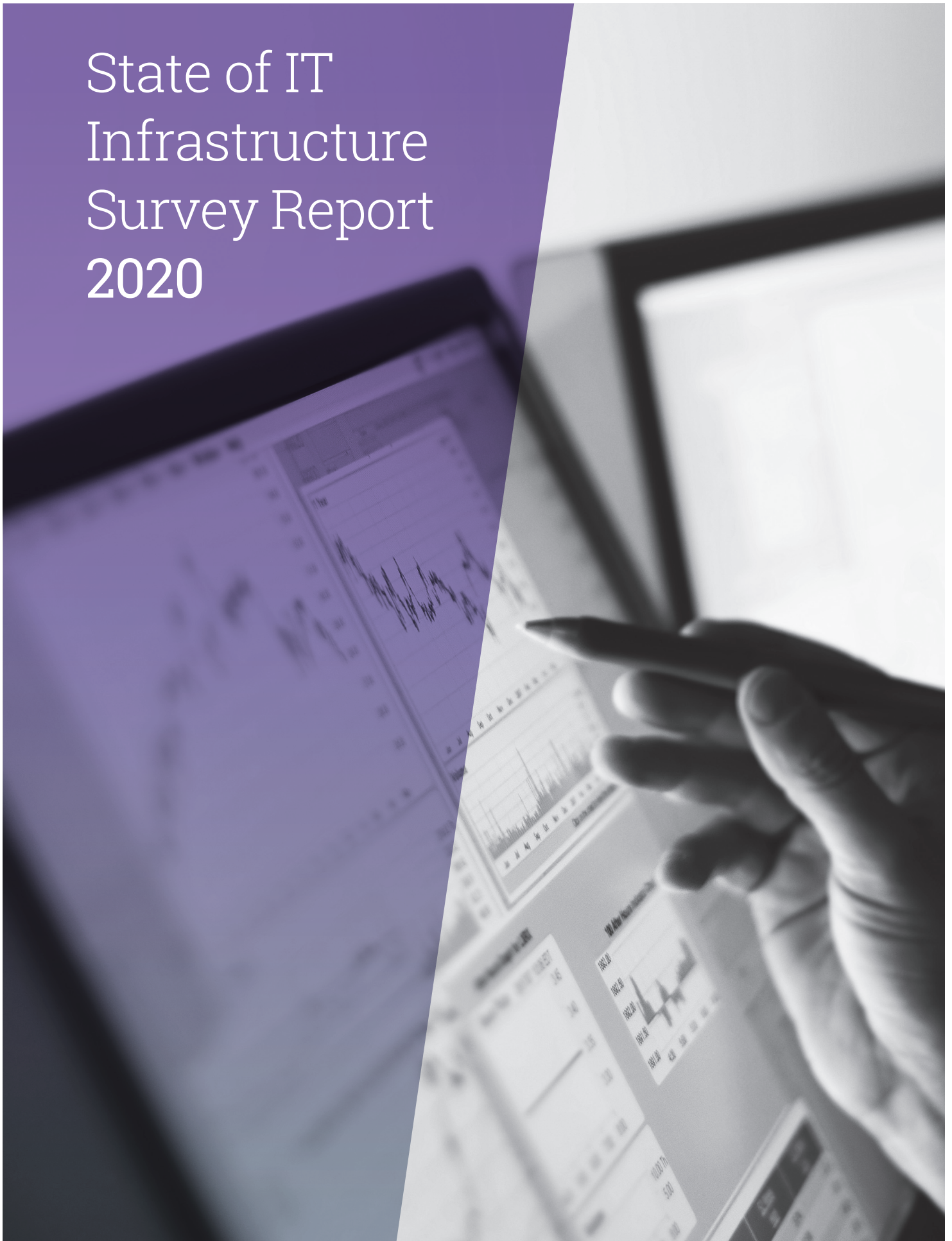


State of IT Infrastructure Survey Report 2020



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Executive Summary

IT infrastructure and outages have not been far from the headlines over the past 12 months. Whether it's Financial Services institutions experiencing frequent, disruptive outages or British Airways' booking system malfunctioning, 2018 was not a good year for IT departments. Plus, with Deloitte reporting that digital transformation budgets are set to grow 25% this year, the IT sector is certainly in line for much change. Therefore, to understand the current landscape and the challenges faced by companies, Opsview conducted an anonymous online survey amongst global senior IT Executives in March 2019. The key findings of which are detailed in this report.

