

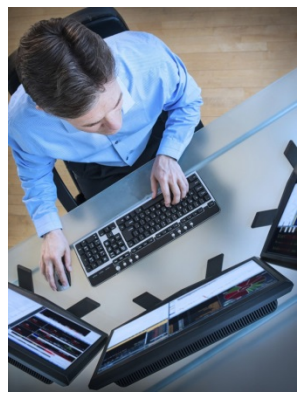
Kelton

TeamQuest Global ITSO Maturity Study— NewsWorthy Analysis

Prepared for TeamQuest, December 2014

Opportunities for Enhancement

Companies lack proper preparation for IT systems and cause operations to be inefficient



More and more employees work remotely, and need to access and exchange company information through a cloud. And millions of organizations today gather Big Data on a daily basis. These circumstances make an efficient IT set up critical. In fact, IT plays an integral role in ensuring the success of businesses around the globe as it enables a company’s workforce to navigate their daily responsibilities with ease. However, according to a new survey* by TeamQuest, the maturity level of the IT at most companies could stand to be improved in order to boost efficiency.

Unfortunately, most organizations tend to be reactive rather than proactive in their structure. In fact, just ten percent of the average IT staff’s time is usually spent on getting ahead of improvement efforts, like capacity planning and problem prevention. Instead, IT departments spend nearly half their time responding to problems like performance or service outages, application quality, or data center issues. In this way, current problems tie up their time and prevent them from looking ahead.

But the solution is simple. IT optimization and virtual machine management can—and will—have a positive impact across all IT areas, especially efficiency, as long as there is proper planning.

** Online survey among 419 IT Managers or Higher in US, UK, Canada, Sweden, France, Germany, Italy, China, Japan and Australia Who Work in Companies with 1,000+ Employees*

Putting Out Fires

Unexpected IT issues force managers to shift their focus away from planning.

2

On the Clock. What's more is that each of these issues takes, on average, **3 hours and 24 minutes to resolve** .

Problem Solvers. And it takes an average of **7 staff members to help** do it.

1

Sudden Concerns. On average, IT managers say their department has to deal with **8 unexpected IT issues each week**. More than one-quarter (**26%**) come against **5 or more fires per week** – that's at least one a day Monday through Friday.

- *Managers at companies with 5,000 or more employees say their department deals with an average of 9 unexpected IT issues each week, while those at companies with 1,000-4,999 employees battle 6 IT fires.*

3

Each week, there are an average of...

8 IT fires 

Which, to resolve, take...

3 hours and 24 minutes 

7 staff members 

4

Problem Areas. Among the most common IT issues that are being dealt with each week are **network slowdowns or outages (42%)**, **poor performing applications (37%)**, **availability issues (37%)**, **equipment failures (36%)** and **unanticipated change requests (34%)**.

