



VODAFONE IRELAND IMPLEMENTS WORLD-CLASS SERVICE EXCELLENCE WITH HP BSM

Integrated HP Business Service Management enhances infrastructure performance and drives business value with business services framework

“Our HP Business Service Manager solutions have helped us transform from a reactive to a proactive IT Operations function, and to align our priorities to match the business and drive business value, delivering 300% ROI in one year.”

—Shane Gaffney, head of IT Operations, Vodafone Ireland

Objective

Replace reactive, introspective, fragmented IT operations processes with a more effective management framework

Approach

Implement integrated, end-to-end IT management solution framework to deliver and track measurable business services with quantifiable benefits

IT improvements

- Major incident root cause identification success rate improved from 40% to 90%, contributing to 66% reduction in average time customers are impacted by IT incidents every month, 28% reduction in number of major incidents, 75% reduction in major incident service restoration times, and 77% reduction in cumulative monthly service downtime

Business benefits

- Achieved 300% ROI on €409,000 in first year through operational savings
- IT resources and priorities more closely aligned with business needs, which better supports the business' ability to improve customer retention, drive market growth, and manage overhead costs
- Generate €612,000 annual savings including retirement of other third-party service monitoring tools



With over 2.44 million subscribers, Vodafone Ireland is the country's leading total communications operator.

Telecommunications is a highly competitive and dynamic industry. Vodafone continually strives to offer a first-class service to customers while building its base and staying ahead of the competition. It is at the forefront of innovation in both technology and customer service.

To maintain its level of service Vodafone needs to ensure it has a highly effective, responsive, and nimble IT organization. Vodafone relies on IT to deliver business services critical to every aspect of its business, from executive planning to managing customer touchpoints. But until recently, the company's IT group had a number of management tools and processes to work with. “We'd fallen into an 'old school' approach to providing IT support and service,” says Shane Gaffney head of IT Operations, Vodafone Ireland, who was recruited by the company to renovate its IT Operations function. “We were focused on managing the IT estate, instead of thinking in terms of business services and the customer experience.”

“Our operating model was fragmented,” says Gaffney. “Processes required too many hand-offs, with parties acting in a siloed manner.” Governance needed to be improved.

HP customer case study: Replacing fragmented, reactive IT management with HP Business Service Management drives customer satisfaction and business value

Industry:
Telecommunications

Customer solution at a glance

Primary application

Business Service Management

Primary software

HP IT Performance Suite—IT Operations Management

- HP Business Service Management (BSM) 9.0
- HP Application Performance Management (APM)
- HP Operations Manager i (OMi)
- HP Discovery and Dependency Mapping Advanced Edition (DDMA)
- HP ArcSight software
- HP Service Health Analyzer

This fragmented management model meant that IT was unable to support the business as effectively as it could. “Our IT Operations group was perceived as introspective, reactive, and technology-focused,” Gaffney says. There was no transparency into how IT provides services and the business had no insight into what value the IT organization provided.”

Vodafone Ireland’s IT organization needed to make changes to the way it managed its live business services. So Gaffney selected HP Business Service Management (BSM 9) software, from the HP IT Performance Suite portfolio, and HP channel partner, Perform IT, to drive transformation within Vodafone IT.

Understanding business needs and defining KPIs

Gaffney’s first order of business was to perform a “deep dive” into the IT organization to understand “the lay of the land”: over a six-week period, he interviewed key IT stakeholders as well as internal IT customers, including business operations managers, front office staff and senior stakeholders.

After Gaffney shared what he’d learned with IT and the business, he reorganized the IT operations group so that its structure better reflected the IT Information Library (ITIL) disciplines, including incident, capacity, change, and problem management.

The next step was to build a business service model. “We worked with the business owners to understand what services make them successful and what attributes make those services effective or ineffective,” Gaffney explains. This input enabled the team to create meaningful key performance indicators (KPIs) to define and measure service delivery and quality. It also allowed Vodafone to clearly identify process owners, and their roles and responsibilities, to ensure accountability and facilitate communication around business services.

“Today, we’re able to construct cohesive arguments based on the business benefits of technology improvements. As a result, we’ve found the business to be extremely receptive to the investment required.”

Shane Gaffney, head of IT Operations, Vodafone Ireland

Following assessment of the in-situ solutions, an end-to-end service surveillance strategy was defined; this yielded strong alignment between Vodafone’s service orientated objectives and the potential that the BSM tools suite offered. Karl Brenner, director of Professional Services, Perform IT, stepped in next, to implement HP BSM 9 software. “We had a patchwork of two dozen or more point solutions, put in place to monitor elements of the technology estate,” says Gaffney. “Perform IT’s job was to replace those tools with HP BSM software and configure it to conform with the required services, parameters, and attributes.”

Brenner implemented multiple layers of integrated HP BSM and other HP IT Performance Suite applications. To gather data on the health of the IT infrastructure, he deployed a number of HP IT Performance Suite tools. HP SiteScope software collects data on the raw health of the infrastructure, such as server and application availability and performance data. HP Business Process Monitor (BPM) software, a synthetic monitoring product that simulates business transactions, and HP Real User Monitor (RUM) gives visibility into the infrastructure from a user perspective.

