

*The Value of
Enterprise
Change
Management*

Pure Savings

in 5 Easy Steps

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 **serena**™ Automating Change

Change is healthy for most business organizations. New processes, revised approaches, and upgraded systems often result from corporate growth and maturation. Even under less positive conditions, change can create valuable improvements. For example, a demand for change can force businesses to become leaner—such as when management initiates a process improvement mandate designed to cut costs or reduce risk.

The downside of all change, regardless of its genesis, is that it can be extremely costly. Expenses are particularly high where change is required within enterprise IT environments. Enterprise applications and processes reach across business units, technology platforms, workgroups, functions, and people. Any executed change must be aligned across all of these areas—a complex process even in the most sophisticated environments.

Experienced IT professionals are familiar with technologies that automate and streamline software version control. Ensuring that any changes applied to software are replicated across the enterprise is critical, both to the quality and consistency of a company's goods and services. This is especially true for companies that develop and maintain enterprise applications that are critical to their business operations. Yet the value of a consistent, cost-effective enterprise change management (ECM) approach is much bigger than that.

A well-designed ECM strategy can actually generate real savings—dollars that can be returned to the organization for further investment or conserved to meet economic mandates. Unlike other IT initiatives that promise to deliver benefits from the top line down, ECM savings offer genuine bottom-line value.

WHAT IS ECM?

As long as companies have used computer software, they have needed to manage change in their applications. Whether change came from customization or upgrades, businesses had to track and manage every modification applied to these software assets. Anything less than a comprehensive software change management program could create errors, compromise the accuracy of business results, and in the most egregious cases, threaten the financial stability of an organization.

That was then. Today, the focus on software change and configuration management has expanded to incorporate the full range of an enterprise's application assets. With business software and content reaching across multiple technology platforms, a new approach is necessary: enterprise change management. A carefully crafted ECM approach recognizes that enterprise applications are multi-platform—they extend across a diverse collection of platforms and operating systems, including the Web, distributed

environments, enterprise servers, and mainframes. Moreover, they use a wide variety of methodologies, platforms, and development environments. As a result, the development, change control, and deployment processes for enterprise applications must also reach across the organization.

True enterprise change management provides native support for changes to all applications. ECM recognizes that applications are horizontal across platforms and that the change management process must align with these applications and their related business processes. These sophisticated solutions provide a single point of control that enables businesses to manage software code and Web content changes throughout the enterprise. ECM solutions can address the management of versions, builds, baselines, workspace, releases, issues, workflows and processes, defects, and libraries.

As a result, ECM helps companies manage the process of change—protecting and securing critical electronic assets. Enterprises benefit by being able to measure, analyze, and align necessary change with their strategic business goals and objectives. With improved control over the process of implementing and managing change, organizations can streamline processes and enhance efficiencies. Moreover, ECM enables companies to more effectively manage the risk inherent in every software application life cycle—a critical benefit for regulated companies as well as organizations seeking to mitigate overall risk.

FIVE PATHS TO SAVINGS

The enhanced manageability provided by an ECM initiative can do more than improve efficiencies and reduce risk. It also can generate quantifiable savings—delivering the dollars that can help cost-justify the ECM initiative and that show up on the bottom line.

ECM can generate savings in five specific areas.

Enhanced Operational Efficiencies

ECM can help companies realize substantial productivity gains. The technology provides businesses with a comprehensive, completely automated change management solution that helps deploy, version, and coordinate the management of software applications across

multiple platforms throughout the development life cycle. As a result, organizations can maintain greater control over both code and the deployment process—enhancing application quality. ECM also helps companies to improve overall collaboration, workflow, and productivity across the enterprise.

Corporations that have embraced an ECM approach report numerous productivity benefits, according to a recent study by the Robert Frances Group, an IT consulting and research firm based in Westport, Conn. In operations, ECM reduced administrative staff by up to 94%, decreased the time spent on audit and trace activities by 63 to 100%, and slashed the time spent on each project by 30 to 60%.

On the development side, ECM reduced the number of staff needed to deliver a build by 43 to 93%, increased the number of application packages delivered one hundred-fold, and boosted staff productivity by 15 to 50%. Furthermore, these surveyed organizations reported increased new functionality in production applications by 15 to 80%, reduced time-to-market for new applications by 50%, and reduced backlog of software projects by 15 to 50%. Thomson Beta Systems, a securities processing firm based in Milwaukee using Serena® ChangeMan® ZMF, reported that its developers were able to increase the number of change releases from 40 to 60 per month to 200 per month. In addition, impact analysis time was trimmed from four hours to 30 minutes per project.

