MOZAIC

DIGITAL SERVICE MANAGEMENT

Melding Digital Delivery with more traditional Service Management without blunting the edges of both. This paper outlines a new approach to achieving this at enterprise scale.

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Future Ready

Digital Service Management

We all recognise that the rate of change in the world is growing ever faster. The ability to set an IT strategy or operating model that maintains relevancy to the business and customers that it supports seems impossible.

In response to this exponential change, Digital and DevOps teams have been established to bring agility and customer focus into the IT delivery, but these have too often resulted in significant duplication, lack of operational rigour, and an organisational void between the “cool kids” in the exciting world of Digital and the “dinosaurs” having to manage the, still as critical as ever, back end systems.

This bi-modal operation is neither healthy nor sustainable. We need new ways of working that will integrate the best of both worlds; one where rapid change is supported and customer relevancy is maintained, but delivered and operated in a controlled manner that integrates solutions and makes the best use of pre-existing capabilities.

This short white paper proposes such a new model and introduces the key areas of focus for its implementation.

The basis for a new model

Organisations are increasingly grappling with the issue of how to sensibly combine digital development activities based on agile methodologies with more traditional IT service management and support. There are several of drivers for this, but notably:

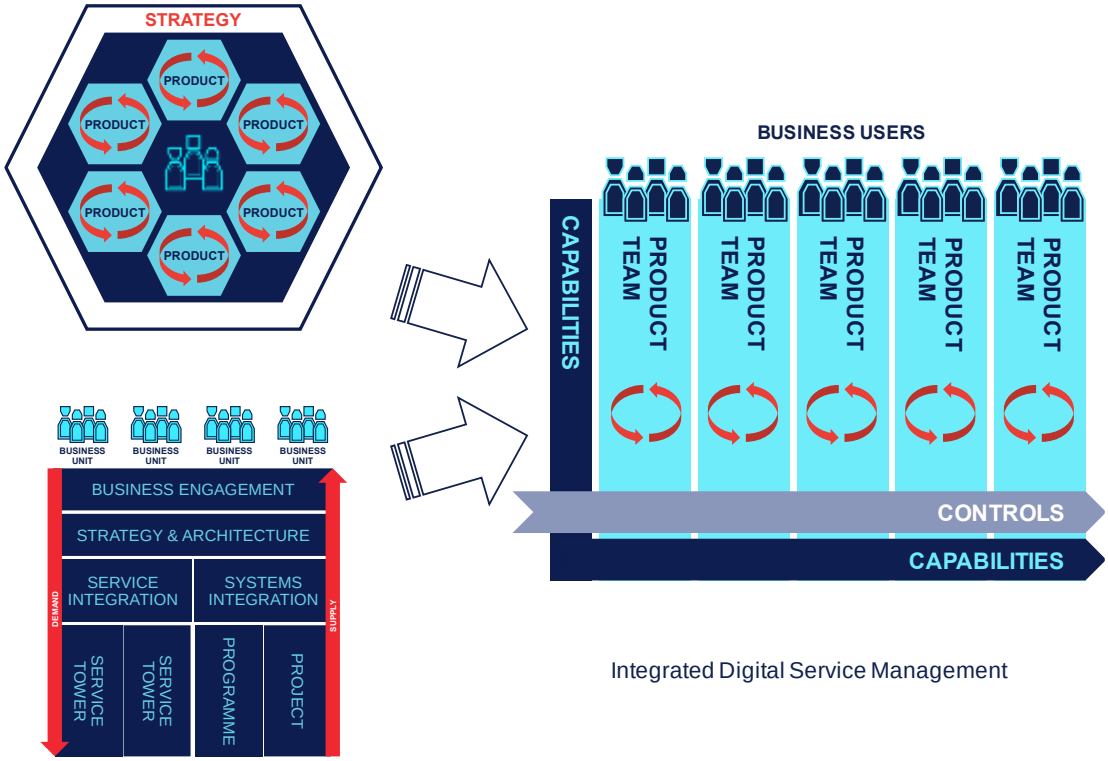
- Digital development is increasingly producing outputs that are business critical and need to be fully resilient and properly supported in run operations;
- Service Management has often become too governance heavily, slowing delivery with a complex set of processes that frustrate rather than enable change;
- New tooling capabilities can enable automation, and these can be used to drive agility in many of the traditional service management and operational areas;
- Having separate ‘Digital’ and ‘IT’ approaches is seen as unsustainable (wasteful, encouraging duplication, not standardised, operationally risky, potentially costly, culturally unappealing and divisive);

