Using IBM service offerings to improve the outcome of your Service Management project

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IBM Software

PCTY2010

Pulse Comes to You

Optimizing the World's Infrastructure

13 April 2010 Singapore

Agenda

- Understand IT Service Management and ITIL

- Begin with the End in Mind

    - Leverage ITIL and IBM ITSM reference architecture

- Crossing the Chasm

    - Implementation Pitfalls

    - Manage Your Project Risks with IBM implementation services

Service, IT Service Management and ITIL

'Service' Defined

"Services are a means of delivering value to customers by facilitating the outcomes customers want to achieve without the ownership of specific costs and risks."

'IT Service Management' Defined

"IT Service Management is the integrated management of the people, processes, technologies and information required to ensure the cost and quality of IT services valued by the customer."

IT Infrastructure Library (ITIL)

The IT Infrastructure Library (ITIL) is a set of books describing the processes and leading practices that are considered essential for effective IT service management.

IT organizations seeking to improve IT service management frequently begin by adopting and adapting the processes and practices recommended by ITIL.
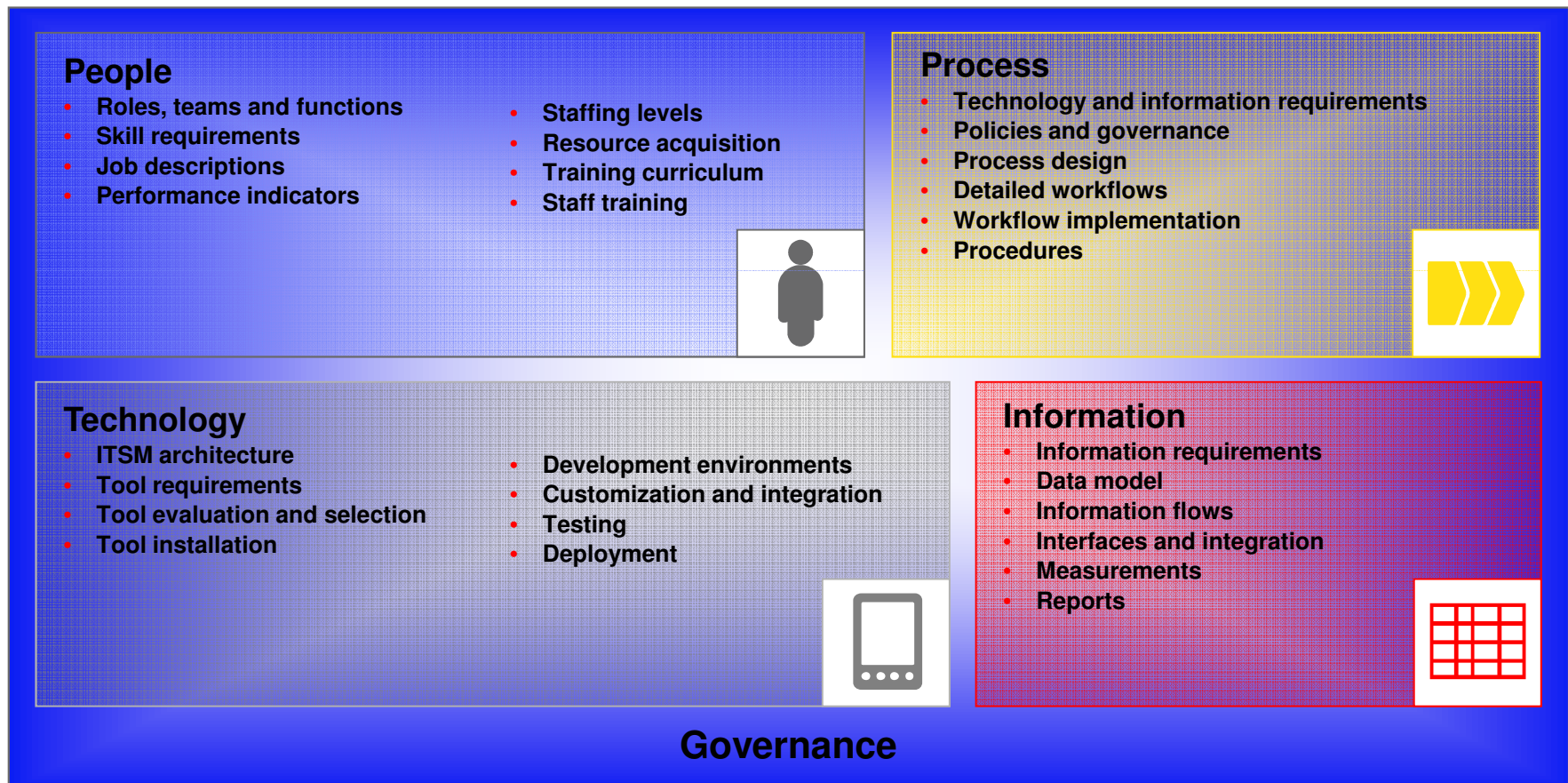
Begin with the end in mind
- consider all ITSM domains in your ITSM projects

You need well-trained people armed with the right information, executing well-defined, technology-enabled processes to deliver high-quality services to the business functions they support

People
- Roles, teams and functions
- Skill requirements
- Job descriptions
- Performance indicators
- Staffing levels
- Resource acquisition
- Training curriculum
- Staff training

Process
- Technology and information requirements
- Policies and governance
- Process design
- Detailed workflows
- Workflow implementation
- Procedures

Technology
- ITSM architecture
- Tool requirements
- Tool evaluation and selection
- Tool installation
- Development environments
- Customization and integration
- Testing
- Deployment

Information
- Information requirements
- Data model
- Information flows
- Interfaces and integration
- Measurements
- Reports

Governance

Leverage industry practices
- ITIL v3

Strategy	Design	Transition	Operation	Continual Improvement
Service Strategy	Service Portfolio Mgmt	Change Mgmt	Monitoring & Event Mgmt	Measurement & Control
Market Intelligence	Service Catalog Mgmt	Service Asset & Configuration Mgmt	Incident Mgmt	Service Measurement
IT Financial Management	Service Level Mgmt	Knowledge Mgmt & a service knowledge system	Request Fulfillment (standard changes)	Service Assessment & Analysis
Service Portfolio Mgmt	Capacity Mgmt	Service Release & Deployment Planning	Problem Mgmt	Process Assessment & Analysis
Demand Management	Availability Mgmt	Performance and Risk Evaluation	Access Mgmt	Service Level Management
Risk Management	Service Continuity Mgmt	Testing	Service Desk	Improvement Planning
	Information Security Mgmt (ISO 27K, ISO 20K)	Acquire, Build, Test Release	Infrastructure Management	
	Supplier & Contract Mgmt	Service Release, Acceptance, Test & Pilot	IT Operations	
	Organizational Change & Communications	Deployment, Decommission and Transfer	Facilities Management	

Processes
Functions
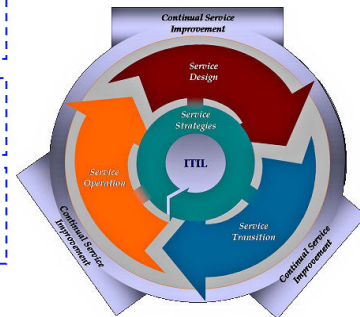
ITIL v3 does not provide a technology architecture for implementing an ITSM project …
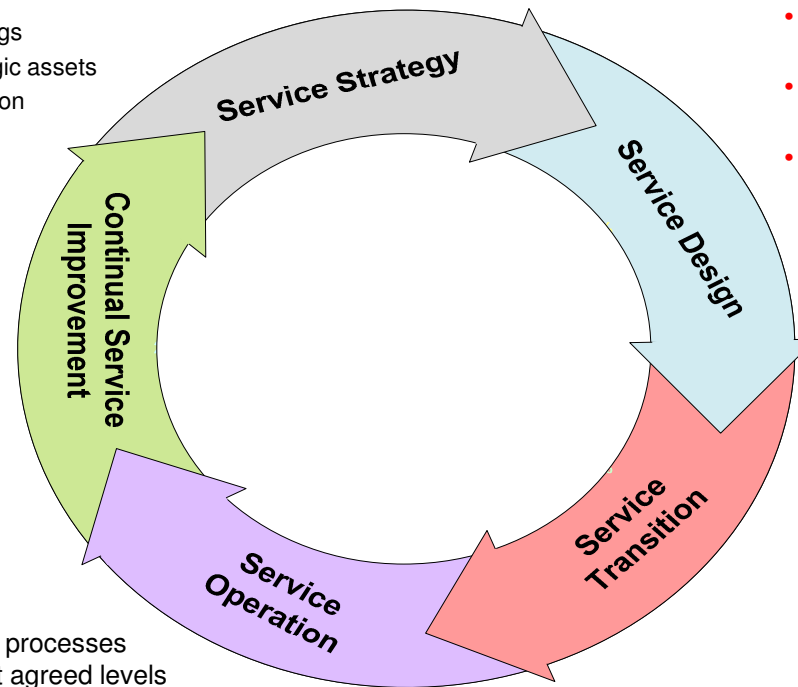
Service Strategy

