Transformational RIM Services
Power the Agile Enterprise

Today’s automated remote infrastructure management services can more easily flex to meet the needs of emerging elastic digital architectures built around social, mobile, analytics and cloud technologies, allowing companies to continue shifting IT service management from capital to operational budgets.

Executive Summary

Unprecedented and ongoing changes in technology, business and society require organizations to transform themselves in order to remain relevant and drive growth. This fundamental shift requires businesses to rethink and rewire their overall IT strategy and systems, as well as their customer-facing business operations.

Remote infrastructure management (RIM) is a critical component in this rethinking and rewiring, as it enables the new capabilities and service excellence that today’s organizations need to compete. Companies that source infrastructure management can free key resources to plan and implement new business services that will be driven and supported by social, mobile, analytics and cloud (SMAC) services and capabilities.

Done right, RIM will drive transformation by providing capital and operational savings, as well as the management flexibility and agility needed to support a new elastic digital architecture (EDA) that flexes to meet changing business needs. This elasticity is important for supporting customer demand for new business services and to quickly enter and exit new markets and delivery channels in an ever-changing world.

To provide this elasticity, transformational RIM services must enable the enterprise to incorporate and support cloud-driven services. These services must, where appropriate, leverage investments in existing management and monitoring tools. If those tools cannot support business requirements, RIM service providers need to provide their own ITIL-based operations framework and workflow engines.

Best practices within transformational RIM services will enable cloud-based compute, storage and application services to be provisioned and consumed as a utility, delivering measurable and continual improvements to the bottom line. When RIM services are linked to the orchestration of cloud and other resources, they allow services to be provisioned according to preset policies that specify cost, security, service and availability requirements. By adhering to such policies, businesses can reduce costs and increase service excellence by ensuring that scarce technical and human resources are focused on the most business-critical services.
Finally, pre-built “productized” RIM services – carefully defined with a platform architecture and documented with ITIL operational processes – will ensure high-quality service and consistent results. These services also enable businesses to selectively choose RIM for only the most appropriate technology or business domains to achieve the best mix of control and cost savings (see sidebar, page 4).

**The Challenge**

As businesses expand into new markets, channels and partnerships, they need new ways to ensure the availability of their systems, quickly tap skills in modern technologies and expand IT support and services to more sites and users. SMAC technologies can help create new elastic structures that support just-in-time global wealth creation via cloud, mobile apps and social networks. These new technologies and communication channels optimize core knowledge and leverage analytics to reveal insights into new opportunities across internal silos, as well as with customers and business partners.

Transformational RIM services not only provide a lower cost of managing new capabilities; they also support and enable the flexibility, agility and elasticity offered by SMAC. These services also provide elasticity through the use of highly virtualized public clouds, as well as private clouds chosen to ensure proper control and security for critical data and applications.

Research from the Everest Group (see Figure 1) indicates that enterprise buyers of infrastructure sourcing services expect providers to go beyond lowering the cost of managing their current environment. Today’s customers expect their provider to transform their operations through industrialized standard services, automation and improved processes. Enterprises also expect reduced expenses and conversion of their cost structure from capital to operational expenditures by leveraging cloud technologies and services, as well as other SMAC technologies that are provided and supported by their service provider.

Three key characteristics define successful businesses today: Flexibility, agility and elasticity.

- **Flexibility:** Flexibility means being able to deploy additional applications, systems and infrastructure to support new products and services, delivery channels and geographic markets. Flexible businesses can also rapidly incorporate new technologies, using standardized interfaces to link to new applications and devices, and utilize new off-the-shelf or custom software to meet changing business needs.

**Expectations for Transformation**

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<th>Traditional Infrastructure Outsourcing</th>
<th>Pure RIM</th>
<th>Transformation</th>
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(Usually involves elements of asset transfer and labor arbitrage models.)
An organization is flexible when it can:

- Cost-effectively deploy software as a service (SaaS), along with in-house applications, in order to engage in needed activities, such as reaching a new market segment or experimenting with a new business model.
- Tap data from a point-of-sale system or a social media comment stream to analyze sales trends or customer sentiment.
- Easily and securely share data from corporate systems with mobile social collaboration platforms for employees and customers.