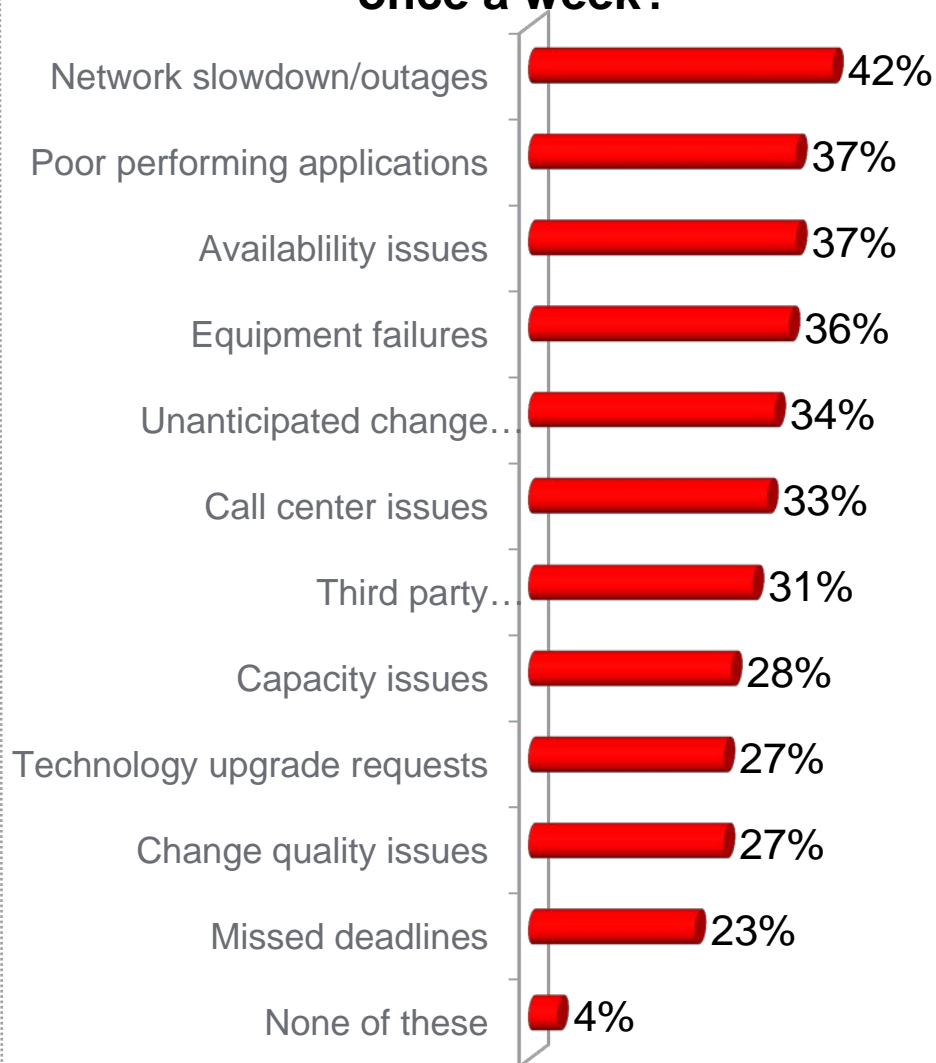
- *Close to half (47%) of those at companies with 1,000-4,999 employees deal with network slowdowns or outages, vs. 34% of those at larger companies. And more of those at companies with 5,000+ employees than those at companies with 1,000-4,999 employees (37% vs. 26%) have issues with third party services or software issues.*

6

Falling Behind. Dealing with current issues is likely preventing many from getting ahead of them. Just **10 percent** of their **staff's time, on average, is spent on proactive improvement efforts**, like application tuning, server tuning, or data management.

5

What are common IT issues that your department deals with at least once a week?



Performance Push

IT departments around the globe could use help to be more efficient.

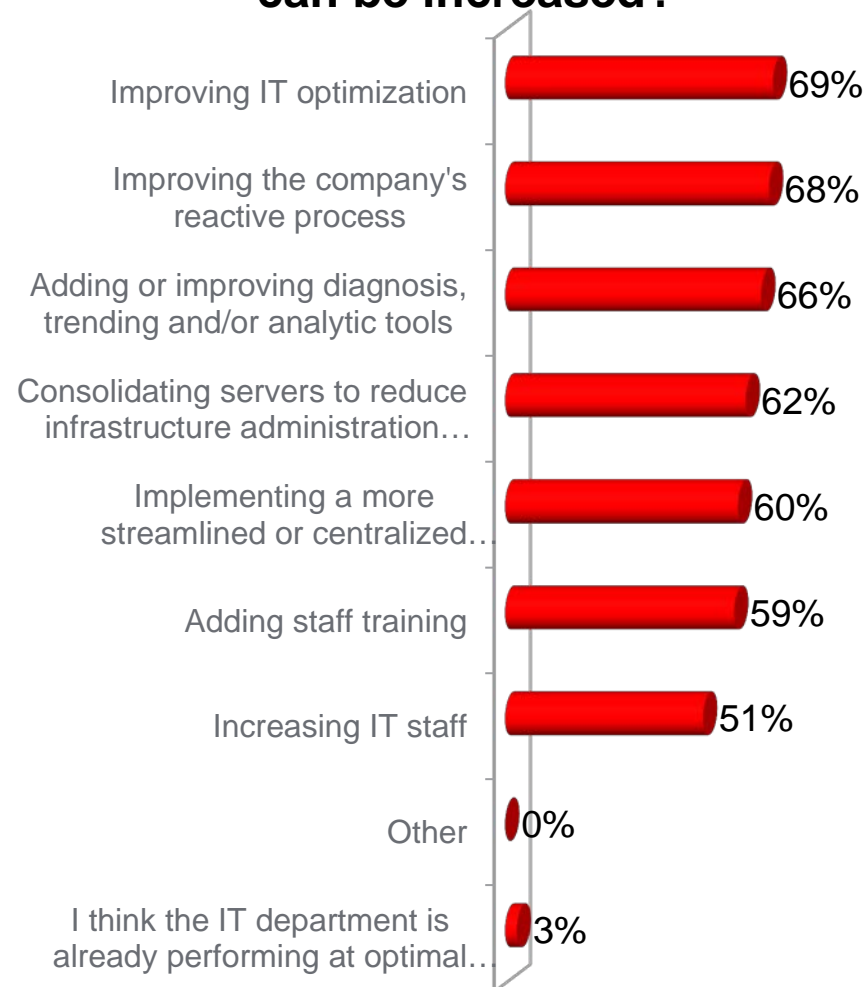
2 Adequate Adjustments. Perhaps issues wouldn't be so time-consuming to deal with if changes were made within organizations.

