

Motorola's IT Revolution with BDNA

WHITE PAPER

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Toby Redshaw, Motorola's VP of I.T. Strategy, explains how a new approach to I.T. management powered strategic change at the Fortune 50 communications leader.

Motorola's I.T. Revolution

In the late 1990s, Wall Street's focus on growth was relentless. Corporations dutifully produced impressive top-line numbers, quarter after quarter. At the same time, pressure from global competitors became intense. Most enterprises spent heavily on technology – to take advantage of new Internet-driven initiatives and to try to boost revenue and competitiveness even more.

It's not surprising, then, that the economic downturn of the past few years put an end to most companies' operating frenzy – if not an end to operations altogether. Enterprises have stumbled through the downturn, stating, and then, restating strategies, and slashing I.T. budgets to their core.

“If you focus properly, you can actually spend less money on I.T. and have a more significant impact on your business. We cut our I.T. spending by a third over the course of two years and we are actually doing more for the business than we used to.”

Motorola was not immune to these market forces. But its I.T. leaders took a different approach. Rather than waiting out the downturn, managing ever-shrinking budgets and shying away from a commitment to technology, Motorola's I.T. operation took the opportunity to reinvent itself.

By taking strategic control of its large, decentralized technology operation, Motorola is well on its way to providing world-class, I.T.-driven solutions to their business groups as the company emerges from the economic downturn.

I.T. as a Strategic Weapon

“It is competitively dangerous to be an ‘also-ran’ technology-wise. Companies today must apply leading-edge I.T. to business-critical opportunities to remain successful.”

Motorola's industry is highly competitive. Players are global. Margins are tight. New product introductions are fast. Competing in the global communications realm offers little room for error. Motorola's leaders knew that managed properly, I.T. could provide the basis for a competitive advantage in the field.

“We absolutely had to find tools, methods, leaders and processes that could move I.T. spending away from application maintenance and ‘keeping the lights on’ – so to speak – to making I.T. a strategic asset for the business.”

Motorola's I.T. executives set a lofty goal: Deliver world-class I.T. in technology-intensive areas of the business – including supply chain, return on I.T. assets, mergers and acquisitions, and customer-facing areas – while maximizing I.T. return on investment (ROI.)

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Three major areas of focus were outlined. First, I.T. resources had to be realigned with strategic business priorities. Second, the overall I.T. landscape had to be simplified in order to save money on management and support. And third, new technologies that embrace open architectures and other business-forward philosophies should be evaluated and adopted where appropriate.

“This is tough stuff. They say big I.T. projects have only a 50-50 chance of success. Instituting change management and strategic change can be even tougher. This is a big I.T. turnaround, a change management project, and a strategic change all in one.”

“You have to live in a fact-based world. That means you must have your own I.T. house in order and you must manage your own cost of ownership. If you aren't managing your own asset base, you cannot have a more substantive discussion with the business side.”

The Challenges of a Large, Decentralized I.T. Organization

In the past, Motorola's I.T. operations supported the decentralized business environment very well. Each business group had its own technology team that functioned almost solely to serve that business.

Job No.1 was to keep everything running. Job No. 2 was to handle new projects requested by the business users. Responsibility for managing I.T. R.O.I or return-on-assets (R.O.A.) was nowhere near the top of the list for any of the I.T. teams. In fact, there wasn't even a central CIO for the company.

For many companies, that wouldn't have been a big problem. But at Motorola, it was a considerable challenge because of the considerable size of the I.T. organization: support at 400 locations around the world and management of 165 data centers.

The decentralized, application-centric organization that had been great at meeting business needs, now became a massive, unmanaged cost center. Quarter after quarter, sales professionals from technology vendors would come in and sell more products. But no one was responsible for understanding the consequence of implementing and rolling out all these products – let alone the integration of all of them.

“After surviving Y2K, overspending on client/server technology, driving the big ERP push and living through the Internet crash, the average credibility for an I.T. shop was starting to tank and the average lifespan of a CIO was quite short.”

Discovering the BDNA Solution

It soon became clear to Motorola's I.T. executives that they needed to get a better grasp on their own operation before they could set out to enable strategic change for the business. There would be no way to help the line-of-business groups better manage their own technology spending if the I.T. group itself had no clear management process.

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The company set out to better manage its I.T. asset base. After trying to perform the process internally, consulting current system management vendors and evaluating new products on the market, Motorola chose BDNA, a new I.T. asset governance vendor to deliver the information.

“In a large, decentralized Fortune 500 company like ours, it is tough to get a good grasp on spending and what licenses need supporting. When you have that information going in, you can play the contract to those sweet spots and get the deepest discounts.”

The BDNA solution collects I.T. information on a continuous basis. This provides Motorola a means to implement sound I.T. governance practices, as well as a yardstick against which the success of strategic initiatives can be measured.

BDNA uses agent-less technology to monitor even the largest and most heterogeneous I.T. environments. Thorough data about hardware and software that is found on the network is gathered and then deposited in a single repository. This allows managers to easily access and analyze the data from anywhere in the enterprise.

Despite a need to conserve I.T. budgets, the decision to invest in the BDNA solution went quite smoothly because of its easy-to-implement, easy-to-see, quick-to-materialize value.

