



Implementing and Managing IT Services for Large Global Organizations

Executive Summary.

The goals for implementing and managing IT Services in a large, joint global organization should be to have:

- Data-driven, evidence-based and measured improvement of operational processes and IT services through the adaption of industry best practices.
- Continuous assessment of value and on-going operational optimization that drives efficiencies through redesign, redirection and/or automation.
- Sustainably controlled operational costs by establishing rigorous cost control, accountability, traceability and transparency.

The key to achieving these goals is to:

1. Refine your operational IT service delivery model by implementing standardized, consistent and repeatable processes for delivery of IT services across the enterprise.
2. Optimize the use of shared resources.
3. Capture the key performance metrics used for measuring performance. The Key Performance Indicators (KPIs) that need to be captured are time-at-task and task duration.

Leadership must be sure to recognize that:

- Operational processes are different than, and not to be confused with, the ITIL (Information Technology Infrastructure Library) processes.
- Implementing *standardized common repeatable processes* has to do with operational processes, not ITIL processes.
- A *Continuous Process Improvement program* has to do with operational processes, not ITIL processes.
- Having a *rigorous operational cost program* has more to do with operational processes than with ITIL processes.
- The definition of an “operational process” and the definition of a “project” are the same: a series of tasks worked in a specific sequence.
- The best way to manage the performance of operational processes is as project and cost plans.
 - These are small projects that do not require the rigor and definition of larger projects.
 - These are not development projects so Agile is not the appropriate project management technique. Waterfall is the appropriate approach for consistent, repeatable processes.
- Capturing “transaction costs” is the 1st requirement specified in Service Strategy, the 1st volume in the ITIL v.3 series. The “transaction” is a request made in the service catalog.
- Each operational process should be tied to a service in the service catalog.
- Services in the service catalog can go down only one of three life-cycles (explained below).
- To pinpoint opportunities for efficiency, to detail cost transparency and to hold people accountable, the Key Performance Indicators (KPIs) that need to be captured are time-at-task and task duration, i.e. how much time was actually spent between when work on the task started to when work on the task finished.
- These KPIs will give you the cost of each service request, and that’s really what you want to know. “Transparency” means how the contractor came up with the cost.



Lay the ground work for implementation before you begin. You will get push-back from people who are not happy with being measured and being held accountable, or with leadership having as much visibility. This is a top-down decision; do not look for agreement from people in the organization.

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When considering managing enterprise IT services consistent with industry best practices for your large, global organization, a good statement of your goals could be:

“To refine your operational IT service delivery model with the following focus:

“Standardized, consistent and repeatable processes for delivery of IT services across the enterprise to optimize the use of shared resources focusing on:

- “Data-driven, evidence-based and measured improvement of operational processes and IT services through the adaption of industry best practices.”
- “Continuous assessment of value and on-going operational optimization that drives efficiencies through redesign, redirection and/or automation.”
- “Sustainably regulate operational costs by establishing rigorous control, accountability, traceability and transparency.”

As highlighted above, to achieve these goals, it is important not to blur the differences between “operational processes” and the “ITIL processes.” Often “operational processes” gets confused with “the adaption of industry best practices” by which people often mean the ITIL processes. The ITIL processes are incident management, problem management, change management and more. It is important to know how many incidents, problems and changes your organization deals with in a month, i.e. the ITIL processes, and important to learn the problems that come into the Service Desk so you can fix them, but that is not where the money / savings reside. Operational processes are items like on-boarding a new employee, implementing a new network or acquiring or renewing a software license. A variation of managing an acquisition package is: automating replacing assets before they reach their end-of-life date. You want to acquire an asset and make sure you are doing this at the right time, i.e. in time to replace the current asset before it reaches its end of life date. ITIL experts often forget that capturing the “transaction cost” is the 1st requirement in the 1st volume, Service Strategy, in the ITIL v.3 series. Having a rigorous cost containment system is critical to this success but the ITIL processes rarely talk about “rigorous cost containment,” “accountability,” “transparency,” “consistency,” and “predictability.”

Where do you find the “transactions” to build “transaction cost?” They are found in the Service Catalog, which is why the stated goal, to “refine your operational IT service delivery model” is the right one. But do not think that implementing the ITIL processes is the same thing. It is not.

There are 3 different types of operational services listed in a service catalog. Each goes down its own life-cycle.

- Simple ones require a single task to be tracked.
- Medium-sized ones require a multi-task process to be tracked.
- Complex ones require project management functionality.



