



TriActive® Solution Pyramid™ Lowering the Total Cost of Ownership

IT organizations today must not only account for operational costs but must also strive to be a strategic contributor to the corporation. Understanding expenses and how to reduce them is imperative to accurately calculate the Total Cost of Ownership (TCO) for IT assets. This White Paper discusses the impact TriActive® has on lowering the total cost of ownership.

Introduction

IT organizations today recognize that the key to being a successful corporate contributor is to not only control expenditures but to cut or reduce costs without sacrificing expected levels of service. What is not immediately clear is the best way to accomplish this. IT budgets are shrinking and a multi-year Return on Investment for technology expenditures is no longer acceptable. Meanwhile, expectations for consistent, quality operation and support have not undergone a commensurate reduction.

The most effective answer to this challenge is two-fold: develop an accurate accounting of what contributes to the IT expense budget and implement a solution that enables you to reduce support costs while maximizing your critical resources. This White Paper will explore how the TriActive® Solution Pyramid™ can help you reduce the Total Cost of Ownership (TCO) while maintaining the quality levels of support and service to which your customers are accustomed.

Since the concept of total cost of ownership was introduced, IT Operations personnel have validated the need to factor this into overall operational performance. The costs associated with acquiring a PC for an end user go far beyond the hardware and software itself. In fact, the equipment is a relatively small portion of the overall expenditure, usually constituting approximately 20 percent of the total cost

per end user. Software purchases account for a significant portion of the 'hidden' costs of IT asset ownership. The table provided below offers a conservative estimate of the combined cost for hardware/software ownership.

To accurately assess the total cost of a solution it is important to factor in all of the subsequent costs beyond the initial purchase, such as the local customization necessary to make a software package perform, necessary hardware upgrades and the IT staff overhead to regularly apply patches to the application or the operating system.

Benefits at a Glance:

- *Integrated, Accurate Data for Managing Consistent Operations*
- *Focused on Reducing Cost, Maintaining Quality*
- *Proactively Implement Strategic Measures*
- *No Up-front Investment in Infrastructure*

Early analyst estimates placed the yearly ownership costs as much as \$14,000 per end-user when factors such as customization of software and loss of productivity are calculated. TriActive customers indicate they utilize a more conservative IT operational cost of approximately \$10,000 per device for measuring their cost of ownership. For

evaluation purposes, TriActive® has broken down this estimate as depicted below:

TOTAL COST OF OWNERSHIP	
Hardware/software	\$2,000
IT Management	1,500
IT Support	1,000
IT Application Development	500
Communications	500
End User IS	3,500
End User Downtime	<u>1,000</u>
Total Cost Per User Per Year	\$10,000

Obviously, simply reducing the number of systems purchased or software applications acquired will not solve the problem. As stated previously, understanding the costs is only one part of the equation. The real issue must be addressed by reducing the Total Cost of Ownership.

What the Experts Say

In the last several years, leading research firms have conducted numerous studies documenting the costs that companies incur for IT Operations and the value they can attain when they implement a TCO Reduction Plan. Benefits reported include significant reductions in asset management costs and software implementation and maintenance costs. Many organizations also benefit from the ability to reallocate skilled resources to critical projects.

TriActive customers have reported they are saving more than 20% towards their overall cost of ownership since the implementation of TriActive applications. This savings is recognized through an improved ability to accurately measure the performance and cost of strategic assets and through more efficient and optimized management of those assets.

The TriActive® Solution Pyramid™ is comprised of an integrated suite of desktop and server management applications to

address both the end-user operational needs and IT Executive reporting and management initiatives. The solution is built upon a comprehensive and proven infrastructure that includes patented technology specifically designed to enable rapid deployment. This foundation also ensures flexibility to support future growth and employs a low-cost delivery model.

Most importantly, the TriActive® Solution Pyramid™ addresses both elements in the economic equation. Timely, integrated data provides an accurate understanding of fiscal and operational performance and the use of TriActive's broad spectrum of desktop and server management tools ensures efficient and optimized utilization of key IT resources. The patented technology provides an infrastructure that supports virtually unlimited expansion, helping contain growth costs.

Every IT operation group should have a plan to reduce their Cost of Ownership. The areas that will realize the most substantial cost reduction include IT Management, IT Support, End User IS, End User Downtime and IT Application Development. Although the strategy will have many facets unique to each organization, the following tenets are applicable for any successful implementation of a cost reduction plan. TriActive® solutions provide significant value for each of these key principles, as discussed in each section below.

TriActive® Benefit #1: Automate and Standardize

The most expensive resource within the IT Operations group is the human resource. Systems management functions lend themselves to automation because of their repetitive, predictable nature. Taking advantage of automation reduces overall costs by freeing up resource time to focus on non-routine issues, and has the added benefit of enhancing the accuracy and currency of information.

