

## **INTERVIEW WITH PIERRE COYNE AND NOAH KUTTLER**

Eric Green: Hello and welcome to a new podcast series from IBM software that explores the challenges IT managers and business professionals are facing today. I'm Eric Green and I'll be talking with a range of experts to discover new perspectives, approaches and examples that can help meet these challenges and introduce you to the capabilities of smarter software from IBM. So let's get started.

Welcome back to our next episode. Business service management or BSM is certainly not a new methodology. However, with the advancement of technologies, and of course business processes, BSM can now do more than ever to benefit your organization in many different ways. Here to discuss this and more are Pierre Coyne and Noah Kuttler, who are with market management for IBM's integrated service management solutions. Gentlemen, thanks so much for joining us today.

Pierre Coyne: Thank you, Eric.

Noah Kuttler: Thank you.

Eric Green: So Pierre, perhaps we can start with you and the basics. Wikipedia says business service management is a methodology for monitoring and measuring information technology services or IT services from a business perspective. Would you agree with that definition?

Pierre Coyne: Yes, definitely I would agree with that definition. From an IT operations point, that is correct. So, you know, managing the IT infrastructure is and is always going to, you know, be increasingly critical to delivering business services. But, you know, at the core of business service management really, there's a much more fundamental question and that is, you know, how do we define what is a business service and you know, what constitutes a business service?

Certainly things like online banking or auction sites or e-commerce sites are all business services and they're very IT-centric, right? So the traditional definition of business service management fits that nicely. But when you consider that, you know, for every industry their definition of a service is different, there's lots of new innovations that are happening to business service models over the past decade. And so is it really just IT services we're talking about? Or, you know, are business services really broader than

that? So take for example, you know, utility companies that provide power to our homes, right? Is that a business service? Or, you know, FedEx that comes to your home and picks up a package, or to your office, you're able to track that package online and it gets delivered to the next destination. Or, you know, in New York, for example, there are Zipcars, you know, at each corner and they're popping up all over major cities across the U.S. There's, you know, Redbox for movie rentals, where, you know, you go and you swipe your card and you're able to get a movie on demand.

So really to deliver those kinds of business services really requires more than just information technology and IT operations. So looking at IT is only going to give you visibility into the portion of the problem that IT owns, right? The information technology. So your service management strategy is really only as strong as your weakest link if you're just looking at information technology.

Eric Green:

So those are some great examples, but it certainly raises an interesting question. How has business service management evolved over the past decade? Maybe Noah you have some thoughts on that?

Noah Kuttler:

Yes. So as Pierre said, you know, IT may be the driver and it may be how some of these things are implemented, but at the end of that service, there are any number of things that are not IT. So if we take for example, powering our homes and smarter grids, well certainly there's some IT in there in terms of reading our meters. But there are smart meters involved, there are people that are doing truck rolls that are going out there to read the meters, there's all sorts of networking that has to happen in the field with the trucks to communicate back.

Things like FedEx, you think about each of those drivers has a device where they're scanning packages, where they're taking signatures. Those devices have to be monitored and maintained, serviced, there has to be connectivity to those things. So that, you know, an example like that or maybe with Zipcar for instance, those are cars that are out in the field, and those cars have to be serviced by people as well. Vending machines such as Redbox, there are all sorts of IT things that happen, the credit card transaction, the GPS on the car, information going to and from those kiosks. But at the end of the day, the service that's being delivered is beyond IT. And so what has to happen is, these instrumented, interconnected and intelligent devices, it's not just

about the assets, but it's also about the people that are involved and the people that are implementing these services. And in some cases, those people have to be instrumented.

Eric Green: So hang on, you're really talking about instrumenting people here?

Noah Kuttler: Well, not instrumenting people in the way that, you know, you would think of like, you know, turning everybody into terminators. But what we're talking about is if you think about, for example, RFID with badges, for example. Well, think about a hospital, and think about some of our customers that we have with hospitals where they want to track patients. They want to make sure that patients are where they're supposed to be and, you know, and make sure they're not where they're not supposed to be. Also, doctors, in a very critical situation where a particular doctor with a particular specialty needs to be located, imagine having the ability to have that doctor show up where they need to when they need to. That is a service that's more about a person showing up, and it has less to do with IT. IT is more of the instigator for delivering that service to the patient in that example.

Eric Green: So that's very interesting. So we're talking a bit about, sort of, the what here about managing business services. How about sort of who's involved? I mean in an organization, you know, in deployment, or when you're out working with customers, who typically is involved in the decision making process for such an implementation around integrated service management?

Pierre Coyne: That's a great question. You know, if you're looking at traditional business service management from an IT standpoint, and as, you know, we were talking about earlier that Wikipedia defines it as more of an IT oriented and aligned with the business kind of a function. Then certainly it would be, you know, folks like the CIO or the, you know, directors of operations, IT operations. But when you start to look at some of the services that we were just talking about where there's more folks involved in the process, right? There's oftentimes a line of business person, right, that actually comes up with the idea for the service. There's an enterprise architect that might actually be defining, you know, what smart devices get connected to what information technology and when does the truck get deployed to support a service like an energy grid. Or, you know, IT people that are actually deploying the information technology themselves. And increasingly folks in enterprise operations that have their feet on the ground, right?

Those that are rolling in the trucks and implementing those smart meters.

