

INVESTMENT GUIDE

# Guide to Investing in AIOps.

A thoughtful investment strategy  
combined with a strong execution plan





# AI Ops Strategic Longview: Start with the End in Mind

AI Ops is a strategy...not a tool, not an algorithm. A strategy requires an in-depth analysis of the role that artificial intelligence and machine learning can play across the organization, a prioritization of initiatives that add early business value, focused investment over time, and an emphasis on hiring talent with machine learning skills. Every great strategy requires a plan so teams know what to execute when. In this comprehensive guide, here is an approach to investing in AI Ops for successful adoption, implementation, and integration.

## The top 3 use cases for AI are: <sup>[1]</sup>

- **Product/Service Development and Optimization**
- **Service Operations Automation, Prediction, and Optimization**
- **Customer Service Analytics and Segmentation**

[1] "The State of AI in 2020" Report, McKinsey and Company, 2020

According to a recent report from McKinsey & Company, AI adoption is a key indicator for revenue growth for companies:

**50%**

of organizations report they have adopted AI in one business function [1]

**22%**

of respondents reported more than 5% of EBIT attributable to AI [1]

**66%**

of respondents reported revenue increase from AI adoption [1]

### AIOps Promise

IT Transformation	Service and Ops Challenge	The Promise of AIOps
Migration to hybrid cloud, containers, microservices, API-first, SDx & hyperconverged	<ul style="list-style-type: none"> <li>Coverage gaps</li> <li>Disparate silos</li> <li>Limited context</li> </ul>	Reliability and Reduced MTTD/MTTR <ul style="list-style-type: none"> <li>Full-stack observability</li> <li>Context-awareness</li> </ul> <ul style="list-style-type: none"> <li>ML, anomalies, clustering, reinforcement</li> </ul>
CI/CD pipeline scale	<ul style="list-style-type: none"> <li>Release into Unknown</li> <li>Quality chasing speeds</li> <li>Workflow and quality visibility</li> </ul>	Speed, Agility, Quality <ul style="list-style-type: none"> <li>Quality gates in CI/CD pipeline</li> <li>Performance prediction</li> <li>Change conflict avoidance</li> </ul>
Digital first companies require superior customer experience	<ul style="list-style-type: none"> <li>Limited CX measurement</li> <li>Business, Digital, IT Disconnect</li> <li>Uncertain investments</li> </ul>	Business Impact and outcomes <ul style="list-style-type: none"> <li>Virtual agent service</li> <li>Digital experience awareness</li> <li>Business metric integration</li> </ul>

### What is the Investment Challenge? (What is driving investment?)

Identify specific AIOps investment value paths that will result in real outcomes and ROI.

**Capacity:** Increased transactions and traffic

**Restore:** Decreased MTTD / MTTR

**Availability:** Prevention and uptime

**Agility:** Risk-based release review and approval

**Cost:** More done with same/less

**Value:** Digital Experience / Business transactions

**Performance:** Sustained response times

[1] "The State of AI in 2020" Report, McKinsey and Company, 2020

## STEP 1

# Determine where you stand on the AIOps Maturity Model.

To develop an AIOps Investment Plan, it is critical to first establish where you stand on a tiered AIOps Maturity Model that breaks down scoring into individual areas or domains. After all, if you don't know where you stand it's difficult to create a path forward.



### Reactive

- Siloed operations collecting events and logs for reactive purposes.
- Constant fire-fighting mode.
- No dialogue with business



### Integrated

- Data sources integrated into a unified architecture.
- Improved ITSM processes.
- Breaking down silos and creating dialogue with the business.



### Analytical

- Unified analytics strategy with transparency of data to all stakeholders and business.
- Optimized ITSM processes.
- Defined measurement points and baseline metrics.



### Prescriptive

- Increased automations, introduction of machine learning, and automation deployed on optimized ITSM processes with human interaction.
- Comparative analytics to measure improvements and business value.



### Automated

- Data sharing among all stakeholders and business.
- Full automation with no human interaction, machine learning based on predictive and prescriptive models.
- Full transparency of analytics.
- Proactive decision-making based on business value.

## STEP 2

# Conduct a Tools and Capabilities Review.

While AIOps is not a tool, there are tools that are essential components to your AIOps Investment Plan. During this phase, you will:



Conduct a tools assessment to see what tools you already have in your arsenal



Identify where you have gaps that need to be filled and how to fill them



Decommission tools that don't align to your requirements

## STEP 3

# Identification of Use Cases and Best Practices.

Next, look across the enterprise and define specific high-value use cases that will get you early AIOps wins.

- **Increasing productivity:** AIOps helps IT teams shine better and innovate with IT workflow automation, detection, remediation and resolution. When the IT team is able to work efficiently, they can free up their resources and manpower to focus efforts on providing business value.
- **Reducing outages:** AIOps helps automate closed-loop remediation for known issues. Once problems are identified—and based on historical data from past issues—AIOps suggests the best approach to accelerate remediation or resolve issues before they escalate to the IT team.
- **Reducing MTTR:** With the deep insight from AIOps and the capability to pinpoint anomalies in vast datasets, IT teams receive immediate feedback on an issue that may have taken weeks to identify.
- **Automating tasks:** AIOps provides the efficient execution of predetermined workflows that increase visibility, predictability and understanding of the entire service delivery infrastructure.
- **Putting humans back in control of an unmanageable onslaught of data:** AIOps works as an extension of the IT department that puts them in control of an ever-expanding IT environment.
- **Aligning priorities based on user and business impacts:** Company assets are becoming more digitized everyday. It falls on the IT department to secure those assets and work as an integrative part of the business goals. With AIOps, teams can keep stride with the changing environment, providing tangible business value.

## STEP 4

# Define your AIOps Investment Plan.

Finally, take everything you've learned into account and build a roadmap for your investment over a 12 month, 24 month, and/or 36 month period. When you're building your plan here are 11 key things to consider and cover while

1. Define tangible business outcomes
2. Collect impressions on maturity factors for each outcome
3. Interview / review evidence of AIOps capabilities
4. Assess the maturity of outcomes and functions
5. Revisit gaps for evidence or need
6. Identify practices and capabilities to continue / improve
7. Identify capability gaps
8. Plot value paths to outcomes
9. Readout an area to continue to invest and areas that need future development
10. Identify options and cost estimates
11. Create target ROI for investments

### Consider an outside opinion.

The future of AIOps in any organization is a big conversation that touches every part of the organization. The vast amount of use cases for artificial intelligence can quickly overwhelm and water down your strategy. There are AIOps experts and consulting firms who specialize in guiding organizations through their forward-thinking strategy. Third party consultants can provide an unbiased analysis and strategic counsel to create an investment plan with defined, measurable outcomes.

### Here is what to consider when selecting a qualified AIOps consulting firm:

✓ They understand your AIOps vision is bigger than a single tool

✓ They have a field-tested methodology for deploying AIOps that has delivered success for other clients

✓ They have extensive experience in developing AIOps strategies

✓ They understand the bigger picture of the business and how IT can deliver true business value with AIOps

✓ They are vendor agnostic and look to up-level the entire ecosystem

✓ They can provide insight on best practices for handling use cases and make both strategic and tactical recommendations for your path forward.

✓ They provide a detailed strategic plan and road map that is pragmatic, yet innovative

✓ They include an organizational change management plan understanding its critical role in AIOps adoption

### 95% of US companies are already investing in machine learning.

Chances are you probably already have some of the skills and platforms to start on an AIOps journey. In today's environment, focused, measured investment is the key to success.