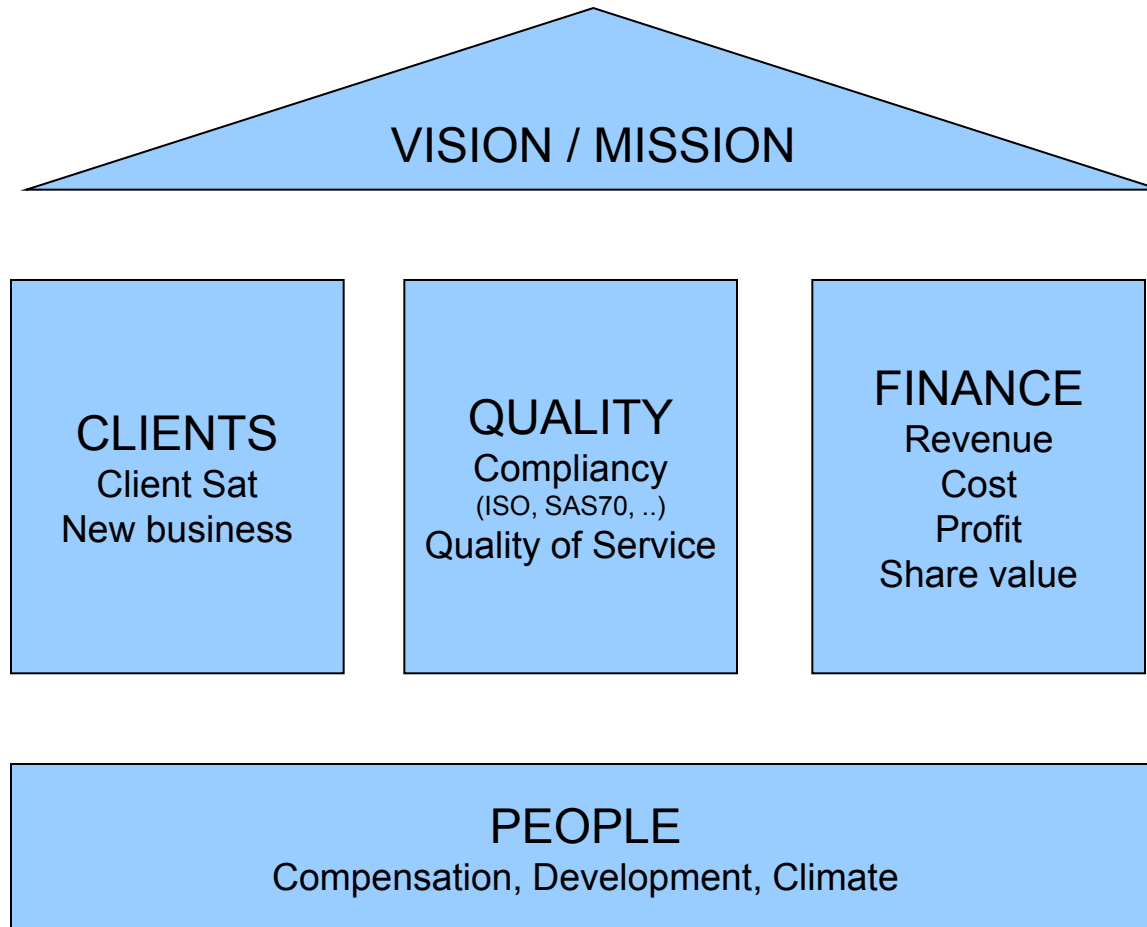# Managing in reality

Lesson
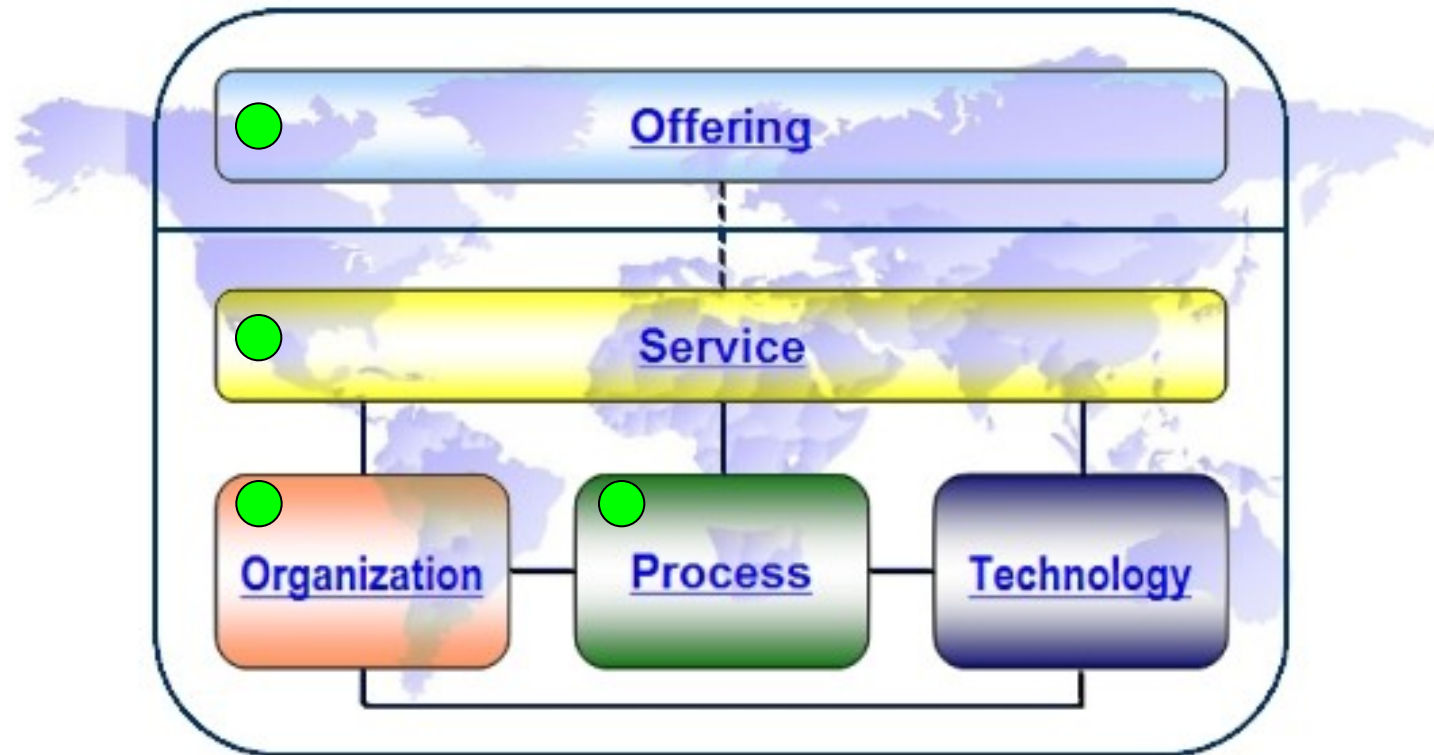## Managing A Service Organization

Agenda

- Focused areas – key for sustainable success
- Major service elements of IT Services
  - Client related
  - Infratstructure related
- Managing the matrix
- Processes
- KPIs
- Case study

Focused areas – key for sustainable success

Introduction to IT Services

IT Service Management

- IT Service Management or Relationship Management - The discipline containing the services that are customer facing in relation to their IT infrastructure

  - Reporting
  - Request management
  - Service level agreement management
  - Knowledge management
  - Asset management
  - Notification
  - Escalation
  - Help desk
  - Incident Management / Major Incident Management
  - Problem management
  - Change management

IT Infrastructure Management

- Infrastructure Management - The discipline regarding services responsible for maintaining and managing the IT elements in an environment

- Infrastructure Management

    – Backup
    – Recovery
    – Software distribution
    – Configuration
    – Event
    – Availability
    – Capacity
    – Performance
    – Operations
    – Disaster recovery
    – Security
    – Remote control
    – Inventory
    – Provisioning
    – Storage
    – License
    – Business process

Processes

- Processes are essential enabler to operate IT Services organization

- Standards are defined by ITIL

- Essential processes are
  - Incident & Problem management
  - Change management

- Depending on business and organizational setup, further processes are deployed in IT Service companies. See examples on the right side

