



The Power of BMC Remedy,
the Simplicity of SaaS

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EXECUTIVE SUMMARY

Imagine if your IT service management infrastructure were as reliable and cost-efficient as the electric grid that powers your data center. You could then spend less time worrying about the systems that collect, store, and analyze data about the management of your IT infrastructure, and instead focus on Business Service Management -- making sure critical business services are up and running.

That's why many IT organizations are considering the SaaS (Software as a Service) model for IT service management, in which the software is delivered over the Web, with IT administrators and end users accessing it through a Web browser. The vendor takes care of everything from purchasing and managing hardware to patching and monitoring the software. This frees the IT organization for more strategic work and allows it to save money by buying only the IT service management capabilities it needs. It can also implement the IT service management solution in days rather than weeks or months.

Of course, the quality of the IT service management solution is still the key determinant of how effective a corporate IT service management initiative will be. This white paper examines the key requirements for IT service management delivered as a SaaS solution – based on the results of a BMC survey of senior IT managers – and explains how the BMC Remedy OnDemand solution meets those needs.

BUSINESS CHALLENGE: MANAGING CHANGE

An IT infrastructure changes constantly as organizations introduce new products, create new distribution channels, and revamp workflows. Additional, unplanned changes may be caused by hardware and software failures, malware attacks, or unexpected fluctuations in demand. If harmful changes aren't found and fixed, critical applications or business processes may be slowed or even crippled. IT service management is the process of quickly and cost effectively finding and fixing such problems – proactively and automatically wherever possible.

An IT service management solution must discover IT assets, track changes to them, and share data about them with a variety of monitoring and management applications. It also requires a CMDB (configuration management data base) that stores information about the existence and configuration of IT assets, reducing confusion and wasted effort. It also allows the IT organization to implement Business Service Management (BSM) by understanding the impact of configuration changes on critical services.

The solution must also be able to share data with various IT service management components, to authorize, perform and monitor changes to the IT infrastructure, and provide analytics and dashboards to pinpoint the most critical problems. It should be able to predict the impact of low-level technical changes on business applications, and help organizations implement best practices such as the ITIL management framework.

IT service management is a key enabler of Business Service Management, which allows organizations to cost-effectively manage IT to business priorities. By proactively monitoring the status, configuration, and health of IT components, IT service management solutions help organizations achieve BSM goals such as:

- » Simplifying and applying standard processes across their IT organization
- » Prioritizing changes to maximize the uptime and performance of the most critical applications
- » Using automation to maintain both mainframe and distributed environments more efficiently
- » Making better, fact-based decisions

WHAT THE I.T. ORGANIZATION NEEDS

IT service management delivered as SaaS is becoming more popular because of changing requirements from IT organizations, and the increasing maturity of SaaS technologies.

As organizations struggle to reduce fixed costs, such as hardware, software and networks, many have already turned to SaaS for human resources, customer relationship management, or backup applications. In the process, they have seen the improvements in reliability and efficiency (as well as the reduced costs) SaaS can deliver. They have also seen how quickly applications can be put into production when purchased as a service, compared to buying, installing, configuring and maintaining them in-house.

Many are also drawn to SaaS because poorly executed changes within their environments are causing slowdowns or failures. The danger is especially high for organizations that do not have formal change management systems, or do not maintain a comprehensive CMDB that makes it easier to find and fix multiple problems stemming from a common underlying cause. Adopting a SaaS solution for IT service management is also attractive for companies struggling with the costs of maintaining and updating software and hardware, as well as demands for higher service levels, greater security, and regulatory compliance.

Not Just Any ITSM SaaS Will Do

When considering a SaaS solution, many customers focus on reducing their hardware, software and IT administration costs. But for IT service management, such expenses typically make up only 14 percent of the total cost of ownership. The other 86 percent goes to staff the help desk. Moving to SaaS reduces only the smaller bucket of costs. But the capabilities of the service management software – such as built-in best practices and policy-based change impact -- reduce the second, larger bucket of costs as well. That's why BMC recommends considering not only the delivery model, but the features and functions of the software, when choosing an IT service management solution.