Altering a company's course of action in a couple of areas could improve efficiency, including a **better reactive process (68%)** or **making the service desk more streamlined (60%)**.

Making changes to machines could also boost efficiency, such as **adding or improving diagnosis, trending or analytics tools (66%)** or **consolidating servers to reduce infrastructure administration workload (62%)**.

And a majority say that adding **staff training (59%)** or boosting **IT staff (51%)** would push their department to be more efficient.

In which ways do you think efficiency in your IT department can be increased?



Immature Behavior

Most IT optimization processes are not as mature as they could be.

2 Figuring it Out. When it comes to optimizing IT services and guiding decision making, one-third (33%) of managers say the analytics they use most are **diagnostic**, meaning they use data mining to discover patterns and identify root causes.

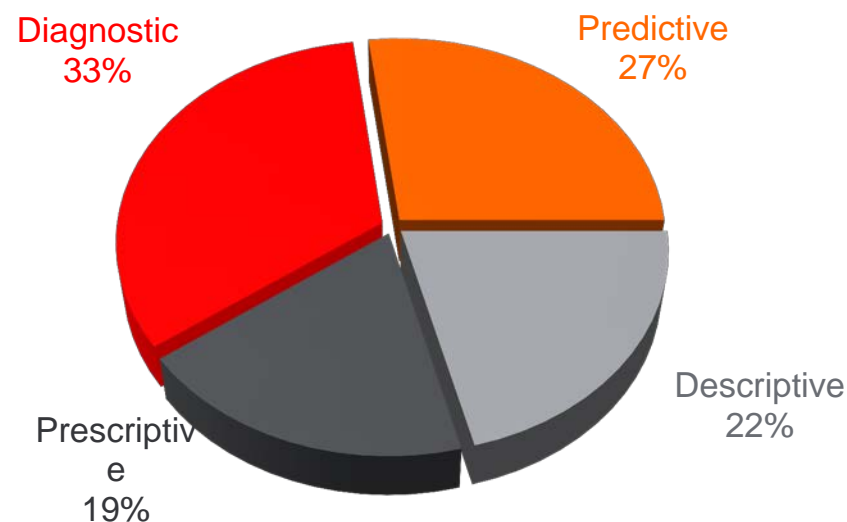
Over one-quarter (27%) use **predictive** analytics, making predictions based on empirical data about past behavior.

About one in five utilize **descriptive** analytics by processing incoming data to drive actions and alerts (22%), or **prescriptive** analytics to propose optimal actions based on predictions (19%).

1 Secret to Success. A huge majority (95%) of IT managers say the **success of a data center is reliant on proper performance analysis and IT optimization**; 42 percent believe it's **extremely** reliant on this.

On Par. Three in five (60%) do not believe their **organization is ahead of the curve** when it comes to IT optimization.

3 Which form of analytics is most used in your organization to optimize IT services and guide decision making?



4

Ranking Low. In fact, IT optimization is likely not as mature as it should be in many companies.

