# IT SERVICES

## Tooling up for ITaaS

*IT as a service (ITaaS) is an operational model where the enterprise IT department acts and operates as a distinct business entity, creating services for the other lines of business within the organization. This report is designed to provide insight into the requirements for supporting ITaaS.*

# CLOUDSCAPE

## KEY FINDINGS

- ITaaS is a competitive business model where an IT department views the LOBs as having many options for IT services, and the internal IT organization has to compete against external providers to serve these LOBs.

- The catalyst for ITaaS within enterprises is typically mobile service delivery and the creation of the 'anytime, anywhere and any device' workplace as it introduces consumer IT trends into the enterprise.

- The IT department needs to start thinking in terms of the creation of a portfolio of services – some developed internally, some provided externally via dedicated contracts, and others sourced from public cloud providers.

- Tooling, automation, process and policy become paramount for long-term optimization and sustainability of the service portfolio. This is why service automation, integration and management are such growing requirements in the 'new style' IT services market, where ITaaS is the ultimate goal.

- These factors are combining to create a perfect opportunity for service providers to work with IT departments, enabling them to move to a business portal approach to managing IT, which sets them on the path to ITaaS.

## ABOUT 451 RESEARCH

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# SECTION 1
## Executive Overview

## 1.1 INTRODUCTION

This report is designed to give strategists within organizations' internal buy-side IT service-provider teams, as well as external supply-side IT service providers, insight into the requirements for supporting the IT-as-a-service (ITaaS) model. In this report, we address some of the most frequently asked questions posed by buyers. We also examine the different types of offerings that are coming to market, and we position and profile a selection of IT service providers that are currently active in the ITaaS space.

## 1.2 KEY FINDINGS

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- These factors are combining to create a perfect opportunity for service providers to work with IT departments, enabling them to move to a business portal approach to managing IT, which sets them on the path to ITaaS.

- The main advantage for the internal IT department in adopting a service-provider offering is that it's not buying a raw technology platform, but rather a preconfigured platform that has been designed by a vendor with a core competency in IT management. The value in this is that the buyer organization is accessing some of the intellectual property of the service provider.

- For the majority of service providers, the service-delivery platform is a back-office workhorse and the cornerstone of its services, rather than being an offering in its own right. However, with the emergence of ITaaS as an aspirational model for many IT departments, it is time to for service providers to rethink this.

## 1.3 METHODOLOGY

This report is based on countless anecdotal conversations with IT managers across multiple industries, as well as our regular research on software vendors and service providers. This research was supplemented by additional primary research among both buyers and suppliers, including attendance at a number of trade shows and industry events.

Reports such as this one represent a holistic perspective on key emerging markets in the enterprise IT space. These markets evolve quickly, though, so 451 Research offers additional services that provide critical marketplace updates. These updated reports and perspectives are presented on a daily basis via the company's core intelligence service – 451 Market Insight. Forward-looking M&A analysis and perspectives on strategic acquisitions and the liquidity environment for technology companies are also updated regularly via 451 Market Insight, which is backed by the industry-leading 451 M&A KnowledgeBase.

Emerging technologies and markets are also covered in additional 451 practices, including our CloudScape, Datacenter Technologies (DCT), Enterprise Security, Information Management, Infrastructure Computing for the Enterprise (ICE) and 451 Market Monitor services. All of these 451 services, which are accessible via the Web, provide critical and timely analysis specifically focused on the business of enterprise IT innovation.

This report was written by Dr. Katy Ring, Research Director, IT Services. Any questions about the methodology should be addressed to Katy at: _katy.ring@451research.com_

### Katy Ring – Research Director, IT Services

Dr. Katy Ring has more than 25 years of experience in the IT industry, providing strategic advice to C-level executives at vendor and end-user organizations. She has developed strong research-based expertise and has focused on areas where the global IT service delivery model is changing, including cloud services, the evolving CIO role, innovation, sustainability and global sourcing of labor. Most recently, Katy led K2 Advisory, a research resource for CIOs, their senior colleagues, and suppliers. Before K2, she spent 12 years at Ovum Research, leading research in emerging software and services markets, and developing the company's Outsourcing Practice. Before her tenure as a Principal Analyst and Practice Leader at Ovum, Dr. Ring was a journalist with publications, including Computer Weekly and Computergram International, and was a founding editor of Software Futures.