**Agility:** Agility is the enterprise’s ability to support changes in business model, application mix and required service levels more quickly and cost-effectively than its competitors to seize and maintain a “first-mover” competitive advantage. An agile enterprise infrastructure, combined with transformational RIM, reduces the cost of implementing and supporting new channels, technologies and business models so that organizations can gain experience quickly and change direction if a given technology or business model does not deliver.

**Elasticity:** Elasticity is the ability to quickly and cost-effectively scale the IT infrastructure up or down to respond to changes such as decreased demand, the decision to exit a service line or the closing down or spinning off of a business. In an elastic enterprise, economies of scale shift up and down with business volumes rather than remaining fixed when business slows, as with traditional IT infrastructures. Eliminating the capital investment and matching the operating costs of the business’s IT platform to its current needs significantly reduces the cost and risk of adding new features, business partners, products and services, or entering new markets.

**Transformational RIM Requirements**

Earlier approaches to RIM focused on reducing costs through labor arbitrage and improving productivity. Transformational RIM goes further by standardizing, automating, measuring and continually improving IT processes to deliver service excellence through dramatic levels of flexibility, agility and elasticity.

The new generation of RIM enables the monitoring and management of private or public cloud services, shifting reliance on fixed IT capital expenditures to variable operational expenses that rise and fall with demand. Using RIM to more effectively integrate cloud-based services into the overall management of the enterprise IT environment provides control and visibility that ensures the proper delivery of enterprise applications and business services.

Dramatic improvements in user and customer satisfaction, as well as reduced support costs and downtime, also require greater visibility into the health of critical business applications. Transformational RIM provides this by integrating application and infrastructure monitoring and management support into a single team with a unified view of performance, reliability, availability and other key metrics. This integration, using proven ITIL standards and processes, provides faster incident resolution and more efficient problem management to drive overall improved business performance.

These benefits change the relationship between the RIM service provider and the customer. Rather than focusing only on reducing costs, the RIM service provider and customer must partner on strategic, transformational initiatives that will drive not only innovation but also measurable business results and capabilities.

**The Road to Transformational RIM**

To move toward transformational RIM, customers need to rethink their current sourcing strategies to consider how they can meet fundamental technology and business challenges. It is not enough to simply source static, inefficient processes that manage legacy systems. Companies should seek a RIM provider that can proactively evaluate and improve their management processes to deliver the increased flexibility, agility and elasticity required to support the business and drive growth.

Transformational RIM will, in fact, be the best way to meet the management challenges of SMAC technologies and services that are changing the future of work. It also introduces enterprise-level management, security and compliance to growth initiatives such as massive analytics projects or allowing millions of customers to access corporate data through mobile and social environments.
Our transformational RIM services are already helping clients make the leap from mere cost reduction to generating business value by delivering revenue-generating applications and services. For example:

- **We saved a major investment bank more than $4 million per year** by migrating its legacy infrastructure to a modern, highly available, tightly integrated solution equipped with business service management (BSM) tools for proactive fault monitoring, service management reporting and automation. We also crafted a five-year transformational technology roadmap for supporting private and public clouds, big data and a bring-your-own-device (BYOD) capability. This “living” roadmap will be updated and refined on a regular basis to ensure that the IT services stay ahead of the adoption curve for the business. (For more insights on our BYOD thinking, read “Making BYOD Work for Your Organization”.)

- **A top-10 global pharmaceuticals company** needed to deploy development and test instances for its agile research environments but was unable to do this using its current IT infrastructure. However, the company realized it had an underutilized set of system resources across a mix of operating system environments that led to excessively long provisioning times, high costs and unnecessary complexity. With our Cloud360® RIM services, we enabled this pharma company to implement on-demand, self-service provisioning and management of its development/test environments, leveraging existing IT assets.

- **A major U.S. insurer** wanted to reduce the elongated time it took to provision test and development environments, which were increasingly impacting its overall business. The solution: free data center resources through the implementation of a public cloud and deploy Cloud360 to monitor the new hybrid environment. Cloud360 reduced the provisioning process for the test and development environment from months to minutes, improved performance by monitoring resource consumption and presented the management team with optimized usage scenarios.

