

Procter & Gamble touts IT services model, saves \$500 million

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IT managers with tight budgets and growing demands might want to check out a set of best practices that have the likes of Procter & Gamble Co. and the U.S. Navy talking about its promise to cut costs and optimize services.

The [Information Technology Infrastructure Library \(ITIL\)](#) is a set of rules for how to deliver IT services more efficiently by improving management processes across IT departments that support networks, applications, databases and systems. Developed in 1992 and maintained by the U.K.'s Office of Government Commerce, ITIL originally served as a set of standards that service providers had to follow to deliver IT services to the British government. After its inception, public companies realized the benefits and implemented parts of ITIL in their internal IT departments.

Procter & Gamble representatives told about 1,000 attendees at the International [IT Service Management Summit](#) in Boston last week that the global company has saved about \$500 million across multiple departments since beginning to streamline processes with ITIL four years ago.

"It all comes down to the fact that IT is an integral part of supporting the business," said Morton Cohen, manager of global service management at

The image contains two advertisements. The top advertisement is for NaviGate, featuring a logo with a magnifying glass over a document icon and the text "NaviGate". Below the logo, it says "Solutions focused on Results" and provides the website "NaviGatesolutions.com". The bottom advertisement is for BrightStor ARCserve Backup v9, showing a hand holding a glowing green cube. The text reads "So far forward it's a shame to call it backup." and "Introducing BrightStor ARCserve Backup v9". The Computer Associates logo and "ca.com" are also present.

Procter & Gamble. "When IT processes are done by 5,000 people consistently across one company, service management can deliver tremendous savings."

Cohen, who co-chairs the International IT Service Management Forum (ITSMF), which has 8,000 members worldwide and about 700 in the U.S. He said Procter & Gamble's IT group avoided spending \$125 million by implementing the service management processes outlined by ITIL.

Procter & Gamble implemented ITIL's "Follow The Sun" management process, which entails staffing data and operations centers around the world according to time zone. For instance, IT management staff in the Cincinnati headquarters manned shifts from 11 a.m. to 7 p.m. local time, while staff at the Brussels data center worked 9 a.m. to 5 p.m. local time, and in Singapore, network operations punched the clock from 7 a.m. to 3 p.m. local time. The staffing let Procter & Gamble use employees worldwide to ensure all its data centers were fully staffed from 8 a.m. to 5 p.m. in each location's local time -- without adding staff.

And while ITIL doesn't recommend specific vendor hardware or software, it gives network managers guidelines on how to implement repeatable and consistent processes to eliminate human error caused by solving IT problems on the fly. The foundation of ITIL's principles can be used throughout a company: Procter & Gamble used the ITIL tenets in its accounting, human resources and other departments.

Among the IT processes ITIL addresses are: service-level management, capacity management, contingency planning, availability management, cost management for IT services, configuration management, problem management, change management, help desk, and software control and distribution. ITIL certification programs promise to train IT professionals to adapt ITIL to their networks.

"ITIL is about having processes in place that enable the people, software and hardware you do have to work better so ultimately the need to fight fires lessens," said Glenn O'Donnell, an analyst at Meta Group Inc.

While companies and governments worldwide adopted ITIL at its inception in 1992 as a foundation for IT best practices, the North American IT community only awakened to its potential benefits during the past 18 months.

"It's partly the cowboy nature of America. IT people here seem to always put the tools before the rules," said D. Akira Robinson, a computer scientist with the U.S. Navy, which started rolling out ITIL processes 10 months ago. He says the government began working with ITIL after it signed a services contract with outsourcing giant Electronic Data Systems Corp. (EDS).

"What EDS brought to the table in terms of service management opened eyes about the best practices," he said.

But while ITIL promises cost savings and IT operational efficiencies, system, application, database, help desk and service management -- would pose a challenge for most corporate IT departments.

"It's not a shrink-wrapped problem resolution. The company's technology decision-makers -- the CIO, the [chief technology officer] -- have to make the effort to improve operational efficiencies and train their staff," O'Donnell said. One ITIL training company estimates it takes at least six to nine months to reap even the early benefits of implementing ITIL.

And that leads us to the third question:

Will yours be the IT organization that grabs a 10% or 15% advantage over your competition by adopting IT best practices?

Or will your competition adopt best practices first - and get the advantage over you?

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