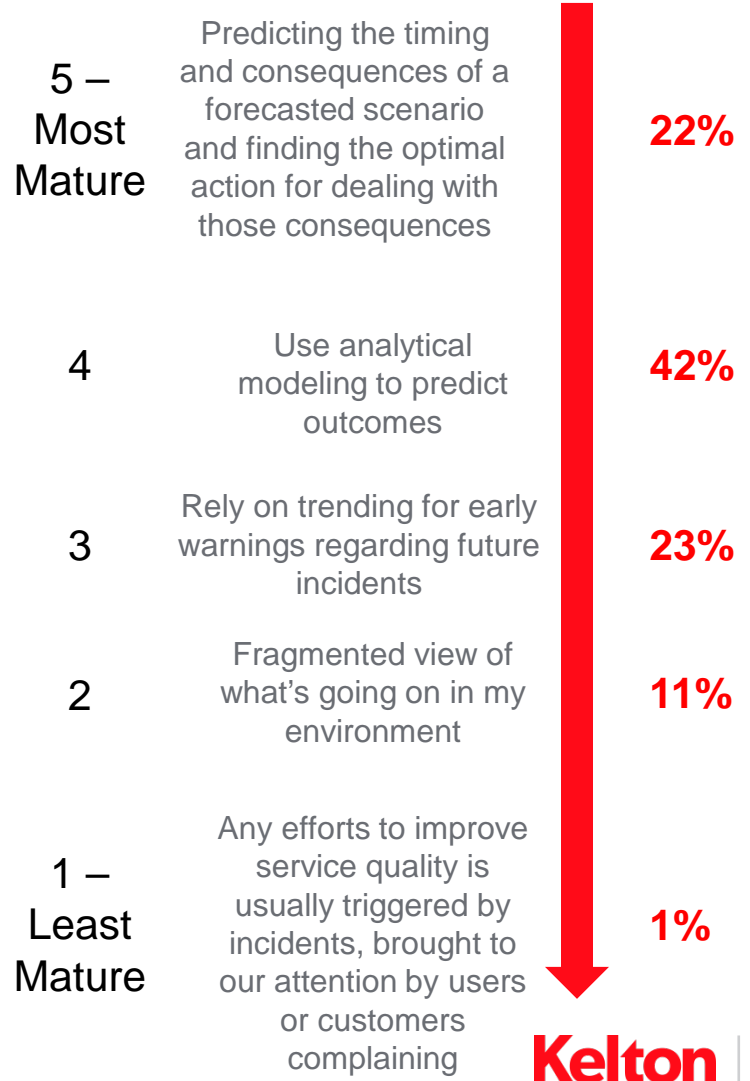
Fewer than one in four (22%) IT managers rate their organization's current IT optimization processes as "most mature," or being able to predict the timing and consequences of a forecasted scenario and find the optimal action to handle it.

Nearly twice as many (42%) say their organization uses analytical modeling to predict outcomes, and 23 percent rely on trending for early warnings regarding future incidents.

More than one in ten (11%) admit they have a fragmented view of what's going on in their environment. And 1 percent classify their organization's IT optimization profess as "least mature," saying any efforts to improve service quality is usually triggered by incidents that are brought to their attention by users or complaining customers.

5

On a scale from 1-5, where would you rate your organization's current IT optimization processes?



Boosting Abilities

Proper IT optimization has a positive impact across all IT areas, especially efficiency.