It should be noted that firstly, the role of the CIO has changed significantly over the past decade. No longer is it viewed as a 'techie' role responsible merely for recommending upgrades and helping when computers need to be repaired or replaced. Instead, it is now viewed as a strategic enabler, reporting straight into the boardroom. However, with this comes more pressure and responsibility to support the continuous digital innovation which firms now rely on. Add this to the issue that ROI is often difficult to prove across multiple business units all concerned with different metrics, and the complex, fast-paced nature of these projects – it's easy to see why CIOs are spinning so many plates.

Operational efficiency should help underpin all these ambitions, but sadly for many CIOs, this is simply not the case. Legacy IT and complexity continue to plague businesses, and are often a major barrier to digital transformation projects. Behind a new breed of innovative customer and employee-facing digital services lies a hotchpotch of disparate and decentralized systems – virtual machines, hybrid cloud accounts, IoT endpoints, physical and virtual networks and much more. These disparate, decentralized systems don't talk to each other, and they frequently fail as other teams take matters into their own hands to try and aid efficiency, without the oversight of IT. To make things worse, many of these systems are outside of the control of IT, and new investments designed to solve the problem of legacy IT can create further complexity.

Another layer of complexity is that while digital transformation can bring about opportunities, it can also cause problems in itself. Specifically, the difficulty of maintaining an IT infrastructure that supports ongoing digital changes. Without this, any attempts to innovate are threatened with failure, which in itself causes a ripple effect in terms of customers satisfaction and operational disruption.

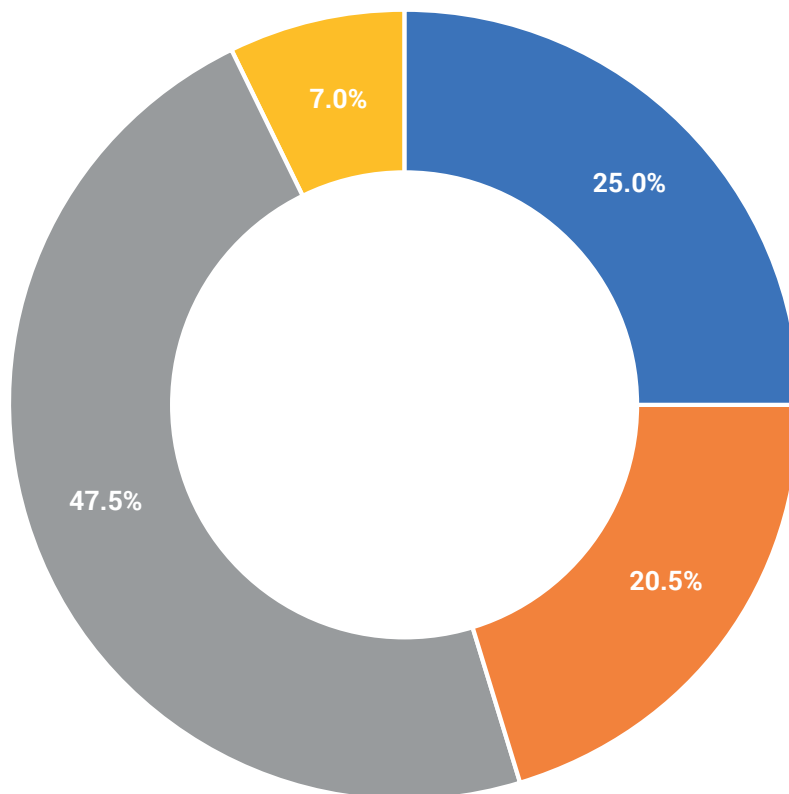
For CIOs to overcome all these threats simultaneously is to centralize IT monitoring – thereby negating the issue of online business failure. One, single pane of glass has multiple benefits – firstly, it provides a holistic view of system health, destroying data islands in its path and stopping siloed activities which all affect IT operations. Availability and capacity can all be reviewed simultaneously in real-time, enabling the business to derive true value from digital transformation projects.

What's more, common internal and external frustrations can be overcome – such as spotting early-stage problems which are often not seen until they have transformed into major incidents – such as IT outages. Avoiding these sorts of issues which cause significant damage to both reputation and the balance sheet go a long way to enhancing IT's reputation and its strategic influence.

Opsview is an IT monitoring company that provides unified insight into organizations' complex IT infrastructure via a single platform. Opsview offers cloud and infrastructure monitoring for enterprises and SMBs who need to take control of their technology.

Changes to IT Infrastructure

Question #1: Has the way that you manage and view your IT Infrastructure changed much over the last three years to support successful digital transformation?



