

Calculating the True Business Value of Identity and Access Management

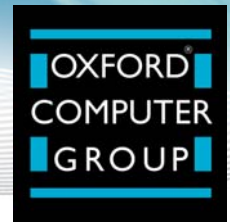
Introduction

Many organizations have embarked on the journey to deploy Identity and Access Management (IAM) solutions to address a variety of business requirements and pains. The goal is to provide a more secure and efficient organization that can respond to changing demands. But how many of them have taken the time - up-front - to analyze the short, medium and long-term business benefits that can be derived from IAM?

Organizations often see IAM as a number of discrete IT projects to provide 'quick fix' solutions to alleviate operational pain, or a 'tick in the box' to be compliant with internal and/or external regulations. Implementing a combination of tactical solutions is a perfectly valid approach when they align to a long-term vision and plan, and phased implementations of shorter durations are not only very effective, they are strongly recommended - as long as they form a series of steps on the way to a properly integrated solution.

Investment in an IAM solution can reap considerable benefits and efficiencies - but these will not be fully realized if the lack of a clear vision misses opportunities, or even leads to expensive backtracking. Therefore, some time spent developing a longer-term vision, coupled to an appropriate strategy and action plan, will reap significant rewards as organizations can assign effective budgets and commit to spending on projects that support the desired vision and goals.

The purpose of this document is to provide a suggested approach for analyzing the business benefits that can be derived by deploying an appropriate IAM strategy, and provide a useful matrix to help organizations justify the costs. It is not intended to be a complete 'how-to' guide, rather a helpful discussion on methodology, issues to consider and areas of your business to examine.



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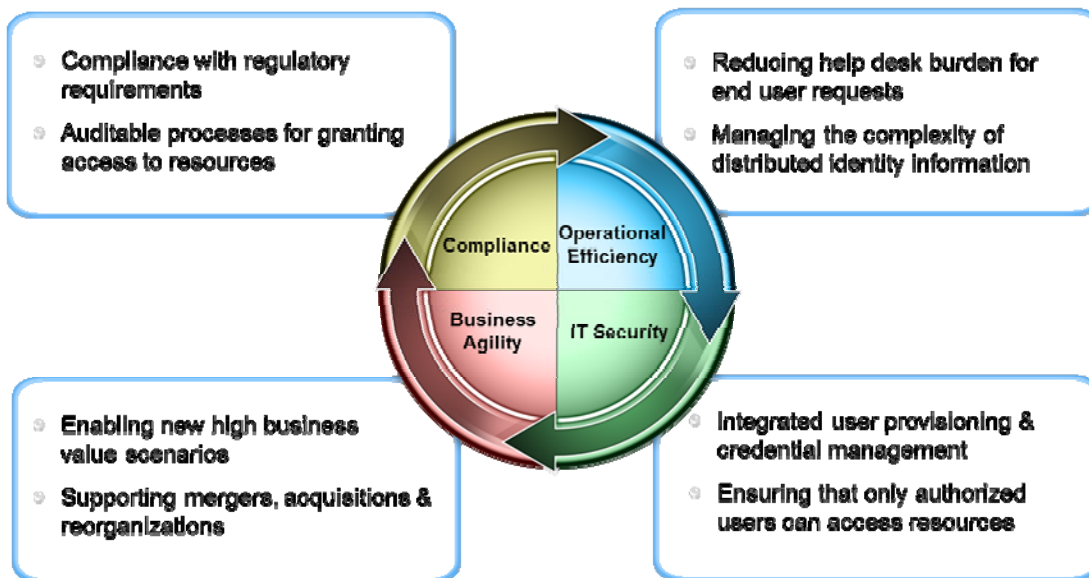
How to Approach the ROI Calculation

IAM projects typically affect many – and sometimes all - departments or functions in an organization, but the catalyst for a project may often come from a single one of those. When calculating the Return on Investment (ROI), it is important to look at the long-term benefits across the entire organization, and not to over-focus on the initial and obviously tangible operational savings made in the early phases. Whilst it certainly is important to realize benefits early, if these wider and longer-term issues are not considered, it may be difficult to form an adequate cost-justification. One business function may have problems funding the license and initial implementation costs, whereas in reality subsequent business functions will also be able to leverage the platform. The risks this brings to the project include: a perception of unfairness about funding (which affects the co-operation necessary in such projects), the project not being funded, or - perhaps worst of all - underfunding, which can lead to a failed project.

