

Five Secrets on Stretching Your IT Budget: How to Save 50% on IT Systems Management Costs

**Quickly Meet All Your Performance, Availability and Capacity Needs
on a Limited Budget.
(Free Checklist Included)**



Table of Contents:

1. ITSM “Need vs. Want” – Save 50% on Budget 4

2. Know the Total Licensing Cost of ITSM Suites 5

3. How much will Your ITSM Solution Cost to Deploy and Maintain? 6

4. Provide Value to the Entire IT Team across Silos (Windows, VMware, UNIX, Application, Network teams) 7

5. Choose an Easy-to-Use ITSM suite for IT Staff 9

ITSM Cost Comparison Checklist10

IT Systems Management (ITSM) Definition:

Before we get started, let's quickly define what an ITSM solution is for the purposes of this eBook and checklist. An ITSM suite is an IT performance and availability monitoring tool that provides IT dashboards, fast and deep root-cause analysis to solve immediate problems, capacity planning, and proactive alerting and automated actions to address problems before they happen. An ITSM suite needs to accomplish this across multiple enterprise platforms, including UNIX, Windows, Linux, VMware, and Novell. The capability set that an ITSM suite provides should include:

- ✓ Server monitoring
- ✓ Virtual server monitoring
- ✓ Virtualization and consolidation reporting
- ✓ Capacity planning
- ✓ Cloud monitoring
- ✓ SLA monitoring and reporting
- ✓ Application monitoring
- ✓ Application transaction monitoring
- ✓ Basic network and NetFlow monitoring
- ✓ Multiple datacenter monitoring and management

Additionally, an ITSM suite should be able to monitor and aggregate across one or multiple datacenters, whether they are physical, virtual or cloud based. Most importantly, an ITSM suite needs to make managing and monitoring IT easier, while still fitting into your IT budget.

1. ITSM “Need vs. Want” – Save 50% on Budget

When IT departments are looking for an IT Systems Management (ITSM) solution to replace their current solution or process, it’s essential to understand these issues before considering potential vendors:

- Does the IT Systems Management suite meet your needs (does it have capabilities that solve your problems)?
- Is the cost of the solution a good fit for your budget?
- Do you understand what capabilities your team **‘needs’** vs **‘wants’**? The price between the two can be very high.

There are generally two types of paths most IT departments follow when it comes to ITSM solutions. Some IT departments choose light/freeware/open source tooling in order to save budget, yet run into headache after headache with an incomplete product. The end result is underperforming IT teams and poor tooling, leading to outages and constant performance problems. Alternatively, some IT departments spend on overly expensive, convoluted, and difficult to use framework and ‘Big 4’ type solutions. Unfortunately, both of these solutions (Big 4 frameworks and low-end tools) provide significant risks for mid-enterprise companies with lean IT budgets. However, there is another option.

- 1. Choose What You Really Need:** While large frameworks might offer everything (along with the kitchen sink), chances are that you’ll only ever use 70% of those capabilities, at a maximum. More often, you might use less than 50%. In most cases (especially for mid-enterprise companies), it’s not worth the inflated cost, additional services needed, and deployment risks and headaches. Alternatively, struggling with low-end and open source tools won’t solve the incumbent problems, as eventually you’ll need to consider enterprise level solutions that include capacity planning, SLA monitoring, and more.

- ✓ **Answer:** Find the capabilities (monitoring, alerting and reporting) that your team needs to get the job done. Understand exactly what capabilities you need from a systems management solution (server monitoring, application monitoring, virtual environment monitoring, capacity planning, SLAs, etc) and look for a solution that has depth in those areas. Additionally, pick a solution that is enterprise proven, so it can scale to grow with you. There are some ITSM vendors with mid-enterprise suites that can solve your ITSM needs without breaking the budget.