Companies should also continuously distinguish between which IT functions are core to their business and provide competitive advantage vs. those that are contextual and thus better provided by a RIM provider. Such a partner should offer high-touch, high-value services based on the provider’s own intellectual property, such as management systems and tools, business improvement plans and business transformation frameworks, along with domain knowledge and expertise.

Companies should expect their RIM provider to understand their business domain, proactively identify emerging market requirements and understand the needs of different types of customers and end users, as well as the connection between the IT infrastructure and the application services used by the enterprise. With this holistic view, the right RIM service provider can suggest transformational services and programs that differentiate the enterprise in a fast-changing business environment.

Given this mandate, transformational RIM providers must deliver against the following imperatives:

- **Value creation.** Does the service provider offer technology architecture, strategy and management capabilities that provide true value to the client? Buyers need to ask prospective sourcing partners specifically what value they bring in terms of overall operational improvements, IT/business alignment and the ability to drive innovation and growth. Service providers must also provide real-time measurement of the value they are delivering in business terms.

- **Automation.** Does the service provider offer technologies and processes that automate management functions for ongoing reductions in cost and improvement in service levels? Do they have the tools and processes to orchestrate various parts of the IT infrastructure, including the SMAC stack, to provide needed flexibility, agility and elasticity?
• **Transparency and visibility into service delivery.** If problems arise related to IT service delivery, how visible will these be to the organization? How soon will it take to realize a problem occurred, the root cause and how it was addressed? As important, what changes will be made in service delivery to address problems to further minimize — and ideally eliminate — their impact on the business?

• **24x7 global operations.** Can the service provider deliver consistent service across all the geographies and services needed now and in the future? Can the provider leverage this global experience to put best practices to work for each customer?

• **Maturity of processes and delivery.** Does the provider utilize a framework such as ITIL and strive for continuous improvement? Does it use a metrics-driven approach with an operational framework that clearly defines operations and milestones, measures continuous improvements and regularly reports back to clients?

• **Security and data privacy.** Can the provider prove its compliance with all the internal and external rules and regulations facing the organization? Does it understand the customer’s business well enough to help it prioritize its security and data privacy efforts?

• **Stringent service level agreements (SLAs).** Is the provider willing to commit to specific levels of availability and performance for critical business applications, the intervals at which operating systems must be updated and how quickly calls to the support desk are answered? Can it offer customized SLAs to meet a company’s specific needs? Are these SLAs backed by penalties and rewards?

**A Competitive ‘Must’**

Today’s ongoing changes in business, technology and society are so fundamental that companies need to move beyond incremental improvements and drive transformational IT services initiatives. This transformation must allow them to continually cut costs while scaling services to reach new markets, improve service levels and grow the business. Organizations must be “ambidextrous” — balancing cost-cutting with growth and innovation — and this requirement will only intensify as work becomes more globalized and virtual, mobile device usage soars and virtualization technology rises in importance.

Businesses that rely on traditional RIM models by sourcing inefficient or ineffective processes will not only fail to reduce their costs; they will also be stuck with rigid, unresponsive systems that hinder change. The transformational RIM model relies on standardization, automation, persistent measurement and improvement, as well as developing technology and business roadmaps to continuously improve IT infrastructure to deliver service excellence that boosts the bottom line. Only those organizations that embrace transformational RIM — and the partners that can provide it — will achieve both the cost reductions and enhanced flexibility they need to survive and thrive in today’s turbulent global economy.

**Footnotes**


**About the Author**

Satish Thiagarajan oversees the Technology Office within Cognizant’s IT Infrastructure Services (ITIS) Business Unit. In this role, he is responsible for keeping the business unit ahead of the technology curve by identifying, incubating and institutionalizing new technology capability and driving technology strategy across its portfolio. In his 22-year career, Satish has overseen application development and management, testing as well as IT infrastructure services portfolios in various capacities, including consulting, delivery, building and managing centers of excellence, and practice management functions. Satish received a BTech degree in chemical engineering from REC Warangal, India and a post-graduate diploma in business administration and a CFA from ICFAI business school. He can be reached at Satish.Thiagarajan@cognizant.com.
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