New ways of working, supported by fresh mind-sets of all involved, supported by strong, automated delivery, is required to bring these capabilities together. Primary focus should be given to these organisational changes and the use of data to drive automation within delivery.

At Mozaic, we believe that we have developed a new model that enables this integration, which we have named Digital Service Management (DSM). DSM embodies and emphasises both dynamic development and service excellence and resilience, without comprising either, whilst overcoming the pitfall of ‘silos’ within the organisation.

In this model, we have integrated the concepts, processes, governance and organisational structures of both Product based delivery approaches (such as Agile Scrum, DevOps and Digital Delivery) with more traditional enterprise IT models (such as Enterprise Architecture, Service Integration, Service Management and Governance), as shown in the diagram below:

Typical Digital Delivery Models



Integrated Digital Service Management

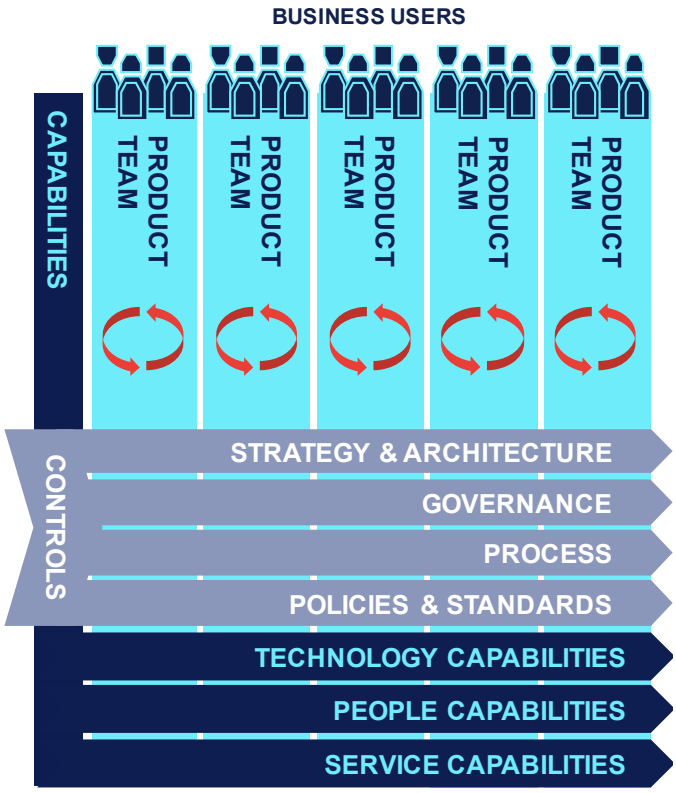
Traditional Enterprise IT Models

DSM is based a simple matrix with two orthogonal dimensions. The ‘vertical’ dimension comprising a series of customer-facing product groups which own the entire value chain/life-cycle of product development from concept through to design, development and in-service. The ‘horizontal’ dimension comprises common capabilities, processes, and tooling, architecture, governance and standards. In these:

- Product ownership is adopted across all customer-facing services, not just the Digital areas. Aligning to both the Agile Manifesto and DevOps principles, these Product teams should:
  - Be customer focussed, prioritising delivery to the needs of the business
  - Be ready and open to change
  - Deliver change frequently and iteratively
  - Work collaboratively with the business
  - Make best use of, enhancing where necessary, the capabilities that already exist in the Enterprise
  - Feel motivated and enthusiastic, with real passion for achieving success and a sense of owning the end to end solution from within the team
  - Be great at communicating, on a day to day basis with all involved
  - Be measured on the success of delivering quickly to the changing business needs with continually self-assessment how they can improve
  - Use processes which promote continuous, sustainable and efficient delivery, automating where-ever possible

