

How will IT Organizations Build the Business Case for Network Virtualization and SDN?

Due October 15, 2013

What is the most important question surrounding Network Virtualization (NV) and SDN? The most important question surrounding NV and SDN is what is it going to take for IT organizations to get approval to move forward with implementing NV and SDN.

In early October I moderated a one-day seminar on NV and SDN. During the seminar, the attendees listened to a presentation that I gave as well as presentations from four leading vendors and from a user of SDN. There were also discussions at lunch on a variety of topics related to NV and SDN, such as what it means for an SDN solution to be open.

At the end of the formal presentations I put the attendees into four groups. I gave each group a question for them to discuss amongst themselves and then report back to all of us on what they decided. One of the questions was “What would drive your company to implement NV and/or SDN” and another question was “What would it take for you to sell the idea of NV and/or SDN in your organization?”

The group that was chartered to identify the factors that would drive their companies to implement SDN determined that the primary factor was the simplicity of not having to do configuration management on a box-by-box basis. A close second was the ability of the network to be aware of applications and their requirements. Other key drivers included the ability of an SDN to more easily implement consistent policy and the vendor independence that the attendees felt that an SDN would give them. When I offered the seminar attendees who weren't part of this group the chance to ask questions of this group, there weren't any questions.

The group that was chartered with identifying what it would take to sell NV and/or SDN came up with a long list of items. This included educating the decision makers on the value of NV and/or SDN and ensuring that these approaches didn't create any security problems. They also identified that it would be important to demonstrate that they would not lose any existing functionality as a result of implementing an NV and/or SDN solution and that it would take “a real business case”

I again offered the seminar attendees who weren't part of this group the chance to ask questions of this group. This time there were lots of questions, primarily on what goes into “a real business case”. One of the attendees stated that he would build a business case based on the operational savings that come from not having to do as much manual work. Another attendee built on that response and explained the type of financial metrics his management would expect to see. I hear this type of discussion often, and I have some concerns about it. To crystallize those concerns, I asked the attendee who had identified the financial metrics that his management would want to see, a simple

question. That question was “If the business case you build involves saving money based on doing less manual labor, do the people associated with that labor have to leave the organization.” He said that they did.

The IT governance question that is at the heart of this discussion is “If an IT organization makes an investment to reduce its cost or make its people more efficient, does the money it saves or the people it frees up, stay with the IT organization?” In the case of implementing SDN in order to reduce the amount of manual labor that has to be done, the people who are freed up are more likely to keep their jobs if as part of the business case that is used to justify implementing SDN, the roles that these people will play in the future is clearly identified.