Two of the most time-consuming and costly system management activities involve providing effective and efficient end-user

support. Managing end-user support must include tracking the issues as well as measuring the timeliness and cost-effectiveness of the resolution, especially for centralized organizations supporting remote users.

TriActive's Help Desk and Remote Tools capabilities allow you to automate and standardize traditionally inefficient activities, such as trouble ticketing and tracking. By having a standardized, organized method for capturing issues, support personnel are able to avoid the 'grab and fix' syndrome and are able to plan the most effective resolution for the affected user(s). They are also able to better evaluate like issues and provide responses – perhaps proactively – which are applicable to a wider audience. This ensures a more timely resolution and reduces the need for repetitive intervention each time a similar issue arises.

Standardizing user support processes – particularly for geographically distributed organizations - requires the availability of targeted tools for problem resolution. TriActive's Remote Tools goes beyond standard offerings that simply take over the remote keyboard, mouse, and display and actually allows support personnel to perform troubleshooting or maintenance activities without interrupting the user. For example, support engineers can perform proactive maintenance, access system configuration files, run scripts or commands, remotely reboot or shut down managed nodes, delete running processes, launch files, purge print jobs, and download files.

By automating and standardizing manually intensive processes such as user support, IT support personnel are able to provide quality support to a greater number of users. They also can be made available for other critical tasks. Through quick problem resolution and avoiding desk side support resolution time and costs are reduced. Additionally, user down time is reduced and costly travel to remote sites is eliminated.

Automating repetitive functions allows you to reduce costs primarily in the areas of IT management and IT support. Improving

response to end user concerns and providing higher degrees of self-sufficiency reduces user downtime and actual resolution costs.

There are numerous other TriActive Solution Pyramid applications that aid the automation and standardization process. There is a considerable degree of manual effort involved in performing asset inventory and tracking utilization of various software licenses. These functions are addressed in other areas of this paper, representing additional contributions they make to the overall reduction equation.

These savings positively impact costs associated with IT Support, End user IS, and End User Downtime.

TriActive® Benefit #2: Maintain & Utilize Accurate Information

Your ability to benefit from easy access to integrated data is limited by the accuracy of the data itself. Depending on your end user environment, you may need to update asset inventory information on a weekly or monthly basis, and you will always need to maintain historical information on system problems and user training and application usage issues.

TriActive's Help Desk module provides valuable management reporting and trending information. With accurate and timely data, the IT organization is equipped to provide quicker response and to identify emerging trends or issues that may require preventative action.

Not only is performing an inventory of all hardware and software assets typically a very time-consuming manual process, but the process does not address the need to insure you are in compliance with license and maintenance contracts. Implementing an automated solution for maintaining accurate asset inventory and status information has been shown to **reduce asset costs by as much as 30%**. This reduction can be attributed to savings in man-hours required to perform an inventory and savings realized by avoiding potential

contract penalties resulting from compliance inconsistencies.

In addition to understanding the presence and utilization of all software, including commercial programs, custom-developed programs and downloaded 'freeware', an accurate accounting must also be made of all security patches that are in place. Or, more pointedly, identifying areas where patches are not in place and are compromising your ability to withstand today's increasing occurrence of viral attacks. This benefit is discussed further in the following section.

The TriActive Solution Pyramid™ offers comprehensive applications to address these issues. Not only do they provide sophisticated functionality to reduce manual effort and collection costs, but they also provide an up-to-date, accurate examination of vital system data.

Automated access to this data empowers IT operations and management to make cost-effective decisions to optimize their fiscal operations. These savings positively impact costs associated with IT Management, IT Support, End user IS, and End User Downtime.

TriActive® Benefit #3: Be Proactive

It's always less expensive to prevent a problem than it is to solve a problem. Monitoring overall network and system conditions and using historical data to track and isolate repetitive problems is an effective means of improving the service you provide to your end users and the reliability of your hardware, software, and support operations.

As discussed in the previous sections, TriActive® offers a variety of tools to assist the tracking and resolution of repetitive problems, most of which are end-user related. TriActive's Server and Network Monitoring application improves your ability to proactively monitor the status of key resources and respond to emerging situations before they impact the user community. Parameters may be defined for

a variety of states and alerts are issued if any of the monitored devices exceeds these parameters. Additionally, action is automatically initiated through the creation of a Help Desk trouble ticket.

Similarly, the data provided by the Security Compliance Management application enables proactive and preventative measures to be implemented to eliminate the risk of viral exposure within your enterprise. Not only is information about vulnerabilities automatically generated, but a Help Desk trouble ticket can also be automatically created.

IT Support, End User IS and End User Downtime all benefit from cost reductions attributed to proactive management.