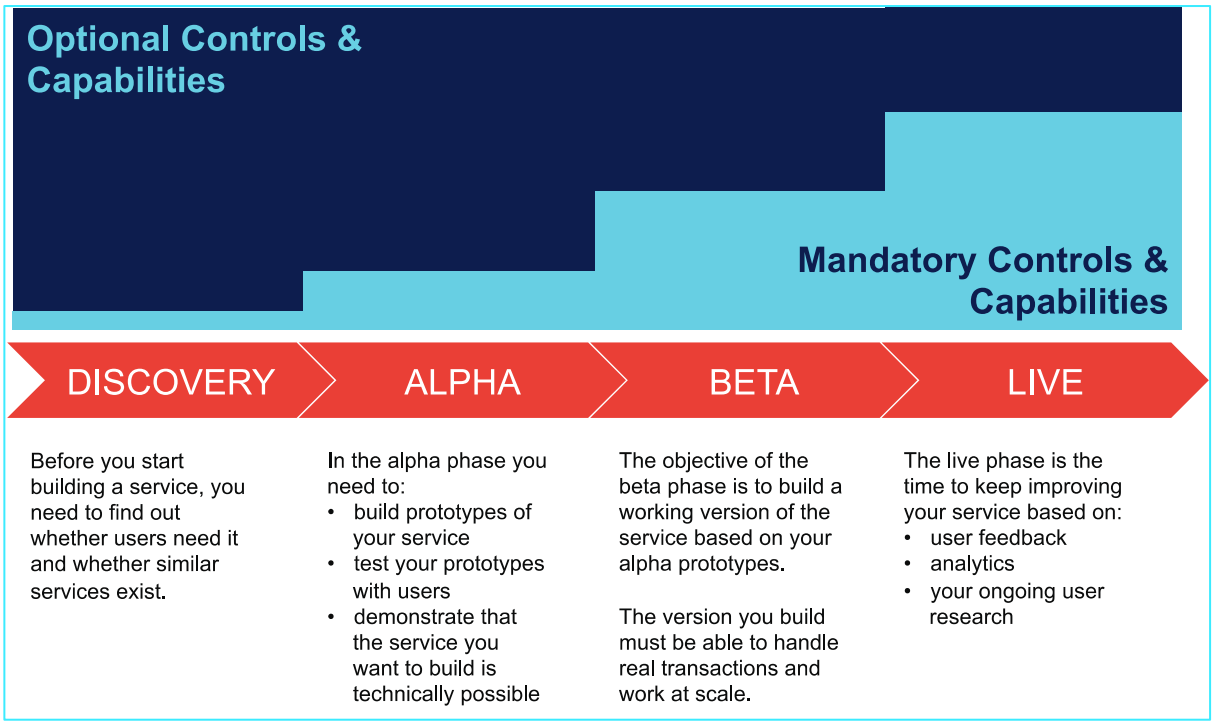
- Standard Capabilities should be developed for reuse. These capabilities are responsible for ensuring that the range of processes, services, resources and facilities available to the product team are all fit for purpose, cost-effective and have all the attributes, features and accreditations required such that can be to be deployed painlessly and seamlessly. These will include:
    - **Technology capabilities** to form the technical platforms that underpin the delivery of Products.
    - **People capabilities** to provide the professional resource pools and governance for aspects of delivery (Programme & Project Management, Application Development CoE etc.)
    - **Service Capabilities** to enable the service integration and management required to operate and control delivery reliably.

  A typical set of these Capabilities are shown in the diagram below:



- The simplification of the standard controls, ensuring that emphasis is put in the most important areas such as Security, understanding of the performance of the model and identification of more holistic opportunities for improvement. These controls can be described in four areas:
    - **Strategy & Architecture** sets out the high level vision and strategy, and the architectural principles that should be applied when delivering Products and Capabilities.
    - **Governance** describes the decision-making structures, including delegated authority and responsibilities.
    - **Processes** describe the processes that will be used to progress work.
    - **Policies & Standards** describe all the standards and policies (e.g. security, procurement, regulatory) that should be applied to the delivery of Products and Capabilities.

