Bridging The Expectations Gap: Intelligent Network Services Scale And Transform Your Business

Network Professionals Should Invest In Operations, Visibility, And Strategic Network Services To Meet Evolving Business Demands

September 2011
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Executive Summary

Today’s enterprises operate with network-centric business models. CIOs know that networks are a critical foundation in connecting customers, employees, partners, and suppliers. But as enterprises become more reliant on networks, they face a growing expectations gap. Why? Because global expansion, mergers and acquisitions, and global integration all require intelligent network capacity to scale the business. Moreover, cloud computing and new IT sourcing models are driving an explosion in data and devices connecting to the network. Yet most CIOs cannot scale their network capabilities fast enough to meet ever-increasing business and technology requirements, resulting in a wide expectations gap between business demand and IT’s ability to supply.

In April 2011, Cisco Systems commissioned Forrester Consulting to evaluate the challenges and requirements of network professionals. Forrester conducted in-depth interviews with 17 senior technology and business leaders with insight into network management and priorities. We found that network teams lack the time and resources to manage and optimize their company’s infrastructure given the growing business demand. They specifically cite data growth, securing corporate data, seamless and secure management of countless devices, lack of visibility to network and application events, budget constraints, network convergence, and skills issues as top concerns.

To fundamentally address these issues, enterprise network teams must rethink foundational network operations by investing in third-party services and automation capabilities that make the support function less reactive. They should then invest in more proactive and strategic third-party services to augment existing capabilities to better serve the business. This combination of intelligent network automation and third-party network services, whose DNA derives from core networking expertise, helps close the expectations gap by equipping network teams with the resources and capabilities they need to meet dynamic business demands.

Key Findings

Forrester’s study yielded four key findings that shed light on how network teams can close the expectations gap:

- **Embedded network intelligence helps automate operational requirements.** Embedding intelligent capabilities into the network allows enterprises to scale their IT capabilities. These network-resident services can automate operational and maintenance tasks, such as equipment provisioning, software updates, and preemptive health checks.

- **Third-party services help networking teams become more proactive.** Even with intelligent automation, savvy networking professionals realize they can’t close the expectations gap alone. Instead, they’re relying on third-party network services to free up cycles and address scalability, security, cost, and skills challenges.

- **Networking teams should implement a selective sourcing strategy.** Today’s networking teams can rely on sophisticated third-party IT services strategies that scale from assisting with operational tasks to providing strategic new capabilities. Shorter contracts, built-in intelligence, and new pricing models allow network teams to procure best-of-breed, network-centric services to meet specific business needs.

- **A three-stage approach should be used to phase in third-party network services.** Networking professionals are best served by starting with operational efficiency services at the foundation layer to help them become less reactive; then migrating to visibility services that facilitate predictive analysis, based on real-time data capture/correlation, to proactively address business needs; and finally, graduating to strategic services, like architecture and solutions consulting, to help transform and innovate the business.
Network Professionals Seek New Capabilities To Meet Increasing Demands

Customers, employees, and partners are demanding increased levels of support, service, and access. As a result, enterprises are relying more and more on smart IT infrastructure. A few years ago, the average enterprise executive didn’t spend much time thinking about how IT infrastructure helps improve top- and bottom-line results. Today, the same executives understand that the network plays a crucial role in scaling their business. This trend of business leaders “getting” IT and their consideration of the IT organization as a growth engine and not just a cost center is a growing trend that Forrester refers to as business technology (BT). Companies that do BT well have fully aligned business demand with IT supply. In fact, in a recent Forrester survey, we found that 81% of respondents agree that technology is an essential part of their business model. Moreover, there is tight alignment with 88% of these organizations agreeing that IT management understands their business (see Figure 1).

Forrester refers to this shift in philosophy as the “IT to BT journey.” BT means that every business capability is built on an underlying IT capability, and every IT capability is built with a business capability in mind. But this increased reliance on IT is driving an expectations gap. Bridging that gap is a top priority for today’s CIOs, and they’re seeking automation and third-party services to scale their IT capabilities.

