The Case For Integrated Service Management

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While continual change is a constant in the universe, there are some periods in history where radical change is the only solution – or we face an extinction event. The IT industry is now looking at one of these major transformational periods square in the eye. It could even be said that this moment in history is the third major industrial revolution – "The Age Of Digital Transformation."

While technology does have a part to play in this time of radical change, it is not the driver – only the enabler. The true drivers for business change are as they have always been – external market and competitive forces which are ironically leveraging the same technical enablers to digitally disrupt traditional supply models. Examples include:

1. The commoditization of traditional, on-premise IT technology services by cloud-based options.

2. The enablement of global IT resourcing and offshore delivery models by telecommunication and collaboration technology putting pressure on local rates, skills and specialization.

3. The inevitable trend to fully automate repetitive work through artificial intelligence and machine-learning.

4. The collective impact of the first three drivers on the speed at which an existing or new competitor is able to come to market and put pressure on traditional brick and mortar business models.

Digitally Disruptive Competition (The Cloud-Enabled Competitor)

Competition has always been a fact of life – what is new is the ubiquitous availability of cloud-based services and offshoring options – available at seemingly ever lowering costs and increasingly faster speeds. The lease versus buy cloud model has leveled the playing field and enabled business competition to rapidly come to market and disrupt traditional commercial models without having made years of investment in data centers, software factories or network infrastructure.

Newly formed, built-on-the-web, app-enabled brands are now leveraging cloud-based services and software as a service business automation in a matter of weeks, if not days. They come to market with new and disruptive products in a fraction of the time it would take a traditional brick and mortar organization to respond. Cloud has indeed changed everything! These combined business pressures enabled by technology are currently fueling the growing desperate need to accelerate speed to market, creating organizational agility and innovation in order to remain competitive. In fact, "Digital Transformation" is better understood as the need to enable business transformation, leveraging the same technology enablers that create market advantage for your competitors.

Disruptive Competition & The Need For Integrated Service Management

Unquestionably, "Digitally Disruptive Competition" is behind the desire to achieve "Better, Faster, Cheaper."

With growing external pressure, organizations have reached the tipping point for change. They are forced to finally address long-standing cultural issues, political barriers and leadership gaps that have traditionally brought most improvement programs to their knees. Organizations need to change and they need to change now in order to survive. The banner many organizations are flying, to give a name to that change is "DevOps". However, DevOps is not one thing but a word that represents a movement and collection of practices and automation techniques focused on software development and project management practices. These practices, while important, represent a narrow band of IT capabilities often nicknamed, the "Software Factory." Yet, the larger value system and set of capabilities critical to enable the IT organization to operate as a strategic partner and service provider are much broader than the Software Factory. This requires us to focus on a broader understanding of the IT value system, and the full set of capabilities required to deliver, sustain and innovate.

The Full IT Supply Chain

From a leadership perspective, the objectives of the DevOps movement present a partial answer for increasing the speed and flow of IT value delivery. It builds on the truths defined by Lean and Agile development practices – focusing on systemic thinking and rapid value creation. DevOps focuses IT professionals on rediscovering that they are in a linked supply chain rather than a collection of technical experts narrowly operating in specific IT silos.

Within the larger context of the overall Supply and Demand value system, there are major steps or lifecycle stages not covered by DevOps. These play a critical and interdependent part in the IT value system. At a high-level, these capabilities are: **Demand, Plan, Build,** and **Run**. Sound familiar? Well, it should, since this is the basic construct of any value generation system or supply chain, and it just so happens to correspond to the ITIL$^®$ Service Lifecycle of Strategy, Design, Transition, Operations and Continual Service Improvement.

An interesting observation is that we are pre-conditioned to not think of Demand as the first step in a value chain. For most students of the business, the term Supply and Demand will be familiar but typically associated with a manufacturing environment and not IT service delivery. Thinking in a Lean way, any Plan step should be based on the Voice Of The Customer (VOC) and the demand we are receiving for products and services needs to be prioritized and resourced according to business value. The set of IT Service Management (ITSM) processes that deal with this question, establishing a VOC and creating a pull system are Business Relationship Management, Demand Management and Service Portfolio Management. Conversely, at the other end of the

supply chain, we have the practices of Run or Service Operations, which are equally important to the delivery of IT Services.

So, while DevOps provides good options to improve flow and velocity for Plan and Build, it does not address the full lifecycle of service delivery. We need to improve value across the entire IT supply chain, integrating several IT frameworks and models to create velocity beyond the walls of the Software Factory. We call this overall systems perspective "Integrated Service Management".

