complex business processes such as procurement, employee onboarding and training, and orchestration. Be sure to identify the right line of business (LOB) or department managers and stakeholders, then work closely with them to define projects that will deliver value to the organization.

Assessing Change Readiness

Change is difficult in any organization. An IT transformation initiative should begin by assessing both the IT department's readiness for change, as well as the entire enterprise. Keys to assessing cultural change readiness include the following:

✔ **Understanding.** Be sure you know why the change is necessary and why you are undertaking it now. Acknowledge and accept the natural apprehension that will be present throughout the organization.

✔ **Communication.** Open communication and active engagement throughout the organization is important before, during, and after the change initiative.

✔ **Implementation.** Assign appropriate resources and leadership to the initiative to help ensure success.

Planning a Successful Transition

Any successful project or initiative requires project champions and stakeholder buy-in. IT service brokering transcends IT and its benefits to the entire organization should be readily apparent to everyone. Approach IT transformation like any other major project in your enterprise.

Chapter 4

Ten Service Brokering Requirements

*H*ere are ten business and technical requirements you should consider for your IT service brokering solution:

✔ **End User Experience:** Your IT service brokering portal needs to provide an amazing end user experience — one that is familiar and intuitive (for example, iTunes). End users should be able to easily customize the portal for their specific preferences and it should be easy to navigate, find, and order services from a one-stop shop, single pane-of-glass portal to eliminate frustration.

Your IT service brokering portal should be easily accessible from any end user device — including tablets and smartphones.

✔ **Virtual marketplace:** Work closely with the various business units (BUs) throughout your enterprise to identify opportunities to include various IT and non-IT related services in the portal. Empower your BUs to manage their own marketplaces and entitlements, and source services without any need for IT interaction.

✔ **Catalog aggregation:** Seventy percent of enterprises today have up to five service catalogs. Make everything easier for your end users and administrators by importing and consolidating all of these catalogs — both internal and external — into your IT service brokering portal.

✔ **Developer toolkit:** Enable third-parties or internal developers to develop connectors to any fulfillment systems

and develop your own integrations to any fulfillment software.

✓ **Open application programming interfaces (APIs):** Extend your service catalog both externally and in other product lines with APIs that are available to expose catalogs to external customers.

✓ **Costing:** Be fully cost transparent and make end users aware of what their request costs the organization. Ensure your portal can add or subtract costs from service items.

✓ **Compliance:** Have your suppliers publish information needed for any regulatory requirements relevant to your organization. Create questions to ensure their applications and services are compliant. Ensure any required information from your end users is also collected during the request process.

Your IT service brokering solution should provide the ability to create questions that your vendors must answer to ensure compliance. For example, "Is your solution HIPAA (Health Insurance Portability and Accountability Act) compliant?" and/or "Is your solution PCI (Payment Card Industry) certified?"

You also need the ability to add conditional questions. For example, "Are you collecting PII (personally identifiable information)? If so, how is it collected, where is it stored, and is it encrypted?" You should also be able to upload attachments, such as a copy of the vendor's data retention policy.

✓ **Service-level agreements (SLAs):** Your IT service brokering solution should include the ability to automatically compare actual service delivery times against SLAs and provide SLA violation alerts. The portal should also include SLA templates that third parties can publish against and the ability to append internal SLAs to services.

✓ **Third-party and vendor publishing:** Enable third-parties to publish directly into your catalog with a self-service IT service brokering portal that allows you to take full advantage of your partner ecosystem.

✓ **Business intelligence (BI):** BI and analytics included in your IT service brokering solution will help you understand what is happening across your entire organization and gain a complete understanding of delivery times, and service and trends, to name a few.

IT service brokering is the new paradigm in IT service management for the modern enterprise

Technology trends such as cloud computing, "BYOD," and the digital workplace, are driving a shadow IT culture in today's fast-paced organizations. To address these trends and remain relevant, IT organizations must transform from "gatekeepers" to "trusted agents" for all enterprise service needs. This book explains how!

- *Learn what it means to be an IT service broker — and how to become the trusted adviser for your entire organization's service needs*

- *Embrace and authorize the shadow IT culture — empower your users with on-demand, self-provisioning tools rather than playing cat-and-mouse chasing down unauthorized apps and services*

- *Manage workflows and processes for greater efficiency — automate back-end manual processes for both IT and non-IT related services throughout the enterprise*

Lawrence Miller has worked in information technology for more than 25 years. He has written more than 50 *For Dummies* books. Alf Abuhajleh is a solutions marketing manager at BMC Software. Simon Geddes is a product management lead at BMC Software.

Open the book and find:

- How modern technology trends have created new challenges for enterprise IT service organizations

- What to look for in an enterprise IT service brokering solution

- How adopting an "IT as a Service" model will help your organization reduce costs while driving productivity

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