Figure 1
More Than 80% Of Companies Agree That Technology Is Critical To The Business

<table>
<thead>
<tr>
<th>“How much do you agree with the following statements about technology at your firm?”</th>
<th>Strongly agree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT management understands our business</td>
<td>52%</td>
<td>38%</td>
</tr>
<tr>
<td>Technology is a fundamental element of our business model</td>
<td>52%</td>
<td>29%</td>
</tr>
<tr>
<td>Reducing costs/improving efficiency through technology is high on the agenda of our executives</td>
<td>48%</td>
<td>32%</td>
</tr>
<tr>
<td>Driving business innovation through technology is high on the agenda of our executives</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>The executive team is regularly involved in decisions about technology investments</td>
<td>33%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Base: 2,613 executives and technology budget decision-makers from SMB and enterprise companies with 100 or more employees (only respondents who answered “agree” or “strongly agree” shown, based on a scale of 1-5, where 1=”strongly disagree” and 5=”strongly agree”)


The Business Is Demanding More From The Network

Today’s organizations are focusing on speed and flexibility to meet growing customer, partner, and employee expectations. They seek ways to enter new markets, acquire and retain customers, develop new products, and fuel growth and innovation. IT is at the forefront in these initiatives. Increasingly, we find firms are interested in ramping up their network capabilities. Why? Because the network is the critical link to achieving the top objectives of the business. Specifically, network professionals cited five key imperatives putting strong network foundation in high demand for their businesses:
• **Support increased geographic expansion.** Today’s companies want new customers in new geographies. But rather than setting up all new IT infrastructure in each market, today’s savvy CIOs are investing in robust network capacity to establish a distributed presence and connect back to central resources. Thus, the network becomes the critical performance and scaling factor as companies seek to cost-effectively expand their boundaries. In many cases, the demand for global network capacity is actually outstripping IT’s ability to supply it.

“We have a lot of growth in areas where we’ve never done business, in the Asia [Pacific] and Africa regions. We have to determine what best suits the requirements of the locations without breaking the bank. Also, we need to determine how to support remotely and regionally as we downsized about eight months ago.” (Director IT, global biomedical research firm)

“We are going into so many markets in so many parts of the world that it’s hard to find a single carrier who can keep up with us globally, or even within all the markets we touch in a region.” (Sourcing manager, global retailer)

• **Facilitate more growth through mergers and acquisitions (M&A).** Forrester sees a large spike in consolidation activity as companies spend cash and grow inorganically. IT leaders tell us one of the first steps in integrating a new company is connecting back-end infrastructure. Networks drive a critical role in integrating customer databases, linking communication, establishing collaboration, and providing access to systems to be audited and analyzed.

“We’ve established a mature playbook for integrating new acquisitions targets. IT’s first step in this playbook is to extend network connectivity. Our goal is to integrate back-end systems and drive communications interoperability in the first few days. The business counts on this to drive a successful acquisition.” (Director of global network services, global financial services firm)

• **Drive efficiency through global integration.** In addition to expansion, organizations are also seeking operational efficiency through global integration. CIOs can: 1) drive out cost and increase productivity by consolidating multiple instances of the same capability (such as ERP or CRM apps), and 2) improve overall performance and business insight by connecting otherwise disparate resources. The network plays a central role as the intelligent fabric that connects globally dispersed assets.