Having an Executive sponsor, who supports the long-term vision and has responsibility over multiple business functions, is key to the process of justifying the investment, ensuring it is equitable, and (later on) removing roadblocks to the project. That said, it is still critical that the business case is compelling in its own right.

Key Business Challenges

In order to analyze the business benefits, first we need to understand the key business challenges that an effective IAM solution and strategy can support and overcome. These business challenges can be categorized into four areas;



Compliance

Regulatory compliance continues to be one of the main drivers for IAM among enterprises. Companies must be in a position to know who is accessing what data throughout the organization, and to be able to provide attestation to that fact, or be subject to sanctions, fines, or in some cases prison!

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Operational Efficiency

Providing people with timely access to the tools and systems to do their job is very important. The costs of managing people and their associated access rights and credentials can be very high. For example 1 in 4 help desk calls are password related, and automated account provisioning alone can save £30* per user per annum. Managing identity and access in an organization is a significant task and as the complexity increases (increase in users, number of systems, and expectations) the costs and impact can spiral.

(*) Source Datamonitor

Security

Security has always been a key driver for Identity and Access Management. In recent years identity and security has become a top IT priority, and there have been many public cases where lapses in security have resulted in very real losses such as the theft of IP, data and other valuable resources. Suffering a security breach can also damage how people perceive a brand or company, impacting consumer and supplier choice. An IAM solution can combine efficiency and security in a manner that both enables and protects its employees.

Business Agility

Agility is all about business innovation and competing in a highly competitive global economy. There is a fundamental business imperative to connect with customers and partners in new ways, and to enable employees to access data and content from anywhere around the globe. And for some organizations, being able to respond quickly and efficiently to changing business environments, such as mergers, acquisitions, and re-structures is vital to their competitive advantage.

It is important to note that these business challenges are common to all organizations irrespective of their industry sector, although the relative importance of the factors will vary. For example; compliance is often more important for financial organizations, whereas operational efficiency may be the key driver for public sector organizations, but ultimately an IAM solution should address them all.

Identifying the Business Benefit

Now we have identified and categorized the key business challenges that an IAM solution can address, we need some way to identify and quantify the business benefits derived, so that a compelling case can be presented, or indeed, refuted.

This is often the stage where projects fail, before they even get started, as an un-realistic expectation is set to management at the outset in order to secure funding. So as the project progresses the reality and initial expectation are so different that projects are pulled prematurely, before they even had a chance to deliver the benefits promised.

Therefore it is absolutely vital when creating the business case to set realistic expectations, and encourage management to keep in mind the long-term vision your organization has defined, and view the business benefit and associated ROI in that perspective.

Categorizing the Benefits

For each of the four elements discussed above we now need to ascertain certain benefits that will be derived, and again we break these down into four elements to help with the calculation.

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Known and Measurable Benefits

These are actually the easiest and most tangible benefits to identify, as you can calculate a specific cost-saving for them and run them through a spread-sheet.

Examples of these would include:

- Reduced administration effort reducing the requirement for FTEs in administration
- Reduction in help desk calls (password resets, group management, etc.)
- Reduced down time - contractors and employees not wasting time (your money!) waiting for system access
- Immediate 'switch-off' of cloud services or other licenses when no longer needed
- Appropriate enablement - only paying for the services and licenses required
- Reduce costs for user account provisioning/de-provisioning/management, in the case of both logical and physical access systems

Known but Not Measurable Benefits

These are benefits which are very obvious to all involved, but very difficult to quantify and measure accurately.

Examples of these would include:

- Staff redeployed to more productive work
- Users spending less time waiting for access issues to be resolved
- Group memberships always matching current permissions
- Less effort to prepare for audits
- Fewer security breaches

Future Benefits

Future benefits relate to the fact that once you have an IAM platform or infrastructure in place, with an up to date picture of each identity, it makes life a whole lot easier to address future business requirements.