25.0%	We still have so many different IT systems and processes that don't effectively communicate with each other which means we don't have complete visibility across our entire estate/we still find it challenging to gain visibility and control over our dynamic digital platforms
20.5%	Legacy systems eat up a lot of our time prohibiting scalability and slowing business growth
47.5%	We have made significant steps over the last three years to improve our IT infrastructure and systems to support digital transformation
7.0%	No, our organization is still structured in a legacy way in terms of people, process and tech which adds to the problem of managing complexity and supporting digital transformation

Less than half of the respondents are seeing progressive activity towards transforming their legacy infrastructure and embracing digital transformation. The frustrations experienced by the majority who are not as advanced along this path are largely due to either a legacy mentality of the business, or inherent system complexity.

A quarter (25.0%) of respondents expressed specific concerns over the vast array of technology that has been adopted by their organizations over the years, which are not integrated and therefore are almost impossible to control.

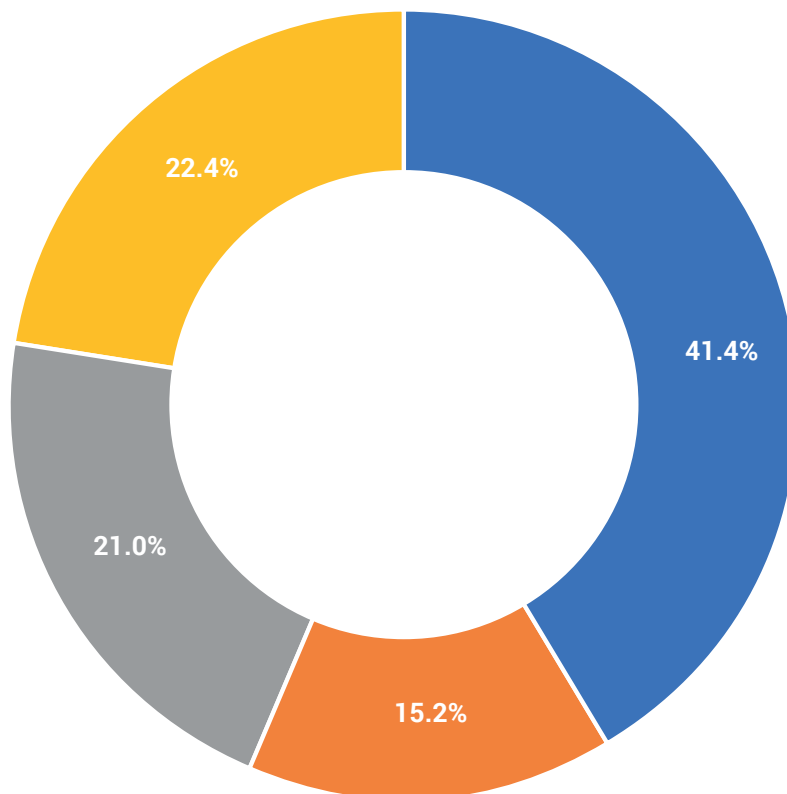
A further quarter (27.5%) of respondents are frustrated by their organization's reliance on old/legacy technology, with significant time being spent on managing inefficient systems rather than investment of time and financial resource on progressive digital projects.

The fact that over half the companies we spoke to are struggling with IT infrastructure demonstrates the commonality of this problem, and how it is hampering not only current profitability, but future success too. The problem many firms face is that legacy cannot simply be ripped out and started from scratch – these systems underpin key functions, leaving the IT department with difficult decisions to make with regard to effectively integrating older systems with new modernized applications.



IT Operations Internal Placement

Question #2: Where does IT operations and monitoring sit within your business strategy?



41.4%	The day-to-day running of IT sits with the IT team
15.2%	There isn't much visibility of IT operations at the Board level
21.0%	Keeping the lights on is seen as playing a key role within digital transformation projects in my organization
22.4%	Our IT Ops is fully aligned with business strategy when it comes to digital transformation and growth

