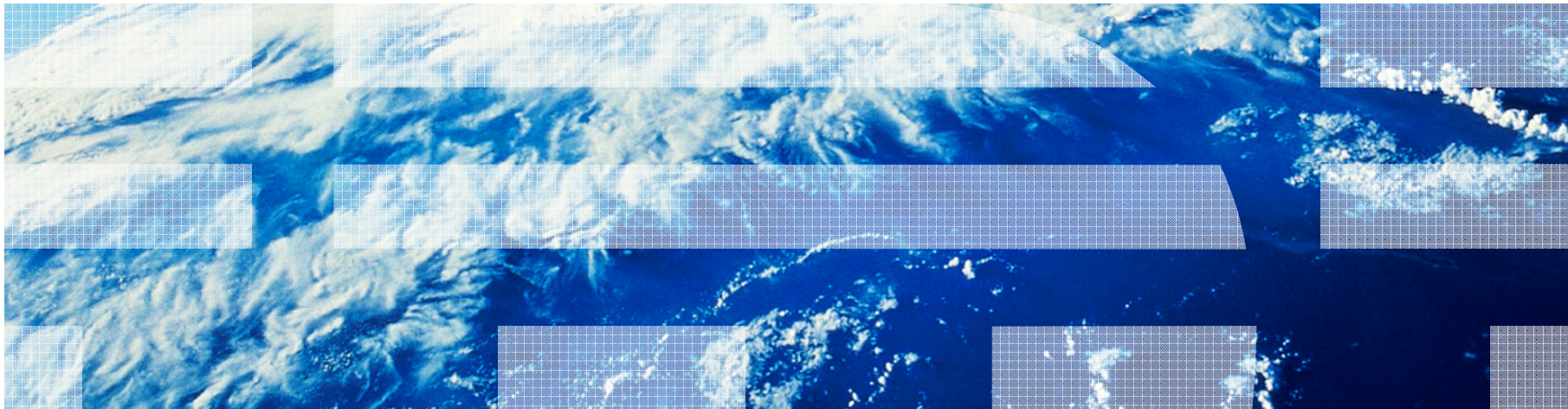

SMEXA 12 Follow up Report on Service Management.



Results of the SMEXA Service Management Survey

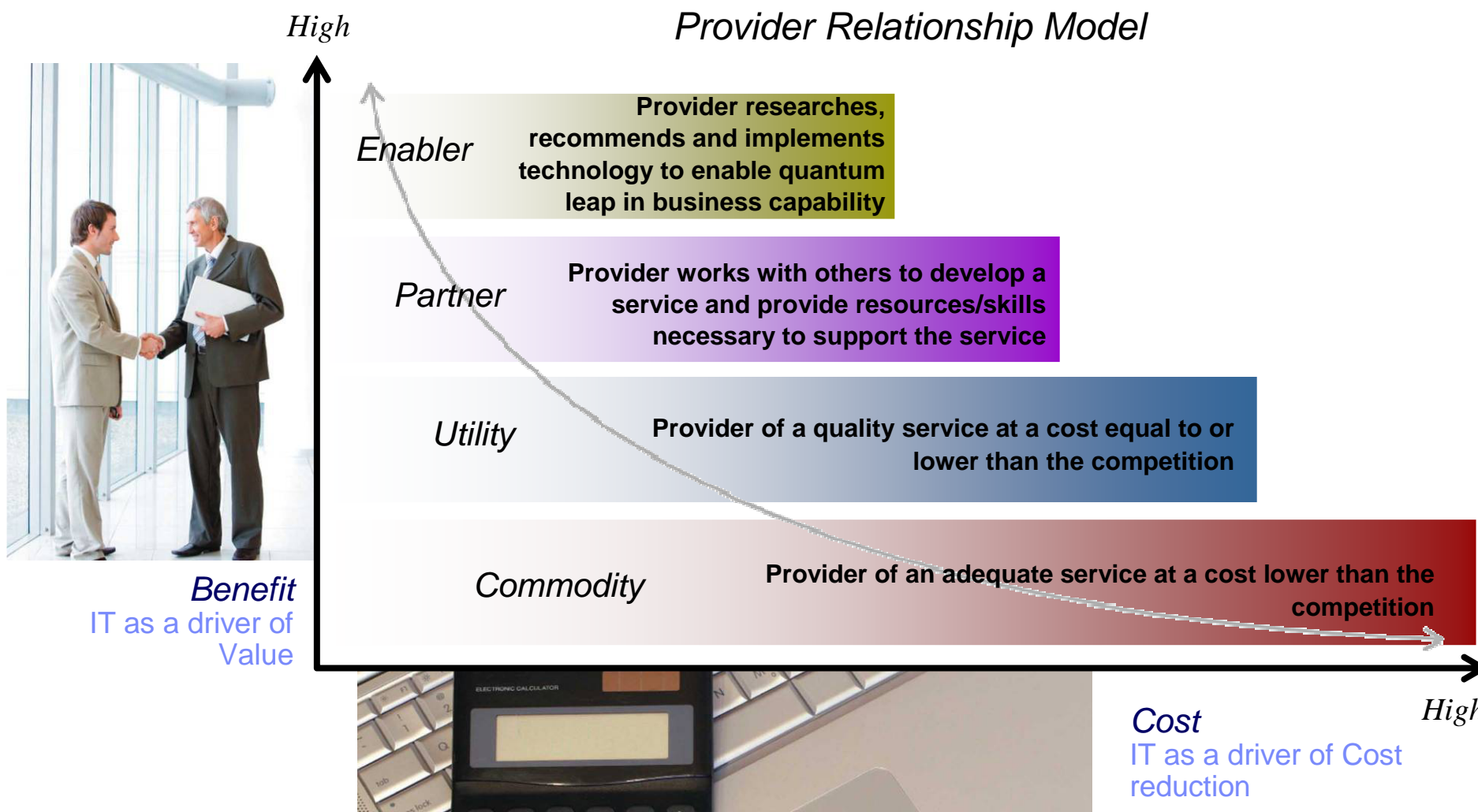
- The Role of IT in the business
 - Overview
 - Survey Results

