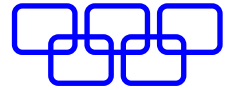


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Service Management Transformation: An 8 Step Process for Organizational Effectiveness

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BACKGROUND

Transformation through organizational change has been a concept and a practice for a long time. At this point, after careful observations and after reading the results of many studies that have done on this subject, I believe one could say with fair certainty that it has not been as successful as many have hoped and in fact the successes have been limited at best.

After so many years with so many Quality Frameworks available and in use and so much written and known about this topic; issues such as business alignment with IT, managing IT costs for the services provided as well as qualifying and quantifying the value that IT provides to business and the organization continue to be a top set of pain points for organization CXO leaders, year after year. An effective approach to transformation that can resolve these issues is something that apparently elusive in our industry.

The time is rapidly approaching however, and in fact one could say it is already here, that these issues can no longer be left unresolved and must be dealt with expediently. The business model/paradigm is changing in a way that the industry has seen happen only a couple of times in the past 40 years and it is going to be a major "game changer". From centralized data centers to distributed servers/workstations to mobile devices (BYOD) and the cloud construct we have repeatedly taken one step after another to bring an organization's goods and services closer and closer to the customer.

OVERVIEW

From a business perspective the mantra is:

Any user can get to anything (information, data, devices, other users, etc.), assuming they have the appropriate authority, at any time using any device and means to satisfy their needs.

In this scenario, IT is considered as a service provider with the value it provides is evaluated by the user.

In summary, organizational transformation such that IT best practices aligned to a cost effective IT infrastructure which provides the best services possible to an organization needs to be adopted but has not as of yet been done effectively.

One cannot help but ask the question, "why?" Is it organization culture or maturity to adopt change, organizational governance or perhaps maturity around people, process, technology and information (measurements, metrics and reports) and a inability for IT and business to align due to a lack of understanding as to the needs/requirements of both so that an ineffective and

inefficient “supply and demand” model is unattainable or is the answer “E - all of the above”.

A good place to begin might be to define the construct of what it is we mean by “transformation” now that we have determined why it is important and how it is becoming critical now and in the foreseeable future.

For purposes of this paper, the construct definition of “transformation” is:
“The evolutionary changing of an organization such that IT is a business aligned service provider that satisfies the needs of the business. This in turn enables driving the organization in a way that is dealt with effectively and efficient such that the organization can be aware of the business climate it is in to be as competitive as possible, adaptive so that it can change as effectively as possible and agile so that it can do so as efficiently as possible with minimal impact on all aspects of the business.”

The goal here is for transformation to enable a business and IT aligned organization that does the right things, in the right way to provide the highest quality of service at lowest possible cost both internally to the organization and externally to their customers. A transformed organization is one in which IT is a cost effective enabler to the business and not a gated limiting factor.

SUCCESS CRITERIA

Before we can address those steps that we must take to help enable effective transformation in an organization we need to specify those things that we have to absolutely “get right” to help ensure the success of any organization transformation effort.

- A clear statement of organization strategy and vision
- A definitive list of business services that support the organization (demand) and a definitive list of IT services that support the business (supply)
- An accurate depiction of where the organization wants to be, where they are now, what is the roadmap to get them there as well as those action items needed that make up this roadmap. Depicted holistically around the perspectives of people, process, technology and information (a set of measureable metrics that quantify the value and acceptable performance of the business services and produce the necessary reports)
- A clear set Project, Program and Portfolio Management processes and success factors to manage the Transformation and all the initiatives associated with it. This includes the involvement of organization and business stakeholders and sponsors which need to be clearly defined, if they have not been do so already, as well as clearly defined action items for the initiatives, owners for each and their roles and responsibilities. This

should encompass the resource availability, timescales, cost and risk factors.

- An effective Organization and IT Governance model in place and functioning that defines clearly who executes, controls, and is responsible for all appropriate Project, Program and Portfolio initiatives for Transformation. This includes an effective Communications Plan, a process for Continuous Service Improvement, and metrics to measure and manage the value and benefits of the initiatives.
- An integrated enterprise architecture technology hardware and software platform that will support a set of best practice processes which are in place or will be put in place and adopted by IT to support the business requirements
- A clear understanding of the maturity of the organization to effectively manage change. Including those activity items that need to be addressed proactively and those that need to be addressed on an on-going basis to minimize the impact the transformation could have on current and future business processes and negatively impact the organization. Typically this area deals with major issues surrounding organizational culture, people, attitudes, roles and responsibilities.
- A list of what benefits can be realized by the transformation. These need to be specific, measurable, achievable, realistic and can be realized in a timely manner. They must show clearly how they provide value to the business and can be tied directly back to a business requirement and an organization strategy and direction.

