EXECUTIVE OVERVIEW

451 Research

IT AS A BUSINESS

The emerging market for software and services to manage IT

Economic pressures and the rise of the cloud have the IT department thinking more like a business. Tools have emerged to help contain costs, ascertain value and determine the best place to run workloads.

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KEY FINDINGS

- IT organizations are looking to reduce software and overall costs, while at the same time, spending on virtualization and cloud computing is increasing. Startups are emerging to help IT better manage its own business – covering areas such as cost modeling and management, chargeback/showback or billing of IT to business units, budgeting and forecasting, and cloud spend metering and management.

- The market for these tools will top $460m by 2015, and we expect an active M&A environment in this space as emerging suite vendors look to shore up their offerings, and IT management framework vendors add these technologies to their stacks through acquisition.

- Cost containment and improved visibility into IT spending may be the initial adoption drivers for these technologies, but they are not the ultimate goal of IT business management. Once IT organizations have a better handle on cost management, they have an excellent opportunity to demonstrate the real value of IT in supporting and enhancing the quality of business services – and ultimately improving the bottom line.

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REPORT SNAPSHOT

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ABOUT THIS REPORT

The notion of treating IT like a business now stands a fighting chance. Virtualization and cloud computing have paved the way for the delivery of IT as a service. New vendors and technologies seek to show what it costs to run an application in a public cloud environment vs. in an internal environment, what cost savings can be gleaned by virtualizing physical servers and how those virtual or cloud resources can then be assigned or 'charged back' to the business applications they support. Correlating these metrics with performance and capacity management information can show the cost of delivering a desired service level with cloud or virtualized resources. The result? Enterprises can rein in costs and gain a better idea of IT's value to the business units it supports.

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