- Key IT Objectives

- Service Management Capabilities

- Fundamental Components of a Service Management Program

IBM's Commodity, Utility, Partner, Enabler (CUPE) framework illustrates various relationship models between IT and the business



The Purpose of the IT / Customer Relationship Profile

- The profile survey indicates the overall attitude towards the IT function within an organization. It is meant to illustrate general characteristics of IT within a company.
- No profile is “Right” or “Wrong” – it is simply a view of how IT is perceived within the organization. The profile provides a useful view of the decision framework for IT architectural decisions within the organization. For example:
 - A Commodity profile IT provider is unlikely to consider solutions that are considered leading edge, or require an enterprise wide investment and standardization
 - A Partner or Enabler profile IT provider will be looking for solutions that provide the business with flexible, innovative IT solutions, and is more likely to consider leading edge technologies
- Therefore, any IT recommendations should be made in the light of this organizational view of IT.
- However, a company will rarely display characteristics of a single profile across all of the IT services. When reviewing a larger enterprise, care must be taken to define the scope of the work. For example, if the scope of work is a single department, its profile could well be that of a ‘Commodity’. However, the profile of the entire enterprise could be Partner or even Enabler.

During the session we asked respondents to consider the current view and desired role of IT in the business.

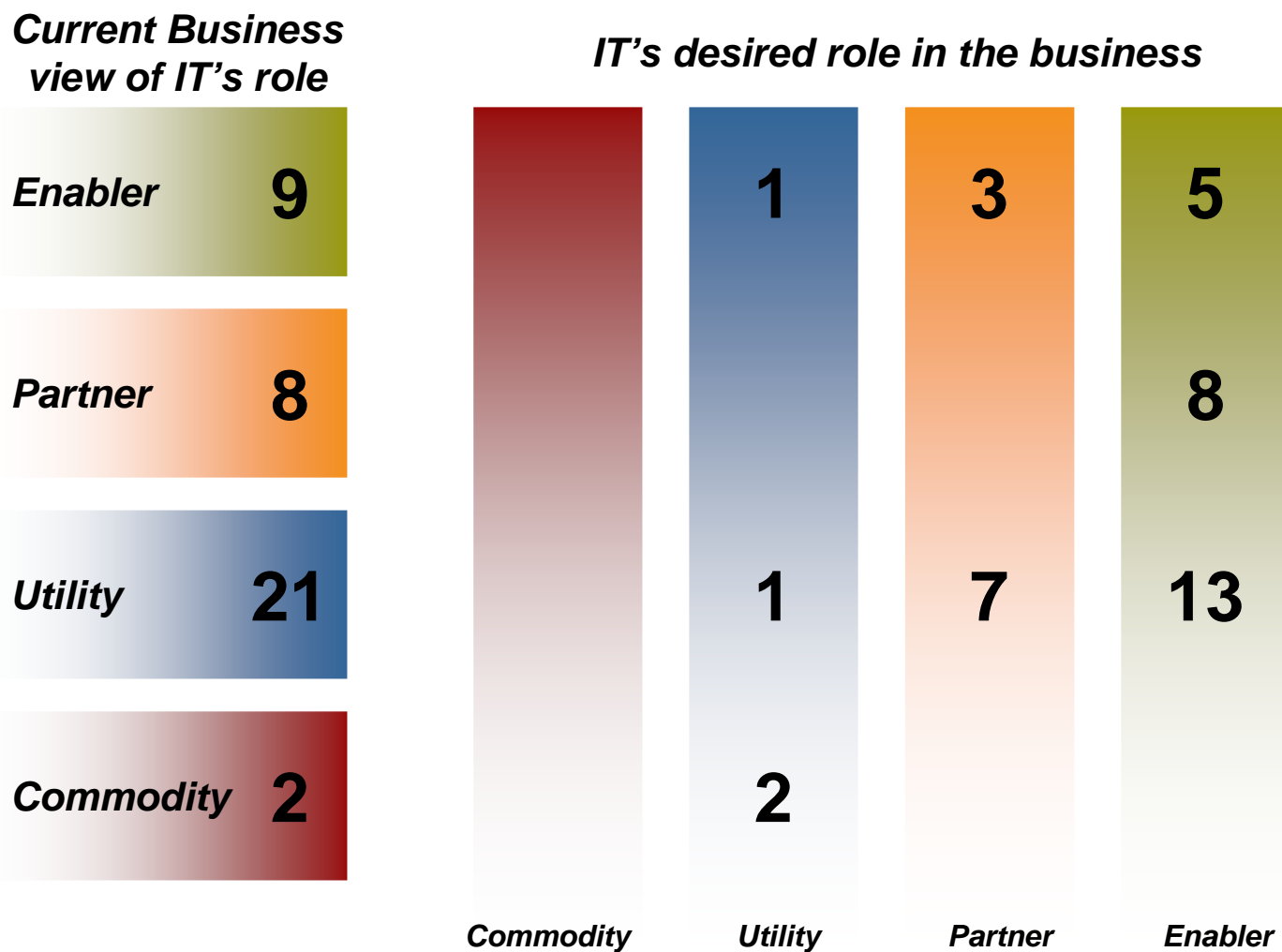
1: How would the business currently view IT's role for core business services?