So there's a lot of other roles that really play in the end process of delivering a business service. Right? And so, you know, end to end business service delivery means that, you know, the people, the information, the technology and the assets, they all need to work together, you know, in concert if you want to be able to deliver that service on time within, you know, the costs that are defined and you want to ensure the quality of that service. So, you know, at IBM, we call that integrated service management. And we see it as the evolution of IT service management and business service management because it really extends beyond IT and helps all of the folks that are involved in delivering a service collaborate, it helps the process flow smoothly, it shares the information across those organization boundaries to make sure that, you know, you can execute against defined business objectives.

Eric Green:

That's a really interesting point. So many times, I've heard from management and managers involved in various technology implementations as well as across the business units, you know, you always hear, 'listen to your customers'. Right? Listen to your customers. Hear about – what are their frustrations with IT? What are their frustrations with how IT is working with the business, how the business people are frustrated with IT and back and forth? You know, can you talk to that a little bit? About sort of how this type of an implementation really sort of washes through some of that and gets to the heart of how these two groups work together better?

Pierre Coyne:

Yes absolutely. You know, it's a really interesting point because, you know, traditionally you hear a lot about alignment of IT with the business. And so almost by design what that sets you up to think is that separate from the business when IT is really just another critical supporting function much like the lines of business or the enterprise operations team or the software developers. You know, all of these organizations and people within those organizations play a critical role in the delivery of a service. So what we really want to start doing is getting across organizationally those teams collaborating in the process of defining a service and the process of architecting a service and then managing it so that it doesn't happen as, you know, isolated functions or separate functions, it happens as a cohesive process that spans the business and ultimately serves the client better.

Eric Green: So Noah, are there other considerable organizational obstacles that businesses need to clear before an integrated service management discussion begins?

Noah Kuttler: Well one of the barriers I think, as Pierre mentioned, is seeing the service as the sum of many different elements. IT is one of the things that is involved in delivering a service but there are also assets to be considered, there are also people involved in that. And when IT is seen as one of the partners with the business, all working together around delivering that single service to the customer, which will have many components to it and many aspects to it, that usually is the biggest hurdle. And from there, the customers then say oh, okay now we understand that, you know, we have a concept, we can have that on paper and then we can start to figure out each of these different elements that need to participate. And IT being here for maybe credit card transactions or the network, the people that are here that go in and service that kiosk or a particular smart device that's out in the field that becomes a part of that. And all of those things together then become the service. And once they see that, then it's usually all systems go, and then it's about the service life cycle management, and it's about how they work together as an organization.

Pierre Coyne: And if I could just jump in there. You know, Noah raises a great point around the different organizations that need to be working together. You know, IBM has been helping for several years a company called Swiss Rail. They transport over 900,000 passengers and 220,000 tons of cargo every day. And if you look at what it takes to be able to transport these people on time and safely, it's not just IT, it's not just the folks that are actually deployed managing the rail system itself, it's a combination of, you know, both of those organizations really needing to work together.

And a few years ago, they had a failure of their infrastructure that cost them 5 million dollars and over 200,000 people were delayed for several hours basically left, you know, stranded. So where we helped them really is we came in and we helped them kind of get an integrated view. So traditionally business service management from an IT standpoint would give you a view of just the IT infrastructure and how it affects the service. But what we're helping them do is really see across the entire rail infrastructure. So all of the instrumented smart switches that aren't – that don't belong to IT in combination with all of the, you know, the actual physical or wire line networks that bring back the data from that. So that they can see across the entire service that they are

delivering to their, you know, to their travelers and understand the health of that overall infrastructure and be able to, you know, troubleshoot problems more quickly. So, you know, in the case of Swiss Rail, they can now identify problems and repair the problems at least 50% of the time before it actually ever affects service or ever affects a customer. And so they are able to, you know, avoid – reduce problems, problem analysis by as much as 33 hours a month and you know, it's basically saving them over 2 million dollars a year by being able to, you know, proactively identify problems before they affect service.

Eric Green: Excellent. Well, first of all, thank you for that, because real examples like that are great for our audience. And since we're on that, I mean are there any other sort of customer type examples that you think people would get use from hearing from you?

Pierre Coyne: Sure, yeah, I can cite another one. I mean one other critical aspect, right? I mean the examples that we've given are, at least the last few, have been around managing the actual infrastructure. But there's the part of the life cycle really which starts earlier, and that's that whole strategy – what service do we want to deliver? You know, how do we architect that? And that comes even before it gets rolled out into production.

So if you take Queza Economica Federal, right? They're the social services arm of the Brazilian government. They provide lottery services, that's just one of the things that they do. And so they were relying on a third party to provide those lottery services and it was getting very expensive to do that. So we helped them create a new lottery service, basically a new application based on a service-oriented architecture that could get deployed, you know, really quickly out to all the various lottery branches. But in addition to that, what it allowed them to do now is provide other financial services through all of those lottery offices. So now as much as 60% of the bills that are paid in Brazil are paid through those lottery services. So we helped them develop an application for the lottery services and grow that, but in addition to that, they can leverage that same platform now to deliver all kinds of services from a financial standpoint to the Brazilian citizens.

Eric Green: Very interesting. Well I want to thank both of you gentlemen for a fantastic podcast.

Pierre Coyne: Well thank you. Appreciate it, Eric.

INTERVIEW WITH PIERRE COYNE AND NOAH KUTTLE

Page 7

Noah Kuttler: Thank you, Eric.

Eric Green: Thanks for listening. Please do visit [IBM.com/software](http://IBM.com/software) to connect with our experts, continue the conversation, and to learn more about smarter software from IBM. Let's build a smarter planet.