- Establishes the overall strategy for providing IT services. It consists of four main activities:f
  - Define the market
  - Develop the offerings
  - Develop the strategic assets
  - Prepare for execution

Service Design

- Converts strategic objectives into portfolios of services and service assets
- Develops policies, architectures, portfolios
- Design a new or changed service for introduction into the live environment

Continual Service Improvement

- Review and analyze Service Level Achievement results
- Identify and implement improvement activities to improve IT Service quality and improve the efficiency and effectiveness of ITSM processes

Service Transition

- Guidance for the transitioning of new and changed services into the production environment
- It focuses on the broader, long-term change management role and release practices
- Objective is to ensure minimal unpredicted impact on production services, operations and support organization

Service Operation

- Coordinate and carry out the activities and processes required to deliver and manage services at agreed levels to business users and customers
- Manage the technology that is used to deliver and support services

Service Strategy / Service Design / Service Transition / Service Operation / Continual Service Improvement

The **IBM** Service Management Reference Architecture (ISM RA) provides re-usable templates for design of the technical solution…
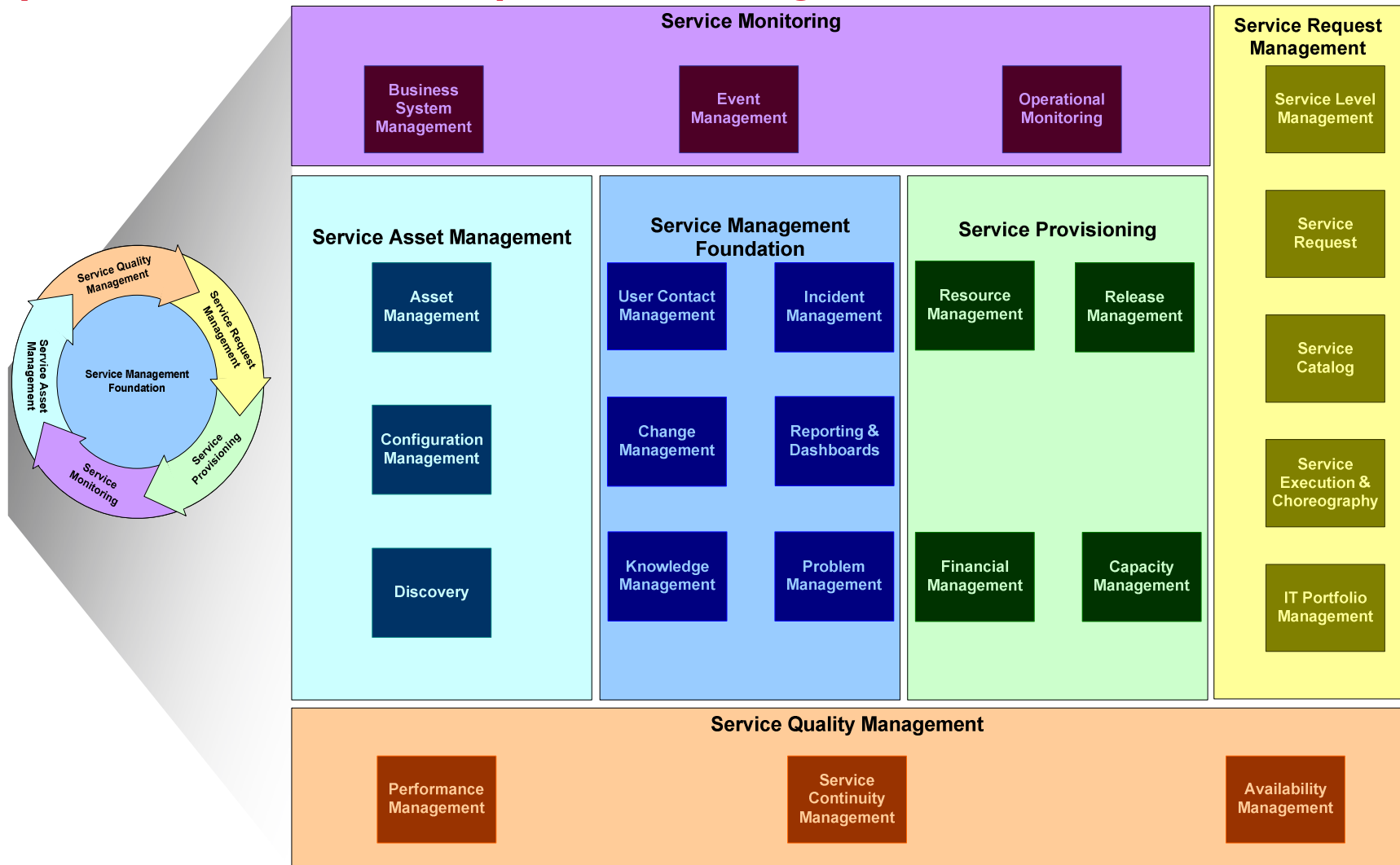
… and drills down to the specific IT capabilities required - including both the management applications and information that are needed
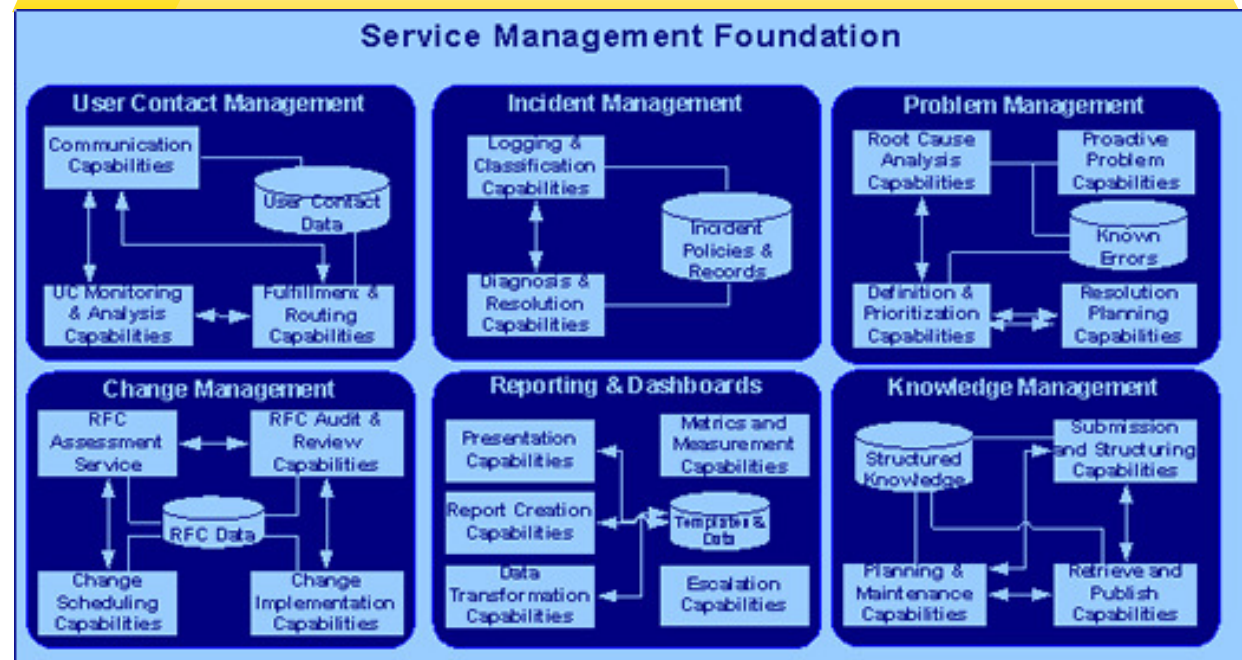
Crossing the Chasm
- Implementation Pitfalls
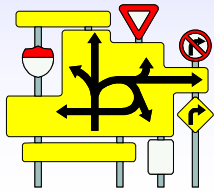# - Manage Your Project Risks with IBM implementation services

According to Industry Research – ITSM is difficult to implement: Why do they say that?

