
Working Group Business



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Why we need IPv6 Business Cases?

- **Network and IT engineers can prepare detailed technical IPv6 projects and transition plan rather than good business justifications**
- **Many of their proposals are rejected by management because of that**
- **We believe that the use of a sound methodology to prove profitability and create business cases will increase IPv6 chances of success**

What's a Business Case?

- a tool that supports planning and decision making for decision makers
- removes the emotional factors from a decision so that the hard, business facts tell their story
- shows expected cash flow and consequences of the decision, over time, and it includes the rationale for quantifying benefits and costs including the cost of doing nothing
- points critical success factors: significant risks, Service Levels and QoS (availability, downtime costs), flexibility and agility to align business and IT Infrastructure

What a business case is not

- is not a budget or a *management accounting* report
- is not a financial report statement
- is not an ROI Tool and is does not equal to ROI only
- it's definitely something different then a *business plan*
- It's not a simple comparison between IPv4 and IPv6 technical characteristics

Fondamental for Business Case

- Document that the business benefits of the transition to IPv6 outweigh the risks
- Understanding and quantifying the costs and investment associated with the IPv6 initiative
- Discover and evaluate the tangible benefits as:
 - cost savings
 - increased security
 - new revenue stream for services, applications and products
 - risks management and risk mitigation
 - faster time to market
 - faster alignment of the business with the IT Infrastructure.
- Identify and highlight the intangible benefits

ROI - Return on Investment

- **ROI alone will not help to transition to IPv6. The emotional and rational side must be addressed.** In many cases there are deep emotions that are resisting the investment and hence the transition.
- **ROI numbers, no matter how compelling, won't speak for themselves.**
- **ROI is about tangible hard benefits and it is necessary but not enough to justify an investment. It is mandatory to address intangible soft benefits too.**
- **We must prove analitically what the transition precisely means to the organization visions and goals.**

We need some more metric then simply ROI

Maximize Financial Return is key and related to ROI, but most of the time is related to cost savings only

To get the complete picture we must consider other metrics and other metric classes that will be associated to the business goals identifying:

- **Increase Quality**
- **Minimize Risk**
- **Improve Agility**

➤ **This will help to better understand the business context and prove how Ipv6 adds value to the business**

What do we need more to build sound IPv6 Business Cases?

- real Business drivers for IPv6 (security, image, cost savings, new revenue streams, etc.)
- some measurable metric classes
- a methodology that evaluates what are the *business drivers and business goals*, and analyzes the principles, the implication and the obstacles that are associated with the technical implementation and establishes a rational basis for decision-making
- Calculate the financial but also the organizational impact of different scenarios and alternatives
- Identify the key care abouts of the different vertical markets where IPv6 can make the difference
- *Evaluate how the implementation and/or the transition to IPv6 contribute to achieve the overall organization business objectives*