C U P E

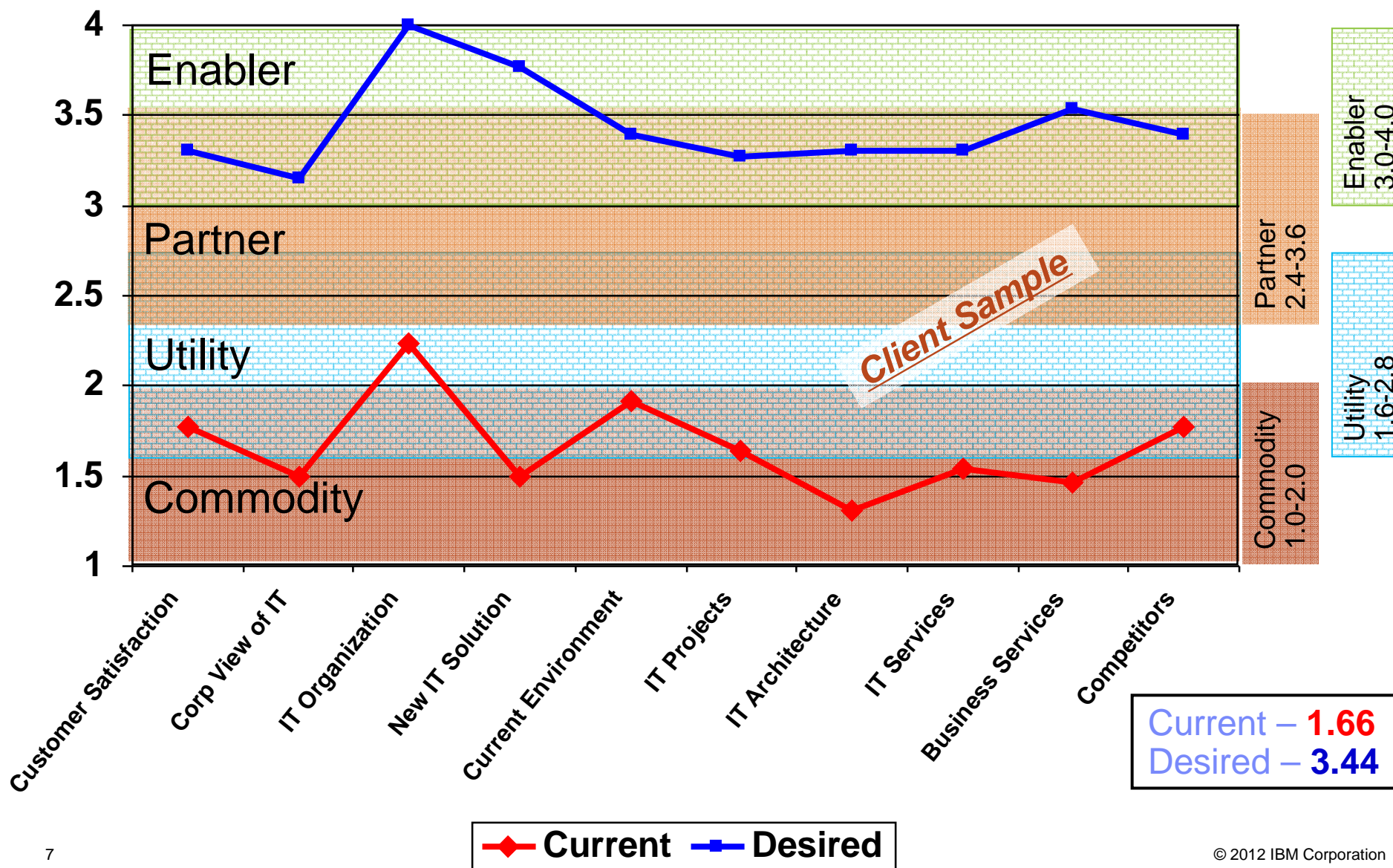
2: What role would IT desire to have for core business services?

C U P E

Most respondents wanted to move toward a more value focused role, but several wanted to maintain current or focus more on cost



There is often a difference between how IT's role is perceived by the business and the role IT desires to provide to the business



Results of the SMEXA Service Management Survey

- The Role of IT in the business

- Key IT Objectives
 - Alignment of Objectives
 - Alignment to the Role of IT

- Service Management Capabilities

- Fundamental Components of a Service Management Program

We then discussed objectives for 2012/13 and compared the results to the CUPE roles. The combined results are provided below