“We are a global business, not a regional one . . . it’s essential for our systems to span the global org. That implies that we have not only a global network but [also] the global systems performing in an integrated manner. If you don’t have it, some point in the system will suffer.” (Manager of information systems, global logistics firm)

“To support our clients, we have to be consistent globally.” (Director IT, global biomedical research firm)

• **Reduce costs through new sourcing models.** Today’s organizations are comfortable sourcing capabilities from a wide array of service providers. As a result, we’ve seen an explosion in cloud, video, managed services, hosting, and IT outsourcing providers. Network capacity and performance are critical factors to scaling these external services and ensuring that the business can source capabilities in the most flexible and cost-effective manner. In fact, we found that roughly 70% or more of companies agree that the network is critical in delivering new cloud computing capabilities like infrastructure-as-a-service, software-as-a-service (SaaS), and platform-as-a-service (PaaS) (see Figure 2).
Figure 2
The Network Is Critical In Delivering All Emerging Service Or “Cloud Computing” Models

“How critical do you believe the network is in delivering the following types of third-party services?”

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Critical</th>
<th>Very Critical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure-as-a-service</td>
<td>31%</td>
<td>47%</td>
</tr>
<tr>
<td>Software-as-a-service</td>
<td>39%</td>
<td>34%</td>
</tr>
<tr>
<td>Hosted or as-a-service business applications (e.g., CRM, ERP)</td>
<td>35%</td>
<td>37%</td>
</tr>
<tr>
<td>Platform-as-a-service</td>
<td>38%</td>
<td>31%</td>
</tr>
<tr>
<td>Hosted or as-a-service unified communication services</td>
<td>32%</td>
<td>36%</td>
</tr>
<tr>
<td>Hosted or as-a-service video services</td>
<td>28%</td>
<td>35%</td>
</tr>
<tr>
<td>Hosted or as-a-service collaboration services</td>
<td>37%</td>
<td>24%</td>
</tr>
<tr>
<td>Hosted or as-a-service mobility services</td>
<td>36%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Base: 1,216 North American and European networks and telecommunications decision-makers in enterprise firms with 1,000 or more employees (only “critical” and “very critical” responses shown, based on a scale of 1-5, where 1=’not at all critical’ and 5=’very critical’)

Source: Forrsights Networks And Telecommunications Survey, Q1 2011

Rising Expectations Gap Forces Network Professionals To Deal With New Challenges
The acceleration in network demand carries a daunting task for network and IT professionals: bridging the network expectations gap. The expectations gap results from the exponential demand that business requirements place on the network. Network teams simply can’t upgrade — including the planning, building, and running of network capabilities — fast enough to meet business demand. Old models of dealing with demand won’t work. Network teams need to first embed intelligent network automation to help reduce many of the operational and maintenance requirements. This allows network teams to focus on more advanced initiatives that add value to the business. But this alone is not enough to close the gap. Network teams must also use third-party services for additional operations, visibility, and strategic transformation services to close the remaining gap. This combination provides a new, smarter support foundation for both IT and the business (see Figure 3).
Why is it critical to combine automation and third-party network services to keep up with burgeoning demand? Network professionals articulated the following challenges as they attempt to deal with the business expectations gap:

- **The explosion of data and devices.** The increase in network demand directly correlates with exponential growth in throughput requirements to support more demanding business activities. Today’s use of enterprise applications, communication tools (e.g., video), social media, and mobile devices is challenging network professionals to keep up with exponential data growth.

  "In the past, we would’ve thrown bandwidth at it, but now, the sheer volume of data is straining the network. It’s not a new challenge, but it’s really come to a head for us." (Technical lead, global electronics manufacturer)

- **Need to ensure network and data security.** Increased data from employees, customers, partners, and suppliers drives security threats. Network professionals struggle with finding a way to monitor and secure data in motion or risk exposing the company to data leakage. But the sheer volume of data makes it even more challenging to ensure that the network team is upgrading and securing network resources in tandem.

  "If I were to outsource IT management on the outside, [data] security becomes an issue. One of the most valuable assets of any company is the data floating in the internal network." (Head of IT, European bank)

  "The type of data we manage for our clients is extremely confidential." (Director IT, global biomedical research firm)

- **Desire for increased network visibility.** You can’t manage or optimize what you can’t see. Network intelligence tools are critical for network professionals to efficiently manage the network infrastructure. Moreover, good
visibility tools allow the network to harvest valuable performance and analytics data. Network professionals can then use this to more rapidly change and scale new network capabilities. Network professionals tell us they need better visibility and optimization approaches to better align with rising business expectations.

