DEEP DIVE
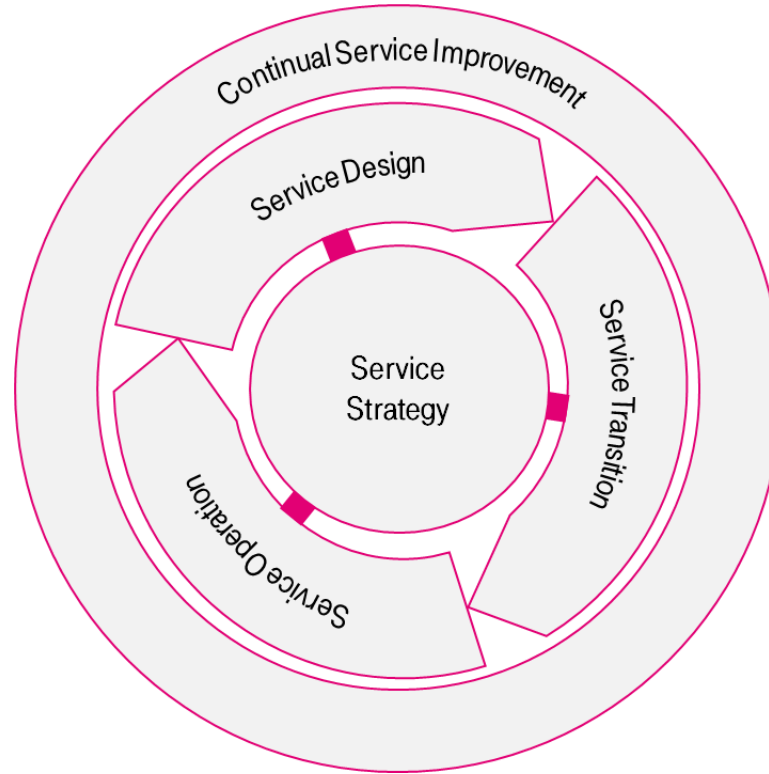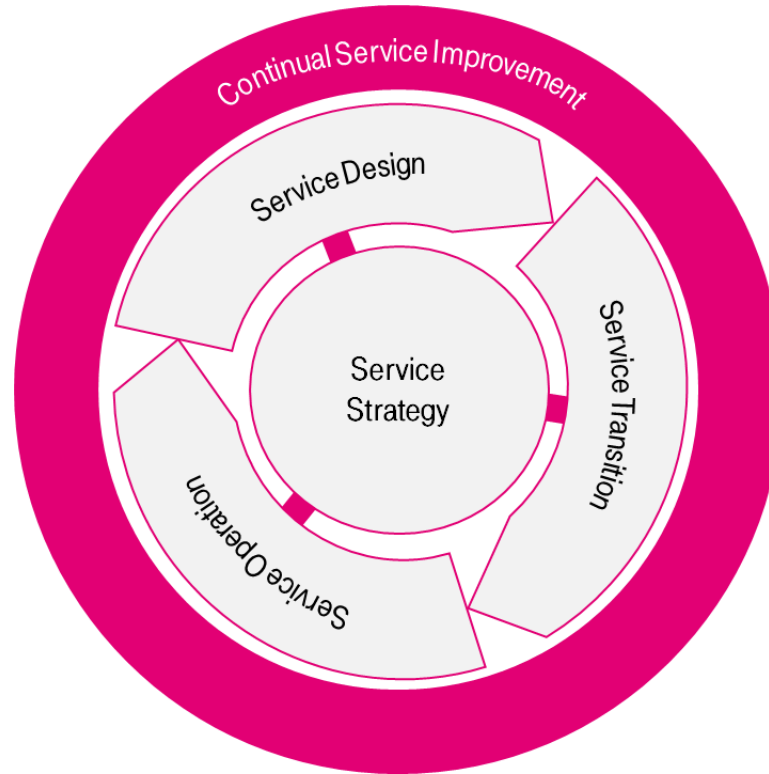
→ Continual Service Improvement