Data gathered by this software is correlated with infrastructure data collected by HP Discovery and Dependency Mapping Advanced Edition (DDMA) software. Flows developed in HP Operations Manager i (OMi) automate event correlation to speed root cause analysis and problem resolution. To improve governance and improve security management, the team implemented HP ArcSight software; the application allows Vodafone to correlate data on security events with other infrastructure events.

Business service status is presented in an HP OMi dashboard which Vodafone IT and business users can access via Microsoft® SharePoint; this lets them monitor, in real time, the health of all services. “HP OMi is Vodafone’s top level platform,” Brenner notes. “It brings everything together in a browser and generates alerts based on both system health and security issues.”

Improved performance, availability

Vodafone’s new services framework meets a number of critical business criteria. As an end-to-end, integrated solution, it automatically assesses and correlates events and incidents according to the business-defined Service Level Agreements; this ensures IT operations resources are focused on services and can prioritize their activities.

Real time incident identification ensures that the IT team can detect issues before they affect the business users. And many remediation tasks have been automated through the use of HP Operations Orchestration, which drives better system performance and availability.

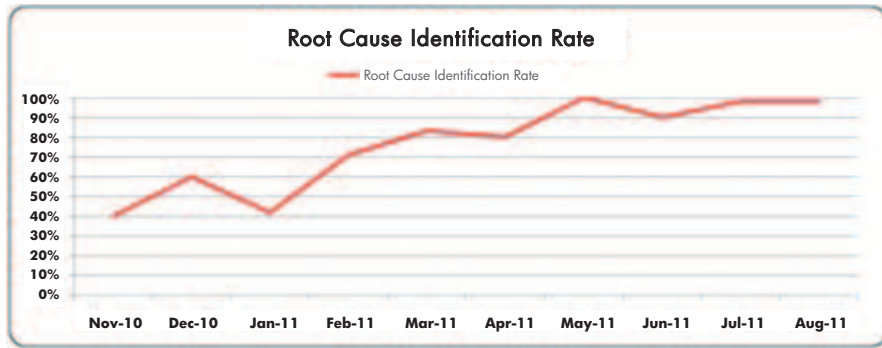
The benefits of these improvements have been significant, service health checks are automated, freeing IT personnel to focus on other priorities to drive value to the business.

Automating these tasks has allowed Vodafone IT to extend its service desk hours without incurring additional labor costs. The service desk now supports the business later on Thursday evenings, and on Saturdays during trading hours—both times when current and potential Vodafone subscribers frequently visit the company’s retail locations.

Implementing HP BSM 9 software also allowed Vodafone to reduce its operational costs. An investment of €409,000 led to savings of €1.2M: a one-year return on investment of 300%.

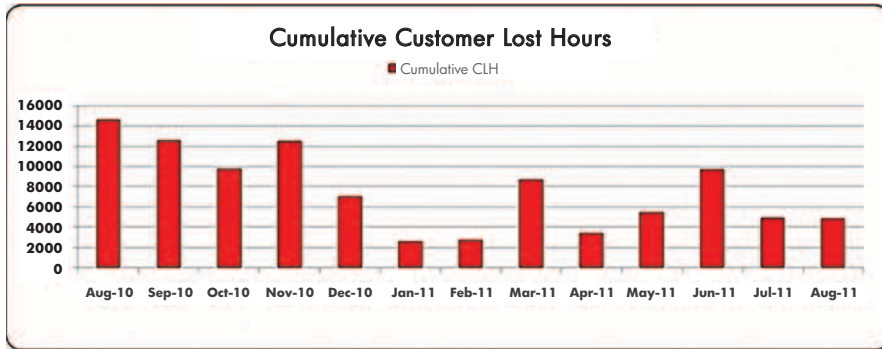
Root Cause Identification Rate

Major incident root cause identification success rate has improved from 40% to 90%