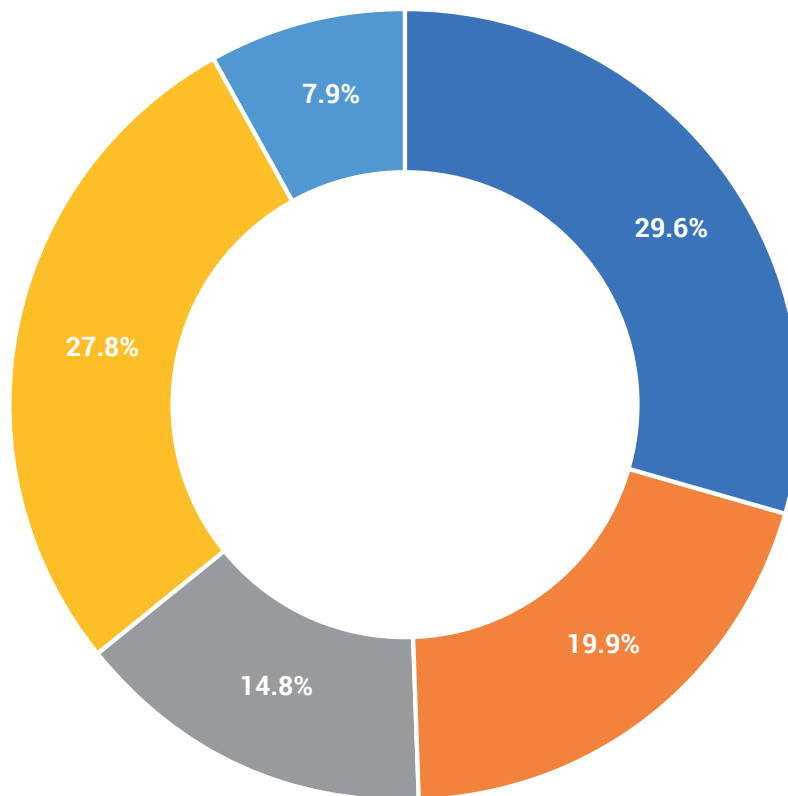
Less than a quarter of businesses (22.4%) have a fully aligned integration between the IT team and business strategy when implementing digital transformation. Only 21.0% of respondents say that the reliability of IT operations (“keeping the lights on”) is a key component of achieving digital transformation success in their organization.

Significantly, over half of respondents state that their perception is that the IT team is either isolated or not a prominent priority at Board level.

This data set again highlights another common issue – the silo-ization of IT. This fragmented approach to where IT sits could help to explain the other infrastructure issues highlighted within this report. The fact 15.2% says there is no visibility at Board level could well link to the 52% frustrated with their IT systems and how it is consequently impacting growth and dynamism. For IT to truly add value, visibility across the whole business is vital, especially at Board level as it has such an influence on profitability, efficiency and productivity.

IT Monitoring and Operations Perceptions

Question #3: With the business focus on digital transformation, have perceptions of the value of IT monitoring and operations changed? Is it now seen as a critical tool that empowers business?



29.6%	The business understands that IT OPS and effective IT monitoring underpins business growth and innovation
19.9%	IT monitoring is still seen as unstrategic IT tool and an after thought
14.8%	Unfortunately, IT OPS is seen as a cost centre; major investments in new apps and services are not matched by improvements in performance monitoring
27.8%	The business understands that a centralized approach to IT monitoring can help and prevent many potential issues
7.9%	We don't seem to be monitoring the right things. There seems to be a focus on availability rather than business service performance which will not deliver strategic value from ITOM

Interestingly, 57.4% of respondents felt that their organizations understand that effective and centralized IT monitoring are key to performance and growth of the company. However, clearly there is more action to be taken, given the feelings of lack of progression and the burden of legacy IT systems.

Almost half of respondents (47.7%) state that IT performance monitoring is not seen as a priority, in particular in relation to other IT asset investment. There is frustration that IT monitoring is not built in as a critical tool at the commencement of any project or purchase. 7.9% of respondents state specifically that day to day operations are seen as more critical than the strategic activity and benefits that the IT team could provide.

Again, this perceived lack of support from higher up within the business is hampering operations for many. The fact that a fifth (19.9%) stated that IT monitoring is seen as an afterthought and unstrategic demonstrates the scale of the task that IT teams face. Whilst it's positive that just over half of organizations pay lip service to how monitoring helps, the fact that a significant portion are calling it out as unstrategic, a cost centre and not even monitoring for the right things is a worrying sign if these companies are looking to invest significant amounts into digital transformation. Conversely, this attitude could be preventing them from making changes which could benefit the business, if only a more holistic IT monitoring approach were taken.

Current Status of IT Legacy

Question #4: Are the challenges that you faced 3-5 years ago with regards to legacy systems, complex IT and visibility of your IT infrastructure still facing your business today?

