

# Consolidation

The Foundation For IT  
and Business Transformation



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Many companies have successfully consolidated, modernized and improved their IT infrastructures with ServiceNow.

How many helpdesks do you have in your business right now? How many IT service management tools, or versions of the same business application is your organization using right now? If the answer to any of these is greater than one, your organization may be operating with a handicap that hinders agility, responsiveness and competitive success.

Your organization, like every other, must grow to survive, and is dependent upon its IT infrastructure to do that. However, that very growth can lead to proliferation of multiple redundant and/or incompatible IT and business resources, including but not limited to those mentioned above. That proliferation, in turn, can lead to higher operating costs and lower operating efficiencies in those resources.

All of these factors are inhibitors to your organization's growth. And anything that impedes organizational growth is a candidate for replacement.

Your enterprise needs the ability to identify all duplicative or outmoded IT and business applications, services and other resources, and then to consolidate those worth keeping, migrate those worth updating, and retiring the rest. And that consolidation delivers multiple business benefits. Key among these: a single interface to multiple tools and resources, and more agile global operations. With the right practices, policies and technology platform, your enterprise can accomplish these goals in ways that accelerate growth, cut costs and complexities, and enhance competitiveness.

### **Introduction: The Dark Side of Growth**

In every type of business, growth is good. However, there is what might be considered "good growth" and "bad growth." Good growth makes an enterprise more agile, responsive, and competitively successful, and tends to spur further growth. Bad growth, in contrast, can hobble agility, responsiveness, and competitive success, and lead to stagnation or worse for that enterprise.

A hallmark characteristic of bad growth is the proliferation of multiple redundant and/or incompatible versions of the same or similar resources. Each example of such fragmentation presents a significant challenge and business impact, as summarized in the table on the next page.

Your business success is increasingly dependent upon your organization's IT infrastructure.

<b>Challenges and Business Impacts of Redundant and Incompatible Resources</b>	
<b>Challenge</b>	<b>Business Impact</b>
Multiple disparate ITSM or business tools/versions	High costs; low agility; frequent, disruptive “work-arounds”
Old versions of legacy ITSM solutions	Intolerable hardware/licensing/maintenance/upgrade costs
Multiple, non-integrated, disparate interfaces to business applications	Low user productivity; high resentment of IT by business users
Redundant, disparate applications required to support global presence/growth	Inconsistent service/agility across regions; high TCO
Difficult-to-use, difficult-to-maintain, inconsistently adopted legacy business applications	High TCO, low ROI; low customer/user satisfaction/productivity
Multiple redundant IT call/care/support centers	High costs, inconsistent support; low customer/user satisfaction/productivity
Inconsistent, non-integrated ITSM processes	Poor IT user support; poor perception of IT's business value
Incompatible, inconsistently adopted business processes	Inconsistent/non-existent governance; low compliance; high risk
Slow responses by IT to requests for new business applications	Low business agility; high resentment of IT by business users

Figure 1. Challenges and Business Impacts of Redundant and Incompatible Resources

Where bad growth has led to fragmentation of IT or business resources, the challenges are many and the impacts on business are significant. Equally clearly, the ability to reduce or eliminate such fragmentation offers equally significant potential business benefit.

**Key Requirements: What You Need to Succeed**

What's needed to address all of these challenges effectively is an effective strategy for consolidation and modernization, and a technology platform that enables execution of that strategy. At the highest level, your strategy will consist of four primary elements, which can be summarized by the acronym “ARCH.”

- Assess your current ITSM and business resources to determine their real business value and costs.
- Retire those resources not meeting your business needs.
- Consolidate and modernize those resources worth keeping.
- Host your most valuable and critical resources on a common platform that enables easy and effective migration, modernization and management.

Many companies have successfully consolidated, modernized and improved their IT infrastructures with ServiceNow, a cloud-based platform that includes a set of powerful, integrated applications for ITSM and other business-critical tasks. We estimate that more than 60 percent of ServiceNow customers are extending the value of the platform beyond IT, into areas ranging from human resources to vehicle management. The experiences and successes of IT and business decision makers at those companies provide useful guidance for your consolidation strategy and your technology platform considerations.

Your initial value/cost assessment should help to drive the choice of initial consolidation candidates, based on business value and criticality.

**Before You Begin: Plan and Justify**

Successful consolidation efforts are based on a plan, and that plan is based on a credible business justification. While needs may be obvious anecdotally, more rigor is often required to move from need recognition to active investment. Among ServiceNow customers, common use cases for justifying IT and business resource consolidation include the following.