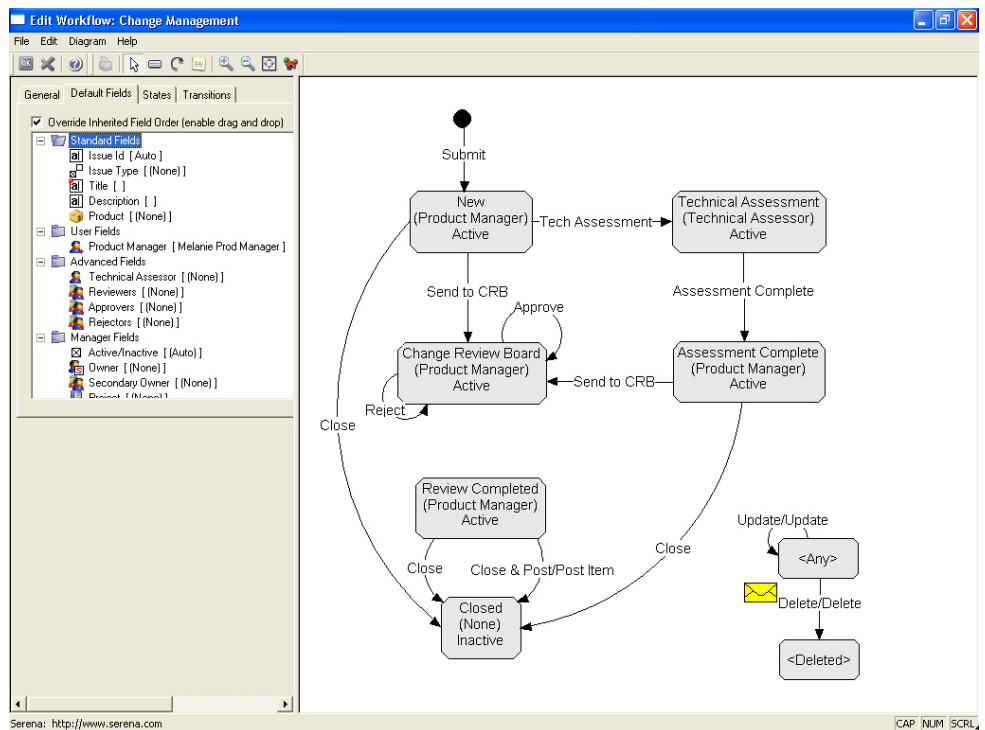
Another company that has used ECM technology to enhance operational efficiencies is FEI, a company that produces structural process management solutions for the world’s leading manufacturers and researchers. The company, based in Hillsboro,

Oregon, is the innovator and leading supplier of a product that provides users with three-dimensional views of complex structures and the ability to analyze materials to the atomic level. As FEI sought to expand beyond its original laboratory-centric customer base to engage new industrial markets, the company recognized a need for an even tighter focus on quality and performance.

Using Serena® TeamTrack®, FEI evolved a collection of homegrown and commercial applications into a cohesive approach—one that supported a consistent solution for a global quality management system. “We are able to demonstrate to customers how we find and solve problems so they understand our level of commitment to quality and customer service issues,” says Bill Vawter, Global Technical Support Manager for FEI. “We understand how important it is to provide reliable, predictable levels of performance so our customers can be successful.”

Using Serena TeamTrack to create a single platform and a single database has made it possible for FEI to rapidly automate business processes, manage issues throughout the entire life cycle of multiple projects, and facilitate collaboration with all stakeholders across the enterprise. This integrated environment ensures that everyone in product development, manufacturing, implementation, and service has quick and secure access to current information. “We are able to execute our plans better by virtue of removing barriers to information, improving multi-site collaboration, and standardizing processes across the enterprise,” Vawter adds. “Letting people focus on high-value work is a great asset to the organization and helps drive value to the customer, which translates to greater business success. I just don’t know how to put a price tag on that.”