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# SECTION 5
## Vendor Profiles

What follows is not intended to be an exhaustive list of all service providers. Rather, it should be considered a brief directory of some of the service providers we currently cover and an outline of their ITaaS capabilities – a snapshot of an emerging market in early 2014.

## 5.2 BELL TECHLOGIX

### BEAM as a Service (BaaS)

BEAM is a service-delivery management platform made available as a number of functional modules. These modules span helpdesk operations, knowledge management, network and system management, mobility management, analytics, and reporting. The platform includes automated call management based on VoIP and IP services management, the monitoring and managing of incidents using ITIL and ITSM, and IT asset management using a CMDB. Knowledge management and a self-service portal are also provided.

The BEAM services run on a private cloud, and while the commercial packaging is new, the company has taken its proven systems management implementation and made it client-facing, providing complete support for the environment, including management of the third-party vendors and licensing. On top of this, Bell Techlogix can add customized services for each customer.

Business intelligence is provided via the company's Data Cube, which was launched more than a year ago. This creates the IT intelligence from the operations side, generating analytics around continual service improvement and problem root causes. In this way, Bell Techlogix can provide generic operative KPI information around service improvement and ticket management. In other words, BaaS can offer a living repository of best practices. This is a really interesting development for midmarket customers because they typically have not had access to this kind of data before – these pooled metrics and KPIs add real, ongoing value to the proposition.

An offering such as BaaS enables Bell Techlogix, a US domestic player, to better compete with labor-arbitrage players because it means that the company can offer more cost-effective management services, providing consistent delivery that is location-independent. The approach also helps the company build a multi-skilled workforce – it helps accelerate internal career paths, moving tier one support workers up to tier two and tier three. It is then easier to develop the workforce by, say, taking a tier two service desk agent and adding tier two mobility skills to the knowledge base. What is more, the exposure to more BI and CIO analytics means that the business acumen of the company's internal IT professionals is growing.

The company is targeting the US midmarket, a customer base that typically has no single system of record. The go-to-market approach is one of collaborative governance – and does not require holistic outsourcing. Rather, Bell Techlogix is extending its platform to help customers deliver the service themselves to their end users.

*SWOT Analysis*

| STRENGTHS | WEAKNESSES |
|---|---|
| Bell Techlogix is coming to market with a clearly differentiated approach to delivering services as an MSP in the cloud era. It is offering capabilities to its target companies that they do not currently have access to – best-practice key performance indicators (KPIs) – in a way that is palatable to the way they operate (i.e., not fully outsourced), but that also offers opportunities for the company to add value via its staff, as well as its tooling. | Selection of the right commercial models with technology vendor partners will prove crucial in enabling Bell Techlogix to continue to develop this mode of operation for its customers. Because the company is ahead of most of its peers, this could continue to prove challenging in the near-to-midterm. |
| OPPORTUNITIES | THREATS |
| The growth opportunities look good once the company has some anchor client references ready for market consumption. In particular, this approach opens up the opportunity for Bell Techlogix to develop more segmented offerings for customers based on the knowledge it is accumulating via the Data Cube. | Ultimately, the business model that Bell Techlogix is developing will become mainstream for many MSPs, so it needs to continue to innovate to stay one step ahead. In the shorter term, the main threat will be from buyers seeking to go directly to a subscription model with the ITSM technology vendors themselves. In particular, if BMC Remedy were to be sold to a service provider, that could threaten the Bell Techlogix model. |