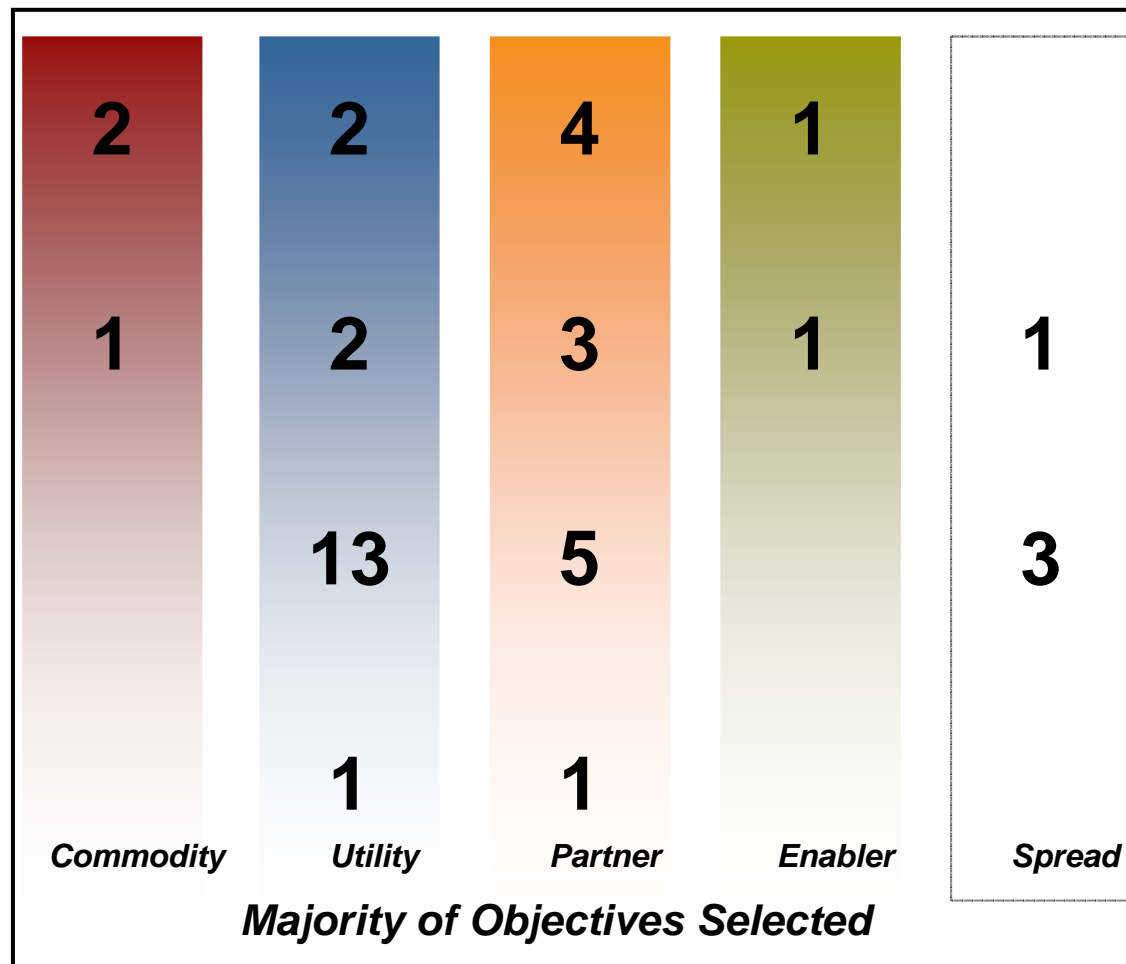
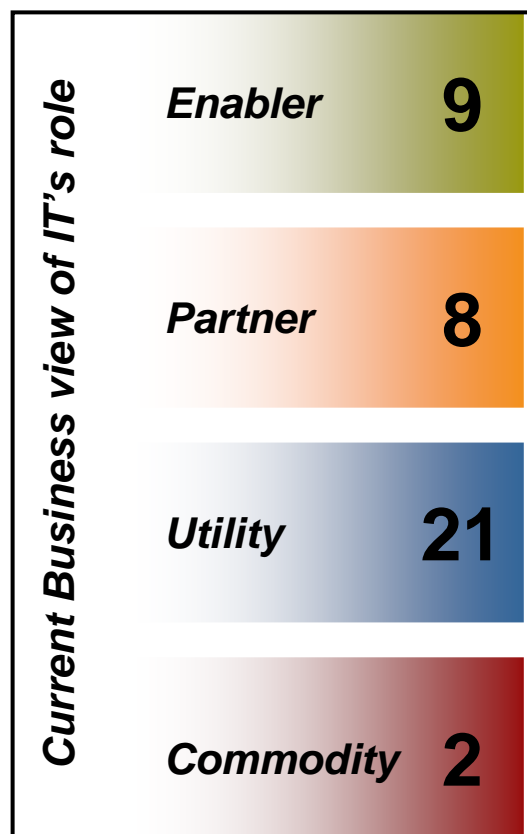
Improve efficiency of IT processes to reduce IT costs	C	25
Simplify IT infrastructure to reduce cost	C	3
Reduce IT hardware and software acquisition, support and maintenance costs	C	2
Improve IT infrastructure utilization	C	9
Implement out / cloud sourcing to reduce IT costs	C	4
Enhance IT resiliency and security	U	4
Increase access to IT skills not available in-house	U	1
Improve quality of IT Help Desk services	U	12
Faster development and deployment of IT solutions	U	10
Improve IT service reliability, availability or continuity	U	16
Improve speed of response to customer service requests	U	11
Delivery of IT services in accordance with IT service levels	U	13

Increase the IT end-user satisfaction, and measure it with agreed SLAs and customer satisfaction surveys	P	21
Expand use of IT inside the enterprise to improve business effectiveness and speed of action	P	11
Improve how information is collected, integrated, accessed, and used across the business	P	5
Increase productivity through elimination of redundancies between business and IT processes and services	P	7
Increase IT flexibility to meet changing business requirements more dynamically	P	6
Measure IT value to the business	P	7
Ensure regulatory compliance of business activities	P	4
Improved alignment of IT services with business objectives	P	15
Enhance IT through leading edge technologies	E	3
Develop new business services utilizing innovative IT solutions	E	7
Support new, emerging markets using IT as a key component of the customer service or product	E	5