CONTINUAL SERVICE IMPROVEMENT - INTRODUCTION

CONTINUAL SERVICE IMPROVEMENT - INTRODUCTION

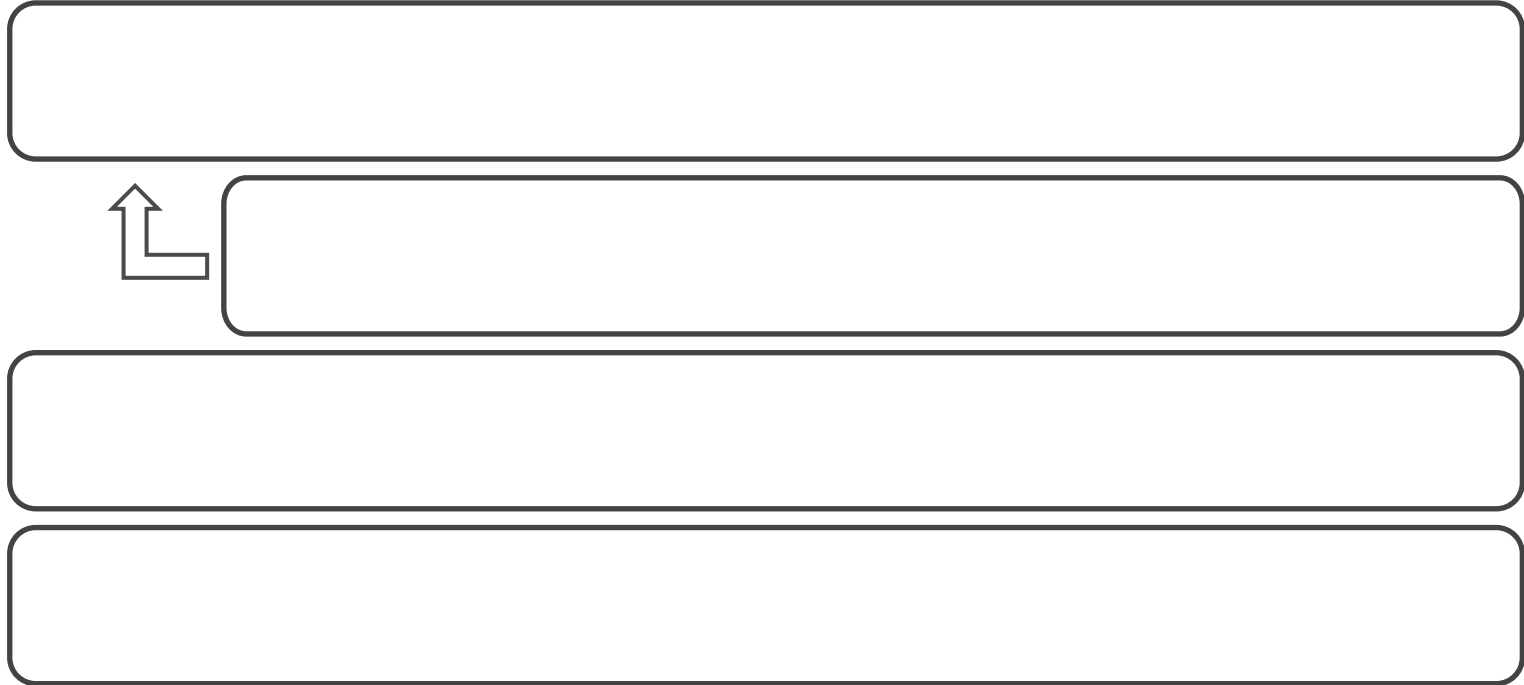Concept of Service Improvement

Where do ideas come from

Why is it necessary

The CSI Core Processes

Continual Service Improvement

Service Design

Service Transition

Service Strategy

Service Operation

WHAT DOES "SERVICE IMPROVEMENT" MEAN?

Discussion: What improvements to popular services (IT or non-IT) have you experienced?

WHY IS SERVICE IMPROVEMENT NECESSARY?

➢ Why should we try to improve a service?

➢ Classical saying: "If it ain't broken, don't fix it" – why do we go against this wisdom?

Exercise: Think of at least three reasons why improvement is necessary

REASON 1 – OUR SERVICE IS NOT PERFECT

➢ Not even the best service is perfect.