IT Delivery Process Standards
Asset Management
Availability Management
Capacity Management
Change Management
Compliance Management
Configuration Management
Control Backup and Recovery
Control Batch Operations
Control Portable Storage Media Operations
Customer Satisfaction Management
Data Management
Deployment Management
Event Management
Facilities Management
Financial Management
Identity and Access Management
Incident Management
IT Delivery Health Management
IT Governance and Management System Capabilities
IT Governance and Management System Operation
IT Service Continuity Management
Knowledge Management
Major Incident Management
Problem Management
Release Management
Request for Service
Request Fulfillment
Risk Management
Run and Monitor Operations
Security Management
Service Activation and Deactivation
Service Execution
Service Level Management
Stakeholder Requirements Management
Supplier Management
Support Databases
Support Hardware
Workforce Management

KPIs

- Key Performance Indicators should be in place for every focused area
- Examples:
  - Clients
    - Client sat
    - New business pipe line
  - Quality
    - Problems/Change SLA
    - System availability SLA
  - Finance
    - Revenue, Profit
    - Productivity per FTE
  - People
    - Climate
    - Skills development

- Often linked to underlying processes

Managing the matrix

- Two key dimensions if IT Service organization
    - 1) Clients
    - 2) Service Lines (technology, skills, etc)
    - Other dimension influencing the organization can be location (consider multiple sites when running global/regional organization)

- Infrastructure Management is usually driven by Service Lines, having clients as horizontal dimension

- Relationship management is usually driven by Clients

Managing the matrix –
Infrastructure Management Matrix Example

SERVICE LINE DIMENSION
-Primarily aligned by SL/platforms
- Clear ownership of service performance/quality on department and unit level
- Interlock to European and Global Service Line
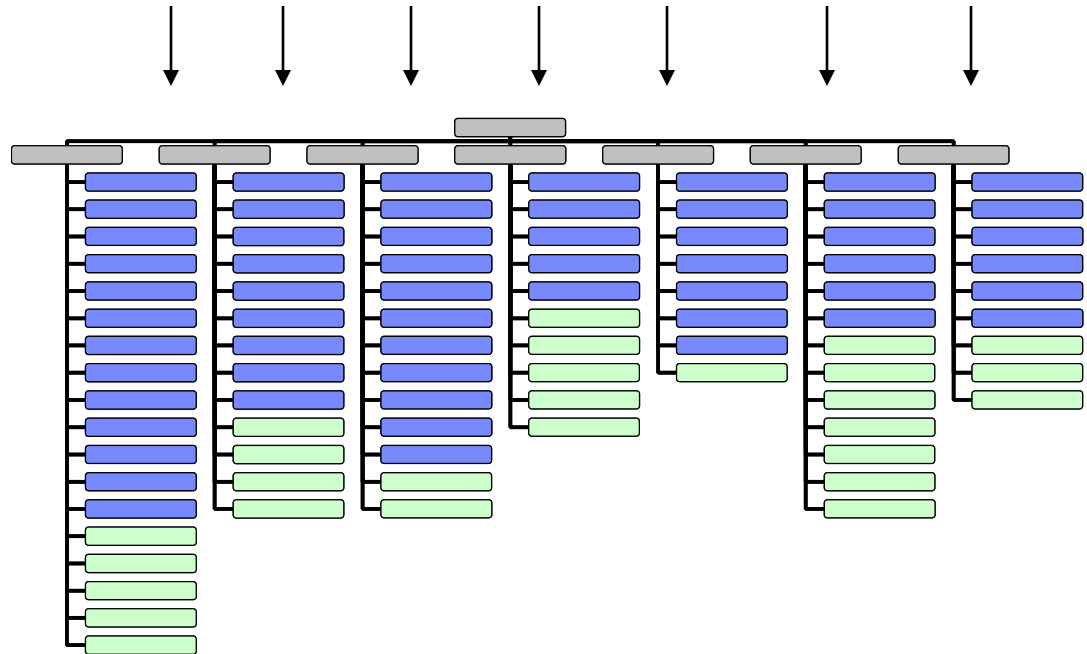
CLIENT FOCUS
- Account Expert / FP role enables client focus

Latest Organizational Model
based on Service/Proceses -> mapped to roles -> mapped to physical organization
built in Flexibility and Globalization