2. **Get 50% Cost Savings:** Most of the time, you'll be able to find the needed ITSM capabilities in products other than "Big 4" type frameworks (i.e. IBM Tivoli, HP OpenView, CA Unicenter, BMC Patrol, NetIQ), at a cost that will make both you, and your CIO happy. However, it's not only the expensive frameworks that you need to be concerned about. Freeware and Open source have a sizeable cost associated as well, including industry high costs in maintenance and support, not to mention scalability and capability issues. Don't be fooled by a low upfront price tag.
 - ✓ **Answer:** If you understand what capabilities your IT team needs to meet performance and availability SLAs, there are solutions that can offer 50% cost saving compared to 'Big 4' type frameworks. Mid-enterprise focused ITSM solutions can provide very deep enterprise level metrics, reporting and other capabilities, yet can be much more affordable and easier for your IT team to use.

2. Know the Total Licensing Cost of ITSM Suites

Let's get down to the brass tacks, in this case the licensing cost.

1. **Look for Licensing that's Easy to Understand and Offers You the Most Value:** 20-page contracts should be a thing of the past, as they usually incorporate various levels of billing and hard-to-understand pricing structures (priced by core, by socket, by module, by application, by VM, or even by amount of data consumed). These types of licenses can be confusing, costly to scale, limited in functionality, and can cause compliancy issues as you bring on new servers or spin up/down new VMs or Cloud services.
 - ✓ **Answer:** Look for pricing that helps you scale without driving your costs up dramatically, and still gives you access to the capabilities that you need most. Per-physical-server pricing provides the most value: it is easy to manage (just count the number of physical servers) and it allows you to stack on as many VMs and applications as you want to monitor without getting charged additional fees.

2. **Know the Cost to Include the Capabilities/Features you Need:** Depending on the pricing model, the cost could escalate based on the number of modules needed to address all your performance and availability monitoring needs. Add on the cost to monitor certain applications and additional management and reporting packs and the price can start to scale too high.
 - ✓ **Answer:** Look for licensing that includes most or all of what you need in one price. An all-in-one solution (with no modules, application charges, management packs, or upgraded reports) can give you all the functionality you need at the best cost. All-in-one solutions can include some or all of the following: server monitoring (UNIX, Windows, Linux, Novell, HP-UX), virtual server monitoring (VMware, virtual candidate reports for consolidation), capacity planning (including a full performance data warehouse), SLA monitoring and reporting, application monitoring, application transaction monitoring, fast root-cause analysis, deep reporting capabilities, Cloud monitoring, Network/NetFlow monitoring, monitoring across multiple datacenters, and more.

3. How much will Your ITSM Solution Cost to Deploy and Maintain?

Along with licensing costs, it's important to consider the 'soft' costs of an IT Systems Management suite. These costs include deployment and maintenance.

1. **The True Deployment Costs:** Deployment costs can add up quickly, but the general rule is to add 100% of the license cost for deployment when purchasing a solution that requires services. That can really hurt the IT budget. Also, consider the time it will take to deploy. The longer the time line, the more complex (a.k.a. harder to use) the solution. Slow deployment (weeks and months) can lead to a large margin for error, cost overruns, stressed out IT staff, and sleepless nights for IT managers. This costs the IT department vital resources, and can end up costing IT Managers and Directors their jobs.
 - ✓ **Answer:** Find an ITSM suite that can be deployed quickly with few outside services. Let's be clear on what 'quick' deployment means. Simply, it means deploying in days, with your own IT staff. This avoids the large costs associated with services, allows your IT team to become fully aware of the ITSM solution, increases productivity and provides management with monitoring,

reporting, and SLAs dashboards months ahead of schedule. At the end of the day, fast deployment means large costs savings, happy IT staff, and very happy executives.

- 2. The Real Maintenance Cost:** Maintenance can mean a number of things, but for simplicity's sake, let's include annual maintenance fees, support upgrades/tier fees, product upgrade cost, and IT staff time required to operate an ITSM suite. In most cases, these costs are overlooked during the 'purchase euphoria' but can become a major headache during the product roll out. Problems that require escalation to higher support levels, product upgrades, a full-time head count to operate/maintain/babysit your new ITSM tool, and a standard 25% annual fee can add up very quickly to a large yearly cost in budget and IT staff time.