Gartner:
"Most enterprise systems management implementations fail, why?"

- **Unrealistic ROI expectation.**

- **Process - Managers expect that processes will be just "dropped in" with the technology.**

- **Goals - Organizations often do not predefine overall objectives**

Meta:
"External specialists are key to the success of ITIL projects. Why"

- **IT groups are already resource-constrained**

- **Projects done as "*the right thing to do*", but with insufficient regard for … effort, cost and time …**

- **>70% do not yield a definable ROI**

- **30%+ of internal projects never reach formal completion**

- **Self implementation of ITIL best practices cost 55% more than anticipated due to inefficiencies brought on by inexperience**

- **Expert advice from experienced implementers can help avoid the common causes of ROI dilution.**

Forrester:
"Forrester has learned of spectacular failures in implementing ITIL, as well as many success stories …and a clear pattern."

- **Don't try to do it all at once.**

- **Think about measurement from the start.**

- **Automate process steps wherever possible. (always think about people, process and technology)**

- **Start with incident management.**

- **Follow up with configuration management.**

- **Implement ITIL in phases**

How do you get from "best practices" to "implemented" – effectively and efficiently?

Implementation
Crossing the chasm
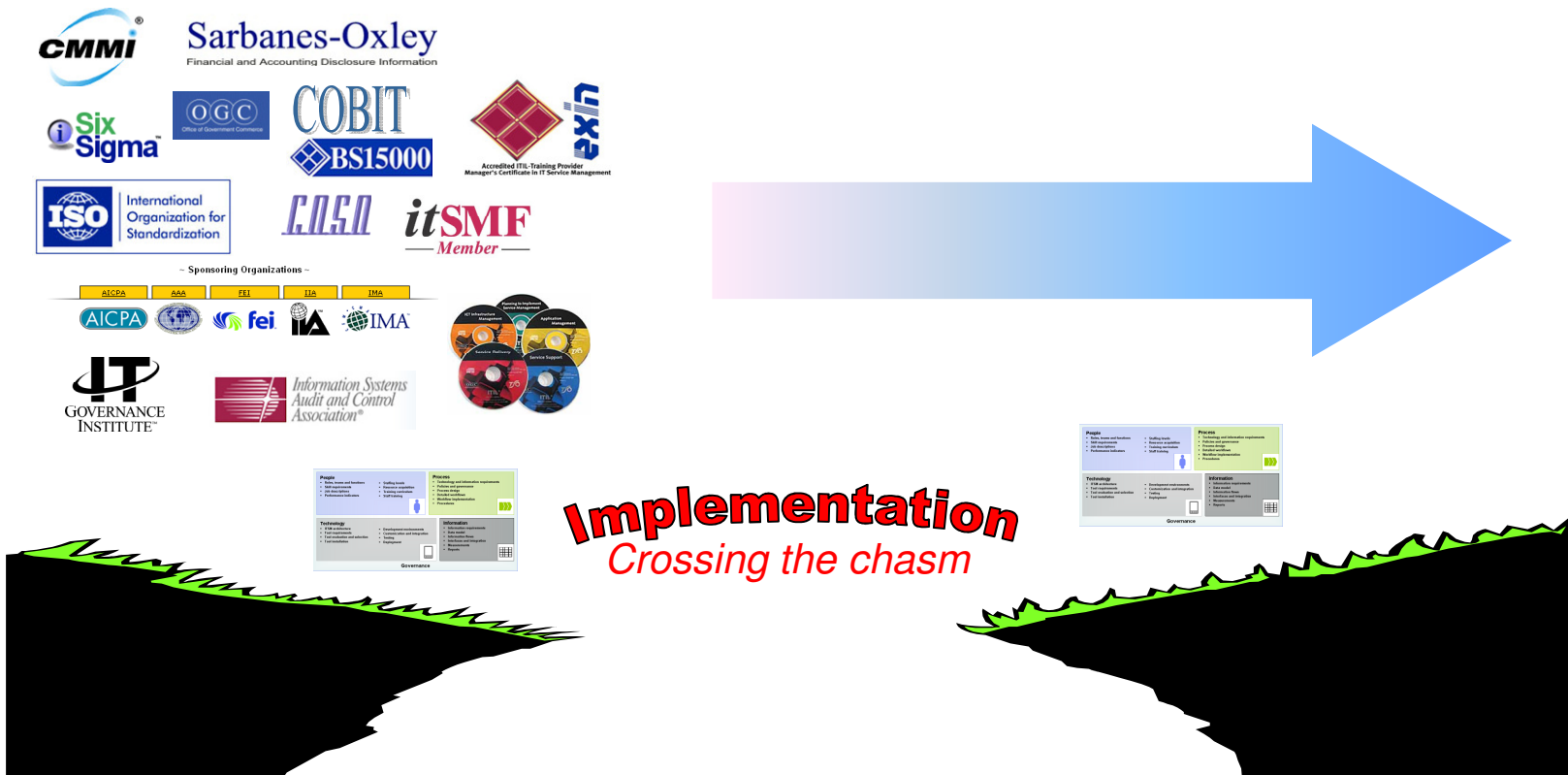
What does it take to successfully implement best practices?

What do you need to "make ITIL work?"

- A structured, well tested approach
- Clear roadmap and objectives
- Implementation expertise (assess, plan, design, implement)
- Governance Model
- Prioritizing & Diagnostic Techniques
- Capability Maturity Model
- Design & implementation methods
- Manage it like a project
- Tool and technology enablers
- Cultural change mindset
- Strong management mandate

Crossing the Chasm
- Implementation Pitfalls
- Manage Your Project Risks with IBM implementation services

Adopt a structured, tried and proven approach for implementation

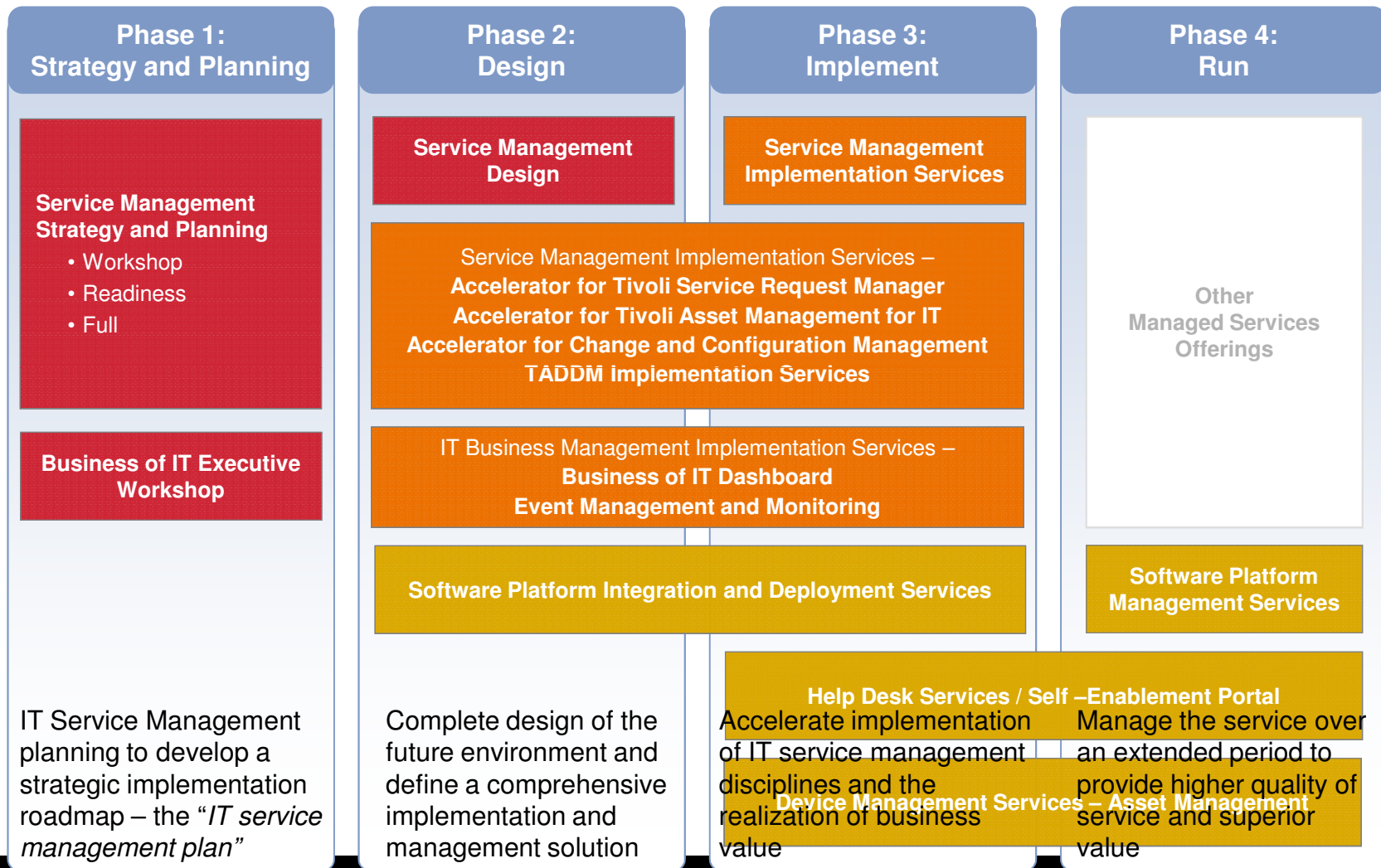| Phase 1: Strategy and Planning	Phase 2: Design	Phase 3: Implement	Phase 4: Run
Service Management Strategy and Planning • Workshop • Readiness • Full	**Service Management Design**	**Service Management Implementation Services**	Other Managed Services Offerings
Business of IT Executive Workshop	Service Management Implementation Services – **Accelerator for Tivoli Service Request Manager Accelerator for Tivoli Asset Management for IT Accelerator for Change and Configuration Management TADDM Implementation Services**		
	IT Business Management Implementation Services – **Business of IT Dashboard Event Management and Monitoring**		
	Software Platform Integration and Deployment Services		**Software Platform Management Services**
		Help Desk Services / Self –Enablement Portal	
IT Service Management planning to develop a strategic implementation roadmap – the "*IT service management plan*"	Complete design of the future environment and define a comprehensive implementation and management solution	Accelerate implementation of IT service management disciplines and the realization of business value	Manage the service over an extended period to provide higher quality of service and superior value
		Device Management Services – Asset Management	