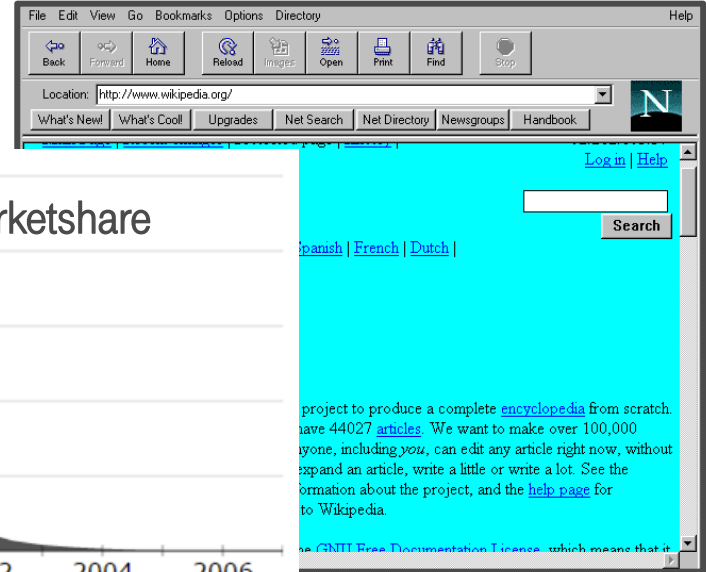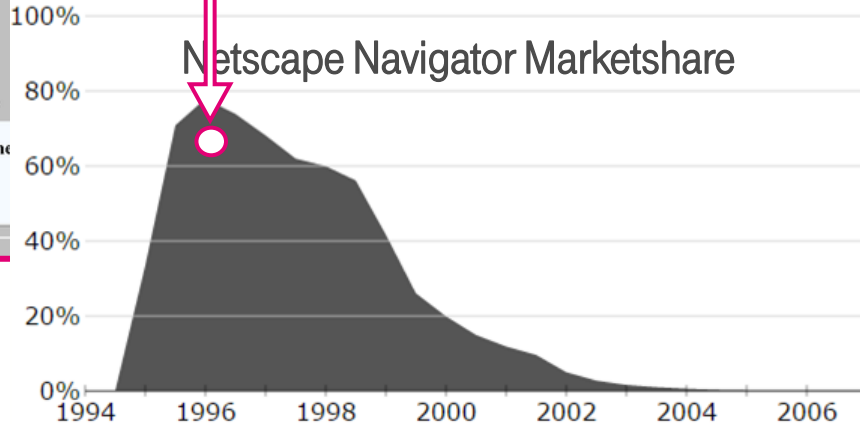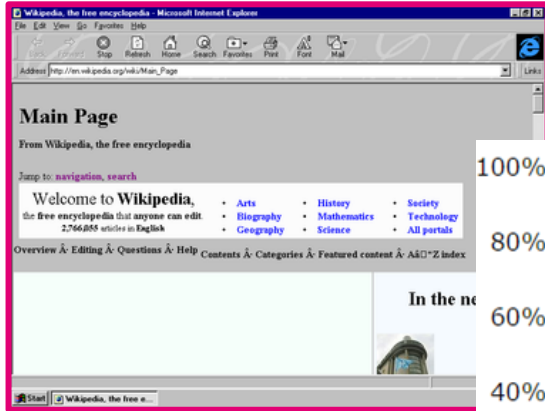➢ Small deficiencies and flaws become jarring over time.

No indicators on first cars

People stretched their arm out to indicate intent to turn

REASON 2 – COMPETITION NEVER SLEEPS

➢ Profitable service attracts competitors.

Netscape Navigator Marketshare

REASON 3 – ATTRACTING NEW CUSTOMERS

➢ There are potential customers that did not become actual customers of current service.

➢ The original service was not meeting expectations of these customers.

➢ The service must improve (from the perspective of these customers) to attract them.