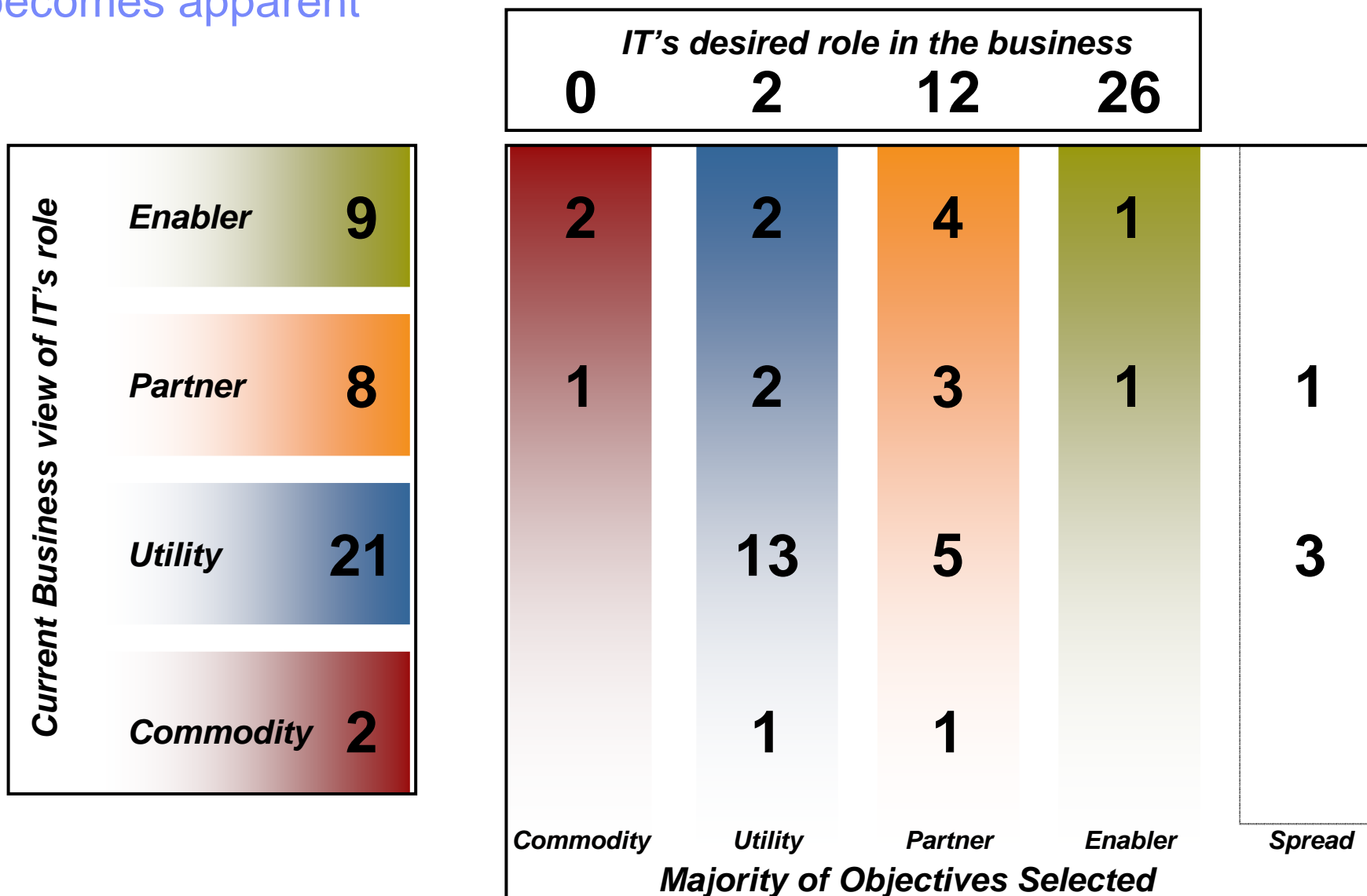
When compared to the current business view of IT, the commodity role matches up best to objectives

3: Where do the majority of your current Objectives (from the back page) align?

C U P E



When comparing the desired role to objectives a misalignment becomes apparent



Alignment between Vision and Objectives helps to set priorities and focus areas for Service Management

Role of IT Categories -> Objectives ↓	Customer Satisfaction	Corporate view of IT	IT Organization	New IT Solution	Current Environment	IT Projects	IT Architecture	IT Services	Business Services	Competitors
Improve efficiency of IT processes to reduce IT costs	H	L	L	L	H	M	H	H	H	M
Enhance IT resiliency and security	L	M	L	M	H	M	M	M	M	L
Improve quality of IT Help Desk services	H	M	L	L	H	M	M	H	M	L
Improved IT service reliability, availability or continuity	H	H	H	M	H	H	M	M	H	M
Improve speed of response to customer service requests	H	H	H	H	H	H	H	H	H	M
Increase end-user satisfaction, and measure it with agreed SLAs and surveys	H	H	M	M	H	H	M	H	M	M

Client Sample

Results of the SMEXA Service Management Survey

- The Role of IT in the business

- Key IT Objectives

- Service Management Capabilities
 - Overview of Capabilities
 - Baseline and Heat maps

- Fundamental Components of a Service Management Program

Best practices in Service Management today focus on the things that matter most to the business...

Visibility



Control



Automation



- ***See Your Business Services and Processes***

Establish a clear, aligned and differentiated service strategy, and gain the real-time intelligence needed to measure and improve delivery against business and IT objectives.

- ***Manage and Secure Your Investments***

Ensure effective governance of assets, information, processes and services through enhanced change and security controls, and compliance reporting.

- ***Build Agility into Your Operations***

Improve integration and automation of workflow across operational silos, tools, and processes for reduced cost and improved time to market.