The power of the TeamTrack Graphical Workflow Editor is in its simplicity. In the TeamTrack Administrator shown at left, you drag and drop squares, connect them with arrows, and create a self-documenting process that guarantees repeatability. At each state in the process, the user displays the appropriate information for each role, so the right information is always shown to the right people at the right time.



Reduced Risk

The need to manage corporate risk has never been higher. Regulatory requirements as well as industry-specific legislation make risk management a huge priority for today's businesses. For example, in the wake of financial scandals at companies such as Enron and Global Crossing, Congress created the Sarbanes-Oxley Act of 2002. This legislation increases the demands on companies for precise financial reporting and corporate governance. SOA holds corporate executives, board members, and legal professionals personally accountable for the data reported. Certifying corporate representatives face fines and even jail time for violations of the act.

Section 404 of the act specifically concerns IT professionals because it requires companies to submit a statement that certifies management's responsibility for establishing and maintaining adequate control over financial reporting for the organization. In addition, the report must identify the framework used by management to evaluate the company's internal control over its financial reporting. Any change in the company's internal control that may impact its control over financial reporting must also be reported.

An ECM initiative can help businesses develop the necessary controls and processes to ensure adequate internal control over financial reporting. In doing so, ECM products can provide the visibility and

discipline needed to create accurate financial reports—thereby protecting corporate representatives from fines or even jail time, and helping the company avoid downtime, lost business opportunities, and legal sanctions. The controls that ECM places on organizations tend to enhance application availability and security—two interlocking components of risk management. "In our business, we have audits and regulatory controls that require us to better manage our application changes," says one vice president of a financial services provider. "For us, savings were not the big issue—we needed control."

Minimized Downtime of Enterprise Assets

Unplanned downtime is a costly disruption that no organization can afford. Industry experts estimate that software error is responsible for approximately 8% of all unplanned downtime. ECM helps companies minimize the downtime of their enterprise assets and generate savings by improving control over software changes and allowing IT organizations to rapidly back-out failed code or automated changes when problems do occur. As a result, businesses using ECM report a reduction in scheduled downtime by as much as 100% and a reduction in unscheduled downtime of 20 to 100%. These savings in total downtime range from one to 11% of revenues. On these downtime savings alone, some companies achieved payback of their ECM initiatives in as little as two to three months.

Choosing an ECM Solution

The current business environment for IT organizations may be the most challenging of the last 25 years. The pace of development is increasing, and the demands made by businesses on IT are becoming ever more intense. New technology complexity makes it difficult for any IT group to have all of the resources it needs to address the numerous issues it faces. Everywhere, developers face compromises between speed and operational quality. And with the growing popularity of e-business applications, every application or availability failure is right there for the whole world to see.

In this environment, a sophisticated enterprise change management solution is no luxury. Companies need an end-to-end ECM solution that minimizes the growth of technological stovepipes.

What's needed? A proactive system that:

- Helps IT managers maintain their complex application development environments.
- Keeps IT in touch with change management concerns across all platforms, operating systems, and integrated development environments, as well as at all corporate sites.
- Offers a single point of control across all access points and development environments; this centralized control helps companies gain ECM's maximum efficiencies.

Where can you get this solution? Look for a provider that:

- Is dedicated to change management—one that understands not only legacy mainframe systems, but distributed servers, desktops, and Web-based applications, too.

- Demonstrates a history of innovation to ensure that it will keep pace with ongoing IT developments.
- Offers both best-of-breed technology solutions as well as professional services. Nearly every company preparing to implement or expand an ECM initiative can benefit from best practices, needs assessments, a process framework, and gap analyses.
- Delivers proven implementation and integration services—those that get the solution up and running quickly and generating quantifiable benefits that positively impact the bottom line.
- Willingly ensures critical skills transfer. It's not enough to merely bring expertise into your organization: the ECM provider must also make sure that expertise is shared with your IT experts, so that they are capable of using ECM to your company's best advantage after the vendor is no longer on-site.

Thomson Beta Systems understands how minimized downtime can contribute to the bottom line. The securities processing firm provides a variety of hosted technology and application services to more than 30 brokerage firms as well as large banks and other financial services institutions. With more than 650 employees and offices in Hong Kong, London, New York, and San Francisco, Beta Systems was a growing company that needed an automated system to handle software changes.

