



Make IT Relevant Again

Tame Complexity in a Distributed World

SaaS Has Made Its Mark

The world's most successful companies operate in numerous locations. Why? Because doing so gives them a chance to reach more customers, adapt to capacity demands more flexibly and avoid costly business disruptions.

One of the main drivers of modern enterprises is the increased use of SaaS applications that make it easier to support multiple offices. These innovative cloud applications are helping multi-location companies support high-transaction operations such as POS systems, money transfers, CRM systems, data recovery and backup and more. SaaS applications are more cost-effective than on-premises solutions and can be ramped up faster, but they have [three key impacts](#) on high-transaction businesses—increased bandwidth demands, loss of IT control and the need for more effective monitoring tools.

We'll discuss the IT challenges inherent to tech-dependent, high-transaction, multi-location organizations and the key to making IT relevant again. In this SaaS and cloud era, IT teams have to redefine their roles to keep up with new demands.



Cloud-hosted and SaaS apps are meant to simplify enterprise infrastructures. In the past, SMBs were the main proponents of SaaS applications because these companies couldn't afford the capital investment or operational costs of on-premises infrastructures. Now, the cost benefits and ability to scale rapidly across remote offices are pushing even the largest enterprises to adopt cloud software.

For large, multi-location enterprises, new software deployments are almost exclusively via SaaS providers. In fact, [studies show](#) that SaaS adoption is permeating nearly every department of large enterprises.

- Human resources: 87% adoption for functions such as human capital management and payroll, benefits and compliance
- Information technology: 86% adoption for functions such as backup and recovery, network security, IT service management and more
- Marketing: 85% adoption for functions such as marketing automation, social media management and web optimization
- Sales: 85% adoption for client relationship management (CRM) platforms

These departments represent the highest rate of adoption for cloud software in large enterprises—but not one of them has reached 100% SaaS adoption. Even though SaaS is the preferred means of new application deployment,

on-premises data centers still remain for more traditional applications. [Research shows](#):

- 83% of companies still rely on on-premises data centers for daily operation.
- Approximately 18% of companies are planning to invest in new data centers in the next two years
- SaaS is growing, but it will take until 2018 for even 50% of North American servers to be run in the cloud.

While public cloud SaaS applications provide a new level of flexibility and agility for companies of all sizes, they aren't always the right option for specific business needs. At the same time, private cloud applications give IT departments the control necessary to keep business secure. But, when the number of users exceeds 10,000 to 15,000, it's most likely that the department won't be able to support the application.

Balancing the need for public cloud flexibility with private cloud control and security has resulted in a complex hybrid cloud environment that causes problems for the IT departments managing them. Understanding the common problems for hybrid cloud management is the first step to making IT relevant again and improving performance. As IT teams feel pressure to perform under budget and meet business needs quickly, cloud management and monitoring are ever more important.

IT Challenges for Managing High-Transaction Cloud Apps

One of the biggest problems that IT departments of multi-location, tech-dependent organizations face is that they are removed from remote worksites. Companies that are increasing their application spending aren't ramping up data center deployment—they're scaling back. Approximately [37% of growing organizations](#) are taking dedicated data centers out of their remote offices.

Centralizing IT departments within the company headquarters supports the need for a denser IT infrastructure, but it also removes any technical specialization from smaller remote offices. Without on-site technicians, IT departments are blind to various user complaints.



The lack of on-site IT combined with the ease with which users sign up for SaaS applications has created shadow IT, making it difficult for technicians to troubleshoot problems with both on-premises and cloud applications. Consider the diverse nature of application issues that IT departments must resolve remotely:

- **Multiple Users to Support:** Industries such as retail, healthcare, hospitality, insurance and more all have both internal applications and customer-facing applications. For example, the retail industry deploys point-of-sale (POS) applications and beacons for employees while customers interact with mobile and web applications. With so many different application streams to manage, it's easy for granular issues to move through the network undetected without the right monitoring tool.
- **End-User Experience Issues:** Just as large enterprises have multiple users to support, they also have multiple types of applications to support. Whether it's an internal, on-premises application or a third-party SaaS application, IT departments must be prepared to pinpoint the root cause of any end-user experience problems.

