How the Connected Enterprise Could Galvanize your Business

Complexity is the enemy of the modern enterprise. In most organizations it's epitomized by the heterogeneous IT environment: legacy clashing against modern, static versus dynamic, on-premises versus cloud. With so much now available through advanced digital systems, it's easy to get carried away by the prospect of 5G, AI, the Internet of Things (IoT), blockchain, edge computing and other emerging technologies. Yes, they could drive amazing value for customers and employees, but it's not always possible to successfully plug them in to existing systems and expect to see immediate business gains.

As CompTIA warns: "Building out infrastructure and developing a broad-based digital workforce does not happen overnight." If organizations want to fuel growth through customer-facing innovation and internal improvements, they must start by tackling this IT complexity and putting the right building blocks in place. That means future-proofing the legacy backbone of IT infrastructure and ensuring it is seamlessly integrated into digital systems.

Realizing this 'connected enterprise' vision will therefore require placing IT operations management front-and-center of any IT strategy: to gain visibility and control over the entire IT estate, and ensure systems are working in harmony to drive real business value.

Putting the customer first

The notion of a 'connected enterprise' is all about creating a customer-centric, digitally enabled organization. KPMG defines eight clear benefits from this approach that span: more responsive operations; innovative products, services and experiences; seamless interactions with customers; a more empowered workforce; close integration into the partner ecosystem; and real-time insight into the business.

Yet the consulting giant also admits that fragmented IT infrastructure and a lack of alignment is hurting companies' efforts to realize this connected vision. Gartner also revealed in 2019 that "pace of change" is now the number one perceived risk facing organizations, cited by 71% of respondents across multiple verticals. This is driven in part by lagging digitalization strategies, the analyst said, hinting at similar underlying challenges.

Complexity is everywhere

This boils down to a lack of visibility and control over IT operations which sit at the heart of the modern enterprise. Organizations are a complex mix of old and new: traditional servers, networks, storage systems, and endpoints on the one hand, and decentralized clouds, software-defined data centers (SDDCs), applications, IoT systems and more on the other. Additionally, in many cases, IT infrastructure may be managed or provided by third parties, further complicating the challenge of gaining unified control of these highly dispersed IT environments.

Let's not under-estimate the scale of the challenge here - Gartner predicts that for every dollar spent on digital innovation until 2020, organizations will have to spend at least three times that on modernizing legacy portfolios, maintenance, and upkeep. While technology vendors and IT media often like to focus on the cutting edge and beyond, the truth is that many organizations still run sizeable IT legacy estates which need to be managed and properly integrated.

Hitting the bottom line

Disjointed, siloed corporate IT systems will not only delay progress towards the 'connected enterprise', they're already having a major impact on the bottom line and brand reputation. Every sector is under pressure to digitize, but if we look at financial services as an example, around half of organizations are operating 26-50% of their business on legacy systems and a report compiled by PwC revealed that 77% of financial institutions are increasing efforts to innovate, demonstrating the pressure they're under.

Banks in particular have been hit hard by IT outages, perhaps linked to their heavy reliance on legacy platforms in an age in which many are rushing to adopt newer digital systems to meet new PSD2 and Open Banking requirements. Between the year ending September 2017 and the following 12 months, the number of incidents reported to UK regulator the Financial Conduct Authority (FCA) increased by 187%. What's more, in the last nine months of 2018 there were a total of 302 glitches, according to a Which? analysis of major IT failings reported to the FCA — amounting to at least one per day. These included high street banks such as Barclays (41), Lloyds Bank (37), Halifax/Bank of Scotland (31), NatWest (26), RBS (21), Ulster Bank (18) and TSB (16). This problem isn't just localized in the UK either, and is widespread internationally, with both the National Australia Bank and Visa experiencing vast outages that affected millions.

It's not just the banking sector that's suffering, of course: big-name brands as diverse as BA and Facebook/WhatsApp/Instagram have also all been affected in 2019. The impact on their businesses can be hard to accurately quantify, although Gartner calculated the average cost of network downtime at around $300,000 back in 2014. This figure will certainly have grown over the intervening years, given the increasing reliance of firms on their IT infrastructure to run mission critical services. It could be increased further if the estimated impact of brand damage was added. That recent BA outage led to over 300 flights being cancelled or delayed, for example. How many of these customers decided to fly with a different airline the next time they travelled?

Shining a light on IT

So what's the answer? How can organizations regain the initiative to put them back on the path towards becoming a connected enterprise? There's no silver bullet, of course, but IT operations and monitoring is a fantastic way to shine a light on the engine room of the modern organization and ensure legacy and digital systems are working seamlessly together. However, there's a problem: IT monitoring and operations itself is a victim of IT siloes, legacy technology and backward-looking approaches.

Because IT monitoring and operations has been historically viewed as a utility rather than a value-driver, tools have often been allowed to languish. Many were bought to monitor the static, on-premises environments of old and are ill-equipped to manage newer digital platforms. This has resulted in many cases of tool sprawl as newer technologies are brought in to deal with fresh problems – often by IT teams not talking to each other. The result is a vicious circle of poor decision making, IT siloes, and reactive investments. The impact is felt in rising outages and an IT organization unable to support efforts to drive a more connected, digital-centric enterprise.

Unifying IT monitoring and operations for a connected future

Organizations seeking to innovate, grow and succeed must pull back and re-evaluate their approach to IT monitoring and operations. By consolidating tools onto a single, unified solution they can regain the visibility and control needed to manage complexity, drive business value and growth, and automate more IT. With a continual real-time system in place to monitor the health of corporate IT and react to problems before they escalate, managers can bring legacy and digital together to make the 'connected enterprise' a reality.

But to do so, there must be an understanding at a board level that the status quo is simply not good enough. Digital innovation looks great on paper, but it will only add value if it is integrated effectively into the rest of the IT infrastructure. Start small by getting the basics right, but aim big, with unified IT monitoring and operations your eyes, ears and helping hands in the quest to drive value and growth.