Through our experiences we have developed a Service Management Reference Architecture that outlines the key implementation areas in developing Service Management capabilities

Service Management Foundation

- The core elements to establish consistency and control over the operational IT service environment
- Provides a framework for how the organization deals with service outages, disruptions and changes in a highly repeatable, standardized fashion

Service Monitoring

- Correlation of the reliability, performance and availability of the information system with its business goals
- Provides required capabilities on how an IT organization deals with incident avoidance through end-to-end monitoring of infrastructure and applications

Service Provisioning

- Establish a service through the allocation or modification of infrastructure capacity and/or operational support as stipulated within a service agreement
- Managing operations that control the behavior of IT service during use

Service Quality Management

- Constantly monitor and modify processes and technologies while monitoring personnel to improve the quality of services
- The base functionality ensures services are delivered according to associated service levels and problems affecting service availability are identified

Service Request Management

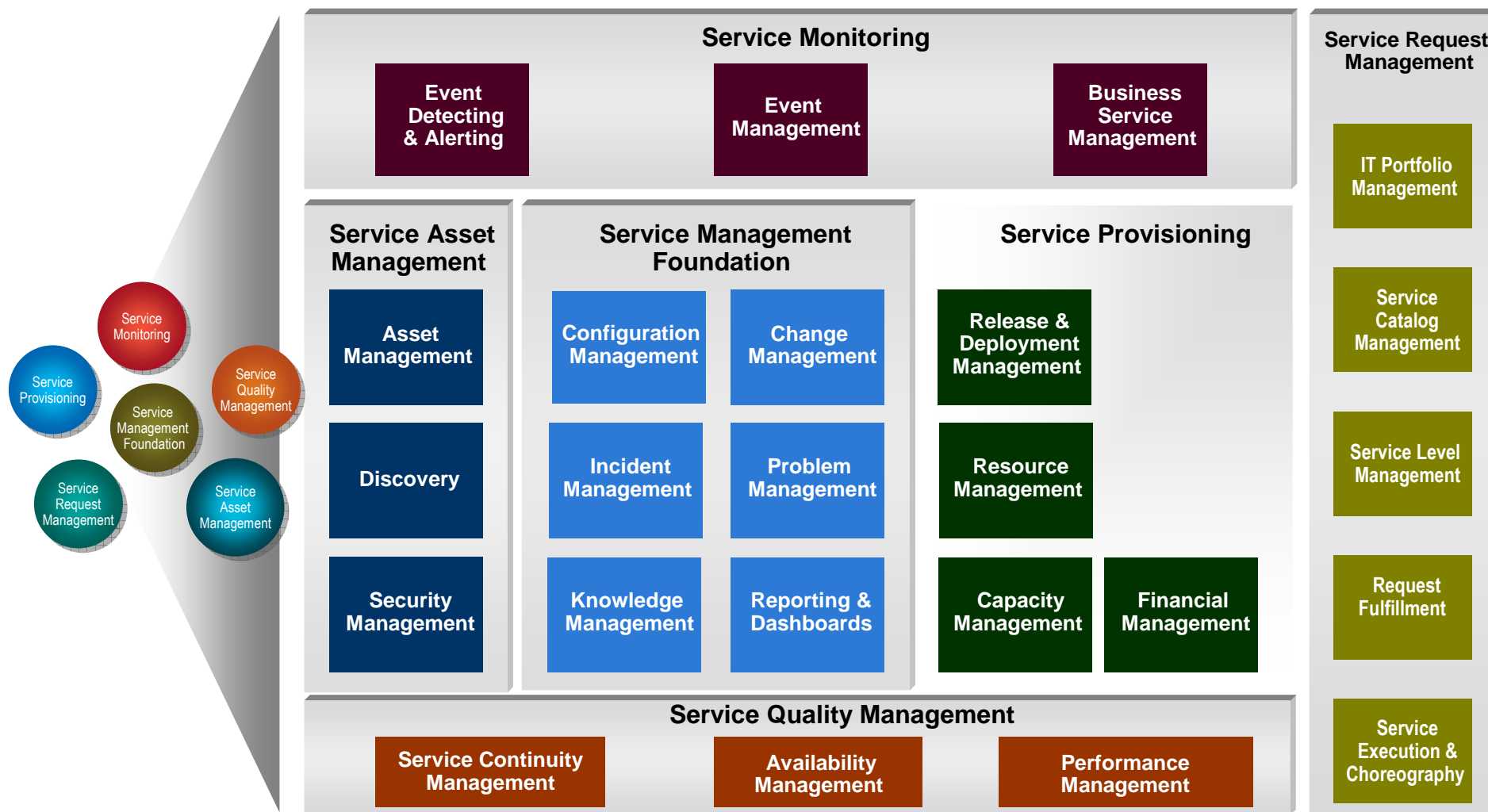
- Management of services through the integration of Service Enrollment, Entitlement & Subscription while ensuring the IT infrastructure is managed according to agreed service levels

Service Asset Management

- Management and delivery of integrated configuration and asset information required for service management. This is focused on establishing a framework for managing service assets in both an operational and financial context



A Reference Architecture that outlines the key implementation areas in developing Service Management capabilities is critical to success





Base lining current capabilities helps to understand what areas of Service Management need the most focus

