



POWER SERVER

Server Power	ENABLED
Status	OK
Data Rate	100MB/s
Memory	2048MB Free
Backup	ENABLED





Managed Services

RUNNING APPLICATIONS INTERNALLY OR EXTERNALLY?

Managed services have become established for companies wanting to be relieved of running their IT service management applications themselves. This involves an external supplier providing all the services which are needed to run an application securely and efficiently.

The ITIL® set of best practice guidelines is adhered to in many IT organisations today, so the use of IT service management applications is widespread. A service desk with incident, problem and change management can be found in almost all companies which possess IT-supported business processes. These are either out-of-the-box applications or so-called build-applications which the companies have constantly and individually enhanced over the years. Such build-applications often include numerous individual adaptations and specific extensions. Out-of-the-box applications have also often been complemented with individual interfaces as

the established ITSM systems are set up in modular format so they can be extended easily.

The more individual such applications become, the more complex and expensive it is to operate the overall solution. However it is important that the applications can still be upgraded and updated with the manufacturers' core versions. The more an application deviates from the standard, the more likely it is that a migration project has to be carried out if the application is to continue running after an upgrade. That means the planning

reliability for IT operations decreases, the more a company deviates from the software standard.

The desire to have strong planning reliability, to shift risks to third parties and to reduce costs for IT operations leads to management handing over such applications to external service providers. So the provision of managed services can be seen as a part of outsourcing and basically is concerned with operating business or IT processes by means of software.

Essentially it is possible to differentiate between two fundamental types of managed services: either the complete system platform including the ITSM application is handed over to a service provider or the application continues to run in the customer's data centre but management and operations are carried out via remote access.

Comparing current status and requirements

Independent of the type of managed service being considered, it is recommendable to carry out an assessment workshop when approaching the topic of managed services. In such a workshop service providers and the company identify together which business and IT processes belong to the ITSM application and have to be taken care of. The assessment also includes the company's requirements regarding e.g. reaction and recovery times as well as system availability. Workshops like this ensure transparency about the current situation. It also becomes apparent whether the expectations of the customer can be implemented against the background of their current status.

That is why it is important, together with the IT and user departments, to document precisely what actually happens on the individual IT systems and to determine which processes should be considered as critical. In this way the business processes become transparent and the people responsible can come to a conclusion about the way the



application can already be run by an external provider. If the current status and the customer's requirements differ too much then additional development work has to be carried out as an intermediate step: intermediate steps could mean mapping business processes in a different way, complementing applications and installing new components. In practice it has become clear, for example, that customers expect it to be possible to control existing systems remotely without having to make any changes – which is actually seldom the case. In the end the external service provider bears the risk for the service they offer, so they have to be certain that they are able to perform the service with the existing systems.

An IT service management application is not an isolated solution and usually includes numerous interfaces. Via the interfaces relevant data can be mapped in the application or IT processes can be triggered on the basis of the data stored there. For example interfaces to CMDB, asset management or a service automation solution are prevalent at the moment. Then there are also business-critical and not so critical processes running in one and the same application. The customer often expresses the wish to continue operating the business-critical processes themselves and only to outsource the less critical processes. If the IT infrastructure is closely interlinked and distributed it can thus be difficult to hand over selected ITSM systems completely to an external service provider. One possible solution for this scenario is to implement remote operations for the systems remaining at the customer.

But not all functions can be easily separated from the overall complex and be monitored remotely. In such cases the second basic type of managed services comes into play, which is when hardware and the solution running on it are operated by the external service provider. Several service providers can be involved in this as well. In one possible scenario, one managed service provider takes over running the application and the management as general contractor and another specialised hosting service provider has the appropriate computer capacity

for the physical systems. Availability and monitoring are then regulated by contracts between the managed service provider and the hosting service provider.

Services catalogue for ITSM applications

The catalogue of services is particularly significant for both types of managed services. The services catalogue is the basis for the subsequent contractual organisation of the managed services and describes the services as standardised as possible including the level of quality in each case, the scope of the services and the costs. The customer then selects the services they need from this catalogue of services.

The scope of a services catalogue for managing and operating an ITSM application can vary considerably. It might define, for example, that the application is operated with a certain number of users. Patch management, release management, change management and the availability should also be included in the contracted services. But it is also possible to refine the services in the catalogue even further if so wished.

But the aim is, as much as possible, to achieve a standardised services catalogue with only a few individual service components so the risk and costs are not pushed up unnecessarily. Because it is clear that the more individual the offered services are, the larger the team will be at the managed service provider with the project just getting more and more complex. In practice, managed service providers thus strive towards standardising their offerings as far as possible. As companies seldom start their ITSM applications from scratch there will always be a certain proportion of services which are individually oriented for the customer in addition to the standard services.

Negotiate contracts individually

Supplier, service level management and service level agreements (SLAs) also play an important role: the customer



certainly wants to make sure that the services offered by the managed service provider are actually provided. The organisation of the individual services is contained in the SLAs. The managed service provider in turn makes contracts with their sub-suppliers – known as underpinning contracts in ITIL.

SLAs can be defined individually for each process, which can be rather granular, so often SLAs are limited to reaction and recovery times, to the duration of maintenance windows and to the availability. Behind every SLA which is not adhered to there are penalties which are due whenever they are not fulfilled.

Conclusion

The key advantage of managed services is that customers receive a contractually agreed service at a fixed price. The company does not have to concern itself with which services are needed for daily operations any more, or if the existing team is large enough or which sums have to be invested if equipment breaks down and has to be replaced.

Another advantage is the standardisation of the IT operations which goes hand in hand with this. Many customers prefer to part from their highly individualised build solution if they recognise that managed services can perform more efficiently. It is also much easier to carry out migrations and updates on a standard application. In the end, old fashioned applications which are difficult to operate also increase the operational risk. That is why both customers and managed service providers are interested in deploying the latest software which is oriented to the standard.

However, new challenges regularly have to be faced in daily business. So managed services also have to be designed for the customer so that they are flexible enough for business-critical changes to be checked, evaluated and implemented during an ongoing contract. ■

