

How apps transformed IT

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The shift from infrastructure to applications has wide-ranging implications for CIOs in companies large and small.

With the term 'apps' now part of popular culture, it's clear we live in an 'application-centric' world. In enterprise technology there's an analogous trend just as big: the shift in focus from infrastructure to applications. Gartner estimates that 20 percent of the Global 2000 are shifting the emphasis of their IT operational processes to monitor and manage applications, rather than infrastructure, in a central place.

There's a simple reason for this: speedy and properly functioning applications directly relate to revenue. Whether it's a transaction, a complex search, database entry or an internal business process, it's the application that really matters to the organization, not the network, servers or any other hardware. The growth of Cloud computing and its emphasis on end-result web services, where the hardware and software powering them are meant to be transparent, is only accelerating this trend.

An IT Trend Driven by the Business

This seachange is even more interesting when you realize that the business side of the company is driving this trend, not IT. Gartner analyst Will Cappelli notes that: "Line of business and C-level executives now generally recognize that IT is not just infrastructure that supports background workflows, but is also, and more fundamentally, a direct generator of revenue, and a key enabler of strategy."i The do-more-with-less efficiencies forced by the 2008-2009 economic downturn certainly helped to cement this attitude shift.

What is this trend telling us? In short, that we've moved from a world where IT assets focused mainly on application availability ("what's broken and can I fix it?") to application performance ("how long will a customer wait and what's the impact on revenue?").

If you're in the reactive former group, you're likely losing ground to your competition in the more proactive latter group which already knows - using an e-commerce example - that only a two second slowdown in response time can equal 4 percent of revenue loss.

This seachange applies to more than consumer-facing companies. A recent survey we commissioned from independent analyst firm Quocirca revealed that 82 percent of CIOs in multiple industries believe end-users expect better performance from their online applications. Those expectations will only rise. The companies that understand this are already using application performance monitoring for competitive advantage. One example is CHRISTUS Health, a 60-facility healthcare company in Texas.

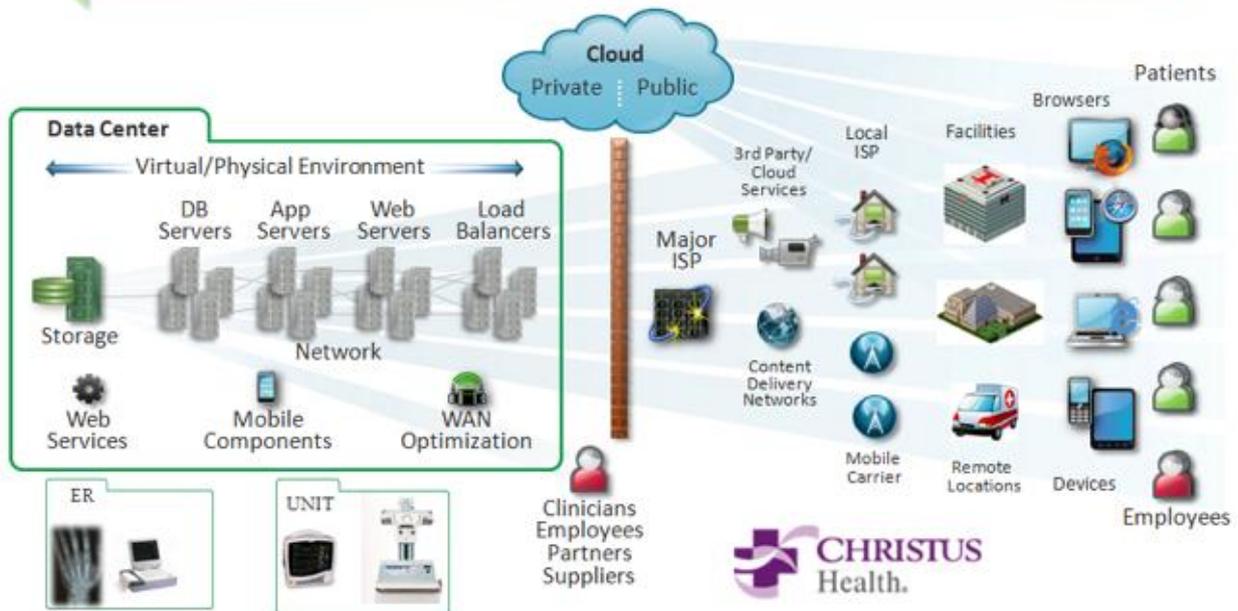
Case-in-point: Health Services Provider Takes End-User Perspective

CHRISTUS exhibits many of the common IT challenges organizations face: its applications serve multiple audiences including patients, supply chain partners, employees and, of course, health care providers. It's a decentralized organization with many geographic locations and moving ever closer to full automation of electronic health records (EHR).

Inherent in this challenge is the growing complexity involved in delivering applications to multiple audiences using a variety of devices. This complex set of services standing between data centers and end-users is what we call the Application Delivery Chain (ADC). Problems can occur at any point along this chain, and can result in failed applications or page load times that vary widely across geographies.

CHRISTUS has the added pressure of knowing that, just as medical equipment cannot fail, the applications providing its physicians and clinicians with accurate health care records or other information must operate flawlessly.

How do we optimize performance and ensure a great user experience across the entire Application Delivery Chain



How does CHRISTUS address these challenges? Since the organization fully understands the connection between application delivery and revenue, it is already in the 'proactive' camp. Its strategy for addressing these complex challenges reads like a best practice playbook in application performance:

- It starts by benchmarking its application performance. This means clearly defining what is, and what is not, acceptable application speed, based on the needs of its users.
- It then engages a program of ongoing measurement of the end-user experience to make certain that it meets the organization's standards.
- To ensure that problems are quickly identified and resolved, it has visibility across the entire Application Delivery Chain. "This deep-dive view allows CHRISTUS to effectively test applications before they are built, and before end-users are impacted," says George Conklin, CIO for CHRISTUS Health. "This allows us to keep pace with the expanding complexity of our systems and the growing expectations of our end-users," added Conklin.

Having this complete end-to-end view of every user's experience makes the difference between the leaders and the laggards in any industry, especially given the increasing reliance on third-party web services, which tend to be beyond the CIO's traditional zone of control. It underscores CHRISTUS' commitment to delivering superior experiences to its users, which in turn has improved the company's bottom line.

CHRISTUS has successfully progressed from a 'reactive' fix-it approach, to a 'proactive' predictive model of application management. Businesses taking this proactive stance are best positioned to move beyond problem solving and take advantage of the opportunities that the profitable, new applications of the future will offer.

[1] Gartner, Inc.: "Magic Quadrant for Application Performance Monitoring," by Will Cappelli & Jonah Kowall, September 19, 2011

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