

General and Service Management Practices

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Review

Agenda

General Management Practices

- Supplier Management
- Workforce and Talent Management

Service Management Practices

- Service Level Management
- Service Desk
- Service Validation and Testing

Supplier Management

The purpose of the supplier management practice is to ensure that the organization's suppliers and their performances are managed appropriately to support the seamless provision of quality products and services. This includes creating closer, more collaborative relationships with key suppliers to uncover and realize new value and reduce the risk of failure.



Activities that are central to the practice include:

- Creating a single point of visibility and control to ensure consistency
- Maintaining a supplier strategy, policy, and contract management information
- Negotiating and agreeing contracts and arrangements
- Managing relationships and contracts with internal and external suppliers
- Managing supplier performance

Supplier Sourcing and Evaluation

Sourcing: There are different types of supplier relationship between an organization and its suppliers that need to be considered as part of the organization's sourcing strategy. These include:

- Insourcing
- Outsourcing
- Single-source
- Multi-source

Supplier Evaluation and Selection: The organization should evaluate and select suppliers based on:

- Importance and impact
- Risk
- Cost

Supplier Management - Activities

Activities of the supplier management practice include:

- **Supplier planning:** The purpose of this activity is to understand new or changed service requirements and review relevant enterprise documentation to develop a sourcing strategy and supplier management plan
- **Evaluation of suppliers and contracts:** The purpose of this activity is to identify, evaluate, and select suppliers for the delivery of new or changed business services.
- **Supplier and contract negotiation:** The purpose of this activity is to develop, negotiate, review, update, finalize, and award supplier contracts.
- **Supplier categorization:** This procedure aims to categorize suppliers on a periodic basis and after the awarding of new or updated contracts.
- **Supplier and contract management:** The purpose of this activity is to ensure that the organization obtains value for money and the delivery of the agreed performance of the supplier against the contract and targets.
- **Warranty management:** The purpose of this activity is to manage warranty requirements or clauses and make warranty claims when a warranty issue arises, in conjunction with performance management.
- **Performance management:** This activity includes the setup and continuous tracking of operational measures that have been mutually agreed with internal and external suppliers.
- **Contract renewal and/or termination:** This procedure aims to manage contract renewals and terminations, which are triggered by either specific or periodic reviews of supplier performance.



Workforce and Talent Management

The purpose of the workforce and talent management practice is to ensure that the organization has the right people with the appropriate skills and knowledge and in the correct roles to support its business objectives. The practice covers a broad set of activities focused on successfully engaging with the organization's employees and people resources, including planning, recruitment, onboarding, learning and development, performance measurement, and succession planning.



Workforce and talent management enables organizations, leaders, and managers to focus on creating an effective and actionable people strategy, and to execute that strategy at various levels within the organization.

Workforce and Talent Management - Activities

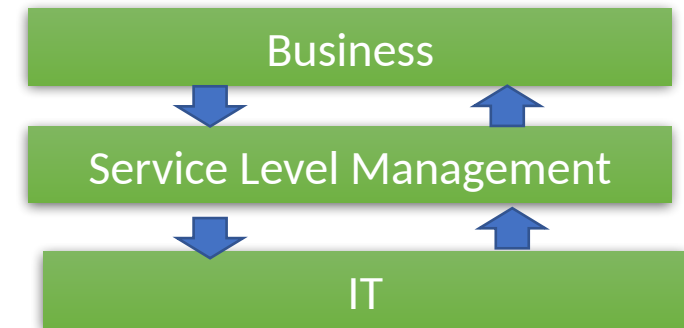
The activities of this practice cover a broad range of areas and are performed by a variety of roles for specific purposes, including:

- **Workforce Planning:** Translating the organization's strategy and objectives into desired organizational capabilities, and then into competencies and roles.
- **Recruitment:** The acquisition of new employees and contractors to fill identified gaps related to desired capabilities.
- **Performance Measurement:** The delivery of regular performance measurement and assessments against established job roles based on pre-defined competencies.
- **Personal Development:** An employee's use of published job roles and competency frameworks to proactively plan personal growth and advancement.
- **Learning and Development:** Targeted education and experiential learning opportunities using various formal and non-formal methods.
- **Mentoring and Succession Planning:** Formal mentoring, engagement, and succession planning activities provided by leadership.