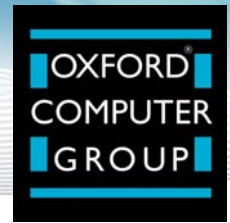
Examples would include:

- Adoption of new line of business applications, much easier to provision users
- Adoption of cloud services, much easier to provision and manage users (data more accurate)
- Shared services or federation with partners or suppliers
- Agile organization being able to adopt new structures and approaches (acquisition etc.)

Side Effects

Finally, side-effect benefits - which again are very difficult to quantify but are also important - should be addressed within the business case. These often relate to the avoidance of consequences, such as other (non-quantifiable) security breaches, or penalties for non-compliance with external regulations, so examples would include:

- Not having your organization's reputation damaged in the press
- Not losing your job
- Directors not going to prison
- Maintaining competitive edge by protecting and using IP



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Benefits Matrix

The suggested approach is to look at each of the four areas of business challenge, against each category of business benefit, by populating a Benefits Matrix, which gives you a complete picture of the items to include within the business case for IAM. Below is an example of a typical Benefits Matrix.

	Known & Measurable	Known & Not Measurable	Future Benefits	Side Effects
Compliance				
Operational Efficiency				
Security				
Business Agility				

Next Steps

It is important to note that a reasonable amount of work is required in order to fully analyze and properly prepare a business case for IAM, but when you consider that IAM should be seen as a strategic business opportunity, rather than a tactical IT solution, then it makes sense to invest the time needed to define a vision and create a business case. A proven way to achieve this is to run an envisioning session within the organization where you involve all the key stakeholders from the business and IT in order to review business pains, imperatives, and priorities to produce a Vision Statement, then define a subsequent strategy and action plan.

Vision Statement

Defining a vision is important as it is vital to define a long-term goal as to what your organization is trying to achieve in terms of IAM. Having said that, it is usually unrealistic to think you can achieve the vision all in one go. You need to break it up into bite-size chunks which independently add business value, but are aligned with the common vision. Usually an organization will set a timeframe of 2 to 5 years to achieve their vision, with a number of 3 to 6 month engagements combining to achieve this.

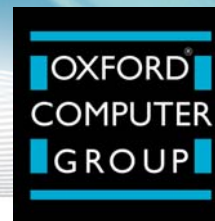
Examples of Vision Statements may be:

- Enable all users to access all systems (relevant to their role) from any device
- Provide all users with a single set of credentials to access all IT systems
- Provide a secure collaboration experience for employees with key partners and suppliers
- Provide a secure and consistent user workspace for all employees to access IT services

Strategy

Once an organization has defined their vision there will be a number of strategic decisions that need to be made. Common examples of these would be:

- Selection of technology vendor
- Selection of systems integrator



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- Definition of Cloud Computing strategy

Action Plan

Finally an action plan can be built to define the tactical bite-size chunks, or projects, which in isolation will add business value, but combined, will deliver the vision.

Examples of these may include:

- Provision of a white pages application
- Self-service profile management
- Self-service password reset
- Automated joiner/mover/leaver process
- Role-based access control
- Single sign-on

Now the Benefits Analysis and ROI can be built using the approaches suggested in this document to both maximize the success of your IAM project and the business benefits derived.

Conclusion

Stepping back from the pressing day-to-day issues and taking some time to consider all the ways in which your organization could benefit from Identity and Access Management is important. Those who do, find it easier to gain Executive level sponsorship and to obtain appropriate levels of funding. They are also better equipped to deal with the inevitable short-term requirements that can arise within a business, while still moving towards their strategic IAM objectives and vision. Conversely, the risk for organizations without a clear vision and strategy is that when the inevitable short-term business requirements do arise, sub-optimal decisions may be made which can waste significant budget, time, and resources. When you consider that IAM is a strategic business opportunity, rather than just a cost, surely the benefits of investing some time to define your strategy makes good sense?

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