Must align the business with IT and technology

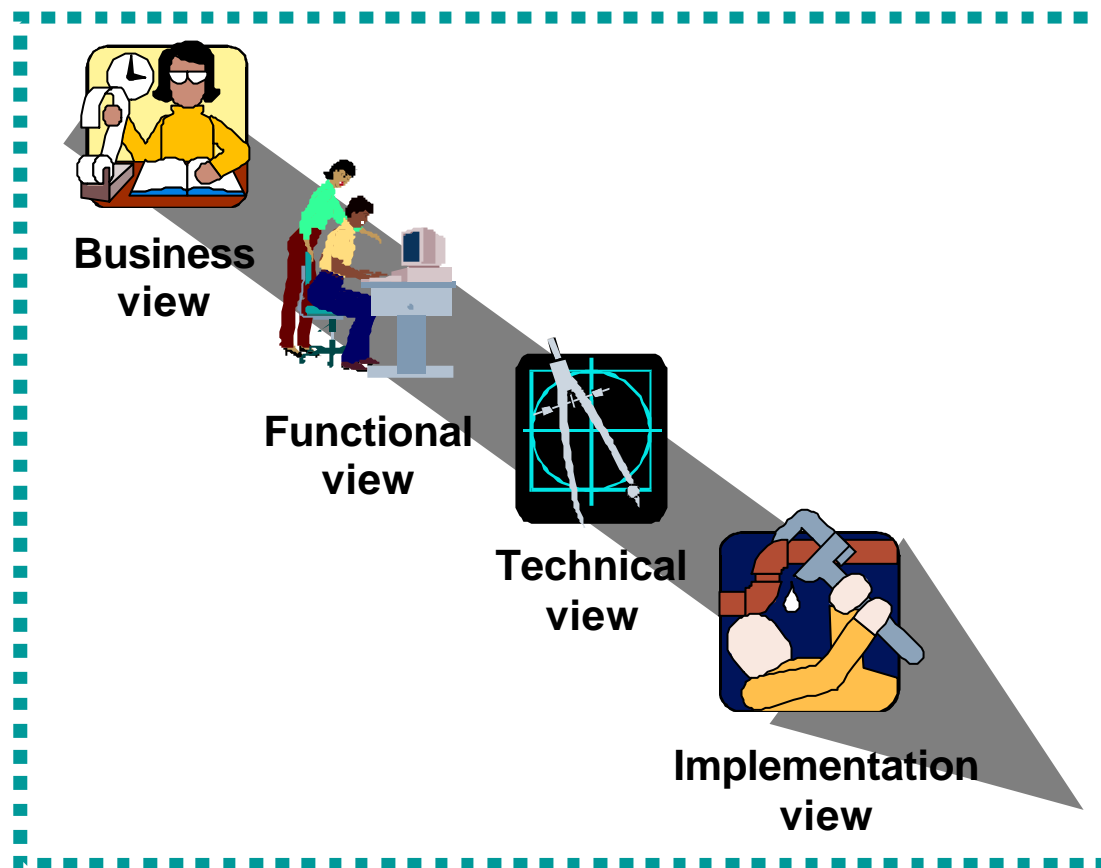
- **In order to document how IPv6 can improve one organization business performances, we must identifying first the appropriate business drivers**
- **Analyze how IPv6 can be the right answer to specific business requirements or drivers**
- **Use specific metrics to measure and prove the benefits to transition or implenting IPv6:**
 - financial
 - risks mitigation
 - quality of service
 - agility/flexibility
- **There will not be a “one size fits all” business case for IPv6, but at least one different model for each vertical market**

ITSA

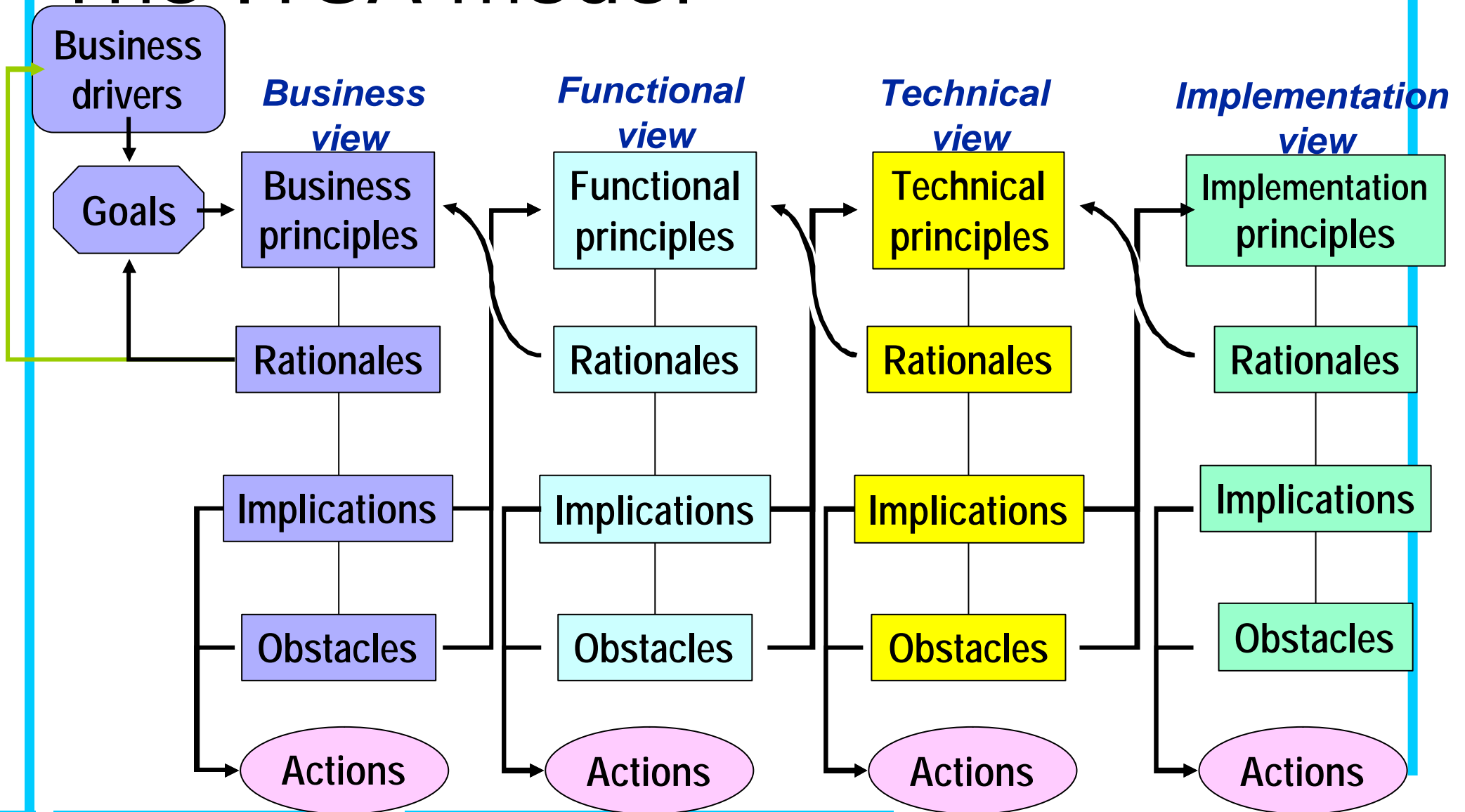
- **Global Methodology for IT Strategy and Architecture**
- **We need a methodology to identify:**
 - **business drivers**
 - **business goal**
 - **business opportunities**
 - **metrics**
 - **risks**
 - **costs and costs or impact of not doing anything**
 - **revenues**
 - **obstacles**
 - **evaluate alternatives**
 - **impact of the proposed solution and/or architecture**

