OpsRamp

DIGITAL ENTERPRISE JOURNAL

Research Report

Top 20 Vendors for Enabling Best Performing Organizations in Managing IT Operations

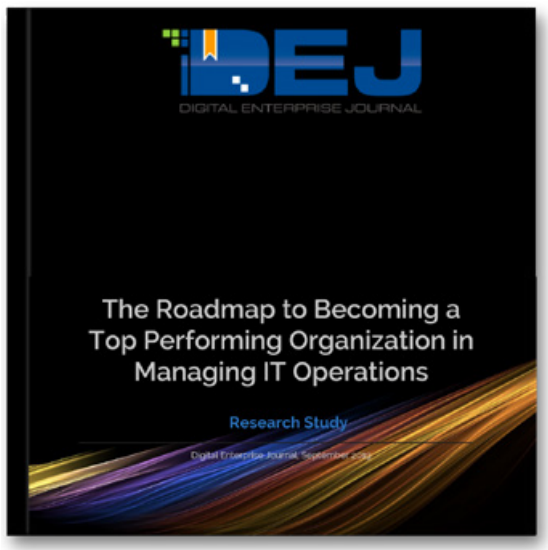
Analysis of how technology vendors enable organizations to become a part of the top performing organizations (TPO) class from DEJ study - ***"The Roadmap to Becoming a Top Performing Organization in Managing IT Operations"***

About the report

DEJ's research study, The Roadmap to Becoming a Top Performing Organizations in Managing IT Operations, provides actionable recommendations to end-users on how to achieve a success level of top performing organizations (TPO). However, the study is vendor agnostic and the purpose of this report is to provide additional analysis of how technology vendors enable practices of TPOs.

DEJ analyzed capabilities of more than 100 IT Operations Management technology vendors and identified top solution providers based on 3 criteria:

1. Vendor's effectiveness in addressing key challenges for IT Operations as reported in the study
2. Vendor's ability to provide capabilities that TPOs are more likely to have in place and have the strongest impact on performance
3. The impact of vendor's core capabilities on key performance indicators (KPIs) based on the study's findings



Important notes for using the report

1. Even though they are all addressing similar challenges, the majority of analyzed vendors are not direct competitors
2. The IT Operations market is very heterogeneous and includes a number of submarkets, therefore, some of the vendors analyzed provide solutions that complement each other.
3. The effectiveness of vendors that are analyzed in this document sometimes varies depending on the use case and environment where the solution is deployed
4. Some IT Operations management solutions included in this analysis are also used by DevOps, Engineers, security and IoT operations, SREs and business professionals.

Summary of the Study

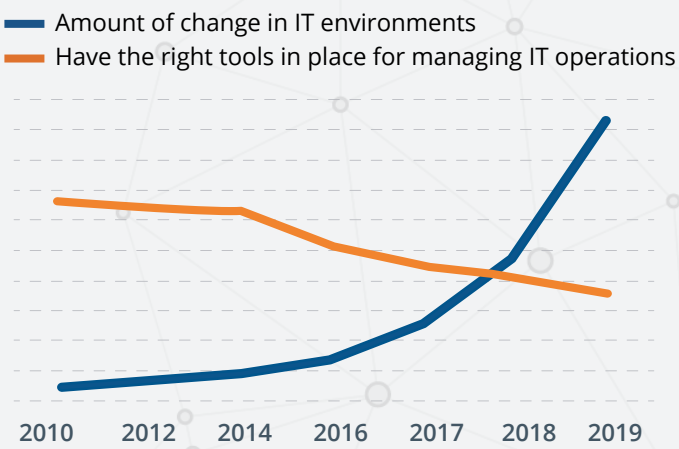
Digital Enterprise Journal (DEJ)'s research study, 17 Areas Shaping the Market for Managing IT Operations in 2018, showed that organizations are replacing their IT operations management solutions at a rate that is 3.1 times faster, as compared to 2013. Starting from the key focus of ensuring the health of hardware to supporting initiatives, such as Software Defined Everything, and making the infrastructure invisible in less than 5 years is a major shock for any area of responsibility and has to have a significant impact on its management approach.