- ✓ **Answer:** Look for a support/maintenance model that fits your needs. You should be able to escalate to 2nd and 3rd level support if needed at no extra cost. Product upgrades should be free and easily available, annual fees should never total more than 20% of your license cost. Most importantly, you should never need a full-time employee to maintain your ITSM suite. The right ITSM suite should make your IT team more productive, and not require additional staff to operate.

4. Provide Value to the Entire IT Team across Silos (Windows, VMware, UNIX, Application, Network teams)

A highly functioning IT department is a combination of:

- Skilled and productive IT professionals
- Smart IT tooling.

It goes in that order: people, then tools. To make your IT staff the most productive, it's important to have them on the same page. One way to create high performing IT teams is through an IT systems management dashboard that can be used as a 'heads up display' across multiple silos. Not only does a dashboard like this make the team more productive, but it greatly reduces the costs associated with buying and maintaining multiple tool stacks.

- 1. Too Many Tools Leads to High Costs:** It's the same old story: each IT silo wants a different niche tool to monitor their systems. Buying and supporting additional tools for each silo hurts the IT budget. Costs associated with licenses, deployment, maintenance, upgrades and support across a multitude of tools is very costly and may not be providing much benefit.
 - ✓ **Answer:** The answer is not in using many tools, but in finding one that can satisfy the core needs of each silo. Find an ITSM suite that can address the needs of IT professionals across the IT department and the cost savings will be substantial. Work with the IT teams to ensure they are focusing on the solutions they *need* to be productive. In some cases a niche tool may need to be kept, so it's important to ensure your new ITSM suite can integrate and upstream/downstream data with that tool easily.
- 2. Less Tools for Better Teamwork and Productivity:** Too many tools can often lead to too many different metrics, too much finger pointing and a complete loss of IT teamwork and productivity. This can pit IT teams against each other, as each silo's tool will conveniently prove it's not their issue. This problem is usually referred to as 'IT Tool Soup' and is amplified by an apples to oranges metric comparison across teams, meaning no synergy and too much blame game/finger pointing. If the team can get on the same page (or in this case, on the same dashboard), everyone works together.
 - ✓ **Answer:** Consolidate into as few tools as possible, ideally down to one. Having one easy-to-use dashboard for the IT department is key to increasing productivity. In order to satisfy all the stakeholders, have each IT team write down their *needs* (must have) as well as their *wants* (nice to have) and look for a solution that fills these requests and still fits into your budget. In some cases, you might need/want to keep a point tool, so it's essential to make sure your IT Systems Management suite can integrate easily.

5. Choose an Easy-to-Use ITSM suite for IT Staff

Easy-to-use may sound like very 'soft' criteria, but it's extremely important in the day-to-day use of an ITSM suite. Easy-to-use means quick deployment, simple configuration, dashboard to root-cause in seconds, automatic discovery of systems, and 3-click type reporting.

1. **Complexity Kills Productivity:** The large IT suites and frameworks can be overly complex and demand too much babysitting. They aren't easy to navigate, require too many open windows, and are usually a patch work of acquired tools that don't integrate quite as well as you were told. These types of solutions typically require a full time administrator that eats up an additional head count in your budget. All this totals up to a huge cost, and still, where do many of these solutions end up? On the shelf due to massive cost overruns, long deployment time lines, and broken product promises.
 - ✓ **Answer:** Enable IT with an intuitive ITSM suite that helps get the job done right, and quickly. This means dashboard to deep root cause analysis in seconds, automated actions, powerfully deep 3-click reporting, and proactive alerting that helps stop continuous firefighting. At the end of the day, your ITSM suite needs to make IT more proactive in meeting service levels, as well as helping to solve immediate problems quickly and easily.