The Hairball Of IT Frameworks & Integrated Service Management

It's important to note at this point that the goals of continuous improvement focusing on Quality, Speed and Cost are not new to the IT industry. They were not created by the DevOps movement either. Even though their successful pursuit and execution have eluded most IT organizations for decades, IT organizations have long had the means, frameworks, tools and prescriptive guidance to achieve them but have failed to use and apply them. This is largely because most management frameworks represent a system of capabilities spanning individual IT functions and requiring collaboration outside of what they deem as intrinsic responsibilities.

At the heart of this problem is a culture of silo-based specialization. This originated at the dawn of the industrial age, where the fathers of scientific management – such as Adam Smith and Fredrick Taylor – declared that quality would be improved by breaking down a complex value system into individual tasks. This allowed for a focus on structure and management systems resulting in task optimization. The corresponding organizational structures and measurement systems developed to manage this vertical orientation resulted in deep specialization, and a culture of isolation versus collaboration, i.e. "This task, and this task only, is what I consider to be my job!"

Today in IT, DevOps has identified the need to take a holistic view of the full IT value system. This is done by establishing cross-functional teams to combat the "us versus them" mentality, and shared processes to connect silos together and establish collective responsibilities. All of this together is termed "managing organizational change".

Ironically, our challenges do not stem from a lack of information. There is no shortage on "How To" guidance – our industry is blessed (or cursed depending on who you speak to) with multiple libraries of best practices and guidance on how to facilitate these elusive goals. In fact, as an industry, we probably have more documented best practices than any other function within the business ecosystem! It seems like every other year, a new framework, model or professional association emerges, each claiming to be the answer to what ails us. However, as each new model emerges, it does so as an isolated capability focused on specific parts of the overall value system. For example:

- IT Governance

- Service Lifecycle

- Business Relationship Management

- Organizational Change

- Architecture

- Information Security

- Project Management

- Software Development

- Continuous Delivery

- Configuration Management

- Knowledge Management

- Service Desk

- Supplier Management

- Root Cause Analysis

- Continual Improvement

- Etc.

To make matters even more complicated, there is often more than one framework to choose from for each capability area. This presents the IT leader and professional with a confusing list of frameworks and models to pick from without any guidance on how to use these models together to support the overall end-to-end supply chain.

It is not that these frameworks do not each have value, or that individually they are not useful. However, due to leadership challenges, internal politics and lack of alignment and agreement between IT silos, we have struggled to use them effectively in a holistic way.

So, what is different now that has not been the case for the last 20 years? Why do we think that this new Digital Transformation era will achieve success where many other hyped trends have come and gone without invoking meaningful change?

The answer to this question is not what is new or unique about the IT function but rather what has changed in relationship to external drivers. Like most self-help or personal improvement programs, we typically do not pay attention or get serious about real change until there is some external force that intrudes on old habits in ways that make it difficult – if not impossible – to ignore. For example, until the doctor gives you a shock by predicting your early demise, you likely won't change your lifestyle habits quickly to make much difference.

What is different today is that we have more than enough pressure from external forces to make us pay attention. However, we will not be successful unless we address the full value system and identify the bottlenecks, areas of waste and issues of alignment and collaboration creating barriers for the IT function to scale its service delivery model. In order to do this, we need to understand how to integrate the various frameworks and models such as Lean, ITIL, Agile and DevOps and how to lead organizational change to solve the real business challenges of Speed To Market, Business Alignment, Service Automation and Improved Innovation.

In short, we need clear direction on how to improve the end-to-end IT value system. Integrated Service Management provides a whole approach that is greater than the sum of its parts.

About Pink Elephant

We Lead The Way!

A premier global training, consulting and conference service provider, Pink Elephant has an undisputed reputation for leading the way. We're proud of our pioneering and innovative spirit, which has enabled us to introduce and spearhead many revolutionary concepts and programs since our inception forty years ago.

About The Author

Troy is considered by many to be one of the world's foremost ITIL and ITSM experts. A passionate and experienced Executive Consultant, Troy is always willing to use his rich and extensive background to share what he knows, and is always on the hunt for more knowledge. Troy always has his finger on the industry's pulse – if there's a question about what the latest trends in ITSM, Lean, Business Relationship Management or Organizational Change Management are, he has the answer! Troy is a frequent speaker at ITSM events, a contributing author for several books focused on ITSM and Lean IT concepts, and his blog is one of the industry's most popular and informative.

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