REASON 4 – FINANCIAL PRESSURE

Salary/Wage growth

Inflation and price reduction

Generally irreconcilable without improving efficiency or profitability
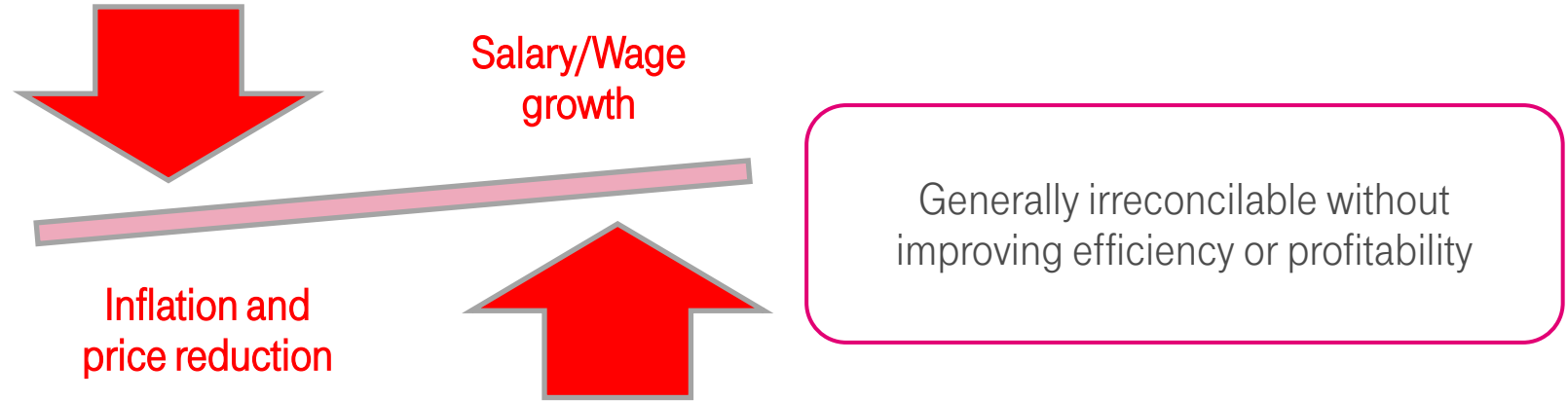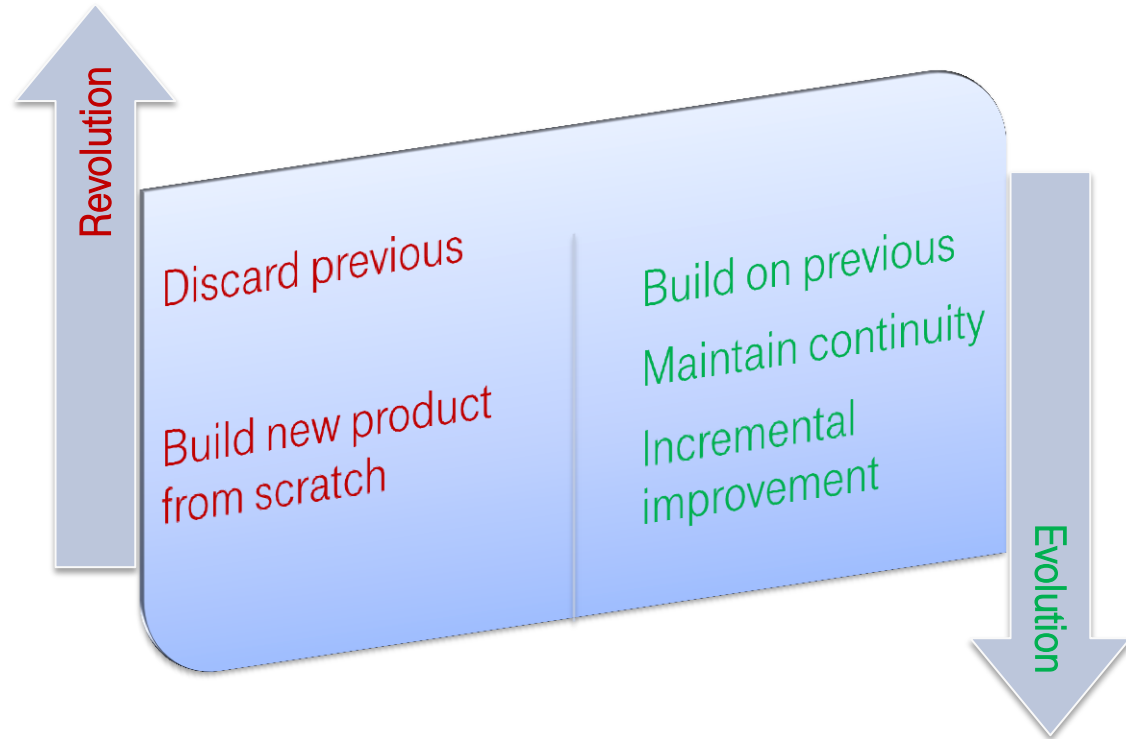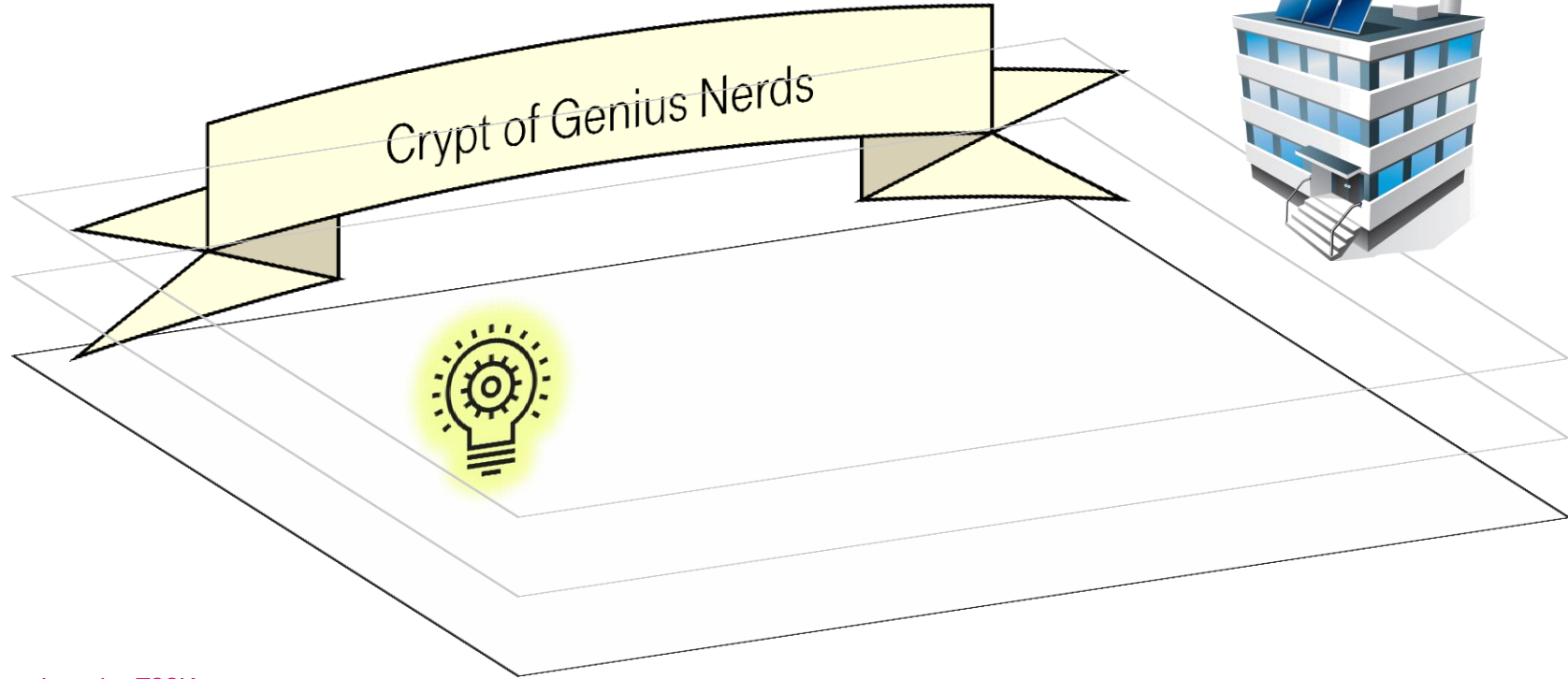
WHY CONTINUAL IMPROVEMENT?