ITSM Software Cost Comparison Checklist

- Use this check list to highlight the true cost differences between solutions.
- For the best product stack up, use the checklist below alongside the “IT Systems Management Vendor Evaluation Checklist” ([download it here](#)) which provides a feature by feature comparison.
- Download a Free 30-Day Enterprise Trial of up.time here (support included): [Download Trial](#)

Pricing and Licensing		up.time	Vendor 1	Notes
Pricing per physical server	Is it priced per-physical-server, including all the capabilities you need?	\$765 per physical server		High Volume, Gov't, EDU, and Industry discounts up to 50% are available
Priced by Core, CPU, Module?	How is the solution priced? How much do you plan to monitor today and in the future?	\$0		Included in per-server cost of up.time
Pricing for virtualized servers (VMware)	How are virtualized servers priced (i.e. by VM or by physical machine) and what is the cost for each?	\$0		All VMware Instances Included in per-server cost of up.time
Admin consoles	What is the cost for an admin console and how many are required?	\$0		Included in per-server cost of up.time
Add-Ons	Is there an additional charge for monitoring WebSphere, Exchange, Oracle, etc. and what are the costs?	\$0		Included in per-server cost of up.time
Future Upgrades	Is there a cost associated with getting future upgrades?	\$0		Included in Support cost of up.time
Management Packs	What are the requirements for additional management packs and the cost for each?	\$0		Included in per-server cost of up.time
Training Costs	What is the cost for the required training?	\$0-\$1,500		Available but not required with up.time
Other				

Deployment		up.time	Vendor 1	Notes
Implementation Costs	Does the product require professional services to implement?	\$0		Available but not required with up.time
Cost Overruns	If using outside services, have you budgeted for delays and service overruns? (1.3 x quoted service cost)	\$0		Self-deployable with up.time
Speed of Deployment	While it's hard to put a cost on the headaches and frustration of a long deployment, estimate for this metric. (Fast = less than 1 week, medium = 1 week to 1 month, slow = 1 month to 1 year)	Fast (1 to 5 days)		up.time deploys at a speed of 400 servers per day (assuming one FTE during deployment)
Other				

Maintenance		up.time	Vendor 1	Notes
What is the Annual Support/Maintenance	How is the annual support calculated?	20%		20% of total license fee
Staff Resources Required	How many in-house resources will it require to run?	1 person, 0-5 hours/week		up.time is designed to be very low maintenance
Quality of Support	Is 1 st level of support all subject matter experts (SMEs)? Is support guaranteed to be in North America and not outsourced to ensure top quality?	Yes		up.time support is based at uptime software headquarters in Toronto, Canada.
Ease of Use	How easy is it for your team to use for all monitoring and reporting needs?	Intuitive Dashboards and Reporting		Browser based dashboards. 3-click detailed reporting.
Other				

Features		up.time	Vendor 1	Notes
Server monitoring	Cost of Server Monitoring Module For Each Platform (Solaris, IBM AIX/Power, Windows, Linux, Novell, VMware, etc).	\$0		Included in per-server cost of up.time
Virtual Server Monitoring	How much will it cost per virtual instance or other virtual metrics (VMware)?	\$0		All VMware Instances Included in per-server cost of up.time
Application Monitoring	How much will it cost to monitor application performance and availability?	\$0		Included in per-server cost of up.time
Application Transaction Monitoring	How much will it cost to add application transaction monitoring across internal and web applications?	\$0		Included in per-server cost of up.time
Capacity Planning	How much will it cost for a Capacity Planning module that includes a data performance warehouse and unlimited historical data to report on?	\$0		Included in per-server cost of up.time
Service Level Agreement (SLA) Monitoring and reporting	How much will it cost for fully featured SLA monitoring and reporting?	\$0		Included in per-server cost of up.time
Deep Root-Cause Analysis tooling	How much will it cost to add deep problem analysis tools that go from dashboard to application to platform and resource level?	\$0		Included in per-server cost of up.time
Virtualization Tools	How much will it cost to add in virtualization tools and reports that identify physical servers that are good candidates for virtualization?	\$0		Included in per-server cost of up.time
Network Monitoring	How much will it cost to add in basic network monitoring?	\$0		Included in per-server cost of up.time
Management Reporting Packs	How much will it cost for management reports and automated reporting capabilities?	\$0		Included in per-server cost of up.time