To determine specific needs for an IT service management as a SaaS solution, BMC surveyed CIOs, vice presidents, and directors from a variety of industries. Their top requirements were:

- » Integration with event monitoring tools to assure timely notification of changes that could affect service levels
- » SAS 70 and ISO 270002 compliance to assure data is protected amid increased regulatory and legal concerns
- » Uptime and performance guarantees with penalties
- » The ability to customize the solution to their specific needs, since each organization has a unique infrastructure and supports different business needs
- » The ability to retain customizations when upgrading to a new IT service management solution
- » Asset and change management along with service desk, incident, and problem handling, without the need to evaluate, purchase, maintain, integrate, or upgrade separate products
- » Support for the ITIL best practices

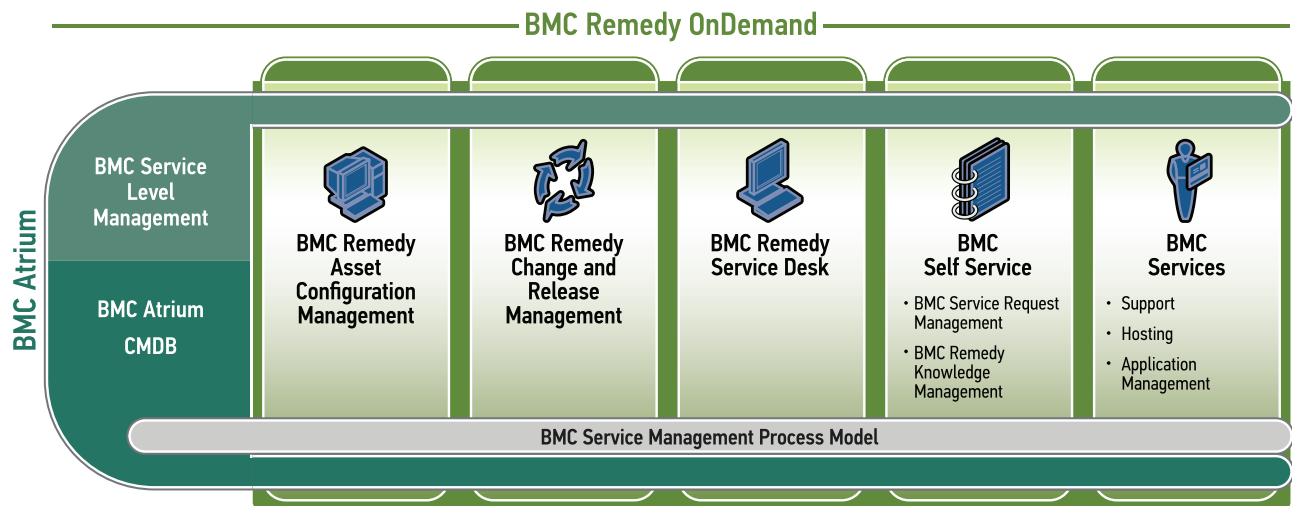
I.T. SERVICE MANAGEMENT AS SAAS: SELECTION CRITERIA

Should an IT organization implement IT service management in-house or purchase it as a service? The answer depends on many factors, such as the level and cost of IT skills within the organization; its budget for capital vs. operational expenses; the likelihood of growth in its IT infrastructure and the level of customization it requires. Organizations should consider options that provide the flexibility of both an on-premise and on-demand IT service management solution as business demands change. Organizations that should consider the SaaS model include those that:

- » Want to replace long-term capital investments and ever-rising staff costs with a fixed monthly expense
- » Need to implement ITIL or other IT best practices in a rapid and cost-effective manner
- » Have variable needs for IT service management, or face unpredictable growth in their IT service management needs
- » Need to ensure their IT staff spends their time improving IT service management processes and efficiency rather than customizing on-premise tools, or have only limited requirements to customize a solution
- » Lack the time, budget, or staff to integrate multiple discovery, management, and CMDB platforms into their own IT service management solution
- » Require SAS 70 or ISO 270002 data security, but lack the staff or skills to implement it in-house

THE POWER OF BMC REMEDY

BMC Remedy OnDemand delivers the reliability, security, flexibility, and scalability required by even the largest enterprise, along with the simplicity and savings of SaaS. It includes BMC Self Service, BMC Remedy Service Desk, BMC Remedy Change Management, BMC Remedy Asset Configuration Management, the BMC Atrium CMDB, BMC Service Level Management, and more. Together, these provide an integrated best-practice ITIL workflow, an intuitive, easy-to-learn user interface, and guaranteed scalability and reliability. This integrated application suite delivers quick implementation, an accelerated learning curve, and low total cost of ownership.



BMC Remedy includes a central shared data model and single service view across all functions and processes through the BMC Atrium CMDB, as well as a unified architecture with no point-to-point interfaces to maintain. It also provides easy integration with most popular event-management tools. Its change and release management capabilities automate policy-based change control in repeatable processes that cross organizational boundaries, and can track change execution in real time.

This policy-driven change management minimizes business risk by assuring that only controlled changes are made. It also identifies, in advance, the impact that changes to individual IT components will have on the IT infrastructure, staff, and business services. This reduces costs while supporting changes in the business, improves efficiency through tightly integrated processes, and supports the use of ITIL best practices. It also lowers the cost of audits while improving the audit pass rate.

For example, BMC Remedy Change Management Can:

- Cut the costs of each change by as much as 55 percent
- Speed the deployment of critical business services by up to 50 percent
- Reduce unplanned outages by up to 80 percent and failed changes by up to 40 percent
- Eliminate failed changes by 40 percent, and
- Reduce unnecessary change testing by 35-40 percent

BMC Remedy maintains views of all associated requests and service requirements, allowing visibility and control throughout the request or change management process. BMC's step-by-step guide provides a process model that reduces the time required to implement ITIL processes by as much as 50 percent. Its modern look and feel reduces the cost of training and staff, speeds problem resolution and change management, and makes it easier for users to report and troubleshoot problems. Through integration with BMC's popular event monitoring software, BMC Remedy reduces costs, eases troubleshooting, and helps reduce service interruptions by allowing IT to fix problems before users are affected.