Service Level Management

- Service Level Management is the interface between Business and IT
- It communicates the requirements of business to IT and IT's concerns back to business
- It negotiates service levels with business
- Also it monitors and reports on performance of service levels overtime
- It works with the business to make adjustments to service levels based on the changing needs of the business
- It has a governance role and it interacts with almost all the processes in service lifecycle



Service Level Management

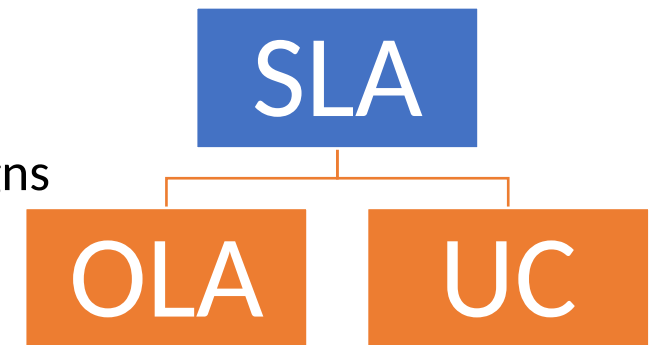
The purpose of service level management is to “Ensure that all current and planned IT services are delivered to agreed achievable targets”

The objectives of Service Level Management are to:

1. Produce service level requirements (SLRs)
2. Define, document and agree upon service levels with business i.e. Service Level Agreements (SLAs)
3. Develop and agree upon Operational Level Agreements (OLAs) and Underpinning Contracts (UCs)
4. Make sure that service is meeting the needs of business
5. Monitor and report on the service levels
6. Ensure that service levels are clearly understood by both IT and business
7. Revise the service level targets based upon the feedback received from business and performance of the service

Service Level Management – Key Terms Contd...

- **Operational Level Agreement (OLA)** – Operational Level Agreement is an agreement between two internal entities of the service provider. E.g. network services might sign an agreement with database group to provide enough bandwidth to database group so that they can take their daily backup
- **Underpinning Contracts (UCs)** – Are the agreement that service provider signs with external partners. E.g. An IT service provider might sign an agreement with hardware provider to provide laptops and desktops to its customer
- **Service Level Requirements (SLRs)** – As the name states, there are the requirements that business has stated for a particular service
- **Service Level Targets (SLTs)** – Are derived from service level requirements. These are the measureable targets that service provider must achieve



Service Level Management – Key Terms

- **Service Level Agreement (SLA)** – is a written agreement between service provider and business. A common example of SLA is the contract that you sign with your wireless (cellphone) provider. It enlists all the services (wireless, voicemail, data etc.) that you'll receive for the price that you'll pay
- There are basically three types of SLAs
 - **Service Based SLAs** – These are the SLAs which is based on the service that is commonly used by various business units. E.g. Email service is used by all the business units such as finance, HR, marketing, sales etc. There is a common SLA for this service with all the business units
 - **Customer Based SLAs** – These are the SLAs which are developed based on the specific needs of the business. E.g. SLA with a large bank will be different from SLA with a small accounting firm. Customer based SLA contains all the services that a particular customer consumes
 - **Multilevel SLAs** – A multilevel SLA is a complex SLA which contains service based SLA and customer based SLA. E.g. SLA that contains details of a generic service such as email; details of all the services consumed by accounting department and a specific service used by legal department for regulatory compliance

Service Desk

- Service Desk is the function that the users interacts with frequently
- Service Desk is first point for contact for service requests, incidents and problems
- It is the first point in the process where issues are investigated, diagnosed and resolved
- It is responsible for logging all the details pertaining to service requests, incidents, problems etc.
- It acts as a central point of communication and escalations
- Most of the organizations these days are moving towards self-serve model to fulfill service requests



Service Validation and Testing

The purpose of the service validation and testing practice is to ensure that new or changed products and services meet defined requirements. The definition of service value is based on input from customers, business objectives, and regulatory requirements, and is documented as part of the value chain activity of design and transition. These inputs are used to establish measurable quality and performance indicators that support the definition of assurance criteria and testing requirements.

Service validation focuses on establishing deployment and release management acceptance criteria (conditions that must be met for production readiness), which are verified through testing. Acceptance criteria can be either utility- or warranty-focused, and are defined through understanding customer, regulatory, business, risk management, and security requirements.

Service Validation and Testing

A test strategy defines an overall approach to testing. It can apply to an environment, a platform, a set of services, or an individual service. The test strategy is based on the service acceptance criteria, and should align with the requirements of appropriate stakeholders to ensure testing matches the risk appetite.

Utility/functional tests includes:

Unit test: A test of a single system component

System test: Overall testing of the system, including software and Platforms

Integration test: Testing a group of dependent software modules together

Regression test: Testing whether previously working functions were impacted.

Service Validation and Testing

Warranty/non-functional tests include:

- **Performance and capacity:** test Checking speed and capacity under load
- **Security test:** Testing vulnerability, policy compliance, penetration, and denial of service risk
- **Compliance test:** Checking that legal and regulatory requirements have been met
- **Operational test:** Testing for backup, event monitoring, failover, recovery, and reporting
- **Warranty requirements test:** Checking for verification of necessary documentation, training, support model definition, and knowledge transfer
- **User acceptance test:** The test performed by users of a new or changed system to approve a release.

Review