This was an open-ended question. The responses have been analyzed to show the key trends in thoughts around the challenges faced today by the IT department. The main issues encountered by firms centered around financial resource (budget limitation), legacy systems, human resource (the skills to implement and operate the technology), systems integration and attitudes towards change. It demonstrates that businesses have not been able to conquer the demons they faced years ago, and the verbatims show a frustration at the barriers in place to a more cohesive digital infrastructure.

FINANCIAL RESOURCE

Those frustrated by spending limitations to help them achieve digital transformation, mentioned the lack of support by the Board in IT investment. Without the necessary financial resources, IT departments feel restricted in their ability to achieve what's required with regard to IT infrastructure and service they would like to be providing. Whilst there is an awareness in the IT department that this is hampering business growth, there is a feeling that this isn't an attitude adopted by the Board itself, and verbatims highlighted this:

- "Lack of management interest/investment"
- "Unable to be as proactive as desired"
- "Proving the return on investment to CFO"
- "Lack of involvement from management"

LEGACY SYSTEMS

Linked to finance, one of the biggest challenges faced by IT Ops is being 'stuck' with legacy systems that are not performing. Many legacy systems are still linked to the business's critical infrastructure, and are therefore central to information provision across the business. Others have inherited archaic systems through business acquisition. There is a general feeling that investment in improving these systems isn't keeping pace with the rate of company growth.

- "...issues are related to legacy systems and integrations between companies due to recent acquisitions"
- "Legacy/lack of drive storage – adjusting to the rate of company growth"
- "...legacy systems that are needed as a primary business tool"
- "Exclusive contracts lock-ins"

HUMAN RESOURCE

A number of issues around staffing are mentioned frequently: the lack of budget to invest in the correct IT skills required, the lack of availability of adequately knowledgeable staff and the lack of motivation of existing IT staff who are restricted by the lack of investment.

- "Lack of internal expertise"
- "...staffing levels remain constant in an ever changing environment, with increasing integration of new apps/solution - which results in an increased workload"
- "Discouraged staff"
- "Management doesn't understand how much broader IT skillsets have gotten and it's not just a matter of training existing IT to fulfill current and future needs"

SYSTEMS INTEGRATION

Integrating all the IT systems is seen as a huge challenge for most respondents, especially in the light of resource constraints. Without systems communications, there are errors and confusion amongst employees, and frustration by IT management in their seeming inability to contribute to corporate growth. Visibility and auditing across all systems is frequently seen as either non-existent or fraught with challenges, and for some, an impossible dream. Some are simply looking for replacement systems rather than integrating legacy applications.

- "Slow adoption of the fact that business transformation and customer channel shift can only be achieved by ridding the business of legacy IT infrastructure and operations"
- "No focus at all on monitoring and IT improvement (lack of insight, lack of vision, lack of everything). Things break and break and break, and we do not seem to get near with monitoring at all, we are always a few steps behind."

- “Multiple monitoring solutions with no integration with each other, so there’s no way to easily correlate events. This wastes time and money and forces us to operate reactively instead of proactively”
- “Our current structure doesn’t allow us to provide any business insights into how the infrastructure affects business operation, and vice versa”.

ATTITUDES TOWARD CHANGE

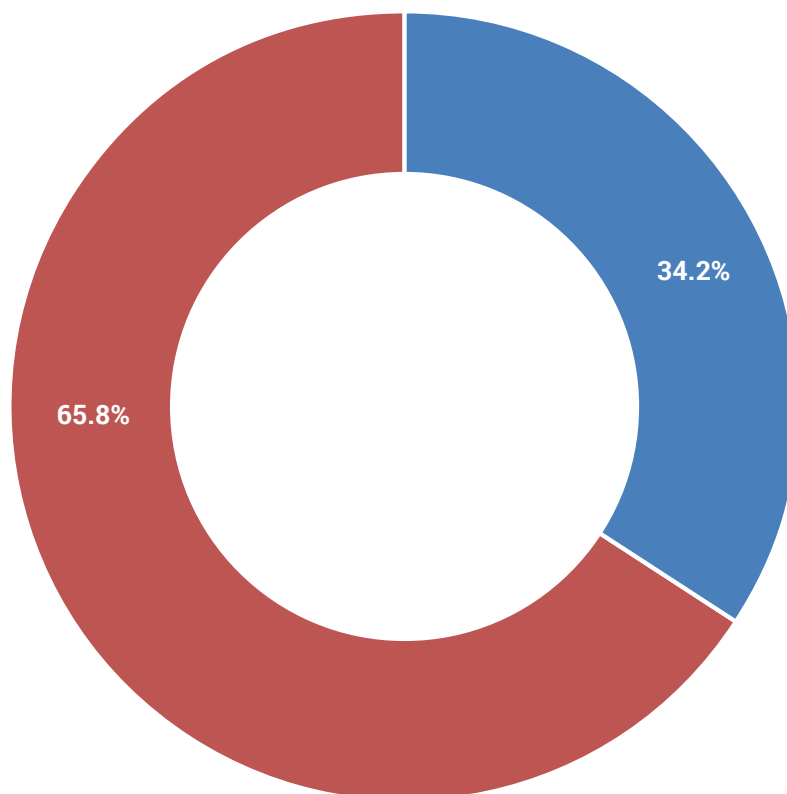
There is a clear desire for the IT department to be able to contribute to business success, but frustration at the inability to do so.