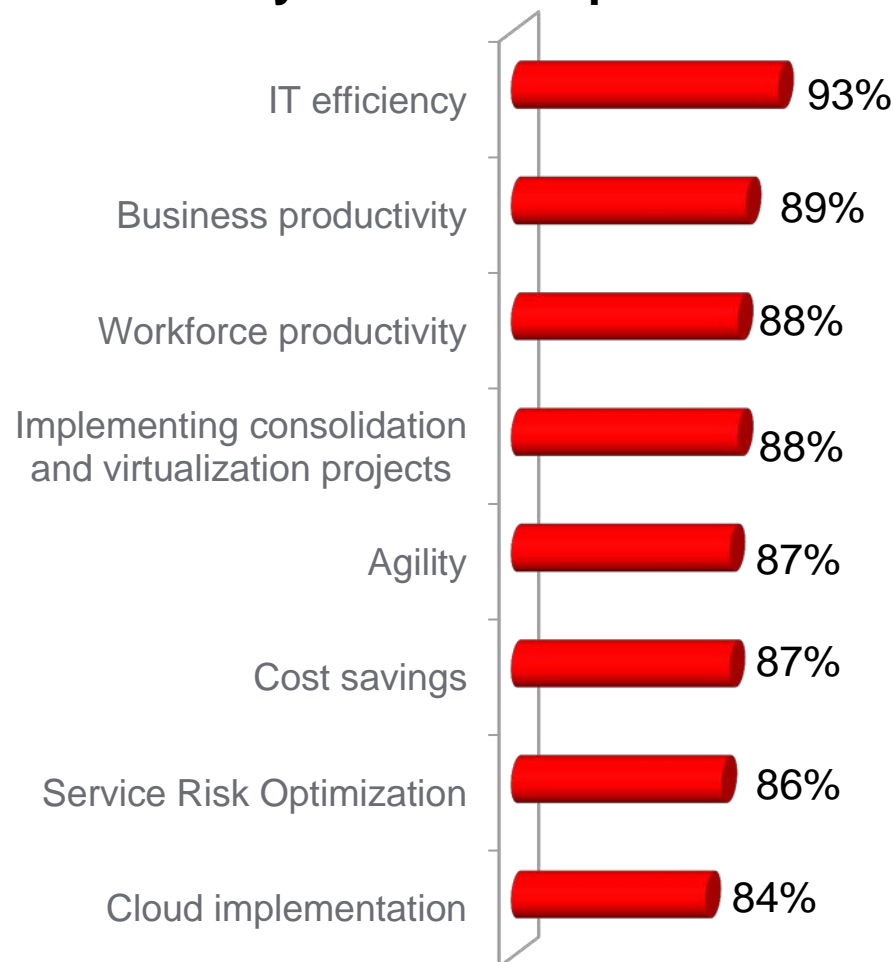
1 **An All Around Great Thing.** A majority of IT managers believe that **proper IT optimization or performance analysis would improve a range of aspects** across their organizations, including overall **business productivity (89%)**, **workforce productivity (88%)**, and **cost savings (87%)**.

Betterment could also be made more specific to their departments, such as **implementing consolidation and virtualization projects (88%)**, **agility (87%)**, **service risk optimization (86%)**, and **cloud implementation (84%)**.

And more than nine in ten (**93%**) think proper IT optimization or performance analysis would **improve IT efficiency**; **48 percent** think IT efficiency would be **significantly better**.

2

IT managers who think proper IT optimization or performance analysis would improve ...



3 **Getting Better.** On average, IT managers believe IT efficiency would increase by 34 percent if they had proper performance analysis or IT optimization.

Eliminating Danger. And 73 percent think their organization's overall IT risk would decrease if this were the case.

4 **Proper analysis or IT optimization would cause...**

IT efficiency to increase by 34%



Overall IT risk to decrease, according to 73%



5 **Performance Proof.** In fact, nearly three in four (74%) IT managers who use IT optimization or proper performance analysis say that improved IT efficiency has been a benefit.

Other advantages include reduced outages (62%), better productivity (61%), fewer resources spent on unexpected issues (53%) and more time between failures (51%).

6 **The Right Way.** But many might be hesitant to implement optimization due to risks involved. An overwhelming majority (93%) of IT managers recognize that performance analysis and IT optimization can pose risks to an organization without the proper planning.

Real Issues

Virtual machine management is not without its struggles, but proper planning could be a solution.

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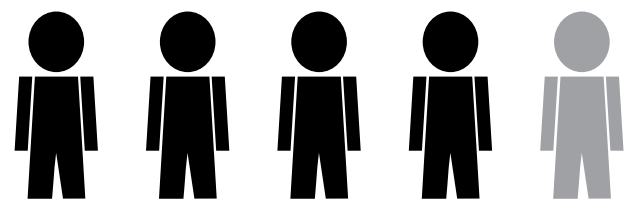
Coming up Short. Currently, more than four in five (83%) IT managers say that their organization lacks proper virtual machine management.

- *Nearly nine in ten (87%) of those whose company have experienced a cloud outage say proper virtual machine management is lacking , vs. 75 percent of those who haven't experienced such outage.*

Hope on the Horizon. On average, these employees believe that IT efficiency would increase by 32 percent if proper management existed.

2

83% say their company lacks proper virtual machine management



3

Eliminating Risk. Nearly three in four (74%) IT managers think IT risk would shrink if they had proper virtual management.

