



---

IBM believes that smarter service management strategies can help IT executives obtain a holistic understanding of the services IT delivers; link those services to activities most likely to provide value to the business; and measure those services using metrics that are meaningful to chief executive officers, chief financial officers and other C-level executives. In implementing these strategies, CIOs can also often gain a better understanding of where to best invest IT funds to provide competitive differentiation for their companies.

---

# Integrated service management forges link between IT and business value

## Helping CIOs demonstrate IT support for business goals

Smarter service management strategies can help IT executives obtain a holistic understanding of the services IT delivers; link those services to activities that provide business value; and measure those services using metrics that are meaningful to C-level executives. In implementing these strategies, CIOs can also often gain a better understanding of where to best invest IT funds to provide competitive differentiation for their companies.

Research commissioned by IBM shows that chief information officers want to make these types of linkages. That same research has uncovered a dichotomy. IT executives may want to measure IT's value to the business as a whole, yet the metrics they typically use evaluate the state of IT operations instead—metrics that gauge the performance of individual elements of the infrastructure, for example, or measure project budget variances. As a result, CIOs think of the business value of IT in such terms as: end-user satisfaction with IT; IT services uptime and reduction in the frequency and duration of interruptions; greater end-user understanding of the IT services available to them; fulfillment of user expectations; and using automation to increase the efficiency and cost-effectiveness of provisioning IT services.

These metrics are clearly important, since they assess the health of IT operations. Unfortunately, though, these KPIs (key performance indicators) fail to make the ledger connections most important to C-level executives. IBM believes that intelligent service management activities can help CIOs link IT services to the organization's most critical business needs and provide the KPIs that measure IT's success in supporting business goals.



The question is: How can organizations shift from simply measuring operational outcomes to measuring IT's impact on the business? To implement integrated service management activities that tighten IT-to-business alignment and measure success, organizations need to:

- **Identify critical business services and the underlying IT infrastructures that support them.** This can be accomplished by evaluating the strategic importance of the business services and activities that IT supports, then mapping IT components to these activities.
- **Standardize IT processes around these business services.** Organizations must identify and document IT processes, their associated activities, and the interactions between the two. By measuring its service management system against a robust reference model, an organization can assess whether it is doing the right things in the right way.
- **Create key measurement indicators based on business outcomes.** Organizations can directly link IT services to business value by connecting business and IT KPIs. These types of KPIs use financial, functional, performance and availability measurements as a mechanism by which IT executives can quantify business-IT linkages. Examples include attributing web sales growth (and fewer abandoned shopping carts) to faster storefront transaction processing, or linking increased cross-selling to new application functions that provide a 360-degree view of the customer.
- **Drive improved decision making and change within the organization.** Good governance can help ensure that IT decision making is aligned with strategic business objectives. A comprehensive approach includes establishing governance models, processes, structures and relational mechanisms that engender clarity and transparency in directing and controlling IT.

## For more information

To learn more, contact your IBM marketing representative or IBM Business Partner, or visit [ibm.com/c-suite](http://ibm.com/c-suite)



---

© Copyright IBM Corporation 2010

IBM Global Services  
New Orchard Road  
Armonk, NY 10504  
U.S.A.

Produced in the United States of America  
October 2010  
All Rights Reserved

IBM, the IBM logo and [ibm.com](http://ibm.com) are trademarks of International Business Machines Corporation in the United States, other countries or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol (® or ™), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the web at "Copyright and trademark information" at [ibm.com/legal/copytrade.shtml](http://ibm.com/legal/copytrade.shtml)

Other company, product or service names may be trademarks or service marks of others.

References in this publication to IBM products and services do not imply that IBM intends to make them available in all countries in which IBM operates.



Please Recycle