As a result, the technology market for managing IT Operations is changing rapidly and the pace of change is accelerating every year. This is due to changes in both internal and external environments that are impacting IT Operations teams.

Changes over the last 2 years

INTERNAL		EXTERNAL	
Increased amount of IT data and events to be processed	88%	Increased expectations for customer engagement and experience	68%
Increased number of new application releases or deployments	55%	New ways to connect across the value chain (customers, partners, suppliers, etc)	51%
Deployed dynamic and hybrid infrastructures	43%	More use of technology as a source of competitive advantage	47%
Increased expectations to contribute to the business	39%	The need to faster adjust to changes in the market	47%
Increased focus on employee experience	34%	More need for personalisation of digital services	41%

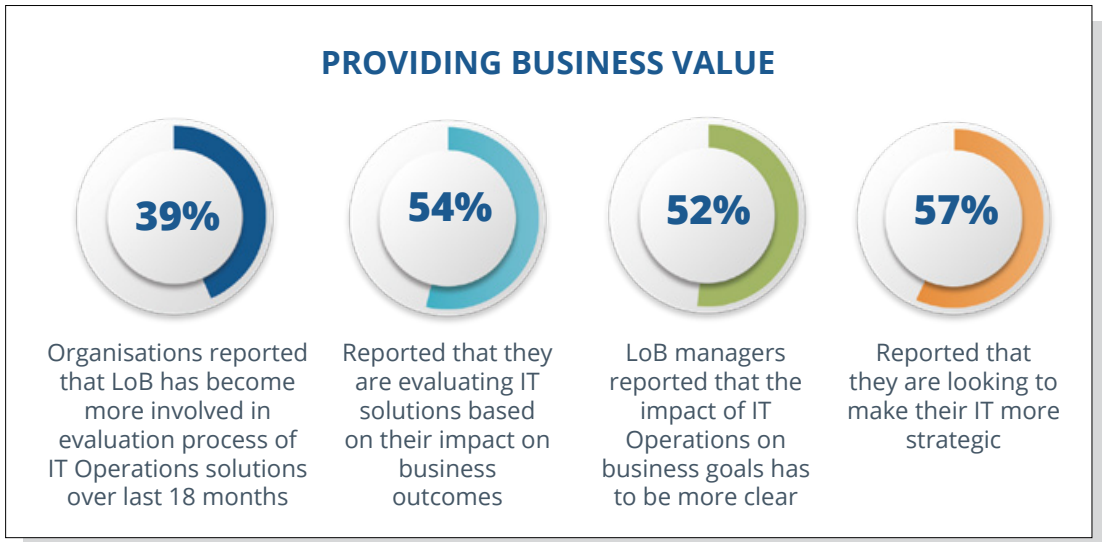
THE IMPACT OF CHANGE ON THE EFFECTIVENESS OF IT OPERATIONS TOOLS



Due to this amount of change, the role of IT Operations has drastically changed as well, especially over the last 3-5 years. This requires new processes, skill sets, changes in organizational alignments and workflows.

Role in the Business

Traditionally, the business benefits that IT Operations technologies have been delivering to the enterprise were centered around cost savings, productivity improvements and mitigating damage to business goals due to issues with IT availability and the performance of IT services. The improvements that organizations are making in modernizing IT Operations are, for the most part, still focuse on the same business benefits. This still profiles the IT as a cost center, only a more efficient one