4

Need for Legitimate Execution. But implementation needs to be done right. Nine in ten (90%) IT managers believe that **without the proper planning, virtual machine management is risky.**

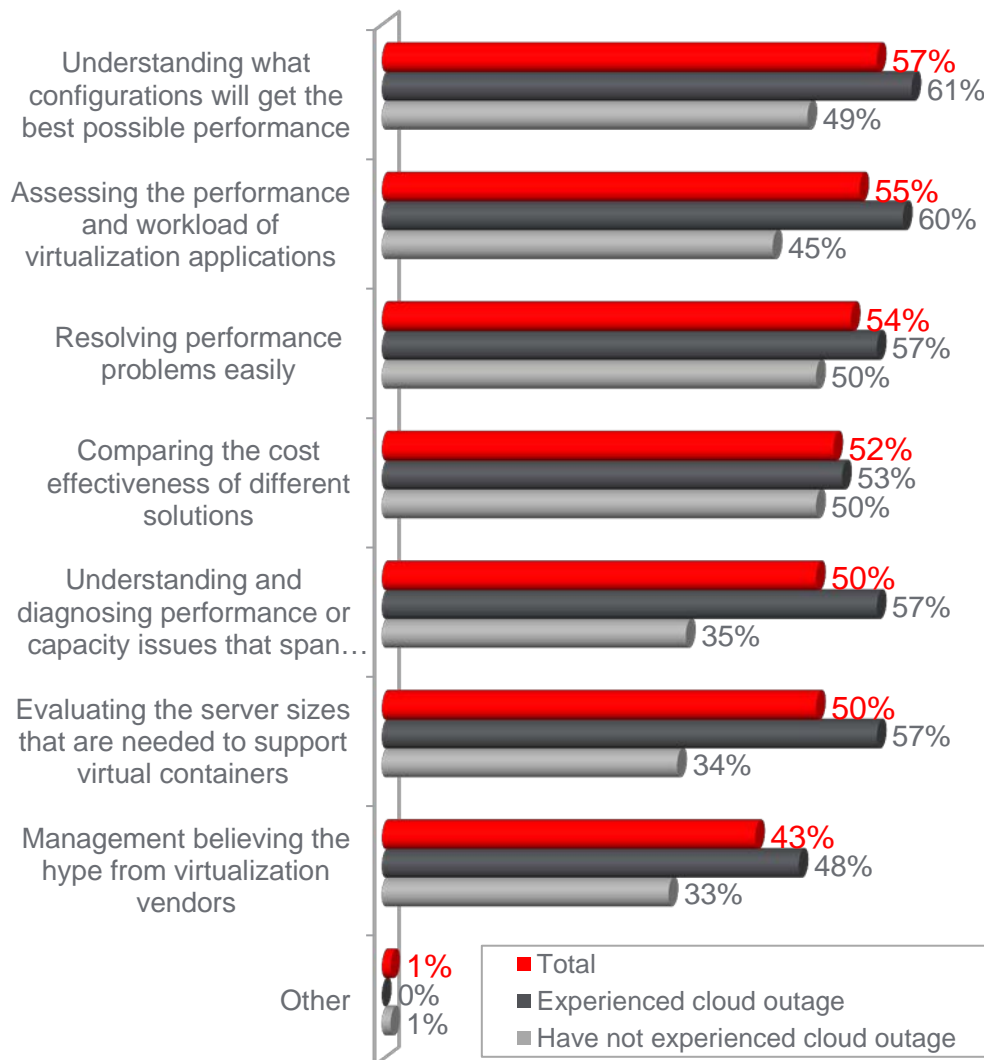
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Real Headaches. And management of these machines comes with a range of issues. Among IT managers in organizations that utilize virtual machines, over nine in ten (93%) can name at least one **struggle in the management of these machines.** Top conflicts they encounter include **understanding which configurations will get the best possible performance (57%), assessing the performance and workload of virtualization applications (55%), and resolving performance problems easily (54%).**

- *Nearly all (97%) managers whose organizations have experienced a cloud outage can name at least one issue with handling virtual machines, vs. 87 percent of those who have not had an outage.*

6

Which of the following has your organization ever struggled with when managing virtual machines?*



*among respondents who use virtual machine management

Escalate Success

Utilizing IT optimization could solve some big data issues.