The level of adherence to these controls needs to be flexible, allowing for innovation within the product teams. The level of mandatory requirements is to be kept low during the Discovery and Alpha stages of the Agile delivery lifecycle to allow teams to innovate and explore different options. Each product development will have clarity of the overall framework for delivery. This framework is designed allow high levels of freedom to innovate and experiment in the early stages of development but allows the level of mandatory requirements to be implemented and invoked, as appropriate, but without rework, as the development passes into Beta and then into Live, as shown in the diagram below:



Benefits of DSM

The key strengths of the blended model are that it is:

- Fast response to changing business needs, with the voice of the customer is at the heart of delivery.
- Intrinsically dynamic in nature. The vertical product teams, each headed by a product owner, are dynamic in nature, reflecting the continuously changing needs and pace of the business.
- Robust, consistent and repeatable platforms, leading to predictable performance and financial efficiency.
- Product and Capability teams focussed on the full lifecycle, therefore removing organisational transition hurdles.
- Using iterative delivery for all Products and Capabilities, enabling services to innovate and grow over time.
- Efficient Controls that allow innovation and exploration in early delivery stages, and increase as a Product gets closer to Live.

Building the model

Mozaic's model covers seven discrete areas. Each of these need to be reviewed to ensure that any historic constraints are removed. Although much of what you have in place today will remain relevant, challenging the status quo is often necessary to make the implementation effective. These are described as:

Functions - This describes all the functional capabilities required within DSM to achieve the business objectives.

Processes - These describe the policies, processes, procedures that enable the effective flow of work.

Governance - This describes the framework for providing just the right amount of control within DSM.

Data - This describes the data architecture required to enable delivery.

Tools - describes the strategy for implementing the tools necessary to underpin the IT Operating Model and enable high levels of automation.

Sourcing – Defining the functional capabilities that can be sourced in various way. This component describes the strategy for sourcing these capabilities.

People- This describes the organization structure, roles and responsibilities, the strategy for building capability and approach to communications and business change.

Organisation shaping is of primary importance to success

Key to the implementation of DSM is the organisational design and associated structures. This again has 2 dimensions of structure and a matrix management structure. Individuals are often aligned both to:

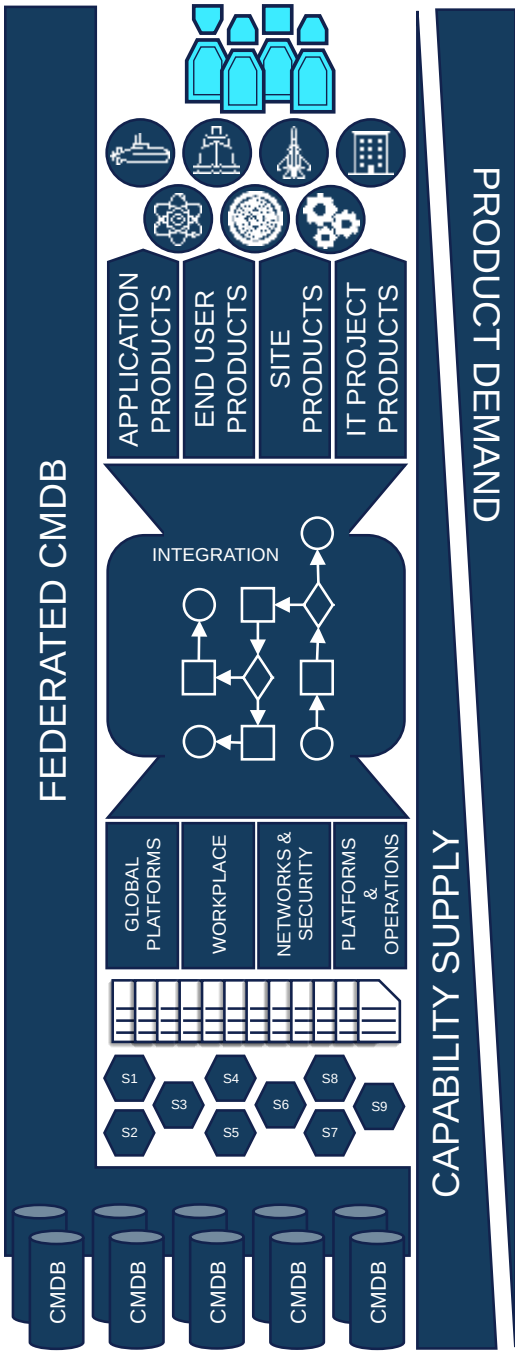
- The Capability areas, where they become skilled in their discipline. Careers, pay and rations are managed within this dimension. These Capability teams provide centres of excellence and strong communities based on the individual's specialism.
- The Product teams, where the individual works within, often small, teams (think about Jeff Bezos' two pizza team rule) focussing on the business outcomes and requirements.