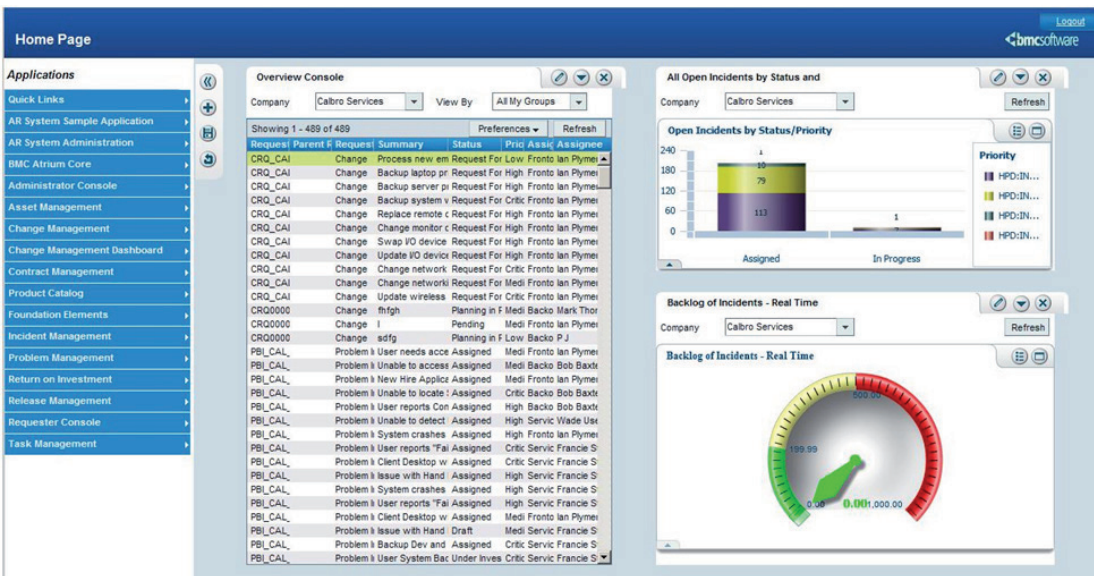


Figure 1. Customizable home page allows customers to focus on key Business Service Management metrics

Unlike smaller or less experienced vendors, BMC can provide IT organizations with guidelines and documentation for achieving ITIL compliance. BMC was awarded "ITIL® Process Compliant" certification and trademark before any of its competitors, based on the BMC Remedy IT Service Management Suite passing rigorous testing for ITIL conformance in incident management and problem management.

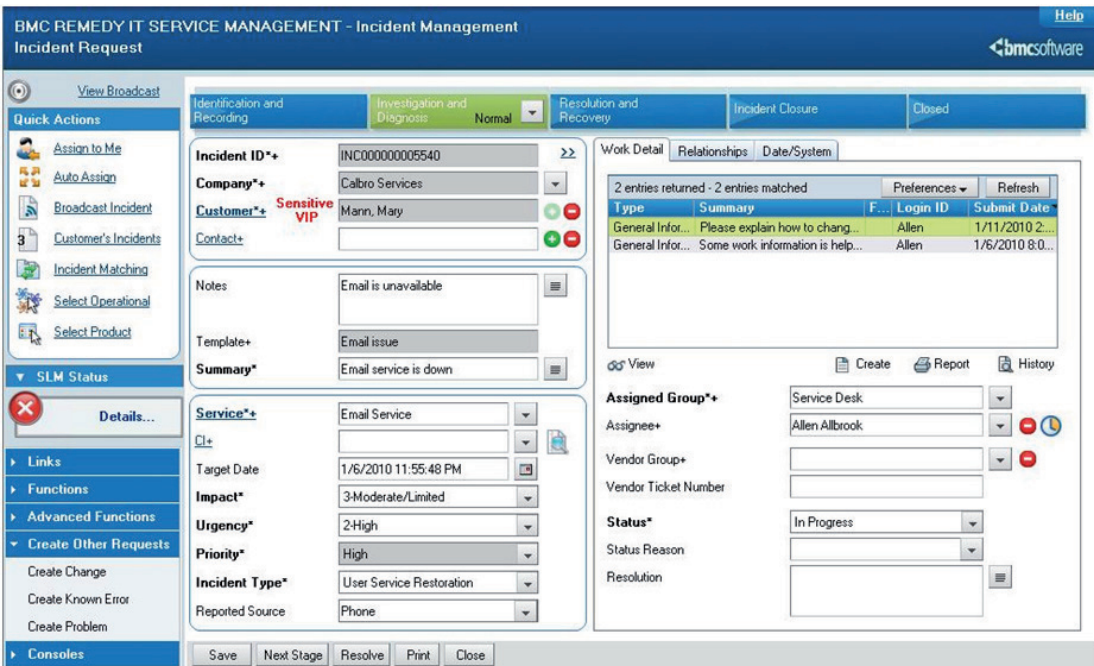


Figure 2. BMC Remedy Incident Management empowers users to easily follow best practices incorporated from thousands of BMC customers

THE SIMPLICITY OF SAAS

Implementing BMC Remedy in a SaaS model means significant potential cost savings compared to in-house implementation. It allows organizations to pay for IT service management "on demand" as an operational expense rather than a capital expense, eliminating the need to keep expensive hardware on the balance sheet. Transferring maintenance and support to BMC's world-class professional services group frees in-house staff to perform higher-value work. BMC handles all upgrades and patches, rolls out new releases on the customer's schedule, and preserves customizations and changes after upgrades.