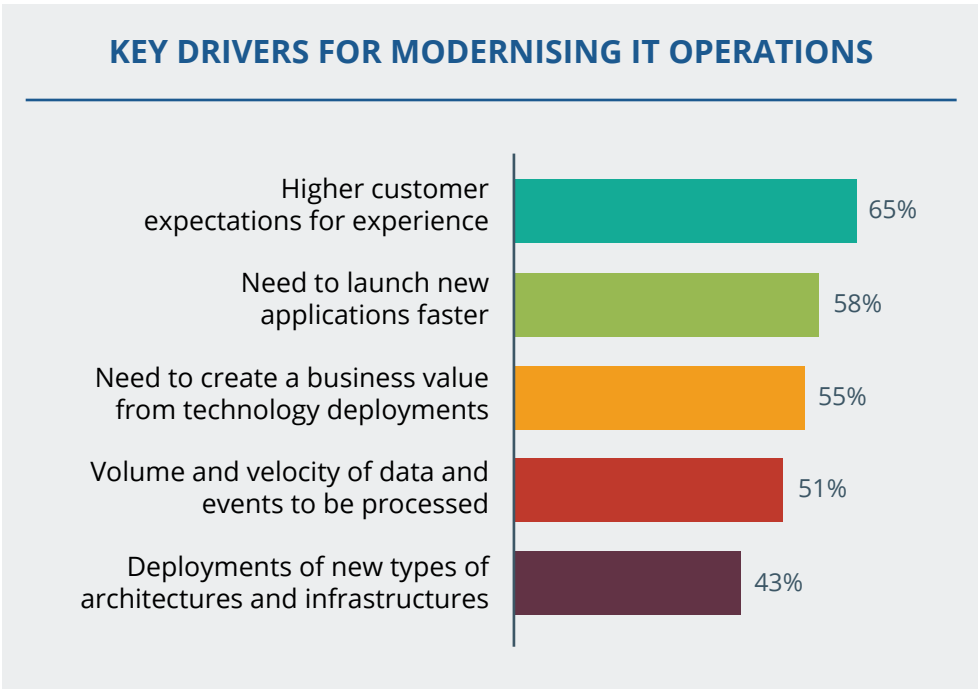
Many organizations that are looking to become digital businesses are deploying different variations of the RGT (Run, Grow, Transform) budgeting process for technology. Seventy-two percent of IT budgets, according to DEJ's study, 17 Areas Shaping the Market for Managing IT Operations in 2018, were spent on managing and maintaining existing IT services or just "keeping the lights on". That number saw a slight decline down to 67% in this years' research.

In order for IT Operations to prove their impact in the business, they need to not only clearly communicate (quantify, be more customer-centric and proactive, etc.) as to how they can help reduce the "R" portion of the RGT model, but also how they align with the six key attributes of leaders in digital transformation: 1) Integration, 2) Intelligence; 3) Automation; 4) Agility; 5) Collaboration; 6) Flexibility.

The Need for Modernizing IT Operations

Forty-one percent of organizations reported that they redefined their IT Operations strategies over the last 18 months. The research makes it evident that the need for modernizing is predominately driven by 5 key factors.

- The research shows that the amount of alerts and events increased by 2.7 times over the last 2 years. In order to identify alerts that really matter, organizations have to filter through millions of those that are not meaningful and are only creating noise. This is causing situations where it is not humanly possible for IT professionals to manually deal with the velocity and amount of data to be processed and put into actionable context.
- The research that managing the performance of cloud services, containers and other types of modern IT environments is a different game when it comes to the capabilities needed to ensure optimal performance. Organizations that are trying to manage these environments by using legacy tools are realizing that they are not effective in these types of use cases.