TriActive® Benefit #4: Reduce Complexity

Apply the 80-20 rule to your systems management strategy: don't implement costly, time-consuming features if they will only offer 20 percent of the savings you want to achieve. Instead, set up a system that meets your needs by providing 80 percent of your requirements rapidly and easily. Likewise, don't over-customize software if it means maintaining expensive on-staff experts or limits the ability to upgrade your systems as you grow.

Systems management software is supposed to do just that—help you to manage your systems more effectively while reducing the time and expense that you incur. Implementing the simplest solution that meets your needs reduces your TCO in the categories of IT Management, IT Support, End User IS, and End User Downtime.

An evaluation of software implementation and customization costs determined that using subscription based software rather than purchased software can **save organizations more than 40 percent of the costs involved in deployment** and free up in-house IT resources to support end users and contribute to revenue-producing projects.

As a web-based solution, TriActive applications are very easy to use and configure. By virtue of a completely integrated solution, the learning curve is very small. The look-and-feel of all of the various components is identical. This contributes to immediate productivity gains and eases turn over burdens.

As an easy-to-use hosted solution, TriActive's Solution Pyramid suite of applications virtually eliminates the likelihood that an organization will fall into the trap of over-customizing software, which translates into requiring a cadre of on-staff experts just to maintain the customizations. TriActive provides each organization with all of the necessary components to accurately assess and report on types of assets deployed across the enterprise; effectively manage and report on the incoming end-user issues; monitor vital system and security states, and rapidly resolve those issues which increases productivity.

Most overlooked is perhaps the importance of reducing the complexity in providing the appropriate infrastructure for any solution. TriActive's hosted solution assures consistent up time, availability of critical system operations, and eliminates the need to dedicate support resources to the systems management solution. TriActive's patented technology enables rapid deployment to enable customers to realize benefits in days vs. months required with many enterprise solutions. Finally, IT Management is able to rely on a defined, predictable cost obligation.

By reducing the complexity in key application areas, cost of ownerships savings can be recognized in the areas of IT Management, IT Support, IT Application Development, End User IS and End User Downtime.

TriActive® Benefit #5: Integrate Data AND Applications

It has been shown that a corporation is able to **save as much as 30 percent in monthly IT support cost** by integrating help desk, asset inventory, and remote control

capabilities, improving the efficiency of IT support staff. This allows corporations to keep pace with increasing end-user demands without the need to increase staff for routine support. Adding integrated components such as server and network monitoring, software utilization and security compliance management capabilities also increases savings that can be recognized.

All applications within the TriActive Solution Pyramid have been designed with the express intent of delivering an integrated solution. This is in direct contrast to point product solutions that often have bolted on components that might work together, but fall short of offering true integration without requiring significant configuration to be activated and used. Similarly, Enterprise Systems Management solutions may consist of different components from different acquisitions and were never designed to share information or work in the same manner consistently. Many corporations, as much as 70%, have not completed a full implementation of Enterprise Solutions, largely due to the cost and complexity involved.

The costs involved in tailoring and supporting a variety of non-integrated point solutions for systems management is often under-estimated. Building redundant databases, learning multiple interfaces, and manually correlating data and reports are likely to reduce the efficiency of IT Operations staff. Customizing products from multiple vendors to achieve data integration and a consistent look and feel will increase implementation and maintenance costs. The presence of any customized solution reduces a corporation's ability to take advantage of emerging technologies that might better address future needs.

Integrating the functionality and the data from systems management applications offers noteworthy improvements in IT staff effectiveness, resulting in decreased costs in the TCO categories of IT Management, IT Support, IT Application Development, End User IS, and End User Downtime.

Conclusion

IT executives have always faced enormous pressure to deliver outstanding service with limited resources; today's economic climate simply increases the demands. By reducing the costs of delivering end user service, IT Operations can reallocate scarce resources and continue to provide their customers with the support that allows them to reach their goals.

Significant research effort and financial investment have resulted in the state-of-the-art infrastructure underlying the TriActive Solution Pyramid. TriActive customers leveraging this foundation are able to recognize the benefits of rapid deployment, immediate access to an integrated set of sophisticated applications, increased resource efficiency and aggregated strategic reporting - without significant up-front costs.

TriActive offers for your consideration an example of the savings you could recognize with a lowered cost of ownership. As discussed previously in this paper, TriActive customers have reported an average savings of 20% on their cost of ownership. For illustrative purposes, the example below uses a very conservative estimate of 10%.

SAVINGS EXAMPLE	
Number of Desktops	1,000
Support Cost/Yr/User	\$10,000
Annual Support Cost	\$10,000,000
10% Projected Savings	\$1,000,000

What would you do with an extra \$1,000,000 per year?

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