The SaaS model allows organizations to phase in IT service management incrementally, adding new regions or processes as needed. Even a basic implementation allows customers to establish a “single version of the truth” about their environment in the CMDB, understand how individual components affect business services, and start using the service desk environment.

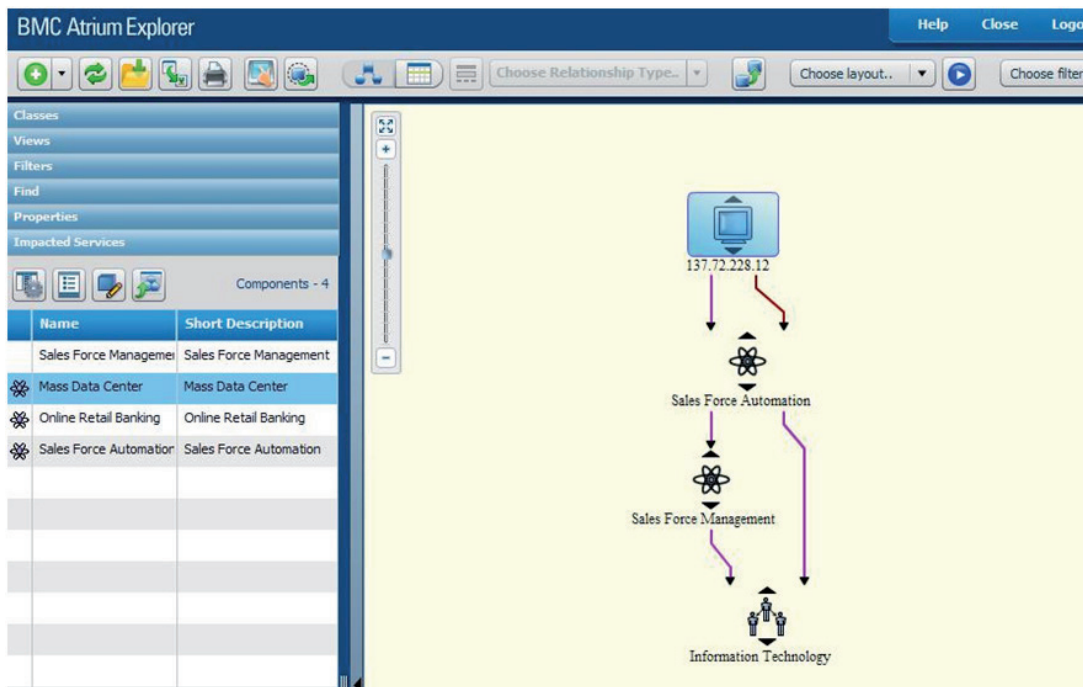
Business Challenge: Quickly achieve long-term, ongoing savings and improved performance of critical business systems.

Solution: Deployment of BMC Remedy OnDemand helps IT quickly and proactively find and fix problems that can cripple important applications.

Who Should Consider: Organizations that need to deploy IT service management quickly, that lack staff or skill to achieve ITIL compliance, that can better afford operational vs. capital expenses, and that face unpredictable growth in IT service management needs.

From any browser, users can access the BMC Remedy system and create their own services and requests or choose from a pre-populated service catalog. Another unique advantage of SaaS is the ability to quickly create, within BMC’s hosting facility, new environments such as development, testing, sandbox, and QA without investing in new infrastructure. All upgrades and maintenance patches are performed by BMC, eliminating effort and added cost to the customer. BMC guarantees the 99.5 percent availability of the solution with a service credit if availability falls below the promised level. BMC also commits to firm time limits for acknowledging, responding to, and solving service issues, based on the urgency and impact as defined by the customer.