This structure has considerable virtue in terms of management, motivation and moving skills around. Individuals at different levels of experience will have professional alignment with a capability, but will be working as part of one or more product teams, and can be managed and incentivised against goals for these.

Focus needs to be given on ensuring that all involved understand both the overarching rationale for the implementation and their own role within the new model. The implementation of DSM can be a significant cultural change, but can be deployed incrementally, re-purposing much of that which you already have in place.

Data drives automation and subsequently efficiency

Second only to the need for ensuring that the team are ready to take on the new challenge is an acceptance that information needs to be available to make the model efficient. DSM should drive towards automation at all times, whether this be in day to day operational activity or in allowing rapid deployment of new capabilities. The data model needs to include details of:



End Users: The details of user consuming IT services is captured within the CMBD, including their name, role profile, business unit, cost centre, VIP status and location.

Business Units / Divisions: The details of all the business units and divisions are captured within the CMDB including their locations, cost centres, business outcomes and the end-to-end business services that support those processes.

Products: These are the products that are delivered to by Business Units and Divisions to support their business processes. They could be categorised as **Application, End User, Site and other Projects.**

Integration: This layer provides the translation of the Capabilities into Products. It describes all of the various component services that are the combined and integrated to create the services as they are consumed by the business.

All processes run across through this layer, and therefore, all of the additional data required to provide the 'hooks' to enable KPI reporting are captured.

Capabilities: These are the core technical capabilities that, when variously combined and integrated, create the Product Services.

Service / Operating Level Agreements and Underpinning Contracts: The outcome-based service definitions from each agreement / contract are recorded alongside related targets, pricing models, thresholds and renewal / triggers. This layer describes the relationship between the Capabilities and any Suppliers

Suppliers: The details of all suppliers that are delivering IT services, and mapping those suppliers for the specific contracts and the services that they support.

Federated CMDB: The Master CMDB is normally owned, operated and managed to contain all the Configuration Items (CIs) described above as well as their relationships. There will be integration (either real-time, or via extract) with supplier CMDBs and federated teams, which will contain all the CIs managed by the supplier associated with the delivery of their contracts.

About Mozaic

Mozaic is a specialist in IT Service Integration and Service Management. Entirely independent of IT and tooling vendors, we offer client-side advice and operational support, always acting impartially to best serve our client's needs.

Mozaic believe we have four characteristics which make our approach a good fit with our clients:

Specialisation - We specialise in IT assessment, operating model design and transformation. Our models and methods have been proven and refined in the field. We are independent, which means our approach is unbiased and recommendations are always focussed on delivering maximum value to our clients.

People - Our people have a healthy balance of operational knowledge and consulting experience. We are very comfortable working alongside clients to help identify the right recommendations and gain buy-in and acceptance with client teams.

Established materials and method – we use these to quickly understand how you manage IT today, confirm and optimise the form of your future roadmap, and value the benefits that transformation will deliver.

Demonstrable track record – We have experience in working effectively at senior levels in complex organisations, across a wide range of industry sectors.

Please call us on +44 (0)203 709 1625 to discuss your thoughts on our white paper; we would be delighted to hear from you.