IT Resource Consolidation Use Cases	Business Resource Consolidation Use Cases
<ul style="list-style-type: none"> <li>• Centralize service desks</li> <li>• Post-acquisition standardization</li> <li>• Break down silos between teams</li> <li>• Global consistency/improve localization</li> <li>• Reduce cost &amp; complexity</li> <li>• Increase visibility into business services</li> <li>• Infrastructure consolidation &amp; relationships between CIs</li> <li>• Improve resource management</li> </ul>	<ul style="list-style-type: none"> <li>• Application portfolio consolidation</li> <li>• Custom application development</li> <li>• Extend the business value of IT consolidation platform investments</li> <li>• Enable new/enhance incumbent shared business services</li> <li>• Improve user experience quality and consistency</li> <li>• Seamlessly integrate mobility, social, cloud-based features</li> </ul>

Figure 2. IT and Business Resource Consolidation Use Cases

A solid starting point for these efforts is within your organization’s IT infrastructure. This is because your business success is increasingly dependent upon that infrastructure. Any efforts that improve its efficiency and effectiveness will therefore benefit the business as a whole. In addition, successful consolidation within IT can serve as a template for similar successes beyond IT, supported by that improved IT infrastructure and the same platform. Such an approach both leverages and extends the value of consolidation-focused IT investments.

**Step One: Assess What You’ve Got**

Once you have identified one or more compelling use cases, you need to assess and quantify the true business value and costs of current resources carefully. This information is necessary to determine which resources should be consolidated, which should be migrated to a more robust platform, and which should be retired. Wherever possible, this information should be expressed in dollars or some other metric that enables consistent, “apples-to-apples” comparisons of all resources under consideration.

This step will require sufficient commitment and support to assign a specific business value to each application, service and resource under consideration for consolidation. It should also include and encourage input from both IT and business stakeholders. This may be the most resource-intensive element of your consolidation strategy, but it will ensure that you make the best possible choices about your current IT and business resources.

**Step Two: Retire What’s Not Delivering Value**

Your assessment efforts will enable you to rank your incumbent application based on the value they are delivering to the business and the costs required to realize that value. This ranking is a critical element of your next major step: retiring the applications that cost too much, deliver too little, or both. This step is essential, as it will help your IT and business teams to focus on the applications that matter the most to the business. These are the applications your company should consolidate.

ServiceNow already enjoys widespread, proven use in some of the most demanding business computing environments on the planet.

### **Steps Three: Consolidate – On the Right Platform**

Once you've determined which resources to consolidate, you'll need to begin mapping out which applications are to be consolidated first, and how best to do so. Your initial value/cost assessment should help to drive the choice of initial consolidation candidates, based on business value and criticality.

How best to consolidate those first candidates will depend on specific business needs and goals, and on the consolidation features available to you. Those features, in turn, depend upon the specific characteristics of your candidate consolidation platforms. Again, the experiences of successful ServiceNow customers can help to determine and prioritize those characteristics.

- The platform should support both ITSM and business resource consolidation, for maximum business value.
- The platform should already be known, validated and approved by IT decision makers and their teams for rapid adoption and effective support by IT.
- The platform should be cloud-based, and should include integrated support for multiple consolidation-enabling features. Examples include robust workflows, domain separation, configurable access controls, roles and permissions, mobile interfaces, secure social interactions, user-controlled backups, clones, and restores of software instances.
- The platform should integrate with your applications and information sources, and support modern, open Web standards to ease and speed resource consolidation efforts.
- The platform should include extensive, easy-to-use pre-built templates for consolidation-related tasks, to minimize "time to success."
- The platform should enable business users to create applications quickly and easily, with the full guidance and support of IT but with no direct IT intervention required.
- The platform should also include specific features that let IT decision makers sleep well at night. Examples include exemplary security, high availability and fault tolerance, and compliance with the widely adopted IT Infrastructure Library (ITIL) recommendations.
- The platform should be offered by a proven, committed provider of enterprise-class, cloud-based solutions, and supported by comprehensive professional services and a broad ecosystem of helpful knowledge, partners and users.

Any platform that meets all of these requirements is worthy of your organization's careful consideration, and will support your consolidation and modernization efforts well. While you winnow your short list down to a final choice, you and your team should begin planning the specific processes you'll need to execute your consolidation plan.

### **Step Four: Host with the Best Platform – and Platform Vendor**

Once you've narrowed your candidate consolidation platforms to those that meet the requirements described above, you will need to ask the right questions to make the best choice for your organization. Again, the experiences of ServiceNow customers can provide useful guidance as you compare and contrast available alternatives. Below are some questions you should ask every vendor you consider.