“The executive suite was very receptive to the concept of BDNA’s breakthrough technology and the strategic view that it would provide. The solution would give us the basis for managing our own house which would become the basis for trust with the business.”

“The I.T. folks were more skeptical. ‘If [a product like BDNA] existed, I’d know about it. I’m sure it isn’t real.’ After we executed a proof of concept, we were preaching to the converted.”

“But for certain I.T. groups, the BDNA technology was threatening because of the ‘ugliness’ that it would inevitably uncover somewhere. So it is critical to deploy the initiative in a positive change management environment, celebrating the wins rather than making it seem like a witch hunt.”

“Instead of thinking, ‘Who shot John and how did we get into this mess?’ we are focused on, ‘Let’s go get the profit pool out of our investment.’ The reality is that the process of I.T. asset management is a positive, evolutionary task.”

The Power of Fact-Based I.T. Asset Governance

BDNA has revolutionized the way that I.T. at Motorola works. Armed with complete information about their I.T. environment, the company has been able to realign spending and improve contract negotiations.

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“The BDNA solution identifies opportunities to consolidate vendors in certain areas. When we consolidate the vendor landscape, we get better prices, and we save on maintenance and support.”

“Even if you think you have the perfect I.T. shop, I'd encourage you to do some tests. What if you could get another 10 to 15 percent out of your asset base? One of your biggest problems is resources. No I.T. operation ever thinks they get enough money to truly drive change in their company. This initiative could help find those badly-needed funds.”

“For example, in the UNIX space, I've got a lot of vendors. If I slim down to just two vendors, my support costs are lower going forward. So I go to my two best vendors and tell them, 'I'm going to consolidate. What can you do for me?' The dealer is psyched to get more business and I've saved \$10 million.”

“In deal after deal, we are saving tens of millions of dollars when we make new deals [to buy I.T. products] because we are armed with the facts before we begin the discussion.”

“But the benefits go beyond saving on contracts. BDNA has allowed us to change the way we manage and plan. If we know we're going to be starting a new project three quarters from now, we can identify opportunities to share resources with other areas or begin the process of repositioning hardware. It allows us to continually get more out of our asset base. BDNA really allows you to optimize your spend”

The Unique Capabilities of the BDNA Solution

There are many I.T. asset-monitoring products on the market. But BDNA's unique capabilities impressed Motorola's I.T. professionals. For example, some I.T. groups were concerned that the product would drain network functionality. A quick test on a subnet proved that not to be a concern.

Other managers felt they already had enough monitoring tools. But Motorola found the BDNA product thorough in its discovery – a “preventative” rather than simply “detective” monitor that could free up much needed resources to advance the business.

“BDNA is different. It discovers everything. There's 'Thing X' out there and it has 'Y' and 'Z' running on it. Monitoring tools tell you about activities on boxes where you've placed agents. Boxes that you already know exist. You have to find out about the unidentified items on your network. It's like, how many undiscovered caves are there?”

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Another key benefit of the BDNA solution was the ability to manage a decentralized environment with centralized information. While the decentralized I.T. groups had served Motorola well, executives knew that some means of overall control would be necessary for strategic management of technology assets and for security of the corporate network.

“When we went to executive management to provide the results of the BDNA-led initiative, the presentation went perfectly. We were actually shining at that event.”

“BDNA provides the concept of centralized management or control for a decentralized organization. We are still proud of our highly distributed environment but every I.T. decision can now be centralized and our operation is secure.”

“You think you’ve got iron-clad security but how do you control what you don’t know is out there? There might be a box on a network somewhere, or an operating system you haven’t upgraded. ‘Holy cow! We’ve got that version of UNIX? We’re not patching for that.’ What is in the lab? What is in the end-user computing environments? There has to be a detective process.”

Additionally, BDNA helps corporations perform audits that can support compliance with the new Sarbanes-Oxley regulations – a complex, new area of data needs.

“Sarbanes-Oxley requires a change management audit trail. BDNA can provide that information on an ongoing basis.”

“A New Day for I.T. at Motorola.”

In less than two years, Motorola has revolutionized its I.T. management, saved hundreds of millions of dollars, and enabled I.T. to power enterprise-wide strategic change for its business customers. The information and analysis provided by BDNA has been the basis for this technology revolution.

“We have only scratched the surface of what BDNA can do for us. We continue to dig into deeper and deeper levels of detail that the system provides. All of these efforts allow me to simplify our I.T. environment and that let’s me stretch each I.T. dollar.”

“My only regret is that BDNA didn’t invent this technology earlier. If we had been able to deploy this software ten years ago, the industry would never have experienced the I.T.-buying hangover it is recovering from now.”

While other companies have spent the past few years decreasing their reliance on technology, Motorola’s I.T. revolution has reinstated technology as a vital, critical, strategic asset for the company – and the basis for a competitive edge in the future.

“It is a new day for I.T. at Motorola. Our effectiveness and credibility has grown tremendously.”

“When we went to executive management to provide the results of the BDNA-led initiative, the presentation went perfectly. We were actually shining at that event.”

“BDNA has provided I.T. with some real, meaty, quick ‘wins.’ We’ve experienced a credibility jump with the business side which has accelerated our path to success.”