Adopt a structured, tried and proven approach for implementation

Phase 1: Strategy and Planning	Phase 2: Design	Phase 3: Implement	Phase 4: Run
Service Management Strategy and Planning • Workshop • Readiness • Full **Business of IT Executive Workshop**	**Service Management Design** Service Management Implementation Services – **Accelerator for Tivoli Service Request Manager Accelerator for Tivoli Asset Management for IT Accelerator for Change and Configuration Management TADDM Implementation Services** IT Business Management Implementation Services – **Business of IT Dashboard Event Management and Monitoring** **Software Platform Integration and Deployment Services**	**Service Management Implementation Services** **Software Platform Integration and Deployment Services** **Help Desk Services / Self –Enablement Portal** **Device Management Services – Asset Management**	Other Managed Services Offerings **Software Platform Management Services**

Legend:

- **IT Strategy and Architecture Services**
- **Middleware Services**
- **End User Services**

Phase 1: Service Management Strategy and Planning

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Legend:	IT Business Management Implementation Services – **Business of IT Dashboard** **Event Management and Monitoring**		
IT Strategy and Architecture Services	**Software Platform Integration and Deployment Services**		**Software Platform Management Services**
Middleware Services		**Help Desk Services / Self –Enablement Portal**	
End User Services		**Device Management Services – Asset Management**	

Service Management Strategy and Planning provides a flexible and modular approach to deliver ITSM roadmaps

Service Management Strategy and Planning

Description

- A flexible a modular approach to IT service management strategy and planning
- Rapid strategy and planning workshops
- Readiness engagements
- Strategy and planning engagements

Value Proposition

- Planning for IT Service Management to ensure an agreed to and justified approach aligned with business objectives
- Leverage ITIL & ISO requirements, industry accepted best practices, IBM experience and intellectual capital for planning IT service management

Methods/Frameworks

- ITIL, PRM-IT, COBIT, ISO IEC 20000
- IT management strategy & assessment
- IBM capability maturity assessment for ITIL® and PRM-IT
- IBM ITSM flash assessment & IT management system analysis technique
- IBM ITSM adoption model

Engagement Duration

- Rapid strategy & planning workshop: 2-3 days plus some initial planning and follow up activities spread out over several weeks
- Readiness assessment: 4-6 weeks
- Strategy & planning: 6-12 weeks.

Client Pain Points

- IT Service Management has impact and dependency throughout IT
- Gaining value from ITSM investments has been challenging. Many projects have stalled, failed or engagement in wishful thinking but produced no sustainable value
- Assess and plan for ITSM process, organization, technology and information

Client Deliverables

- ITSM roadmaps
- IT service management plan
- IT service management assessment
- IT service management strategy
- IT service management solution outline
- IT service management transition initiatives

ITSM Flash Assessment

ITSM Adoption Model

ITIL & PRM-IT Maturity Model

Service Management Strategy and Planning develops a comprehensive roadmap for implementing or improving ITSM

Service Management Strategy and Planning

1. Understand Strategy and Plans

Align with Business Drivers and Customer Expectations

2. Baseline Current Capabilities

Technology

Information — IT Service Management — People

Process
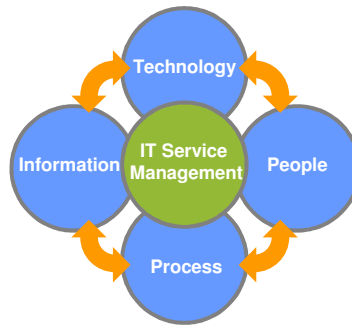
Evaluate Current State to Identify Capability Gaps and Improvements

3. Develop ITSM Strategy

Define Service Catalog and Required ITSM Capabilities

4. Evaluate Solution Approaches

Evaluate Development and Sourcing Options

5. Develop Value Proposition

Justify Initiatives and Develop Business Case

6. Implementation Roadmap

Prioritize and Sequence Design and Implementation Initiatives

Phase 2: Service Management Design

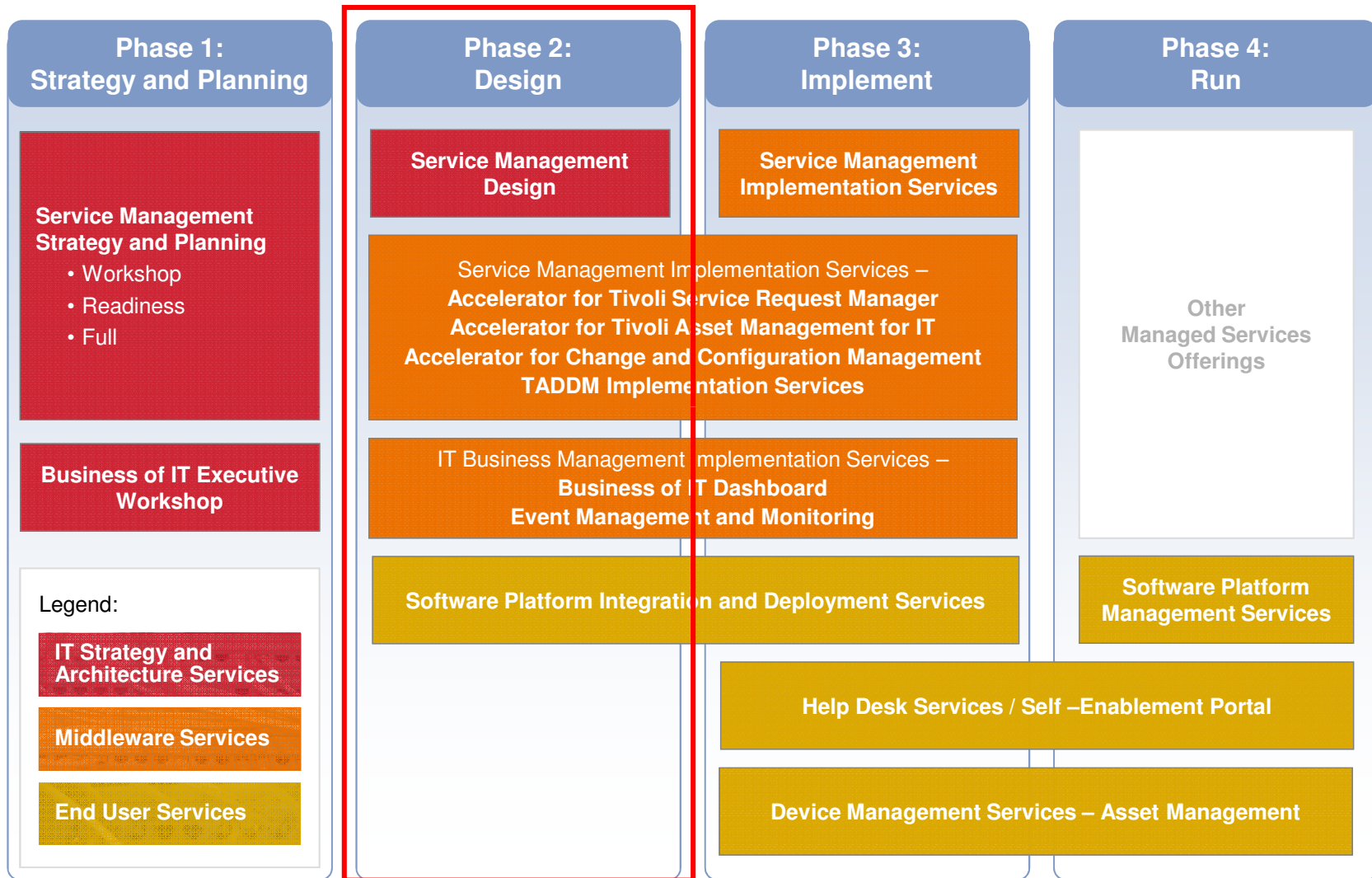| Phase 1: Strategy and Planning	Phase 2: Design	Phase 3: Implement	Phase 4: Run
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Legend:

- IT Strategy and Architecture Services
- Middleware Services
- End User Services

Service Management Design establishes the processes, organization and technical architecture for service management

Service Management Design

Description

- High Level design of the IT Service Management framework including design ITSM diagnostic, design requirements, governance, guiding principles, processes, organization (roles, teams & functions), ITSM architecture, Information, & services

Engagement Duration

- Depends on scope and required design customizations vs. adherence to standards
- 6 to 20 weeks

Value Proposition

- Mature and proven approach to establish the design of an effective service management framework as the basis for implementation.
- Template driven approach that leverages accepted best practices and standards to produce a complete management framework.

Client Pain Points

- Define the future framework for effective and business aligned IT service management
- Method based approach enables reliance on project management
- IC Assets based on best practice and standards

Methods/Frameworks

- ITSMDD – IT service management design and development, template edition
- ITIL, ISO IEC 20000, COBIT
- PRM-IT

Client Deliverables

- Governance management model
- Process and service designs
- Organization design (roles, teams, functions)
- Technical design (ITSM architecture)
- Information design
- Implementation plan

Design Method – ITSMDD

Design Assets

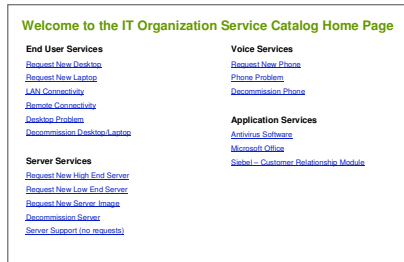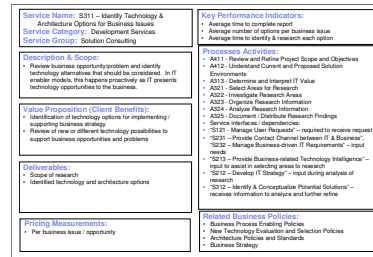**Process, Service, Organization, Technology, Information**

Service Management Design helps define both the IT services and the enabling IT service management capabilities
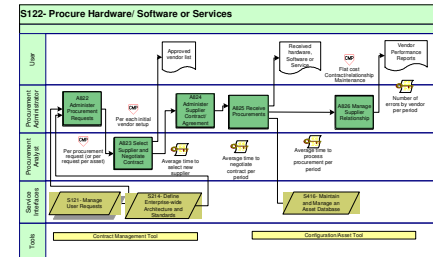
Service Management Design
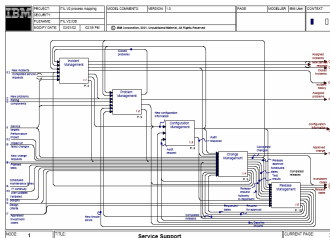
Design of IT Services

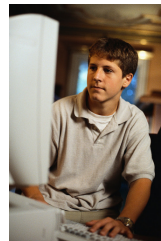Service Catalog

Service Definitions
Service Levels

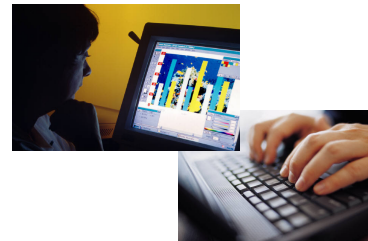Service Workflows

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Design of IT Service Management Capabilities

Processes
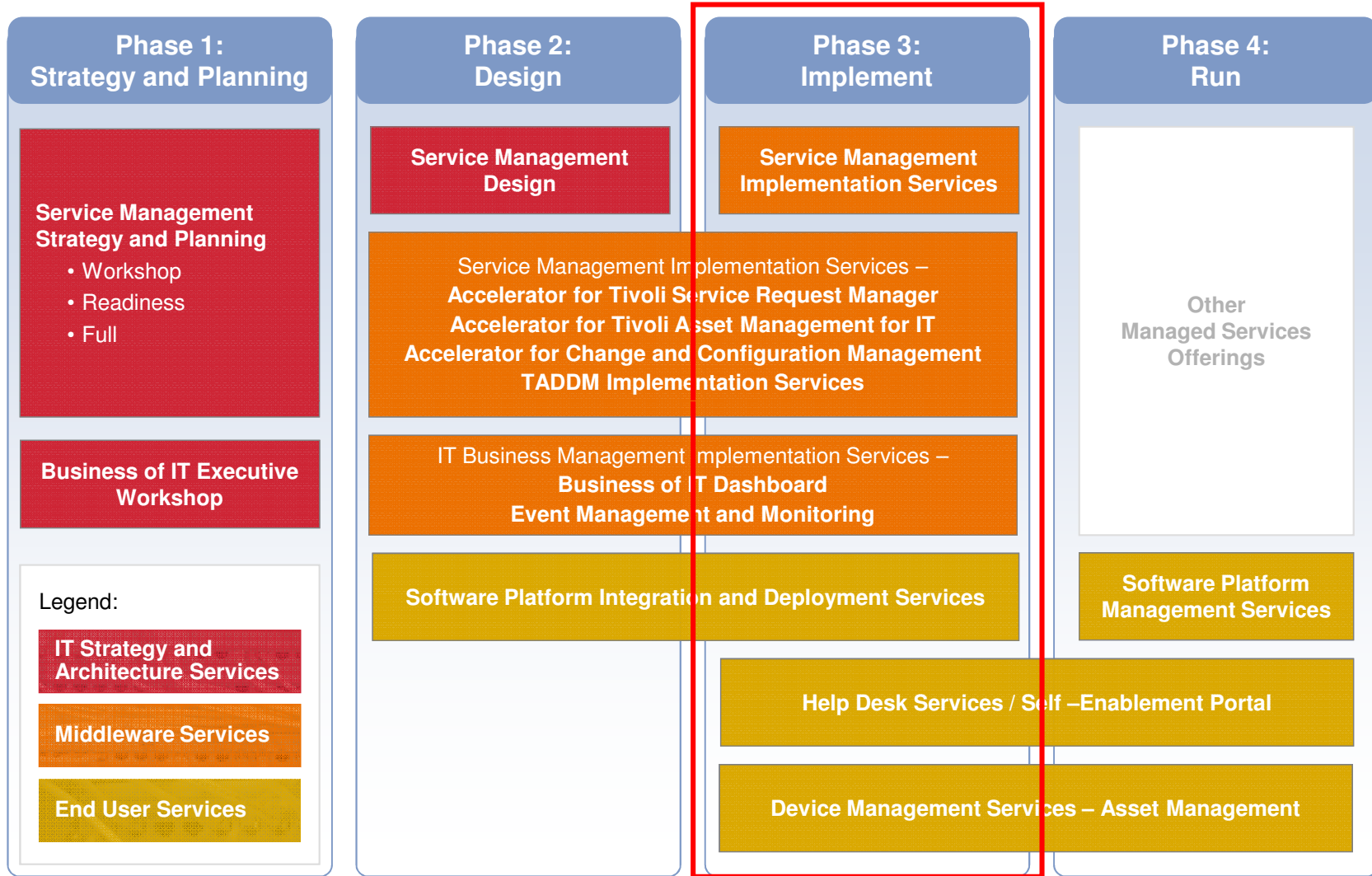Procedures

Job Roles
Training

Management Tools
Custom Automation

Policies and Controls
Measurements and Reports

Phase 3: Service Management Implementation

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Legend: **IT Strategy and Architecture Services** **Middleware Services** **End User Services**	**Software Platform Integration and Deployment Services**		**Software Platform Management Services**
		Help Desk Services / Self –Enablement Portal	
		Device Management Services – Asset Management	