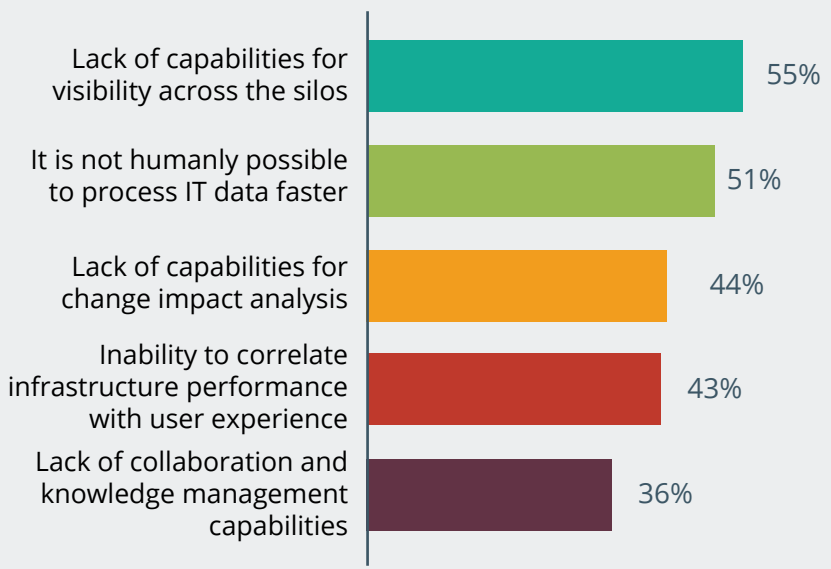


Thirty-nine percent of organizations are reporting that Line of Business (LoB) managers are becoming more involved in evaluating IT Operations management technologies. At the same time, only 26% of organizations are able to quantify the benefits that IT operations is delivering to the business. As a result, organizations are looking to deploy technology solutions that would allow them to make their impact on key business goals more visible.

Key Challenges

Thirteen areas in DEJ's survey were listed as a major challenge for managing IT Operations by 40% of organizations or more. This also proves the increased complexity that IT teams are dealing with and that there is no simple solution for these issues.

KEY CHALLENGES FOR IDENTIFYING A ROOT CAUSE OF PERFORMANCE ISSUES



Challenge	% of organizations	Performance impact
Inability to prevent performance issues	**64%**	**81%**
Lack of actionable context for monitoring data	**61%**	**71%**
Time spent on identifying the root cause	**61%**	**67%**
Inability to correlate data from different domains	**59%**	**61%**
Lack of visibility into user experience	**54%**	**68%**
Lack of capabilities for realtime management	**52%**	**77%**
Inefficient process for analyzing log data	**52%**	**62%**
Scalability of management solutions	**48%**	**80%**
Management and performance of APIs	**46%**	**76%**
Learning curve for IT Operations staff	**40%**	**69%**

Definition of Top Performing Organizations (TPO)

DEJ analyzed the performance of all of the organizations that participated in the survey and identified a group of the top 20% of these organizations based on three performance indicators:

1. Percent of performance issues that are proactively detected;
2. Average Mean Time to Resolution (MTTR) per incident; and
3. Average percent of IT budgets available for growth and innovation.

KPIs	Top Performing Organizations (20%)	All others
Percent of performance issues that are proactively detected	79%	39%
Average Mean Time to Resolution (MTTR) per incident	38 minutes	224 minutes (3.7 hours)
Percent of IT budgets available for growth and innovation	51%	26%

This group of top performing organizations (TPOs) were identified for the following reasons:

1. They calculate performance benchmarks in managing IT Operations
2. They analyze practices of the TPO class and identify areas that are enabling them to achieve top levels of performance
3. They use practices, strategies and capabilities of TPOs as guidelines for other organizations that are looking to improve their performance for managing IT Operations.

- All key TPO capabilities are grouped in 4 categories - Strategy, Process, Organization and Technology
- DEJ's research shows no correlation between companies' sizes, industry sectors or geographical location and their representation in the TPO class.