One approach I have seen is, when you think of these 3 processes, think in terms of the hours it will take to do each one. A simple one takes less than 4 hours. A medium-sized one takes 4 – 50 hours. A complex one takes more than 50 hours.

The medium-sized and particularly the complex services are where standardized, consistent and repeatable processes need to be tracked because this is really where the efficiencies are found. Obviously, a single task does not equate to a process.

At Project Remedies, we realized years ago that the definition of a “common, repeatable process” is the same as the definition of a “project”: a number of tasks worked in a specific sequence. With that in mind, we developed a process-based project management system that uses processes and workflow automation functionality to automate many of the standard, basic project management steps with a goal of making it really easy to implement and use enterprise-wide. For example, to generate a project plan and a cost plan, you populate several fields on a Project record, select a work process from a repository of work processes, specify a planned start date or a planned finish date, and click on Save. The application automatically generates a project plan and a cost plan. If the process has 25 tasks and an equivalent number of dependencies, every time the plan is generated, the plan is the same: 25 tasks in the same sequence. This process could be automated using Remedy workflow functionality. When someone submits a service request for let’s say on-boarding a new employee, workflow could be used to automatically populate the project record and generate the project and cost plan, and then notify the person in the project manager role that he/she has a new project. Automating these functions insures that nothing drops through the cracks.

What’s important about this is it allows you to compare performance by different organizations and that’s key. How do you improve performance? By capturing the performance metrics against the same list of tasks and the same schedule. If everything is unique (read MS Project), then nothing can be compared, or at least nothing can be compared that gives you the detail needed to find the problem areas. How do you implement a rigorous cost control system that offers accountability and transparency? Implement time tracking so you know how much time was spent on each task. “Time spent” multiplied by a rate equals the labor cost of the task, and labor is probably 95% of the total cost.

This process/workflow approach allows leadership to answer the 3 key questions for improving your IT service delivery model or any project: Did the project finish? On-time? On-budget?

Let’s say your world-wide enterprise has organizations in CONUS, Europe and Asia, and these organizations get 100 service requests to do the same thing over a 3 month period. By capturing performance metrics, time spent and task duration, against the same plan, you learn that the organization in CONUS fulfilled this service in 1 week, the organizations in Asia in 2 weeks and the organizations in Europe in 6 weeks. What happened in Europe? You look more closely at the detail and learn that on 95% of the projects, one person spent 2 hours over a 4 week period on a specific task. With this information, you can find out what happened and put a remediation plan into effect. Continuing to capture the metrics will tell you if performance improved. This is a “Continuous Process Improvement program.



When I told this story to a friend, he told me it sounded like his organization's Acquisition department. He said that after an acquisition package had been in Legal for 6 weeks, he received an email saying that the package had 2 spelling errors. He was asked to correct the spelling errors and re-submit the package. How long did it take to find the 2 spelling errors, he wondered? My friend thought it probably took a lot less than 6 weeks. Was he the only person this happened to? He thought "probably not." He mused; since it is 2020, you'd think the package could get out of Legal a lot faster than it actually took. This leads to another reality: if you are not comparing apples with apples, and do not have the metrics, there is really nothing to discuss.

Not all types of projects have to go through the complete project life-cycle. Operational processes do not require the detail large projects require: a thorough definition / project charter, a high-level estimate of the cost and resources needed, generating a high-level budget, quantifying a priority and going through your organization's governance process to finally be reviewed and approved by the Steering Committee. In our experience, only 5% – 10% of the projects an organization works require this level of detail. For most, the 90%, what is needed is a project plan and a cost plan, the ability to assign people to task, and then the ability to track the performance of the team against the tasks, making sure that it is easy, not cumbersome for the workers to use.

One nice thing about "operational processes", with respect to service requests, is that your organization knows what they are in detail. They have been doing them forever. What is probably needed is to have them written down and used to manage performance and cost. I will stress again that a "waterfall" approach is best in this situation because you are not trying to do something unique like develop a software application.

The lead on a Six Sigma project I worked on told me that at the end of the day, there are only 3 things you can do to fix a problem: you can re-train the person, change the process or fire the person, and in each situation, you need the metrics to move forward effectively and compliantly.

For more information on Project Remedies, our services and solutions for implementing continuous process improvement and operational process management , please contact Stan Feinstein, President, at 310-230-1722 or at stanf@projectremedies.com.