The company had been using a homegrown tool to handle enterprise changes. A manual process of adding programs to lists and executing scripts to bring applications into production was laborious and error-prone. But, facing the Year 2000 challenge and the prospect of adding a large client with a portfolio of 3,000 programs, Beta Systems' executives recognized that an enterprise-wide approach was a necessity.

The company selected Serena® ChangeMan® ZMF to gain control of its enterprise change management issues. Within a few months, the rollout was complete and developers had adjusted to the new process. The solution, combined with the new processes it enabled, created a significant reduction in downtime. Scheduled change management tool downtime fell from eight hours per day to one hour per day. Unscheduled downtime was reduced from a few hours a month to virtually no time at all.

Integrated Applications across Enterprise Platforms

Until recently, most software change control could only be executed on one application or in one environment at a time; version control tools did not recognize the horizontal nature of these applications. Because applications reach across the enterprise, change management should not be executed as a silo process. ECM helps companies address change management in the native form of each platform and operating system, while aligning those changes with the business processes that cross workgroups, people, and platforms. As a result, ECM helps corporations efficiently and comprehensively meet the process improvements mandated by their cost reduction and risk management goals.

One company, a nationwide long-haul common carrier, recently realized tremendous savings from its implementation of an ECM solution. The company, headquartered in central Florida, had used a variety of disconnected solutions to handle change control. But with nearly 10,000 employees and contractors in more than 130 terminals and substations, and a goal of providing high customer service levels and quality logistics management, the company needed a more integrated approach to change management. A renewed focus on disaster recovery requirements led the manager of application development technical support to consider automating changes with a unified ECM solution from Serena® Software.

The trucking company implemented two products: Serena® ChangeMan® DS and Serena® ChangeMan® ZMF. Together, these solutions allowed the changes to be automated easily and

cost-effectively. Unique "roll together" capabilities helped the organization automate change management across all enterprise platforms, from mainframe to desktop to the Web.

The results? Integrated applications across the enterprise, with improved risk management capabilities that support the organization's disaster recovery and business continuity strategies. In addition, the integration reduced scheduled downtime from two hours per month to two hours every three months. Finally, the company experienced a savings in compile times because the new solution needs to compile just once, rather than multiple times. "Our new ECM approach helped us to experience savings almost immediately through fewer downtime hours, improved staff productivity, and other time and CPU savings," says the company manager.

Enhanced Outsourcing Effectiveness

ECM enhances the effectiveness of outsourced application development in several ways. By creating consistent and repeatable change management processes, ECM improves communication by allowing all personnel—whether inside or outside the organization—to view modifications and approve any changes needed to move forward in the development life cycle. Essentially, ECM can serve as a central point for viewing, reporting, and acting on development change, no matter where it occurs within the organization. In addition, consistent and repeatable processes decrease maintenance time and increase software quality. Together, these benefits enable an organization to deliver the entire application to testing and QA with all parts together, defined, and labeled—leading to fewer errors in the testing and user acceptance phases of the development life cycle.

One large enterprise organization is using Serena ChangeMan products to help manage the effectiveness of outsourced development activities. More than half of the company's 11,000 worldwide developers are part of an application development outsourcing effort.

In this environment, the ECM solution has delivered numerous benefits. The company has established a secure source baseline, with no unauthorized access. With different personnel in various regions and time zones, the company uses the product to help coordinate and maintain secure source code assets. Audit functionality ensures correct synchronization of components and procedures. It also helps the company identify potential problems with code before they impact production.

In addition, the solution helps the company maintain separate environments for specific functions. For example, having development areas separate from testing areas allows for a clean hand-off from offshore developers to testers. Because the testing components are moved along the promotion path together, the solution helps the company maintain a cleaner and clearer

Serena Change Management Solutions	Benefits for Application Outsourcing
Organize and manage software applications	<ul style="list-style-type: none"> • Improve knowledge of application components • Decrease maintenance time • Simplify build process • Less complexity, less errors
View changes and approvals	<ul style="list-style-type: none"> • Improve communications with notifications and approvals • Business units know what changes are coming
Standardize processes	<ul style="list-style-type: none"> • Implement defined, repeatable processes • Produce better quality applications
Support cross-platform development	<ul style="list-style-type: none"> • Manage multi-sourced environments—external and internal • Manage application development for the enterprise from a single point of control

testing environment. Says one of the managers responsible for the company's outsourcing operations: "Having a tool like Serena ChangeMan is mandatory to help with the management of outsourced development."