THE “HOW TO”

Listed below are “high level” approach initiatives that can be used to achieve an effective Transformation for an Organization that addresses both tactically and strategically. They are meant to achieve the success factors listed above and by ensuring they are met, Business and IT alignment, holistic organization and IT maturity and positioning for an organization’s optimization of cost and service provisioning can be realized.

The approach has 3 distinct evolutionary phases:

- Stabilization – to stabilize the existing environment from a tactical standpoint as it relates to people, process, technology, and information. This includes determining the business requirements as driven by the organization vision and strategy and the IT initiatives that support them, correcting the alignment between them as needed. It also includes a determination as to the maturity of the organization, business and IT. (0 to a duration of 12 months)

- Rationalization – to remove what is not needed and enhance or add what is in order to tactically position the organization to strategically achieve the desired state and align business to IT including people, process, technology and information for both business and IT. (overlapping of 6/9 months to a duration of 2 years)
- Transformation – those initiatives that are determined and subsequently implemented out of the Rationalization phase such that the organization will transform to strategically achieve the future desired state (overlapping 12 months to a duration of 3/5 years)

Most of the activities listed in the approach below span the 3 evolutionary phases listed above and in most cases overlap and are integrated, dependent and policy-based:

- 1) Develop a service strategy based on organization vision with business requirements and IT service provisioning directives and initiatives.
- 2) Define and develop a Service Catalog that contains a definitive list of business services that support the organization and IT services that support the business.
- 3) Provide an accurate depiction of where the organization wants to be (future desired state), where they are now (current state), what is the roadmap to get them there and what action items are needed as part of this roadmap. This should be done holistically around the perspectives of people, process, technology and information (a set of measureable metrics that quantify the value and acceptable performance of the business services and produce the necessary reports). It should also be a weighted priority to take into account those areas that are of higher priority, whether by pain points (impact/urgency), cost savings, service improvement, etc.
- 4) Define and develop a clear set Project, Program and Portfolio Management governance, processes, initiatives and success factors to manage the Transformation and all the activities/initiatives associated with it. This should include the involvement of organization and business stakeholders and sponsors with clearly defined owners, roles and responsibilities and a clearly defined set of action items for the initiatives. This will encompass the resource availability, timescales, cost and risk factors.
- 5) Develop and implement a functional Organization and IT Governance model to clearly define who executes, controls, and is responsible for all appropriate Project, Program and Portfolio initiatives. This includes an effective Communications Plan, a process for Continuous Service Improvement, and metrics to measure and manage the value and benefits of the initiatives.

- 6) Perform a maturity assessment of IT and the organization's ability to effectively manage change. This will include those activity items that need to be addressed proactively and those that need to be addressed on an on-going basis to minimize the impact the transformation could have on current and future business processes and negatively impact the organization. Typically this area deals with organizational culture, people, processes/procedures, attitudes, roles and responsibilities.
- 7) Perform a maturity assessment of IT people, process, technology and information and how well aligned the IT service provisioning is to meet the business requirements.
- 8) Develop a list of what benefits can be realized by the transformation. These need to be specific, measurable, achievable, and realistic and have the ability to be realized in a timely manner. They should be in a priority order that reflect the importance to the organization such as cost, benefit, resources, time, risk, etc. They must clearly show how they provide value to the business so that they can be tied back directly to a business requirement and an organization strategy and direction.

CONCLUSION and "TAKE AWAY's"

The ever increasing focus on Bring Your Own Devices (BYOD), cloud computing, technology advancements and changing business paradigms that are bringing customers closer to the organization with implications of competitiveness, cost and service is forcing Transformation to occur that will drive the re-alignment between Business requirement drivers and IT service provisioning.

Customers that have the requirement criteria that; *"Any user can get to anything (information, data, devices, other users, etc.), assuming they have the appropriate authority, at any time using any device and means to satisfy their needs"* is putting Transformation at the forefront of Organizational change as a mandatory pre-requisite for business aligned IT to be competitively aware, adaptive and agile.

Effective Transformation planning and implementation is a game changing requirement that should be adopted and initiated proactively to act as a catalyst for this much needed organization change in maturity to occur as seamlessly as possible.