

# Costing IT Services

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Understanding the company's mission, its linkage with the Microsoft computing environment and how the task of determining, defining and costing the services will be initiated is essential to delivering a set of integrated enterprise services.

The delivery of IT services from an IT perspective looks like the following:

## IT Services

- Server 2003 monitoring and corrective action
- Tier II Level Support
- Internal & External Connectivity Monitoring
- DB Activity Monitoring
- Capacity/Utilization/Performance Monitoring
- Process Execution Monitoring
- Day of Operations Troubleshooting
- Day of Operations Problem Resolution

## IT Deliverables

The deliverables that will be generated out of these services are continuous monitoring, tracking of the primary systems processes, and supporting computing infrastructure to meet the requirements of the business unit as well as on-demand user service requests. Fault detection will result in pro-active reporting to the proper support organizations. Operations will provide Tier II corrective action to maintain the service level requirements.

## IT Services

Print Services

- Hardware/Software Installation & Configuration
  - Secured Printing Management
- Printing Problem Troubleshooting and Resolution

## IT Deliverables

The deliverables that will be generated out of these services include requirements specifications, physical, logical and network configurations, equipment orders, installation work orders and documentation updates.

## IT Services

Network Management

- Network Capacity Planning
- Network Topology Documentation
- Network Load/Impact Analysis
- Modem Connection Setup and Access
- New Network Connectivity Mgt
- Naming Services Conflict Resolution



## **IT Deliverables**

The deliverables that will be generated out of these services include capacity and performance requirements, network configurations, telecom coordination, intranet coordination, installation work orders, and documentation updates.

While the above descriptions of the deliverables may be understandable to some or even many in the business constituency, they do not demonstrate that IT has an understanding of the business initiatives they are supporting or enabling.

The same service deliverables viewed from a business perspective:

## **IT Services**

- Server2003 monitoring and corrective action
- Tier II Level Support
- Internal & External Connectivity Monitoring
- DB Activity Monitoring
- Capacity/Utilization/Performance Monitoring
- Process Execution Monitoring
- Day of Operations Troubleshooting
- Day of Operations Problem Resolution

## **Business Deliverables**

The deliverables that will be generated out of these services are a consistent high level of operational service, per the agreed to service level, on an ongoing basis and the rapid proactive addressing of any potential problem that could interrupt that service.

## **IT Services**

Print Services

- Hardware/Software Installation & Configuration
- Secured Printing Management
- Printing Problem Troubleshooting and Resolution

## **Business Deliverables**

The deliverables that will be generated out of these services include the installation, deployment, daily support, and maintenance of printers to meet the business requirements.

## **IT Services**

Network Management

- Network Capacity Planning
- Network Topology Documentation
- Network Load/Impact Analysis
- Modem Connection Setup and Access
- New Network Connectivity Mgt
- Naming Services Conflict Resolution



## **Business Deliverables**

The deliverables that will be generated out of these services include reliable, available, and serviceable network access and connectivity to business-required data and processing.

The deliverables above are described in more generic business terms. To the extent that an IT organization can identify specific business unit objectives and goals that can be supported by these services and plugged into the deliverables section, the likelihood that the deliverables will not only be better understood but internalized and supported.

## **Determine the value and price of the product/service**

The traditional calculation of value in the business world is return on investment or ROI. The measures of value from this financial or pure business when applied to technology pose significant challenges. Allocating capital investments to specific technology initiatives as well as identifying and accurately capturing revenue generated or cost savings directly related to these initiatives may take application of significant amounts of accounting and finance resources.

This is not to say investments in technology initiatives should not be expected to create value or have fiscal accountability. Application of simple pay back calculations, applying a corporate cost of capital burden on top of initiative costs and other straight forward easy to calculate measures are worthwhile efforts. However, the value created from technology initiatives perhaps may not be fully and not accurately reflected in these often-sterile numbers.

Generally, the resources required to even attempt to accurately account for value in the traditional ROI sense is not worth the time or money spent. The bottom line on the subject of value is that building credibility by delivering quality services repeatedly will insure the IT organization is creating enterprise level value.

In progressive Microsoft-oriented organizations that take a more competitive approach to technology services, a menu of services is offered to the enterprise with prices associated with the service to choose from. The process associated with this approach often starts with the development of an application. A determination is made at project initiation which services will be required to support the application and what level of support will be most appropriate given the criticality of the business effort being supported with technology. The prices offered for the services in this scenario assume that there are options available to the business unit to obtain their services internally, externally or not "purchase" the service at all.

In this latter case being sensitive to the market prices that external service providers can offer is very prudent. The incentive to provide a cost effective, competitively priced value laden service is clearly present.

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