- Does the vendor offer a written service level agreement (SLA)?
- Is the vendor's offering based on modern, cloud-based technologies for maximum flexibility and economy?
- Are upgrades to the vendor's technologies straightforward and non-disruptive to your business operations?
- Does the vendor's solution make it easy to create and tailor applications and their interfaces to meet specific business requirements and user preferences, to maximize adoption and minimize training?

Effective consolidation of IT and business resources can enable multiple, meaningful business benefits.

- Is the vendor's offering proven in the real world at enterprises with requirements at least as demanding as those at your organization?
- Is the vendor's offering known to and supported by IT decision makers at your organization and elsewhere?
- Does the vendor's solution incorporate support for mobility, social networking and other features that make applications more usable and popular?
- Is the vendor's solution supported by a broad ecosystem of partners, users, and readily available knowledge, online and in person at user groups and industry events?

**Proof Points: Select ServiceNow Customer Consolidation Success Stories**

ServiceNow already enjoys widespread, proven use in some of the most demanding business computing environments on the planet. And many of those savvy users have used ServiceNow to consolidate resources, within and beyond IT. Examples of this growing trend include the following.

**IT Consolidation Successes**

- PriceWaterhouseCoopers (PWC) is a leading worldwide provider of business advisory, assurance, and tax services, with some 169,000 people in 771 locations in 158 countries. ServiceNow enabled PWC to replace 12 disparate, outmoded ITSM tools, deliver integrated IT management and reporting, halve administrative staff needs, and reduce help desk hours by 28 percent.
- Recreational Equipment, Inc. (REI) is an outdoor retail cooperative. Founded in 1938, the company now has approximately 110,000 employees in more than 110 stores. REI previously had multiple older ITSM tools, with high hardware and licensing costs and no clear upgrade or integration path. ServiceNow enabled REI to consolidate ITSM and to add a configuration management database (CMDB), a service catalog, a custom time-tracking application, and mobile ITSM management to its infrastructure. The company also now enjoys lower ITSM costs and fewer manual processes, thanks to ServiceNow.
- Temple-Inland is a manufacturer of boxes and building products, with approximately 10,000 employees in 120 locations across the mainland US, Puerto Rico and Mexico. ServiceNow delivered consolidation benefits and process improvements to the company that allowed it to cut its IT budget by 40 percent and its investment in ITSM tools by half, while increasing available project resources by 400 percent.

**Successes with Consolidation Beyond IT**

- Brit Insurance is an international general insurance and reinsurance group specializing in commercial insurance. The firm's 2011 gross written premiums were just under £1.5 billion. After years of inconsistent, disjoint, and largely manual ITSM processes, the company consolidated with ServiceNow. It not only vastly improved ITSM, but also used the same platform to consolidate and streamline 12 previously separate and opaque claims processing event streams. And IT decision makers at the company are getting increasing requests to see how ServiceNow can replace paper-based processes in other areas.
- CERN, the European Organization for Nuclear Research, hosts more than 10,000 visiting scientists from around the world each year. (Tim Berners-Lee created the foundations of the World Wide Web while at CERN.) CERN previously suffered from disparate tools and processes for management of IT and business services, inconsistent service levels, no single point of help, and limited visibility into service performance. With ServiceNow, CERN was able to create a single catalog of more than 650 IT and business services, achieving more consistent service management and improved problem handling, for IT staff and visiting scientists alike.

- Key Energy Services is the world's largest land-based well services company, with more than 8,500 employees globally. While the company has always placed a high priority on employee health and safety, it suffered from disconnected and inconsistent management processes and systems. Key Energy now uses ServiceNow to manage everything from truck maintenance to safety response incidents in the field. Consolidation and modernization with ServiceNow has helped Key Energy to improve equipment uptime, promote safety and environmental health, and increase crew productivity.

### The Bottom Line

Effective consolidation of IT and business resources can enable multiple, meaningful business benefits. As detailed above, the right combination of justification, planning, execution, and platform can reduce or eliminate redundancies, incompatibilities, and complexities associated with those resources, as well as associated hardware, software, and maintenance costs. It can also make management processes and delivery of IT-enabled services more consistent and efficient, enable new, innovative, high-value business applications. And as these extend beyond IT, they can also extend the value of IT consolidation platform investments.

All of these benefits can, in turn, increase IT's support of and relevance to the business, and IT's overall business value, while improving IT's perception as across the enterprise. Achieving these benefits, however, relies upon the careful selection of a platform that can support the features and functions needed to succeed with consolidation. The ServiceNow platform is that platform.



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