“We’ve played with network monitoring software to improve our visibility, and it’s good but involved a lot of customization.” (Technical lead, global electronics manufacturer)

“We need to get a lot smarter about how we are building, monitoring, and optimizing our network resources.” (Sourcing manager, global retailer)

- **Budgeting for proper network upgrades.** Network budgets are growing but not at the same pace as network demands. As a result, many companies face budgets constraints. Network teams must find ways to decrease network operations costs and improve overall total cost of ownership (TCO) in order to fund more advanced network upgrades and transformative initiatives.

  "We’re US-based, so we don’t have as much of the issues of international connectivity, but the key challenge for us is the constant need to increase bandwidth but yet the reluctance to provide funds to do so.” (Director of infrastructure and architecture, North American business services and equipment provider)

- **Acceleration of network convergence.** Growth in networking has led to many disparate network types; wired, wireless, data, voice, storage, and wide-area are just a sampling of the various networks that must be managed. Network teams must find a way to collapse these down to a fewer number of converged Ethernet fabrics. Simplifying and consolidating IT architectures is critical to growing network capacity to meet business demands.

  “[Deeper visibility] to get at that elusive slowdown problem or be able to monitor the entire experience of the end user . . . it would be utopia if you could predict a problem. Any information you can get and the more timely it is, the faster you can react to a situation. It’s extremely valuable.” (Director of infrastructure and architecture, North American business services and equipment provider)

- **Maintenance of network skills and knowledge.** Organizations suffer from three problems: 1) The rapid pace of technology change makes it difficult for network teams to acquire adjacent server, storage, and virtualization skills; 2) lack of proper capacity planning makes it difficult to meet the business’ demand on the network; and 3) lack of knowledge transfer and intellectual capital capture impacts operations as network professionals leave or get promoted. Network professionals must find a way to automate and offload repetitive tasks so they can learn new skills and mitigate risks to network operations.
Third-Party Services Bridge The Expectations Gap

Over the past few years, Forrester has been observing a steady increase in use of third-party services. According to Forrester’s latest Forrsights Services Survey, decision-makers at enterprise companies said that they are planning to increase their total spending with third-party service providers across the stack. Infrastructure was on top with 36% of decision-makers considering increase of their spending by 5% or more.\(^1\) Convergent telecom and network management services saw an increase of 25% more decision-makers looking to spend 5% or more in 2010 compared with 2009.

For network professionals to bridge the expectation gap, throwing more bodies at the problem in a traditional outsourcing mode won’t address the issue. Instead, they should consider using more third-party network services to build on the network foundation with intelligent automation. Why? Because third-party services help provide the necessary expertise and capabilities that allow organizations to move quickly and be more nimble. It allows the IT organization to be focused on the core issues of the business. Further, as new capabilities emerge in the marketplace to improve visibility and optimization of the network, enterprises have the advantage of an expert provider that leverages relevant network intelligence on demand. Forrester recommends following three best practices to maximize client investments in third-party services.

**Best Practice No. 1: Set A Strategy That Balances Automation And Third-Party Services**

The key to solving the business expectations gap is freeing up network teams so they can work on more strategic projects that add value to the business. As outlined in Figure 3, this requires a strategy that takes a new approach to network capabilities. Specifically, investment in the following two foundational elements is needed:

- **Intelligent automation.** Network professionals are bogged down by far too many routine operational tasks, especially around provisioning and updating network infrastructure. Forrester refers to this as the “automation imperative.” Put simply, everything that can be automated should be automated. But network administrators can’t just rely on buying a simple automation tool and expecting to retrofit legacy infrastructure. Instead, building an intelligent network that can be automated requires selecting network gear with the proper application programming interfaces (APIs) and software capabilities to automate these operational tasks.