➢ Service Improvement is necessary to keep or improve market position.

➢ But why "continual"?

Revolution

Discard previous

Build new product from scratch

Build on previous

Maintain continuity

Incremental improvement

Evolution

REVOLUTIONS ARE NOT MANAGEABLE

Crypt of Genius Nerds
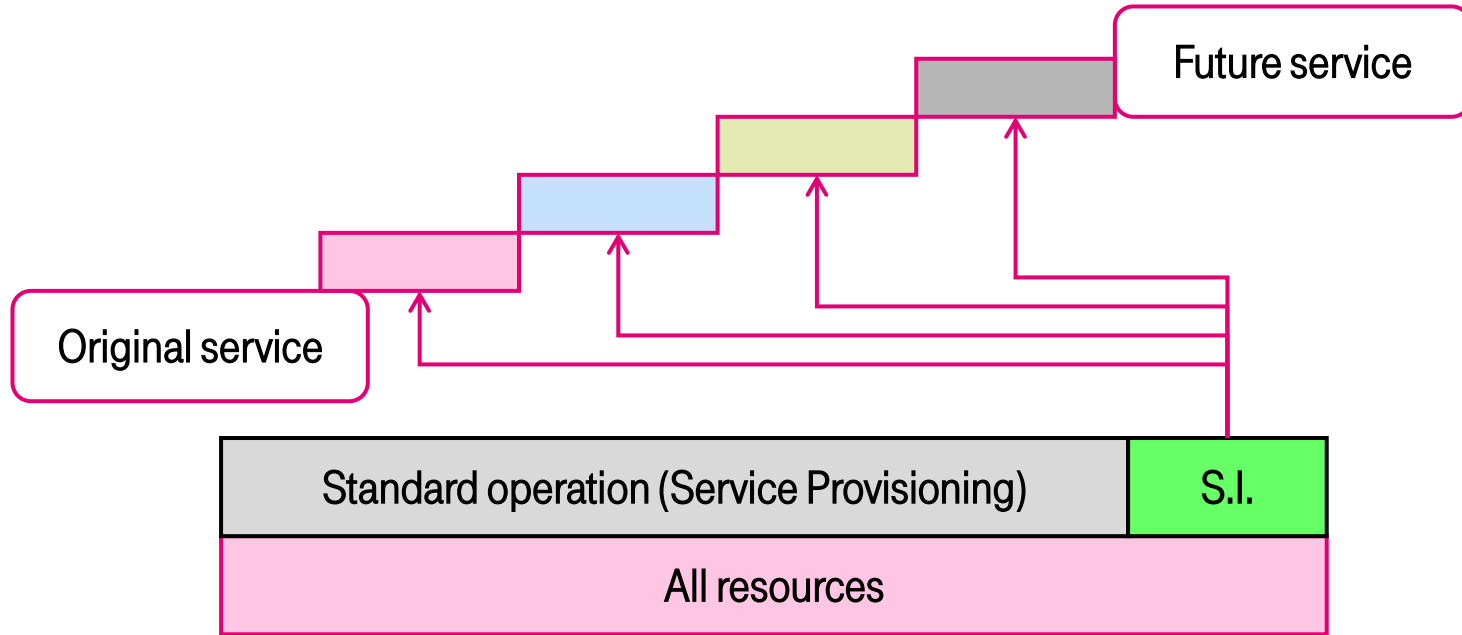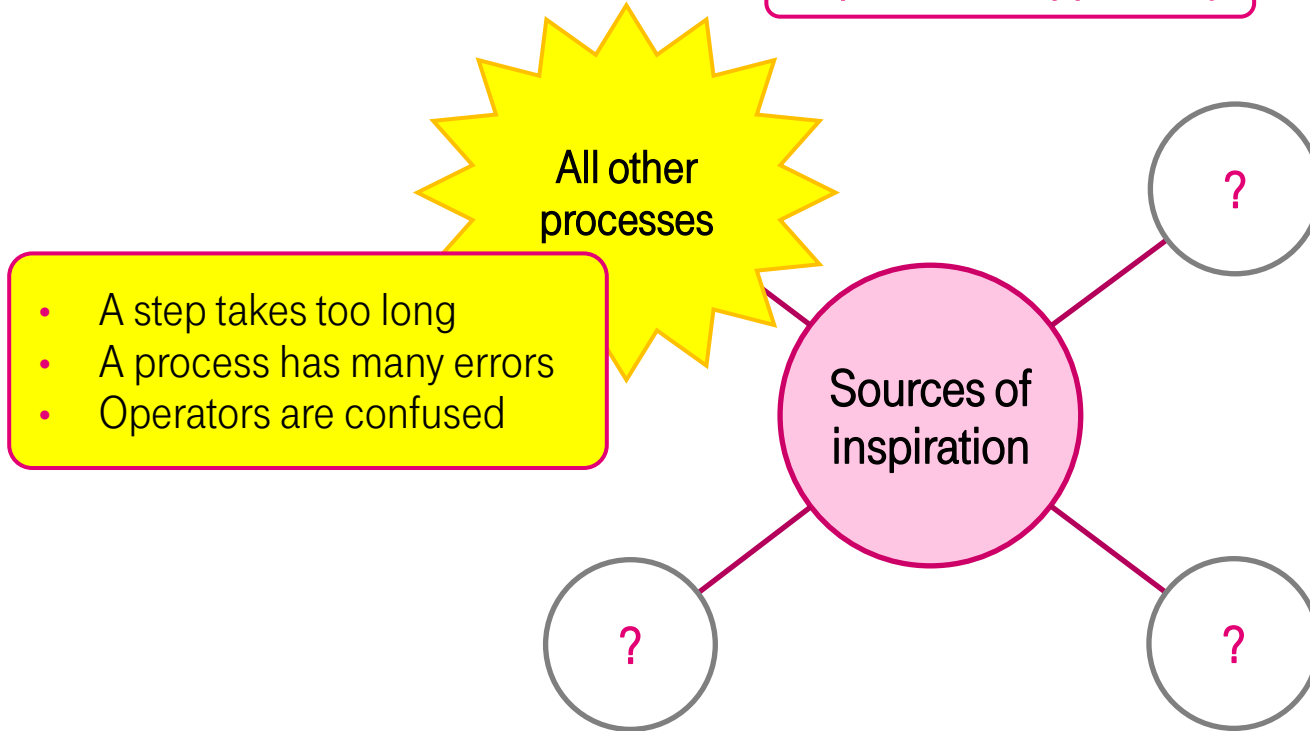
IMPROVEMENTS TAKE TIME

➤ Improvements typically require a lot of effort, research and experimentation.

➤ Service Improvement activities strain available resources and must be properly planned.