TPO Attributes – Strategy, Process and Organization

Strategy

Capability	TPOs more likely to have
Well defined API management strategy	2.6x
Have customer experience as a central focal point of IT	2.2x
Modifying their strategy to meet specific requirements of monitoring cloud and microservices	78%
Approach based on advanced analytics, automation and data and knowledge management concepts	75%
Putting context of data in the core of their IT operations strategy	62%

Process

Capability	TPOs more likely to have
Ability to predict performance incidents	2.4x
Selecting monitoring solutions by predicting future amounts of data to be processed	84%
Correlating IT performance and business metrics	68%
Automating processes for launching new technologies and services	63%
Process for prioritizing IT incidents	61%
Testing processes that measure the impact on user experience	59%

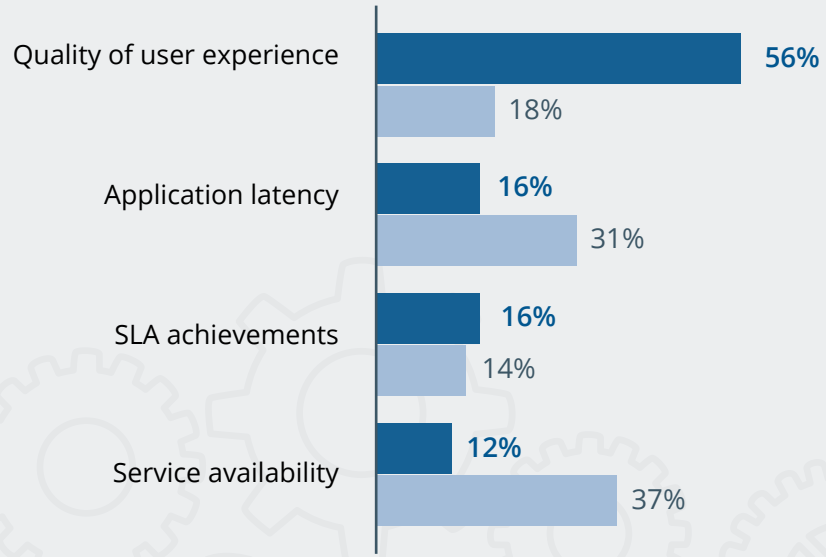
Organization

Capability	TPOs more likely to have
Leveraging a single platform for IT, Dev, Security, IoT and Business Operations	2.7x
Ensuring that multiple job roles and departments gain value from IT data	2.6x
Enterprise wide initiative to evaluate technologies based on the ability to contribute to business outcomes	2.3x
Established formal policies and channels to enable DevOps initiatives	74%
Educating IT staff on AIOps related skills	52%

TPO Attributes - Technology

4.2x More users managed per IT FTE by TPOs, as compared to all others

TOP METRICS FOR EVALUATING IT PERFORMANCE



Capability	TPOs more likely to have
Automated discovery of containers and dependencies for microservices	2.5x
Automated root cause analysis	2.3x
Ability to monitor user experience at the point of interaction with digital service	2.2x
Automated process for turning alerts and events into actionable work items	2.1x
Single platform for managing the performance of on-premise and cloud services	88%
Unified analysis across IT management toolsstack	77%
Real-time analysis of streaming data	74%
Automated remediation of performance issues	66%
Ability to monitor the impact of API performance on user experience	65%
Anomaly detection capabilities for managing IT Operations	59%
Notification system that is based on contextdriven automation	52%