- **Third-party network services.** With automation in place, users can then identify additional capabilities where the network team still needs assistance in closing the expectations gap. Look to third-party service providers with strong network services, support, and coverage portfolios. These third-party services can accelerate your network team’s capabilities. Look to providers that can help with: 1) more complex operational services like proactive event monitoring; 2) visibility services like application performance monitoring; and 3) strategic services like video readiness or advanced virtualization that transform your IT capabilities.

**Best Practice No. 2: Evolve Your Procurement Strategy**

With the right foundational elements, set a new strategy for how to go about procuring the right third-party services. This is no easy task given the explosion in providers and offerings outlined earlier in this paper. To do this right, network professionals must work more closely with their CIOs and sourcing teams to create a sophisticated sourcing strategy. There are a significant number of intelligent network-centric services available from telecommunications providers, systems integrators, equipment manufacturers, and others. To bridge the expectations gap, sourcing behavior must shift significantly. Specifically:
• **Move from single to selective outsourcing deals.** Most companies are turning away from turnkey outsourcing where they handed the entire IT infrastructure over to a single provider. Advances in governance frameworks like COBIT and operational best practices like ITIL allow companies to selectively and surgically outsource. Network teams should assess what services relationship their IT department already has in place, but they should be confident in selecting a best-of-breed provider for the network or parts of the network — with all the visibility tools that they need.

**Challenges this overcomes: lack of visibility, security, and network convergence.** Selectively sourcing allows a networking pro to augment specific key services that would otherwise be a challenge for the network staff to address. You get an expert in a specific, deep domain if that’s all that is needed, or a broad provider with a suite of services that fulfills multiple needs. This is critical for the network, as new visibility and optimization tools are constantly evolving.

“It’s critical for our business to have that intelligence deployed in the network . . . you need to be able to jump into the problem before the user discovers it. I’d like to see better solutions that can be more proactive to notify us about issues before they happen, or exactly as they happen, so we can more quickly resolve them.” (IT infrastructure manager, global home appliance manufacturer)

“We are looking toward a wider array of vendors to actually best solve our issues. We are finding the services that fit our needs, rather than going to standard vendors . . . we’re much more concerned about the innovation.” (Senior IT manager network operations, global bank)

• **Evolve from long- to short-term contracts.** The era of huge, monolithic, long-term deals is over. Firms can’t afford to be locked into a single provider for eight- or 10-year contacts. Network teams must seek contracts that are for three years or less. This ensures that they can consistently map the best provider to their dynamic IT and business needs. Network teams should also push providers for new types of contract terms — for example, ones that leverage a shared business outcome or shared risk as part of the contract terms. Moreover, push for providers that have a flexible services contract that scales from maintenance services all the way up the value stack to more strategic services.

**Challenges this overcomes: inflexibility and budget constraints.** Shorter-term contracts allow the network team to be more flexible to respond to changing business demands. Further, it can effectively address budget constraints. Avoid lock-in, and optimize budget with SLAs that are tied to your transformation efforts.

“Any contract we do have a max 3-month rollover. If I start a contract, if it doesn’t perform, I can have the provider out in 3 months.” (Head of IT, European bank)

“We put in our contracts that service providers will keep up with the latest technology. We expect new features or standards to evolve into the platforms our vendors provide us. That’s part of the reason we outsourced, because we couldn’t keep up with the technology.” (Large government organization)

• **Demand from your providers a proactive, intelligent services approach.** Network professionals will best compress the expectations gap when they can move from a reactive to proactive IT network. Thus, seek providers that can enable this kind of services framework by leveraging intelligence baked into the network fabric. Push for a provider that has a strong automation engine to reduce manual, repetitive — and low-value — network operations tasks. Also, ensure that this automation can be used as a foundation for building intelligent network services.
Challenges this overcomes: skills and knowledge gaps and limited network visibility. The right third-party service and support solution should reduce the need to focus on reactive firefighting and troubleshooting routine issues. This frees up staff to acquire new skills that are focused on being more proactive and implementing new capabilities that help close the business expectations gap. It also ensures service continuity by codifying capabilities with the provider, thus offsetting knowledge transfer risks caused by org changes. Further, proactively solving problems using the network allows improved support to enterprise constituents and yields operational savings to plough back into innovation.