- “There is an extreme phobia surrounding change. I’m pretty much a digital janitor”
- “Bureaucratic delays in implementing strategic initiatives”
- “Unable to be as proactive as desired”
- “Letting go of past procedures and ‘we have done it this way in the past’ mentality”
- “Make the business see IT as an asset, not a cost”



Changes to IT Operations or Monitoring Processes

Question #5: Have you changed any of your IT Ops or monitoring processes over the last three years to make your business more productive or efficient, or are you still using the same tools?



34.2%	No, we are still using the same tools because IT OPS and monitoring is seen as a cost-center
65.8%	Yes, we have invested in new IT tools and processes to underpin our digital transformation projects

Almost two thirds (65.8%) of companies are investing in IT in their progression towards successful digital transformation projects. Only approximately a third (34.2%) feel hampered by budgets and the financial attitude towards the IT department's contribution towards company growth.

Whilst it is positive to see companies investing, if we consider previous answers, then it is evident that for some companies, the transition to new monitoring processes has not been a successful one.

This might be due to legacy integration, or perhaps tool sprawl – another common issue IT departments come up against in their battle for visibility. Enterprise Management Associates has said that many companies use up to 10 monitoring tools at once, consequently creating data islands, diluting their data and averaging times of between three and six hours to find performance issues within IT systems. Simply put, companies commonly have unfit solutions in place that are built for static on-site systems rather than today's cloud and virtual-based digital systems. By housing analytics and system data in a single unified tool, organizations will have a clearer picture of system health, availability and capacity at all times.

Outages are a fact of life; but companies should do their utmost to mitigate against them and, when they do occur, have the correct tools in place to find the issue and rectify it. This returns service in a timely manner, reduces downtime and prevents loss of revenue.

Conclusion

It is clear that while many organizations have a grand vision for their digital innovation strategy, they don't have the adequate tools in place to help them get there. Whether they are looking to achieve lower costs, better customer satisfaction or increased quality, many firms are lacking the insight as to how this will integrate into their digital framework. And almost certainly, without this clarity, failure – or certainly failure to grow – will be on the horizon.

The findings in this report demonstrate that there is widespread frustration over the state of IT infrastructure – centering around people, process and technology. Investment in people resources with the appropriate skills to facilitate the company's digital transformation or advancement are at the top, and there also exists concern over the 'buy-in' to the digital vision by the very senior executives who should be driving innovation. Somewhere along the line, the vision is lost and there is frustration about the inability of the IT team to be able to contribute to the broader corporate strategy and plan. (And in some cases, frustration over the lack of a plan itself). These issues combine to create a negative impact on change and how IT is viewed internally.

What is also clear is that a clean sweep of legacy systems – whilst a utopia for many – is not likely to happen due to financial and human resource restrictions. What's more, whilst these systems are viewed as a hindrance, actually they hold mission-critical data, which are necessary for everyday operations. So whilst these systems are still at the core of the businesses, it is imperative that solutions are sought which will integrate old with new, and allow access through a simplified, common platform.

Disparate systems holding critical business information, which do not communicate, nor are accessible for business reporting, are not going to enable an organization to move forward. Getting hold of the data held by these systems and creating intelligence from it, which will help to build on and monitor the company's growth, is the future. To achieve this, one, holistic view is necessary. Much like a driver needs the dashboard to know how the car is performing, so should a CIO and IT team to help spot any future incidents.

Waiting is not a strategy. Failure to prepare is preparing to fail. The results show firms must act now, before it's too late.

If you want to explore how modern IT monitoring can help in your digital transformation, call us on



www.opsview.com



EMEA: +44 1183 242 100



sales@opsview.com