Future service

Original service

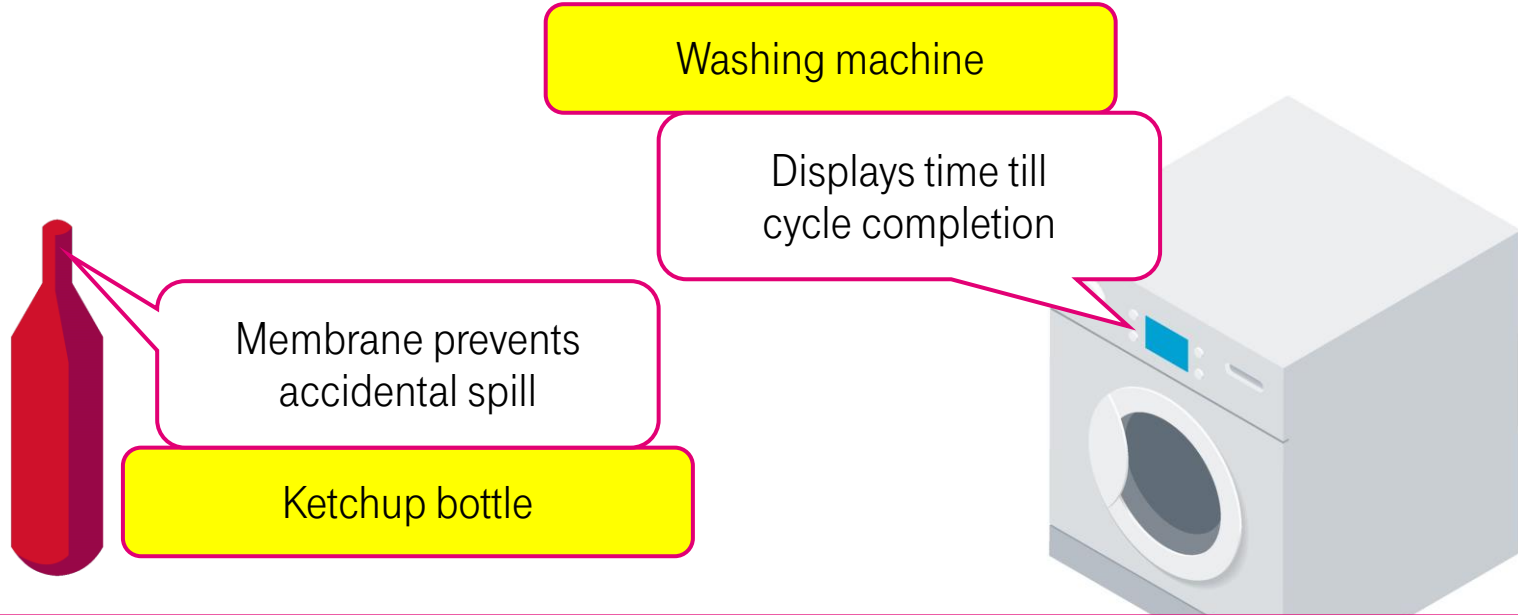| Standard operation (Service Provisioning)	S.I.

All resources

SOURCES OF INSPIRATION FOR IMPROVEMENT

➢ Before a service can be improved, an [Improvement opportunity] must be identified.

All other processes

- A step takes too long
- A process has many errors
- Operators are confused

Sources of inspiration

?

?

?

Deep Dive – Continual Service Improvement

PROCESS REVIEW

SOURCES OF INSPIRATION FOR IMPROVEMENT

➢ Before a service can be improved, an **opportunity for improvement** must be identified.

All other processes

- A step takes too long
- A process has many errors
- Operators are confused

What **Competitors** are doing

Sources of inspiration

- Don't reinvent the wheel

Benchmarking

?

?

BENCHMARK

		RED	BLUE	GREEN
	+	Faster cloud	Better networks	DBs, Networks, cloud
	–	Higher error rate	Worse databases	–

BENCHMARK

ANALYSTS CONFIRM A STRONG VISION AND EXECUTION.

GARTNER MAGIC QUADRANT: DATA CENTER OUTSOURCING

LEADER

"T-Systems is the most visionary player for Data Center Outsourcing and Utility Services."

EXPERT ON CLOUD VENDOR BENCHMARK

3X LEADER
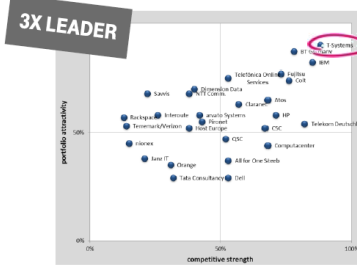
"In 2013, T-Systems is the dominant player for 'Managed Cloud IaaS', too."

EXPERT ON BIG DATA BENCHMARK

2X LEADER

"T-Systems fully transferred the company's vision of Big Data into a clear strategy."
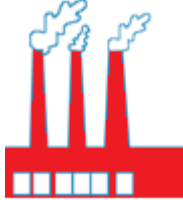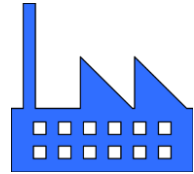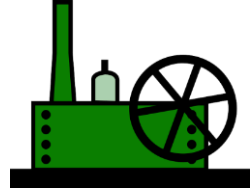
SOURCES OF INSPIRATION FOR IMPROVEMENT

➢ Before a service can be improved, an **opportunity for improvement** must be identified.