Best Practice No. 3: Roll Out Services Using A Three-Stage Framework

With the right sourcing strategy in place, it’s now time for network teams to create a services taxonomy for the network. A simple taxonomy helps determine which network operations you’ll keep in-house and which to selectively source with a provider. Based on our findings, Forrester recommends that network professionals use a simple three-stage framework (see Figure 4):

- **Stage 1: operations services.** The first tier is basic network operations services at the foundation level. This includes configuring, upgrading, maintaining, and monitoring basic network infrastructure. These are the most mature tasks and thus the easiest to source from a provider. Few organizations will sustain any advantage by keeping these services in-house. Search for a provider that understands and supplies both network hardware and software. Push for advanced maintenance services that come bundled with your network infrastructure and scale to accommodate advanced capabilities like those outlined below. This will enable network staff to be more proactive, addressing new capabilities that close the expectations gap.

  “I think we’d love the bundled approach [of hardware and software], so we know the software and hardware work together, and the company [that] makes the hardware can help us set up and integrate.” (Director IT, US retailer)

- **Stage 2: visibility services.** The next tier of services will provide new or more advanced capabilities beyond basic network operations. This includes performance monitoring (for infrastructure and applications), security (for network, data, and applications), analytics (harvesting network intelligence to help with capacity management and other business functions), and benchmarking (using analytics data to compare with peers on how well an organization is leveraging BT and its impact on the network). This is a more sophisticated set of services, and network teams should only advance to this stage if they’re comfortable selective-sourcing basic operations first. However, organizations that have achieved this stage will be much more proactive in meeting business demands, even beyond just the network.

  “That’s a 10, on a scale of 1 to 10 [regarding importance/value]. The full visibility is what we need to get.” (Technical lead, global electronics manufacturer)

- **Stage 3: strategic services.** Finally, the most advanced services are those that drive new business value and close the expectations gap. For strategic services, organizations must partner with a provider that has a strong services arm, deep vertical expertise, and experience in leveraging the network to improve business processes. The partner provider then leverages the network to transform business models and fuel top- or bottom-line growth. These issues focus on new ways for businesses to change fundamental processes and include capabilities like high-definition video and cloud computing. These fundamental processes may include new ways of interacting with customers, new collaboration approaches for employees, or increased optimization of supply chains. Often, these strategic services bond the network and business teams together and thus are typically evident in organizations when IT is a visible partner to the business. Likewise, providers of strategic services help bridge the expectations gap.
with strong consulting practices and architectural methodologies to ensure influence on the design and strategy of transformative objectives.

### Figure 4
**Use A Three-Stage Framework For Rolling Out Third-Party Network Services**

<table>
<thead>
<tr>
<th>Service type</th>
<th>How it helps close the expectations gap</th>
<th>Example services</th>
<th>Key attributes for selecting a provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations services</td>
<td>Compresses the amount of time spent on reactive network tasks</td>
<td>Configuring, upgrading, maintaining, monitoring, and break/fix services for network infrastructure</td>
<td>Provider that can bundle hardware, software, and operations services to optimize and simplify network tasks</td>
</tr>
<tr>
<td>Visibility services</td>
<td>Increases the ability to take on proactive services to meet new business demands</td>
<td>Harvests intelligence from network for performance monitoring, security, and analytics</td>
<td>Provider that: a) has a strong automation engine to correlate visibility services, and b) can leverage network intelligence for real-time visibility</td>
</tr>
<tr>
<td>Strategic services</td>
<td>Transforms the business through new and innovative capabilities</td>
<td>Custom services specific to the business; examples include telepresence and cloud computing.</td>
<td>Provider that has a strong services arm, deep vertical expertise, and experience in leveraging the network to improve business processes</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
KEY RECOMMENDATIONS