	Discrete IT Silos	Partially Integrated IT	Integrated IT	Integrated Enterprise	Hybrid Services
Service Monitoring	Events are monitored by multiple platform and application tools	Common events are captured and displayed on a central control console	Event Management monitors physical and virtual resources, applications, services and business processes	Event management systems are extended to be aware of partner applications. Impact in availability or performance of partner systems creates service desk tickets	Dynamically provisioned monitoring based on the changing needs of the business
	2	6			
Service Quality Management	Informal documentation exists for the portfolio of services available. Services are provided on a 'best effort' basis	Capacity and Availability monitoring and reporting utilizes common tools across some systems	Capacity and Availability is performed end-to-end across a standard integrated toolset	Capacity and Availability is extended to include monitoring and reporting of partner systems	Service Level, Capacity and Availability are extended to monitor and report on dynamically discovered services
	1	8			
Service Asset Management	Individual repositories of inventory and assets often kept in spreadsheets and not current	Auto-discovery of assets and dependencies in a system connected to procurement and contracts	Dependency data grouped by business service in common repository and managing assets across the full lifecycle	Real-time discovery of IT services and assets, feeding partner system	Costs generated by leveraging dynamically discovered services are charged back to appropriate LOB based on usage
	6	3			
Service Request Management	Services are discovered, cataloged and used in an informal manner	Some services are cataloged and use a services registry and repository	All services are cataloged using a common services registry and repository with common policy management	The services registry and repository and policy management systems supports services interaction with partners	The service registry and repository along with automated policy management support dynamically discovered services
	5	2	2		
Service Provisioning Management	IT resources are provisioned and changed manually	IT provisioning steps are defined. Limited automation tools are in place	Automated tools are used to provision and change common IT resources	Changes to resources required for partner interfaces are performed based on mutually agreed service levels	Partner collaboration of services is delivered through automation
	5	4			
Service Management Foundation	Informal processes exist. Change requests are informal, Incidents are identified by users	Foundation processes are documented and basic tool integration is present	A unified CMDB is deployed linking Change and Configuration.	Configuration, Incident and Problem information is shared with partners	As dynamic services are discovered the CMDB is updated and services relationship are established
	1	7	1		

Developing capabilities in key Service Management areas will have a direct impact on achieving IT objectives.

	Top IT Objectives → Key Service Management Capabilities ↓	Improve efficiency of IT processes to reduce IT costs	Enhance IT resiliency and security	Improve quality of IT Service Desk	Improved IT service reliability, availability or continuity	Improve speed of response to customer service requests	Increase the IT end-user satisfaction, and measure it with agreed SLAs and cust. sat. surveys
Service Monitoring	Monitor Infrastructure Resources			M		L	H
	Understand User Service Experience				H	L	H
Service Quality Management	Provide Business Aligned Dashboards	M		M	H	M	H
Service Asset Management	Map Service Dependencies to Infrastructure	H	M	H	H	H	H
	Manage Risk and Compliance		H	M	H		
Service Request Management	Fulfill Service Requests	H		H	M	H	H
Service Provisioning	Automate Service Operations	H	M		M	H	M
Service Management Foundation	Manage the Services of IT	H	M	H	M	H	H

Using an Adoption Model of Service Management Best Practices sets the base for required capabilities

Discrete IT Silos	Partially Integrated IT	Integrated IT	Integrated Enterprise	Integrated Hybrid Services
<p>Management focus is availability and performance of siloed technology resources. Management capability is devoted to infrastructure or a particular Line of Business or application, siloed, geographic or location oriented</p>	<p>IT Operations is focused on managing applications end to end across the infrastructure. Application availability metrics and application based SLA's drive operations. Development is focused on end to end project management</p>	<p>IT is focused on full infrastructure, application and service portfolios. Service request as well as infrastructure and application based SLA's drive IT. Improved governance across management domains is required to achieve results</p>	<p>Business process and business service requirements drive IT operations and development. Governance is required to enable business value oriented behaviour and decision making throughout IT – across all management domains</p>	<p>Effective governance across all management domains inside the service provider as well as throughout partners and suppliers with a focus on achieving new business value</p>

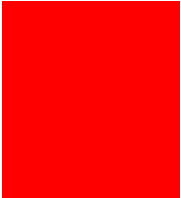
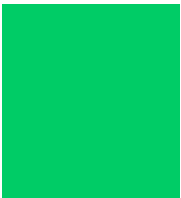
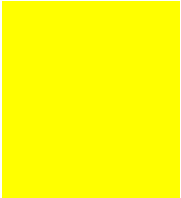
4: What is your current level of Service Management Capability Adoption?

Discrete IT	Partially Int. IT	Integrated IT	Integrated Enterprise	Integrated Hybrid Svc.
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Respondents rated their current capabilities at a high level to understand how they would contribute to Objectives

		Discrete IT Silos	Partially Integrated IT	Integrated IT	Integrated Enterprise	Integrated Hybrid Services
<i>IT's desired role in the business</i>	<i>Enabler</i> 26 <i>2 unmarked</i>	3	11	8	2	
	<i>Partner</i> 12	3	5	4		
	<i>Utility</i> 2			2		
	<i>Commodity</i> 0					

The level of Service Management capability required varies by the role of IT in the business

-  ■ If IT is not delivering the level of Service Management capabilities required it will have a negative impact on attaining IT and business objectives
-  ■ When providing the appropriate level of Service Management capabilities, the management of IT can directly contribute to the results of the business
-  ■ Depending on the role of IT in the business there can become a point where investing in extensive levels of Service Management capabilities can reach a point of diminishing returns

When mapping capabilities to desired role areas of deficiency, competence and over investment become apparent

Commodity

Commodity	Discrete IT Silos	Partially Integrated IT	Integrated IT	Integrated Enterprise	Hybrid Services
Service Monitoring	Red	Red to Green	Green	Green to Yellow	Yellow
Service Quality Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Asset Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Request Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Provisioning Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Foundation Management	Red	Red to Green	Green	Green to Yellow	Yellow

Utility

Utility	Discrete IT Silos	Partially Integrated IT	Integrated IT	Integrated Enterprise	Hybrid Services
Service Monitoring	Red	Red to Green	Green	Green to Yellow	Yellow
Service Quality Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Asset Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Request Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Provisioning Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Foundation Management	Red	Red to Green	Green	Green to Yellow	Yellow