The approach to the IPv6 business value assessment

- **Based on stakeholder participation**
- **Organized as a set of four fundamental views**



The ITSA model



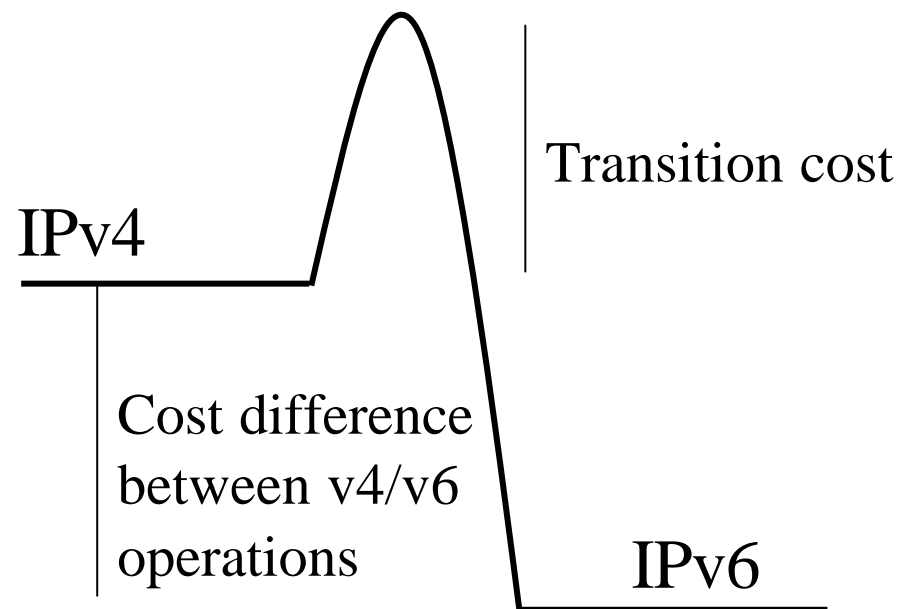
Possible IPv6 transition costs

- **What are costs in terms of hardware, software, staff resources to implement IPv6?**
 - **Design**
 - **Transition**
 - **HW and SW**
 - **Implementation**
- **The cost of missed opportunityies of waiting to deploy IPv6**

Possible IPv6 revenues & cost savings

- **Improved option mechanism**
- **Address autoconfiguration**
- **Increased address flexibility**
- **Support for resource allocation**
- **Security capabilities**
- **Inherent security**
- **Mobility capabilities**
- **Restoration of End-to-End Model**

Transition and operations costs



Some assumptions