SERENA SOFTWARE: Automating Change to the Applications that Run Today's Businesses

In an environment where change is more important than ever, businesses look for stability where it counts: in their key software providers. Serena Software is a global software and services company dedicated to providing companies with infrastructure software to manage application changes across the enterprise, throughout the life cycle, for a competitive advantage.

Serena is the only company dedicated to delivering ECM. For more than 20 years, Serena has focused exclusively on providing application change management solutions for the world's leading enterprises. As computing environments have evolved, the company has shifted its focus from software change management and configuration management to setting the standard for ECM—native support for application changes across all platforms.

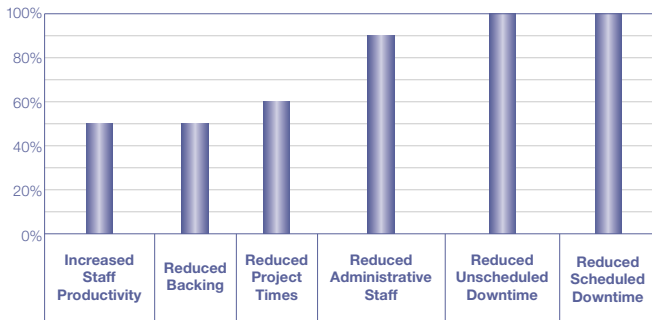
Today, Serena is the innovator of ECM—the only company dedicated to developing true enterprise change management. This means Serena provides a single point of control that provides native support for changes to all applications, no matter which platforms run them—including Web servers, distributed platforms, even mainframes. Serena's cross-platform and cross-organizational view of the application change process allows customers to define, enforce, and automate development processes—quickly and efficiently. Because Serena Software is not aligned with any one hardware platform, operating system, or integrated development environment, the solutions are unbiased and equivalently functional across all.

Serena's infrastructure software solutions help businesses to manage application change across the enterprise, throughout the life cycle, for a competitive advantage. These solutions are currently used at more than 3,600 customer sites, including 46 of the Fortune 50. Serena products help companies to:

- Manage change across the enterprise. The backbone of the Serena Enterprise Change Management system, the Serena® ChangeMan® family of products, improves e-business profitability by managing application change across the enterprise from a single point. The family consists of change management solutions for all major operating environments: mainframe, distributed systems, and the Web. The Serena ChangeMan family also includes application life cycle management solutions and a change portal that provides enterprise-wide search, reporting and approval capabilities over a Web browser.
- Optimize workflow processes across the enterprise. Serena® TeamTrack® is a Web-architected, secure, and highly configurable enterprise change request and process management solution that empowers application development teams to improve communication and development processes across the enterprise. TeamTrack helps companies rapidly automate and enforce business processes, manage issues throughout the entire lifecycle of projects, and facilitate collaboration with all stakeholders across the enterprise and beyond.
- Optimize mainframe application availability. The Serena® StarTool® family of products improves profitability by providing maximum application availability and increased developer productivity in z/OS™ and OS/390® computing environments. It automates the most common, recurring programming tasks for successful implementation and optimal performance of e-business applications on the z/OS and OS/390 platform. When used together, Serena StarTool® and Serena ChangeMan products provide additional enterprise efficiencies.

Proven Results for Today's Enterprises

Companies report a variety of benefits derived from their use of Serena Software ECM solutions. These benefits represent not just change, but a genuinely profitable transformation in the way these companies do business.



Corporations that have embraced an ECM initiative report numerous quantifiable benefits.

Source: Robert Frances Group *The Value of Change Management, 2003*

MAKE CHANGE WORK

There is no question but that the pace of change in enterprise IT organizations is increasing—with no slowdown in sight. The corporate process improvement mandates resulting from this change are forcing IT managers to find new ways to generate cost savings and contain risks. As a result, many organizations are being forced to apply a growing volume of enterprise application changes in less time, using fewer resources, and with less money.

Meeting these cost-cutting and risk-reduction mandates requires an end-to-end ECM strategy that addresses the complete enterprise-wide application development life cycle. Properly designed, implemented, and executed, ECM can generate tremendous savings that can go directly to a corporation's bottom line. In this economic environment, that's a healthy change that can benefit every enterprise.

Visit Serena Software's Management Resource Center to access ECM brochures, case studies, and more at <http://www.serena.com/mrc3/>