2

Partner

Partner	Discrete IT Silos	Partially Integrated IT	Integrated IT	Integrated Enterprise	Hybrid Services
Service Monitoring	Red	Red to Green	Green	Green to Yellow	Yellow
Service Quality Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Asset Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Request Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Provisioning Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Foundation Management	Red	Red to Green	Green	Green to Yellow	Yellow

3 5 4

Enabler

Enabler	Discrete IT Silos	Partially Integrated IT	Integrated IT	Integrated Enterprise	Hybrid Services
Service Monitoring	Red	Red to Green	Green	Green to Yellow	Yellow
Service Quality Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Asset Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Request Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Provisioning Management	Red	Red to Green	Green	Green to Yellow	Yellow
Service Foundation Management	Red	Red to Green	Green	Green to Yellow	Yellow

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Results of the SMEXA Service Management Survey

- The Role of IT in the business

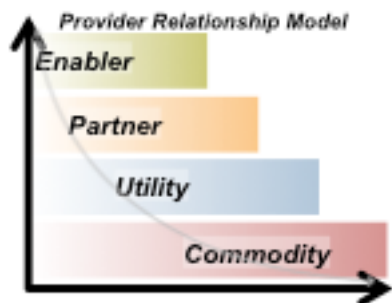
- Key IT Objectives

- Service Management Capabilities

- Fundamental Components of a Service Management Program
 - Major Activities
 - Next Steps

A methodical approach to develop a Service Management architecture, implementation roadmaps and program yields higher success rates.

1. Understand Strategy and Plans



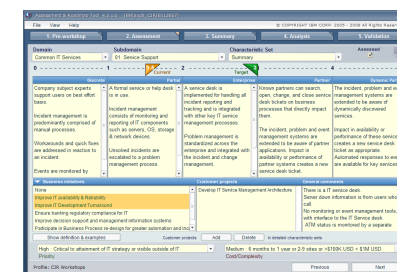
Understand IT and Business Objectives

2. Understand Current Capabilities



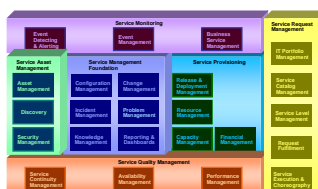
Evaluate Current State to Identify Capability Gaps and Improvements

3. Develop Management Vision



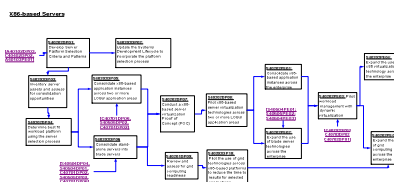
Define Service Management Capabilities required to have achieve objectives

4. Identify Solution Architecture



Establish the conceptual architectural framework

5. Define Implementation Roadmap



Prioritize and Sequence Design and Implementation Initiatives

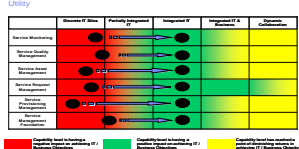
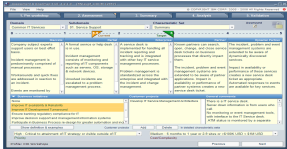


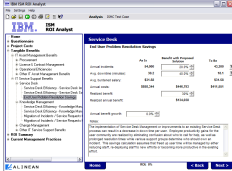
6. Develop Business Case

Current IT Staff Headcount and Salaries		Number of FTEs
IT operations management (business applications, systems, servers and infrastructure management)		30.0
Service desk - incident and problem management		22.0
IT administration		3.0
Service management		3.0
Security management - point and click access provisioning		14.0
Security management - technical user access provisioning		6.0
Total IT staff		88.0
Average number of servers managed per staff FTE		17.0
Average number of cases managed per staff FTE		13.0
Average annual IT staff growth - overall		0.0%

Current IT Capital Spending Profile					
	Hardware	Software	Services	Network	Other
Investment amount (\$ mil)	\$ 1,700,000	\$ 1,000,000	\$ 1,500,000	\$ 1,200,000	\$ 200,000
Investment amount growth	0.0%	0.0%	0.0%	0.0%	0.0%

Justify Initiatives and Develop Business Case

A workshop approach has yielded the most successful results

	Executive Briefing	Vision & Capability	Architecture	Roadmap	Business Case
					
Description	Service Management simulator session and executive workshop to baseline; Role of IT, objectives and SM capabilities	Structured workshop to establish SM charter and capabilities required to achieve IT objectives	Workshop to drive the charter and required capabilities into architectural design points.	Joint and independent sessions to develop and validate the ISM roadmap	Joint and independent sessions to develop the value case and case for change
Participants	IT Management team: Leaders of all major IT functions and leaders of key Service Management (SM) projects	SM team, functional owners of all in scope processes, SM applications leaders	SM team, SM applications architect(s)	SM team, SM Application Archs, Project Manager(s)	SM team, finance team, function leaders
Format	Two half-day sessions using Simulator, CUPE, IT/Business Objectives, Capability baselines and Heat maps	1-2 day workshop using SM Reference Architecture and SM Adoption Model	1-2 day session using SM Reference Architecture, current SM Apps, and Capability requirements	Multiple work sessions to develop implementation work streams	Multiple work sessions to develop business value case and program proposal
Output	CUPE Scoring results, objective alignment, capability baseline, improvement heat map	SM Charter, Current and Required Capabilities, Issues, current SM apps, potential benefits	Guiding Principles, Design Points and SM apps Architecture requirements	Roadmap of phased, prioritised initiatives to achieve the required capabilities	Costs, time, effort and business value of the SM Program.