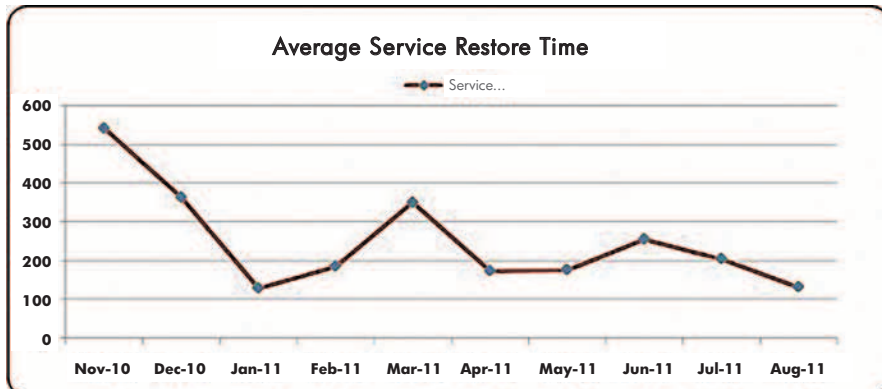
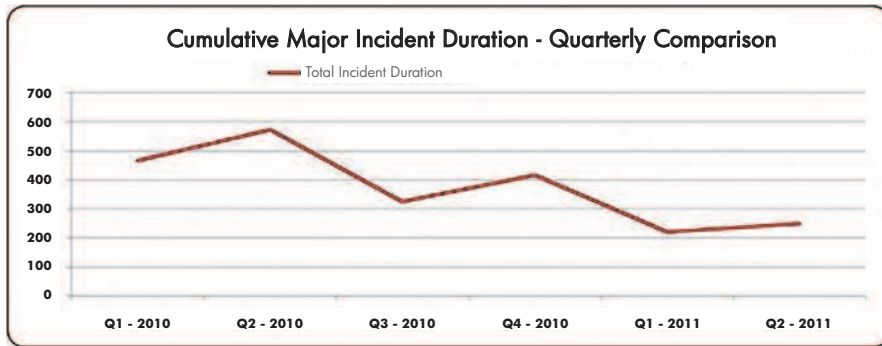
Cumulative Customer Lost Hours

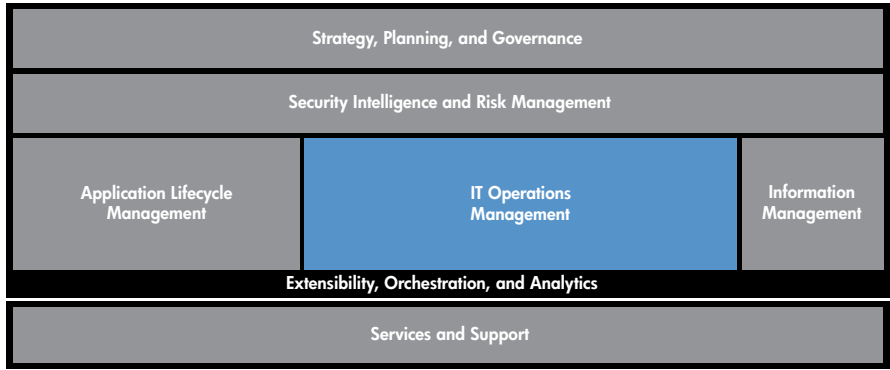
66% reduction in the average time customers are impacted by IT incidents every month



Major Incidents

28% reduction in number of major incidents with 75% reduction in major incident service restoration times and 77% reduction in cumulative monthly service downtime





As a business, Vodafone now has more visibility into IT business services. Business users now trust that IT operations are being proactively managed and in accordance with business needs and priorities.

Time-to-repair has also improved significantly. “We can triage more effectively,” Gaffney notes. “This not only helps us drive improvements in the technology, but also helps us identify behavioral or process faults within the business units.” In one example, IT operations educated the business about optimal times to load new pricing plans and promotions, which lowers the risk that administrators might inadvertently overwhelm IT systems and trigger performance issues.

Many improvements have driven measurable gains in KPIs. The major incident root cause identification success rate has improved from 40% to 90%.

Improvements in root cause analysis and a more proactive approach to service management has, in turn, reduced by 66% the average time customers are impacted by IT incidents every month.

The number of major incidents has been reduced by 28%, major incident service restoration times have been cut by 75%, and cumulative monthly service downtime has been reduced by 77%.

The business’ perception of Vodafone’s IT operations has improved accordingly. There has been a 75% reduction in customer ratings of IT service quality as “poor” or “unacceptable”—and a 65% uplift in service quality ratings of “good” or “excellent.”

As for the next step in Vodafone Ireland’s transition, the IT Ops team is in the process of implementing HP’s new predictive analytics product, called Service Health Analyzer (SHA), to help them anticipate issues before they impact the business. SHA will help the team

continue their evolution from reactive, to proactive, to predictive service management.

Tangible value to the business

As IT Operations has built an evidence-based, rational assessment of the issues it faced within the technology estate, it has also become more effective in rationalizing and receiving funding requests from the business. “Today, we’re able to construct cohesive arguments based on the business benefits of technology improvements. As a result, we’ve found the business to be extremely receptive of the investment required,” Gaffney explains.

As Vodafone continues to mature its HP BSM implementation, it will become even more effective at framing its IT operations in terms of business services and value. “Our goal is to resolve our technology and service management processes in terms of NPS (Net Promoter Score),” Gaffney says. This score measures customer satisfaction for both internal and external users, and correlates with Vodafone’s service quality measures. “This provides a rich insight into whether our efforts to improve business services are having a tangible benefit for the business, including whether they drive metrics like customer retention and market growth.”

Vodafone Ireland’s IT Operations group is also exploring opportunities to commercialize its business service management capabilities both within the Vodafone group and externally. “We’ve clearly demonstrated the value of an end-to-end, integrated business services delivery model built on HP BSM 9 software,” Gaffney notes. “The software paid for itself, and more, within the first year alone with 300% ROI. And we’ll continue to drive that value both within Vodafone Ireland and beyond.”