Service Management Implementation Services streamline your IT operations

## Service Management Implementation Services

Description

- Provide ITIL compliant management if IT systems, simplify IT services, reduce risks associated with changes and configurations in IT service deployments, manage IT assets throughout their lifecycle, manage service levels, and provide service desk operations

Engagement Duration

- Depends on offering selected bronze, silver or gold and the number of modules within each.
- 1 to 12 weeks typically. More time will be needed for complex solutions

- Accelerator for Tivoli Service Request Manager
- Accelerator for Tivoli Asset Management for IT
- Accelerator for Change and Configuration Management
- TADDM Implementation Services
- Business of IT Dashboard
- Event Management and Monitoring
- IBM Accelerator for Asset Mgmt for Remedy V7
- IBM Accelerator for Service Mgmt for Remedy V7
- Accelerator for Tivoli Service Request Manager 7.1
- Accelerator for Tivoli Asset Management for IT 7.1

Value Proposition

- GTS is a leader in service management deployments
- IBM's involvement with ITIL and other standard practices leads the industry
- Service management offerings have proven success in shortening time to value for our clients

Client Pain Points

- Increasing demands on IT staff and infrastructure
- IT costs increasing without increase in service level
- IT is unable to keep pace with organizational change
- Small changes in IT infrastructure extraordinarily difficult and time consuming

Methods/Frameworks

- ITIL, PRM-IT, COBIT, ISO IEC 20000
- IBM Accelerator

Client Deliverables

- Various workshops and collateral
- Operational service management solution
- Trained staff on the solution deployment

PHASE 3 includes detailed design …

Workflow
- Validate services
- Check standards and policies
- User Interfaces
- Measurements, Reports
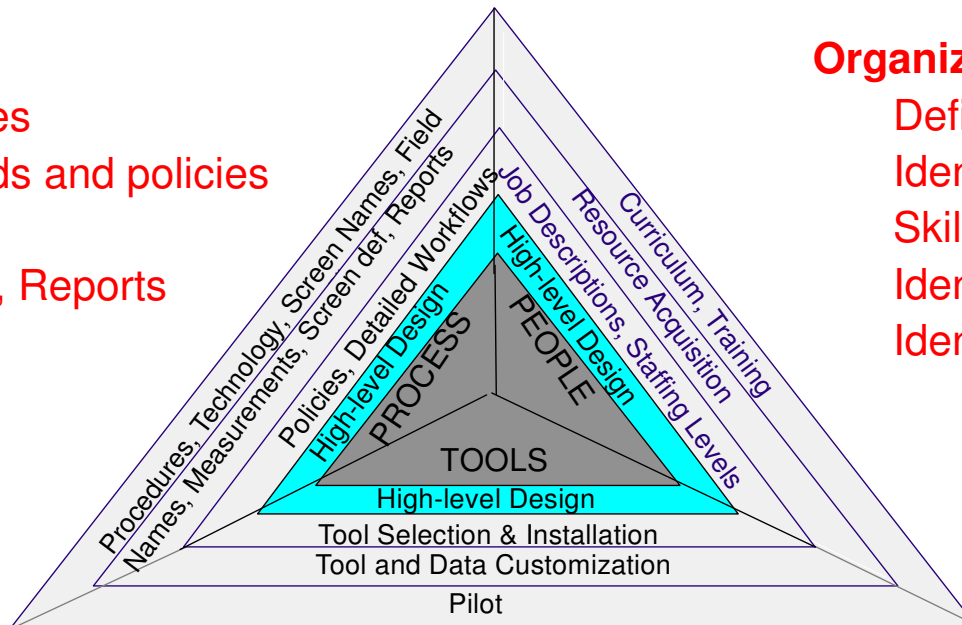
Organization
- Define jobs and roles
- Identify staffing levels
- Skill gap analysis
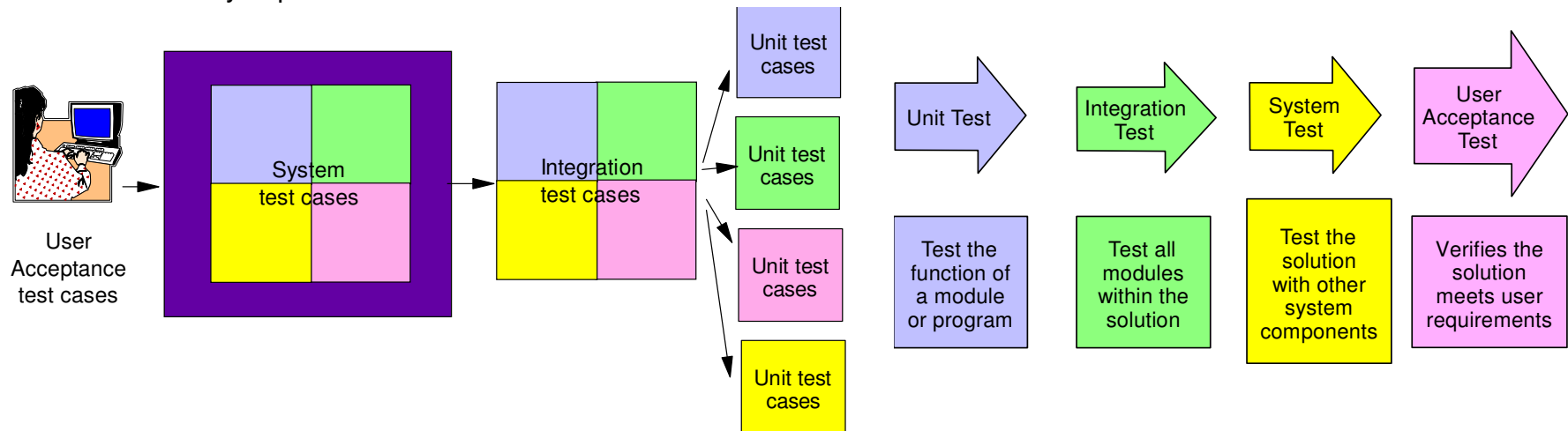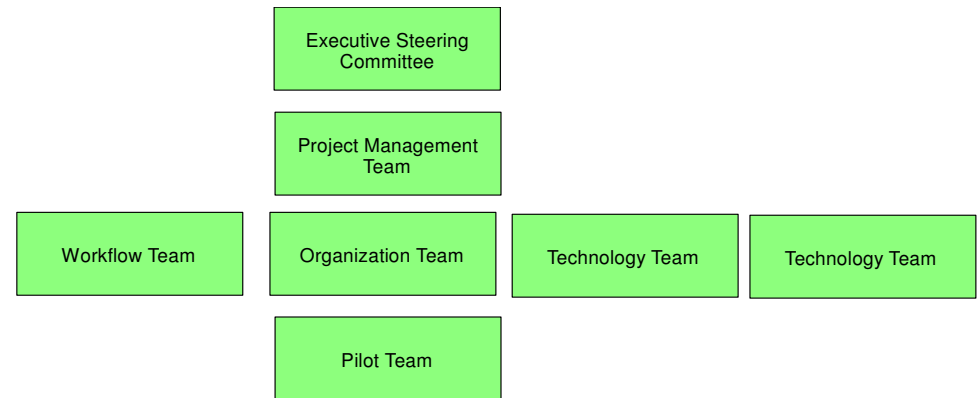- Identify recruitment
- Identify training needs

Technology
- Procure tools
- Configure software and hardware
- Physical data model