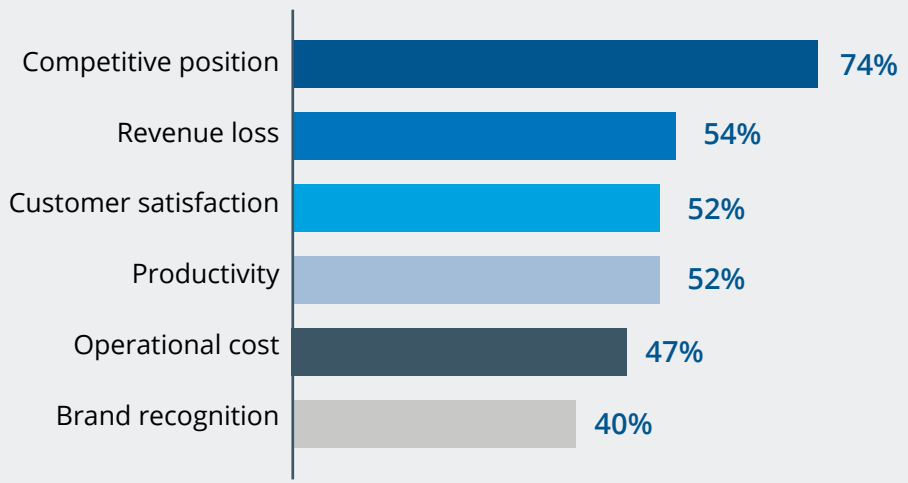
Cost of Not Acting

Organizations whose performance is lagging behind the TPO class have to make significant changes to their strategies, organizational approach and processes, as well as deploy a new set of technology capabilities to catch up with forward thinking organizations. This requires significant effort and new investments, but the research shows that achieving a TPO level of performance pays off.

Also, organizations that have the mindset that modernizing IT Operations is too time and resource intensive and that they can't afford the cost associated with it are not realizing that the price of not modernizing IT operations is even higher and they are paying for it every day. LoBs and other business executives estimated the impact of issues with the performance of IT services on key business goals and the numbers show a significant opportunity cost of not investing in modernizing IT operations.

$2,129,000	Average estimated revenue loss, per month, due to performance related slowdowns in application release times
$126,000	Average revenue lost due to 1 hour of downtime
$10,700	Average IT labor cost per performance incident

KEY BUSINESS AREAS IMPACTED BY IT OPERATIONS MANAGEMENT - NON-IT SURVEY RESPONDENTS



The research shows that the cost of non acting around modernizing IT Operations is not only high, but is significantly increasing every year, Organizations need to have more urgency when it comes to improving their IT Operations capabilities.

Recommendations

DEJ's research shows that the performance gap between TPO class and all other organizations is not only wide, but it is trending to be wider each year. To start closing that gap, organizations should ensure that the following 13 areas are a part of their IT Operations strategies.

1. Deliver IT data in a context that is actionable, relevant and aligned with business goals
2. Change the approach for managing IT Operations to adjust to new technologies, infrastructure types and software architectures.
3. Quality of experience monitored from the end-user perspective should be the key indicator for the performance of IT services.
4. Adopt AIOps concepts and be prepared to maximize their value
5. Take a strategic approach when incorporating automation in IT operations strategies.
6. Modernize IT incident management strategies.
7. Take a proactive approach for managing IT Operation
8. Make the impact on key business goals more clear.
9. Take a customer-centric approach for managing IT.
10. Deploy capabilities for processing streaming data in real-time.
11. Take a centralized, platform-based approach for managing IT Operations.
12. Deploy a platform for enabling operational intelligence.
13. Ability to elastically scale up - for both the present and the future - should be one of the key criteria when selecting IT Operations solutions.

OpsRamp

OpsRamp.com

OpsRamp's platform is based on three key pillars – Visibility, Intelligence and Optimization. The company has core strengths in four key use cases:

1. Hybrid IT infrastructure monitoring;
2. AIOps for proactive digital operations;
3. Incident management with ITSM integration; and
4. ITOps as a service.

36% More users per IT FTE are being managed by organizations that are taking a centralized, servicecentric approach for IT performance management