Customer data is secured in a data center certified under SAS 70 Type II for meeting the ISO 27002 standards for physical security, control of restricted areas, management of human resources, data security and confidentiality, and other critical measures. Each client’s data is kept on a separate physical or virtual server protected by intrusion detection and prevention systems, as well as passwords and encryption using IP SEC or a minimum of AES 256-bit encryption. Backups, disaster recovery, and business service continuity plans assure system availability.



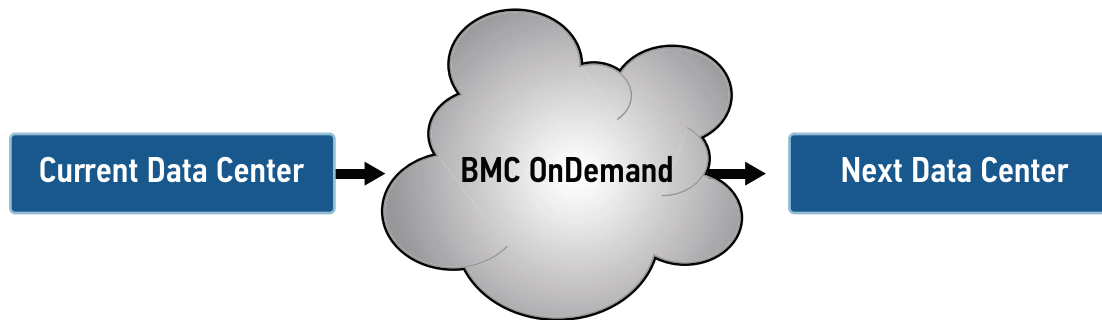
BMC Atrium CMDB: Workflows show how, for example, online retail banking will be impacted by a proposed change. This focus on business services allows administrators to make better decisions.

THE FREEDOM TO CHANGE

Understanding that needs change over time, BMC Remedy OnDemand makes it easy to move from an outsourced to an in-house delivery platform or vice versa.

BMC's Streamlined Transition Service uses standardized processes and automation tools to preserve data and ensure a smooth switch between deployment strategies. BMC makes it easy to increase, reduce, or transfer licenses as staffing needs change, or to convert licenses from the SaaS to an internally hosted solution while preserving all customizations and configuration changes.

Benefits / Value	How We Do It
> Protect investment with flexible delivery options	Move between On-Premise or On Demand
> Free from delivery model lock-in	> Unused prepaid services transfer
> Change your deployment as your needs change	> Standardized processes and automation tools assures smooth switch among deployment strategies
> Retain your configurations and customizations	



Protect your investment through BMC's flexibility to switch between on-premise or SaaS deployment options

SUMMARY

The cost-effective, dynamic management of IT services is more critical than ever. IT service management helps assure that IT assets are being used efficiently, that changes are completed accurately and monitored properly, and that problems are solved quickly or even proactively. The power of BMC Remedy can cut the time required to achieve ITIL compliance as much as 50 percent, eliminate up to 90 percent of incident alarms, reduce disruptions by 75 percent or more, improve IT organization satisfaction by more than 25 percent, and improve staff utilization by up to 50 percent.

Just as IT service management makes the enterprise more efficient, the simplicity of SaaS can have a major impact on its profitability and performance. Organizations that lack the staff or scale to cost-effectively support an IT service management infrastructure should consider implementing BMC Remedy OnDemand, gaining the benefits of the industry's leading IT service management platform and the simplicity and cost savings of the SaaS delivery model.

For more information, visit www.bmc.com/ondemand.

Business runs on IT. IT runs on BMC Software.

Business thrives when IT runs smarter, faster, and stronger. That's why the most demanding IT organizations in the world rely on BMC Software across both distributed and mainframe environments. Recognized as the leader in Business Service Management, BMC provides a comprehensive and unified platform that helps IT organizations cut cost, reduce risk, and drive business profit. For the four fiscal quarters ended December 31, 2009, BMC revenue was approximately \$1.90 billion.