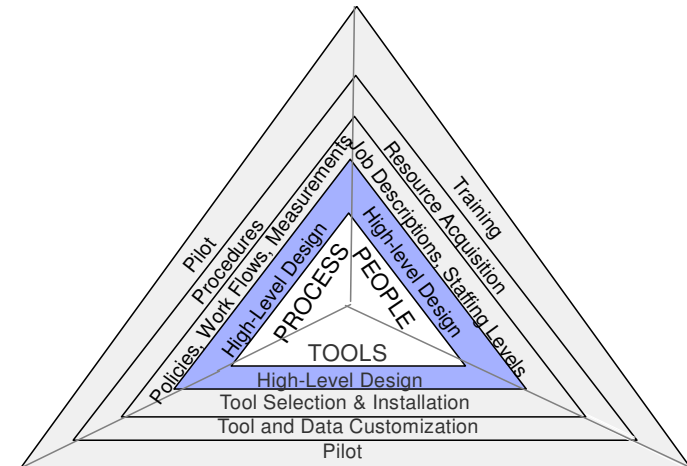# … development & testing …

- Process
  - Develop reports
  - Develop User Guides
- Organization
  - Staff is acquired or reassigned for new jobs
  - Course curricula are obtained and/or developed
  - Orientation
  - Training Materials, TTT
- Testing
  - Develop test cases
  - Test every aspect

Executive Steering Committee

Project Management Team

Workflow Team | Organization Team | Technology Team | Technology Team

Pilot Team

User Acceptance test cases

System test cases

Integration test cases

Unit test cases
Unit test cases
Unit test cases
Unit test cases

Unit Test — Test the function of a module or program

Integration Test — Test all modules within the solution

System Test — Test the solution with other system components

User Acceptance Test — Verifies the solution meets user requirements

… and the pilot, which is the first part of implementation

- **Workflow**
  - Execute new services
  - Validate measurements and controls

- **Organization**
  - Train people on the new system
  - Validate staffing levels, roles and responsibilities

- **Technology**
  - Validate tool functionality
  - Populate data

Pilot Objectives

Process and Organization Effectiveness
- ✓ Workflow is logical and understood by participants
- ✓ Appropriate information is captured
- ✓ Meaningful reports are generated
- ✓ Identified roles and staffing levels are valid
- ✓ Responsibilities are understood
- ✓ Process is perceived to add value
- ✓ Multiple location concept is supported

Documentation and Training Effective
- ✓ Documentation is of high-quality
- ✓ Training provided is sufficient to use the tools and the process

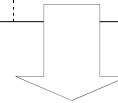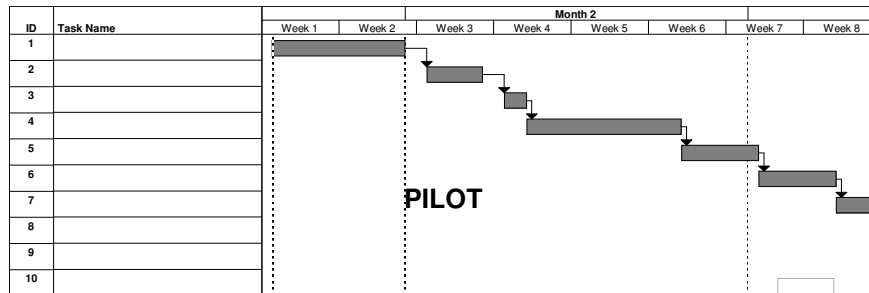Tool Functionality and Usability
- ✓ Tools are easy to use for all participants
- ✓ On-line help is sufficient
- ✓ Performance is within acceptable ranges
- ✓ Problems and changes are automatically routed to correct assignees and approvers
- ✓ Tools adequately support the process
- ✓ Tools support central coordination and distributed functionality and control
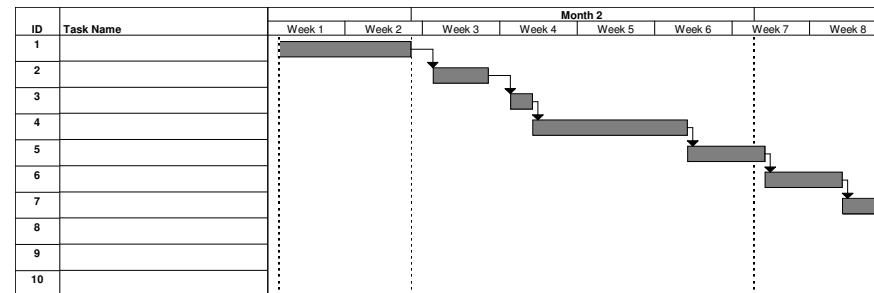
Example

Phase 3 ends with the full deployment

- Define Deployment Activities
- Define Required Deployment Resources
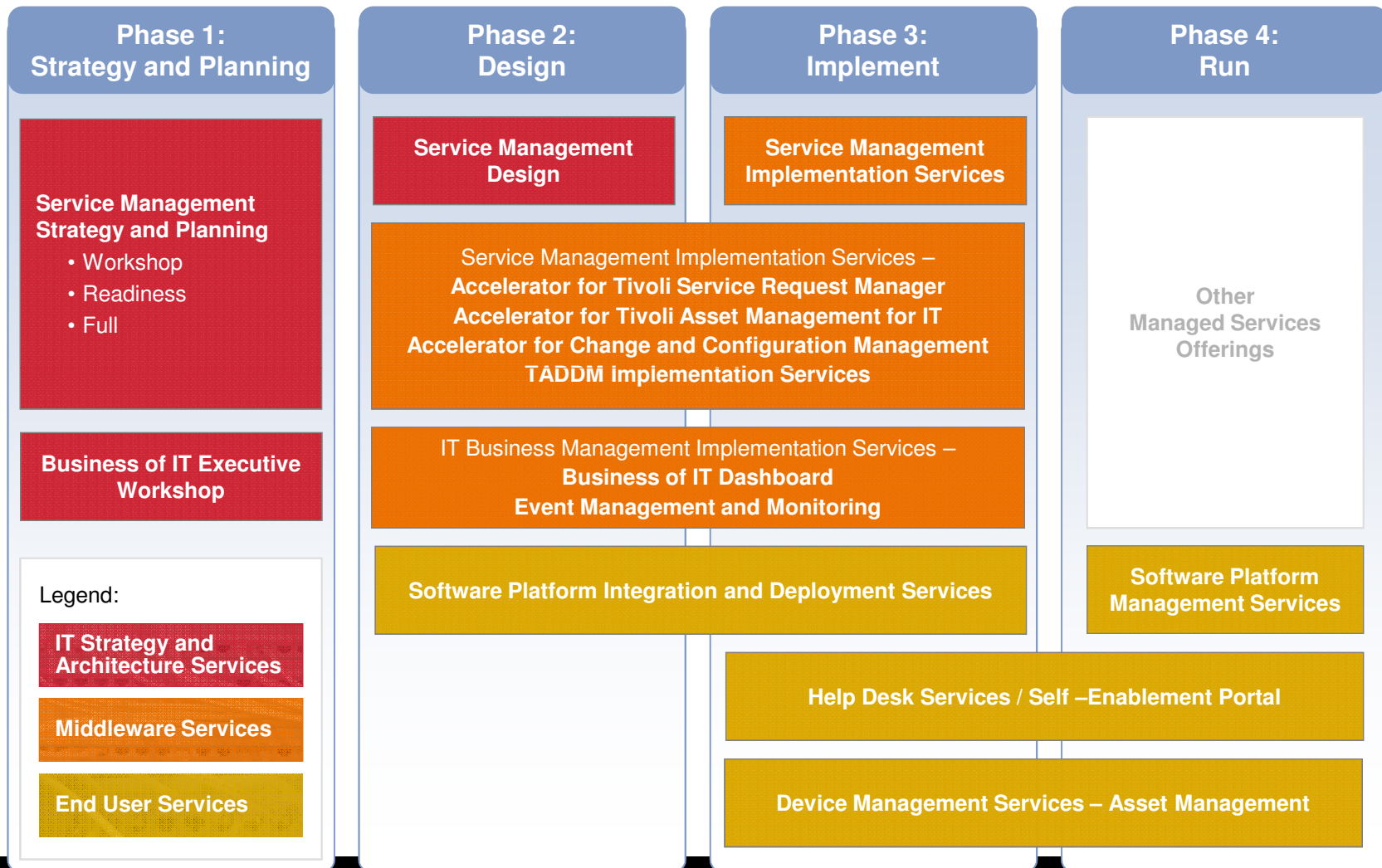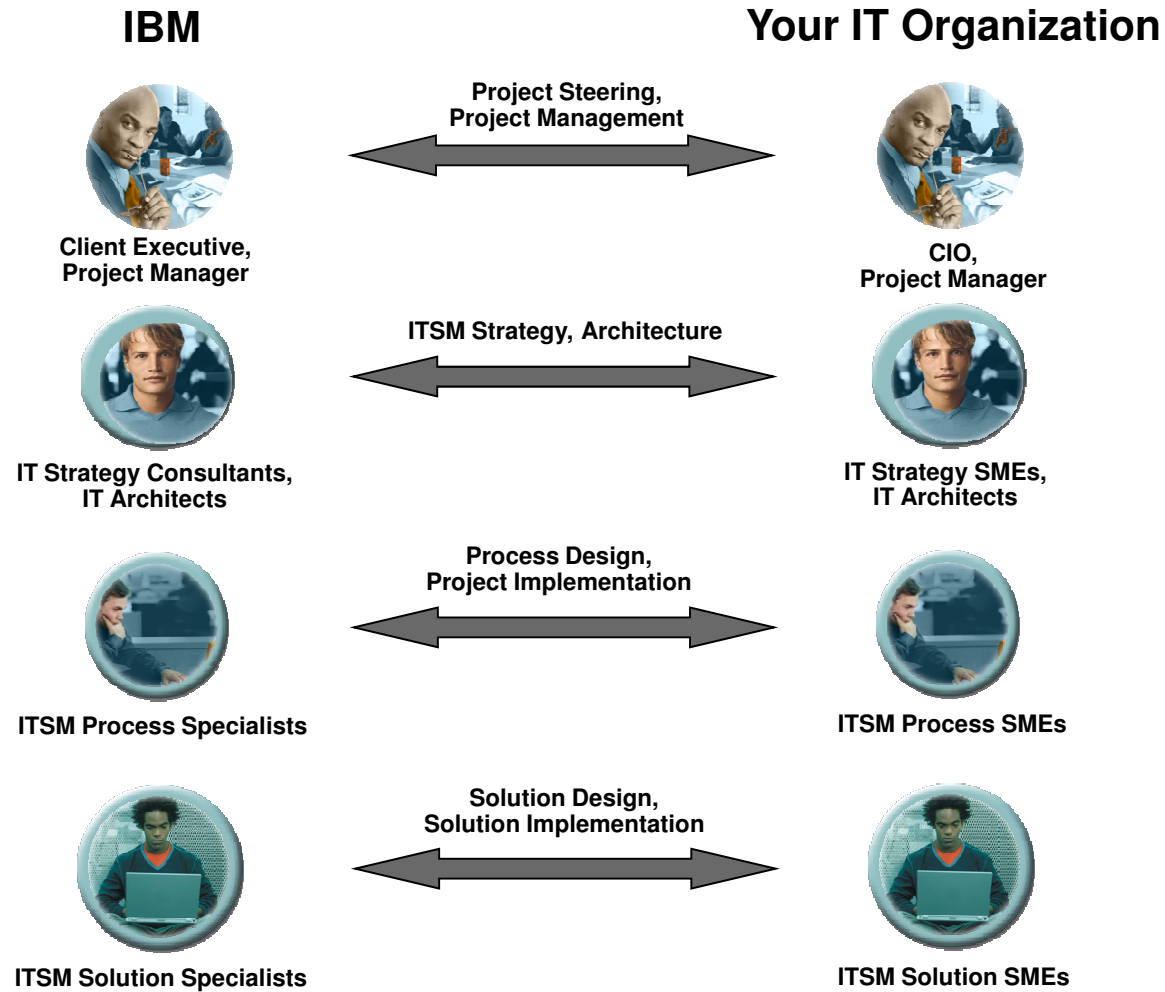- Define Deployment Timeframe