Chances are your CIO is driving a consistent message down to the leadership team: If it doesn’t drive business value, don’t do it. You need to overhaul how you think of your role and advance to that of an “orchestrator” who identifies the services that need to be provided in-house and those that third parties can provide and ultimately unifies them into a strategic asset for the business. Too few companies exhibit the best practices of: a) implementing a selective network services strategy, and b) rolling third-party services out in a three-stage approach. If you’re not embracing these best practices, then you need to convince your CIO to get onboard. To do so, you should:

- **Build business capability maps.** Capability maps provide a framework for capturing key characteristics of your firm’s business model and core functions. These can then be used to assess business needs, understand IT costs, and align investments with strategic priorities. This exercise of creating business capability maps will push your IT organization — and your business partners — to identify and size the business expectations gap outlined in this paper. This is a critical first step in building the case for intelligent automation and third-party services.

- **Conduct a “business” network assessment.** After you’ve identified the business expectations gap above, you then need a more detailed assessment to find out where the network can be improved to meet new business demands. If you don’t have time to complete this assessment in-house, then look to your third-party network service providers. Most offer free assessment or will conduct one as part of a larger engagement. Prioritize three areas to focus on moving forward with these third-party providers.

- **Investigate options.** Start getting informed on how providers can help you with your gaps in the prioritized areas. Use your selective sourcing position identified in the second best practice above to ensure that your vendor options incorporate best-of-breed and not monolithic providers. Ensure that you check for feasibility of flexible contracts, proof of ensuring that vendors stay current in their technical skills, and prior satisfied customers.

- **Provide compelling financial evidence.** With a firm understanding of your options, you can now move on to building a business case for procuring third-party services. As with any business case, you’ll need to use financial analysis to ensure that you’re using language that resonates with your CIO and her business peers. Conduct an ROI or TCO analysis to determine the savings and benefits you expect from using third-party services for the three priority areas. The majority of the savings will come from operational services, which free up your network staff from routine network tasks. But be sure to model out the benefits that visibility and strategic services bring to your company’s top and bottom line. This ensures that you’re moving up the “value stack” identified in the third best practice.

- **Don’t bite off too much — demonstrate quick wins.** It’s important not to overstretch once you’re underway with your network services strategy. Many organizations attempt to bypass the basic services and go straight to strategic services. Perhaps that’s the best approach based on the assessment and business case you’ve built. However, it’s more likely that you’ll want to start with operational services. They’re easier to implement and allow you to demonstrate quick wins. Show that you’re saving time and money as well as freeing up staff. That should give you the ability to continue sourcing new third-party services to ultimately drive competitive business advantage.
Appendix A: Methodology

In this study, Forrester interviewed 17 enterprises with more than 10,000 employees, across multiple major industry categories, to evaluate key network challenges and priorities and the perceived role of IT services in addressing the same. Interviewees included 10 US, three Canadian, and three UK IT decision-makers with insight into network management and priorities. Questions provided to the participants asked about network management strategies and future plans, as well as current and planned use, perceptions of, and selection factors for IT services. Respondents were offered a $100 gift card as a “thank you” for time spent on the survey. The study began in March 2011 and was completed in May 2011.

Appendix B: Supplemental Material

Related Forrester Research


“Mitigate Risk And Maximize Value In Service-Level Definitions,” Forrester Research, Inc., July 8, 2011


“Empower I&O Staff With Automation,” Forrester Research, Inc., October 22, 2010


Appendix C: Endnotes

1 Source: Forrsights Services Survey, Q3 2010.