1

Obstacle Course. Managing big data incurs several challenges, all of which are distributed fairly equally by IT managers as the biggest issue, such as **processing data fast enough to meet end-user requirements (16%)**, **integrating data from diverse sources (15%)**, **maintaining availability and keeping systems running reliably (13%)**, and **managing the quantity of storage used (13%)**.

Not in Sync. Nearly one in five (18%) of those who use IT optimization and big data are **not using this optimization for their big data implementation**.

2

What is your biggest challenge when managing Big Data?*



*among Big Data users

Failing to Prepare

Cloud outages could be prevented with proper capacity planning.

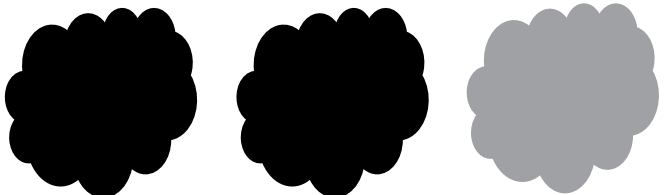
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Gone Dark. Nearly two in three (63%) IT managers have experienced a cloud outage.

Could've Been Stopped. And 65 percent of them believe it was preventable.

2

63% have experienced a cloud outage...



...and 65% of them say it was avoidable



3

Not Outsourced. Seven in ten (70%) say these outages happened while using an internal or company cloud.

Simply Unprepared. When thinking about their most recent outage, nearly half (49%) say improper capacity planning was to blame.

Subgroup Spotlight: Maturity Levels

Managers who rank their organization's IT optimization processes at the top most mature levels (5 or 4) are more likely than those who rank their processes at the mid-to-least mature levels (3-1) to see the value in proper performance and IT optimization, and are less likely to be tied up battling IT fires.

- *Nearly half (49%) of those who rank their maturity in the top two levels think the success of a data center is extremely reliant on proper performance and IT optimization, vs. 29 percent of those with lower maturity.*
- *More than four in five (84%) of those who rank their organizations with mid-to-low IT maturity say their IT optimization is not ahead of the curve, vs. 48 percent of those with higher maturity.*
- *More managers who rank their organization's IT as the top two maturity levels than those with less maturity think efficiency in their department could be increased by improving the company's reactive processes (71% vs. 61%), adding or improving diagnosis (70% vs. 59%), consolidating servers to reduce infrastructure administration workload (66% vs. 55%), implementing a more streamlined or centralized service desk (63% vs. 53%), and adding staff training (64% vs. 51%).*
- *More managers who rank their organization's IT as the top two maturity levels than those with less maturity think proper IT optimization or performance analysis would improve IT efficiency (94% vs. 89%), business productivity (93% vs. 83%), workforce productivity (90% vs. 82%), cost savings (90% vs. 81%), agility (90% vs. 81%), cloud implementation (90% vs. 71%), and service risk optimization (89% vs. 80%).*

- *More managers who rank their organization's IT as the top two maturity levels than those with less maturity say that proper performance analysis or IT optimization has improved IT efficiency (78% vs. 66%), boosted workforce productivity (66% vs. 48%), and reduced resources spent on unexpected IT issues (57% vs. 45%).*
- *They are also more likely to think that performance analysis and IT optimization (95% vs. 90%) and virtual machine management (93% vs. 86%) are risky without proper planning.*
- *Half (50%) of those who use virtual machines and have struggled with virtual machine management who rank their IT in the top two maturity levels say that their organization has grappled with management believing the hype from virtualization vendors, vs. 30 percent of those with lower maturity.*
- *Those who rank their IT maturity level between 3 and 1 say they deal with an average of 9 unexpected IT issues each week, while those in the more mature levels average 7 IT fires a week.*
- *Managers who rank their organization's IT in the mid-to- least mature levels spend an average of 4 hours on each unexpected IT issue, while those who are more mature spend 3 hours and 4 minutes.*
- *Forty-four percent of those with mid-to-least mature IT systems say they deal with availability issues at least once a week, vs. 32 percent of those with more mature IT. While more of those who rank their IT in the two most mature levels than those with less maturity (38% vs. 25%) have to handle unanticipated change requests this often.*

Subgroup Spotlight: Diagnostic Analytics

Managers who mostly utilize analytics other than diagnostics to optimize IT services and guide decision making are more likely than those who use diagnostic analytics to take longer to resolve unexpected IT issues and think their department needs to be more efficient.