Adopt a structured, tried and proven approach for implementation

Phase 1: Strategy and Planning	Phase 2: Design	Phase 3: Implement	Phase 4: Run

Phase 1: Strategy and Planning

Service Management Strategy and Planning
- Workshop
- Readiness
- Full

Business of IT Executive Workshop

Legend:

IT Strategy and Architecture Services

Middleware Services

End User Services

Phase 2: Design

Service Management Design

Service Management Implementation Services –
Accelerator for Tivoli Service Request Manager
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IT Business Management Implementation Services –
Business of IT Dashboard
Event Management and Monitoring

Software Platform Integration and Deployment Services

Phase 3: Implement

Service Management Implementation Services

Help Desk Services / Self –Enablement Portal

Device Management Services – Asset Management

Phase 4: Run

Other
Managed Services
Offerings

Software Platform Management Services

Plan your internal capabilities

IBM   **Your IT Organization**

Project Steering,
Project Management

Client Executive,
Project Manager

CIO,
Project Manager

ITSM Strategy, Architecture

IT Strategy Consultants,
IT Architects

IT Strategy SMEs,
IT Architects

Process Design,
Project Implementation

ITSM Process Specialists

ITSM Process SMEs

Solution Design,
Solution Implementation

ITSM Solution Specialists

ITSM Solution SMEs

Parting thoughts…

SHIFT TO SERVICE-BASED FIRMS

Where boss is not the king

I REFER to last Saturday's letter by Ms Eileen Tan, "Systemic problems need bosses' attention", and last Tuesday's report, "Bad service? The buck stops with the CEO". I fully agree that chief executive officers should take the lead in tackling poor customer service in their organisations.

However, many CEOs in Singapore lack the necessary mindset to lead this transformation, as many are students of a product-based industrial age.

Managing a product-based company is very different from managing a service-based company.

Industrial-age thinking is centred on the factory production line, making products through a series of value-adding activities connecting an organisation's supply side with its demand side.

In such a command-and-control type of organisation, quality-related decisions are made by a select few at the core of the firm. Low unit cost and high efficiency are the order of the day. The boss is king.

In service-based companies, the thinking has to be centred on the value net, a complex set of relationships between groups or organisations which together offer the services. Value is generated through the exchange of knowledge, information, goods or other services.

Decision-making is distributed throughout the organisation, and service quality is the responsibility of all. High customer satisfaction and customer retention are paramount. The customer, not the boss, is king.

The CEO's primary role then is to build and support the proper functioning of this value net, so the service assets under his charge deliver the highest customer satisfaction and recurring revenue.

These assets are not easily tabulated on a balance sheet, as they include customer goodwill, people and training.

Employees facing customers make many complex decisions daily, as customers, their situations and their needs vary. Such employees require access to many service assets to make the right decisions.

So there is greater complexity in managing a service-based organisation.

As consumers here mature, many CEOs will be hard-pressed to transform their thinking, organisation and services to meet the change in quality expectations.

To some traditional CEOs, the mindset shift needed may prove too difficult, as their experience and authority may be challenged by changes all around them.

One big risk is they may delegate the responsibility for service quality improvement to someone too far down the hierarchy for any measures to be effective.

I hope many progressive CEOs will see the demand for high-quality services as a business opportunity.

Han Tau Kwang

Mah's story is also Singapore's story

I AM a 58-year-old Singaporean who shed tears on reading last Saturday's article, "Mah's own upgrading story", in which National Development Minister Mah Bow Tan recounted his difficult childhood years growing up in various housing types.

I have 11 siblings and, in the 1960s, we lived with our grandmoth-

read Mr Mah's story that I was more fortunate than the minister.

This is the Singapore story: Study hard, work hard, and you can pull yourself out of poverty.

I wish to remind the younger generation of where we have come from, and not to take what Singapore is now for granted. Today, I live in an HDB maisonette. Thank you, Singa-

serve the nation."

MR WILLIAM TAY: "National Development Minister Mah Bow Tan's remarkable story about his childhood years is a lesson for the younger generation. Despite his humble beginnings, he was able to uplift himself to become a government minister. This is testimony to our

Shift to Service-Based Firms
- **Managing Service-based vs Product-based organizations**
- **Different leadership, mindsets and skills needed**
- **Changing role of leaders**
- **Transformation challenges**
- **Demand for higher-quality services as business opportunity**

Summary

- Understand IT Service Management and ITIL

- Assess your organizational and Service Management readiness

- Architect your Service Management vision

- Project-manage your Service Management transformation

- Outsource the rest to IBM

    - Strategy and Planning, Design and Implementation services

    - Architects, consultants, project managers and specialists

    - Re-usable methods and assets

THANK YOU

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Pulse Comes to You

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