CLIENTS
 - End_2_End ACCOUNT OWNERSHIP relying on
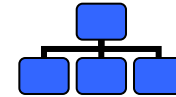   -> SERVICES (offerings, modules/elements)
    -> PROCESSEs

Need to differentiate:
 - PROJECT PHASE: T&T, RFS
 - STEADY STATE: BAU Delivery

PEOPLE managed
-> in **ORGANIZATIONS**
(- functional view - Competencies/SLs, RM, ...
 - geographical view – IOTs, IMTs, DCs, Vendors)

JOB ROLES assigned
-> to **PEOPLE**

OWNERSHIP assigned to
-> **JOB ROLES**
(PROCESS OWNER, SERVICE OWNER, DPE, etc)

PROCESSES
-DEFINITION OWNERSHIP
-EXECUTION OWNERSHIP

SERVICES -> SERVICE OFFERINGS
 - DESIGN OWNERSHIP
  - EXECUTION OWNERSHIP

Ready for case study

Case Study ... as is or „1/10"

- **IT Services provider**

- Organization serving 5 large and 20 small clients
- Major segments - banking, automotive, pharmacy, government
- Serviced scope:
  - 5 000 servers (unix, wintel)
  - Databases, Middleware, ERP/SAP, Groupware, proprietary applications with limited service scope
  - 70 000 desktops
- 2 data centers in CZ with 2500 servers and strong SAN, other servers at client premises with good remote access
- Resources
  - Plus 300 emplyoees
  - 200 IT specalists
  - 50 end user support
  - 30 client facing
  - 30 overhead, incl. upper mgmt, supporting functions like HR, Finance, RESO, internal IT, etc.

Case Study

- **Situation and business context**

- Modern data centers with state of the art infrastructure
- Good and talented resources, but some are demotivated because they feel unsecured future

- Low level of standardization across services provided to different clients
- Tough cost pressure from clients results in decreasing profit of the company
- Some clients indicate low satisfaction, decrease of quality and possibility to move to a competitor
- Weak pipe line of new business

Case Study

- **Task**

- Define mid term goals for the company
- Identify key KPIs that will be used to show, if your company is becoming successfull

- Tip: Consider the Focused areas important for sustainable success

BACKUP

XXX

- Vision: 'Solutions for a small planet.

- Mission: 'At xxx, we strive to lead in the invention, development, and manufacture in the industry's most advanced information technologies, including computer systems, software, storage systems and microelectronics. We translate these advanced technologies into value for our customers.'

XXX

- Vision: "Man is the creator of change in this world. As such he should be above systems and structures, and not subordinate to them.„

- Mission: „XXX designs xxx, the best personal computers in the world, along with xxx, xxx, xxx and professional software. xxx leads the digital music revolution with its xxx and xxx online store. Xxx has reinvented the mobile phone with its revolutionary Xxx and XXX , and has recently introduced xxx which is defining the future of mobile media and computing devices."

Apple

XXX

- Vision: "To view change in the market as an opportunity to grow; to use our profits and our ability to develop and produce innovative products, services and solutions that satisfy emerging customer needs."

- Mission: "To provide products, services and solutions of the highest quality and deliver more value to our customers that earns their respect and loyalty."

XXX

- Vision: "The XXX brand stands for one thing: sheer driving pleasure. Sporting and dynamic performance combined with superb design and exclusive quality."

XXX

- Vision and mission: „XXX will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

  Through our commitment to quality,constant innovation and respect for the planet,we aim to exceed expectations and be rewarded with a smile.

  We will meet our challenging goals by engaging the talent and passion of people, who believe there is always a better way."

TOYOTA

Introduction to IT Services –
ESM Introduction (IT Infrastructure Management)

Infrastructure Management

- Software Distribution
- Configuration Management
- Event Management
- Availability Management
- Capacity / Performance
- Operations Management
- Recovery Management
- Security Management
- Business Process Mgt.
- Remote Control
- Inventory

**Command Center,
Subject Matter Experts**

Relationship Management

- Reporting
- Request Management
- SLA Management
- Knowledge Management
- Asset Management
- Notification / Escalation
- Call / Problem Management
- Change Management

**Customer Service Center,
Project Office,
Web Portal**