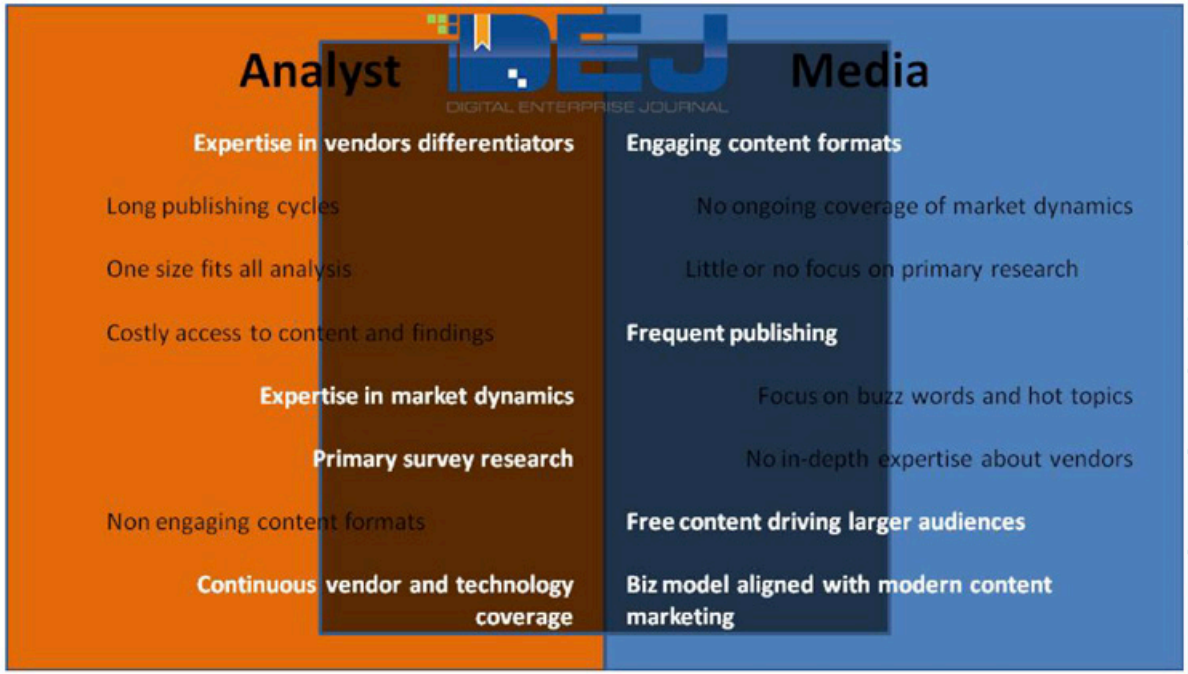
OpsRamp's effectiveness in addressing key challenges

Challenges	TPOs effectiveness in addressing	Impact on performance	Vendor's effectiveness
Lack of actionable context for monitoring data	93%	2.5x	Very Strong
Time spent on identifying the root cause of performance issues	84%	67%	Very Strong
Inability to correlate data from different domains	73%	61%	Very Strong

OpsRamp's alignment with TPO capabilities

Capability	More likely to be deployed by TPOs	Performance impact	Vendor's offering
Capabilities for unified analysis across IT management tools stack	93%	2.5x	Very Strong
Service-centric approach for IT monitoring	84%	67%	Very Strong
Capabilities for automated remediation of performance issue	73%	61%	Very Strong

About Digital Enterprise Journal



Key Differentiators

Research-Media Fusion

Combination of most advanced concepts from both industries

Situational Analysis

Recommendations based on users' individual requirements

Business Context

Actionable frameworks to help users answer the "So what?" question

User Insight Platform

Ongoing, personalized approach for research data collection and analysis

OpsRamp

About OpsRamp

OpsRamp enables IT to control the chaos of managing their hybrid IT operations and act like a service provider back to the business. Built in the cloud, the OpsRamp service-centric AIOps platform drives total visibility across hybrid infrastructures, offers complete multi-cloud infrastructure monitoring of business-critical services, and optimizes services through automation and integration with ITSM and DevOps tools.

Hundreds of enterprises like Dolby, Epsilon, and Bio-Rad and managed service providers like NetEnrich, GreenPages, and NTT Data use OpsRamp to power a digital operations command center that's built for the challenges of modern, hybrid infrastructure.

To learn more
OpsRamp.com // 1.855.847.8272