- *Those who use diagnostic analytics average 10 unexpected IT fires each week, while those who use other analytics average 6 unexpected IT issues a week.*
- *However, those who do not use diagnostic analytics take longer than those who do to resolve each IT fire (3 hours and 48 minutes, vs. 2 hours and 34 minutes).*
- *Nearly three-quarters (72%) of those who do not use diagnostic analytics think the efficiency of their department could be increased by improving their IT optimization, vs. 62 percent of those who use diagnostic analytics.*
- *In fact, close to eight in ten (78%) of those who do not use diagnostic analytics say their organization has improved IT efficiency due to proper performance analysis or IT optimization, vs. fewer (66%) of those who use diagnostic analytics.*

Subgroup Spotlight: Predictive Analytics

Managers who mostly utilize descriptive, diagnostic or prescriptive analytics to optimize IT services and guide decision making are more likely than those who use predictive analytics to think performance analysis and IT organization are risky without proper planning, and to take less time to resolve unexpected IT issues.

- *More than nine in ten (95%) of those who do not use predictive analytics think performance analysis and IT optimization are risky without proper planning, vs. 88 percent of those who use predictive analytics.*
- *Resolving unexpected IT issues takes those who use predictive analytics longer than those who use other analytics (3 hours and 48 minutes, vs. 3 hours and 15 minutes).*

Service Optimization Maturity Assessment*

A majority of organizations' IT departments are working in a chaotic manner

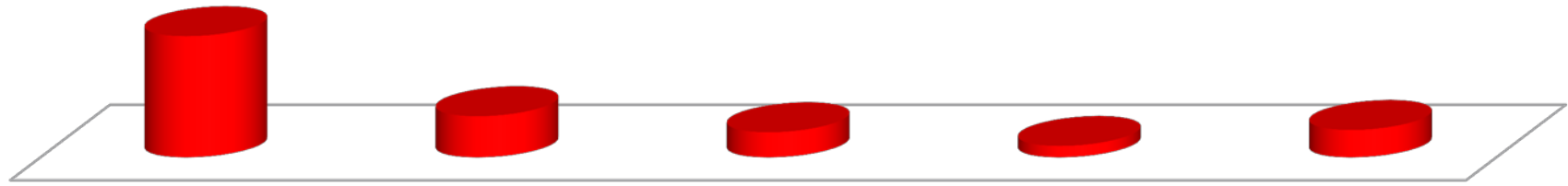
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Put to the Test. According to TeamQuest's Service Optimization Maturity Assessment, nearly three in five (53%) IT managers work at organizations that rank at a **chaotic level** (1) on the assessment. Just over one in ten (12%) are operating at the most mature level (5), **value**.

2

According to TeamQuest's Capacity Management Maturity Model, IT managers are working at organizations that are ranked as...

Chaotic (1)	Reactive (2)	Proactive (3)	Service (4)	Value (5)
53%	18%	11%	5%	12%



**online survey of 316 IT Managers or Higher in US, UK, Canada, Sweden, France, Germany, Italy, China, Japan and Australia Who Work in Companies with 1,000+ Employees*

Margin of Error = +/- 4.8 Percent

Main Survey Sample = 419 IT Managers or Higher in US, UK, Canada, Sweden, France, Germany, Italy, China, Japan and Australia Who Work in Companies with 1,000+ Employees

About The Survey The TeamQuest Global ITSO Maturity Survey was conducted between October 29th and November 16th, 2014, among 419 IT managers or higher in the US, UK, Canada, Sweden, France, Germany, Italy, China, Japan and Australia who work in companies with 1,000+ employees. The survey was conducted using an e-mail invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.8 percentage points from the result that would be obtained if interviews had been conducted with all personas in the universe represented by the sample. The margin of error for any subgroups will be slightly higher.

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Margin of Error = +/- 5.5 Percent

Service Optimization Maturity Assessment Sample = 316 IT Managers or Higher in US, UK, Canada, Sweden, France, Germany, Italy, China, Japan and Australia Who Work in Companies with 1,000+ Employees

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