- **Network Diversity Problems:** It's clear that large enterprises can't only rely on the limited capabilities of on-premises infrastructures anymore. Now, organizations with complex IT infrastructures must support applications with LAN, WAN and WiFi connectivity. The sheer range of problems that can occur on each of these networks makes it increasingly difficult for IT departments to troubleshoot performance issues—especially when they aren't on-site.

All of these problems stem from one root cause—a lack of visibility into remote locations. The application ecosystem is growing more complex by the day, which is only making it more difficult for technicians to maintain performance of third-party, SaaS, private cloud and on-premises solutions.

IT departments are trying to become more proactive by gaining visibility and predicting where problems may occur before they impact users and the business. But traditional performance monitoring tools can't help technicians avoid the business impact of poor performance.

How Poor Performance Visibility Impacts Business

End users don't give much thought to the back-end processes that keep their applications running. Internal users have no problem bringing their mobile devices onto the enterprise network and using their own third-party apps for file sharing or collaboration, adding to the shadow IT problem. Shadow IT won't matter to end users until they start experiencing performance issues.

Without the necessary visibility into various application streams, problems persist without detection or resolution. At first glance, this may seem to be a matter of user experience, but a closer look reveals just how important performance is for the high-transaction, tech-dependent enterprise's bottom line.

Companies experiencing network downtime also suffer consequences such as missed sales opportunities, diminished employee productivity and data loss [due to inaccessible cloud applications](#):

- Business-critical application downtime can cost \$130,000 per hour.
- For non-business-critical applications, downtime still costs \$105,000 per hour.
- The average United States company experiences 12 unplanned downtime incidents per year, lasting an average of 1.6 hours for business-critical applications and 3.3 hours for non-critical applications.
- In total, a company could experience losses upwards of \$11.2 million per year because applications like Salesforce or Office 365 fail.


Unfortunately for enterprise IT departments, application downtime isn't even the most daunting threat to the company's bottom line. In the era of web and cloud applications, slow application performance is even costlier than application downtime.

Application downtime is easy to detect. Users attempt to access a critical application and immediately inform the IT department. Slow application performance, on the other hand, can go undetected and cost companies millions.

The less visibility IT has into application streams, the more hours will be lost, ultimately hurting workforce productivity. As businesses lose revenue to application performance issues, company growth slows to a halt and competitors take advantage.

End users may not consider all of these issues, but it's up to IT departments and business decision makers to implement a more comprehensive solution.

Pierce the Cloud of Complexity with AppNeta



Trying to use performance monitoring tools built solely for traditional on-premises applications simply won't work. Central IT departments need a tool that can help them remotely manage third-party apps, on-premises applications and SaaS applications for any end user throughout the enterprise network. Without it, IT departments have no way to take control of cloud apps, remote locations and shadow IT.

With AppNeta, IT departments can be more proactive as bandwidth demands take a toll on application performance. With the following monitoring features, AppNeta enables IT departments to become trusted business advisors who understand the dynamics of the application market and its impact on employees:

- Application and network usage
- End-user experience
- SaaS applications
- Network path
- WiFi end-user experience

Adapting to the new landscape of technology and business needs is the only way for IT to make itself relevant again. Providing insight into application performance and pinpointing root causes of issues quickly and effectively can help companies deliver a better brand experience—both internally and with customers.

ABOUT APPNETA

AppNeta is the only network performance monitoring solution that delivers deep, actionable, end-to-end network performance data from the end-user perspective. With AppNeta's SaaS-based solution, IT and Network Ops teams at large, distributed enterprises can quickly pinpoint issues that affect network and business-critical cloud application performance, regardless of where they occur. AppNeta is trusted by some of the biggest Fortune 1000 companies, including 3 out of the 5 largest corporations in the world, as well as 4 out of the 5 largest cloud providers. For more information, visit www.appneta.com.

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