All other processes

What **Competitors** are doing

Sources of inspiration

Don't reinvent the wheel

Benchmarking

Industry Standards

Audits

?

AUDIT

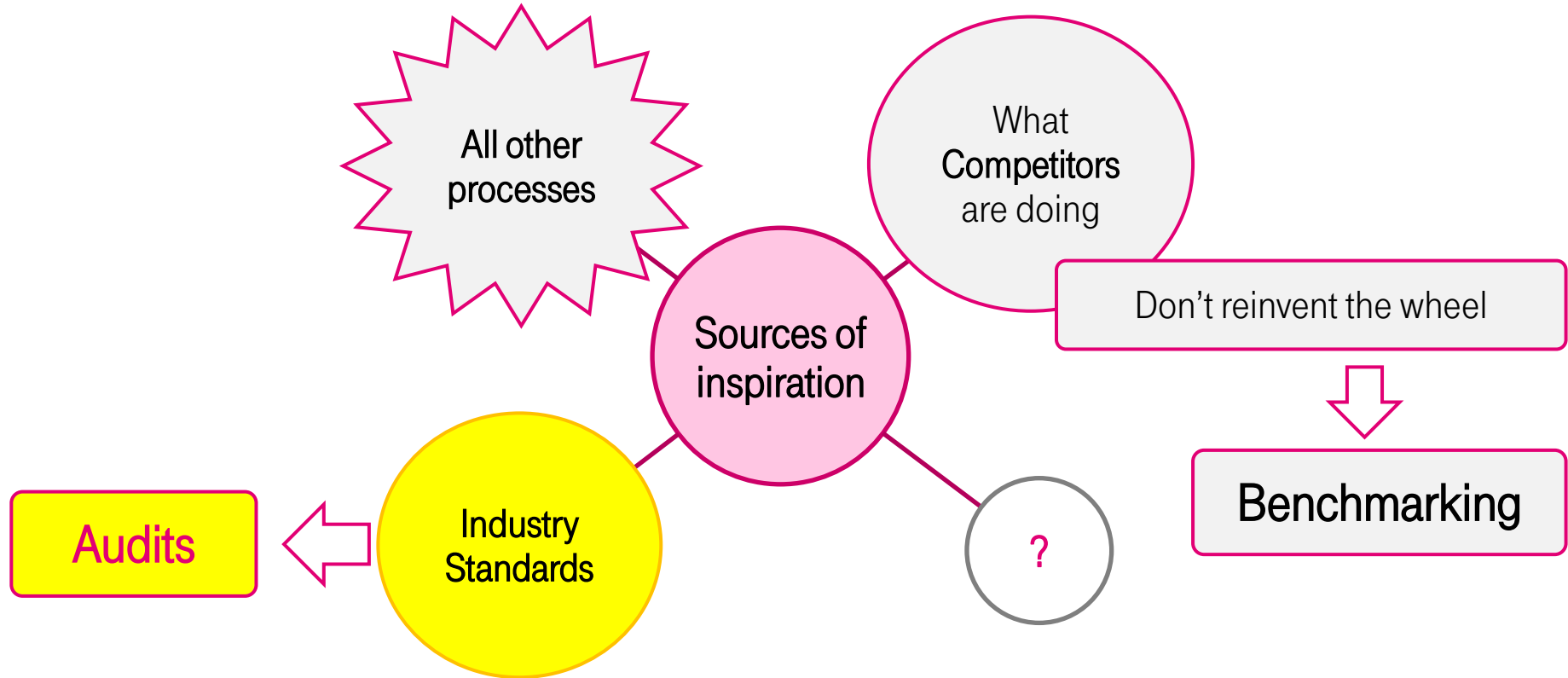|	AUDITOR's CHECK							
	1	2	3	4	5	6	7	8
1	OK							
2		S						
3			R					
4				S				
5					OK			
6						NC		
7							S	
8								R

LEGAL / STANDARD OBLIGATIONS

Recommendations are clearly areas for improvement

Strengths can become part of the standard in the future

OK	Meets standard req.
S	Strength
R	Recommendation
NC	Non-Conformity

SOURCES OF INSPIRATION FOR IMPROVEMENT

➤ Before a service can be improved, an **opportunity for improvement** must be identified.

All other processes

What **Competitors** are doing

Sources of inspiration

Industry Standards

Process Maturity Assessment
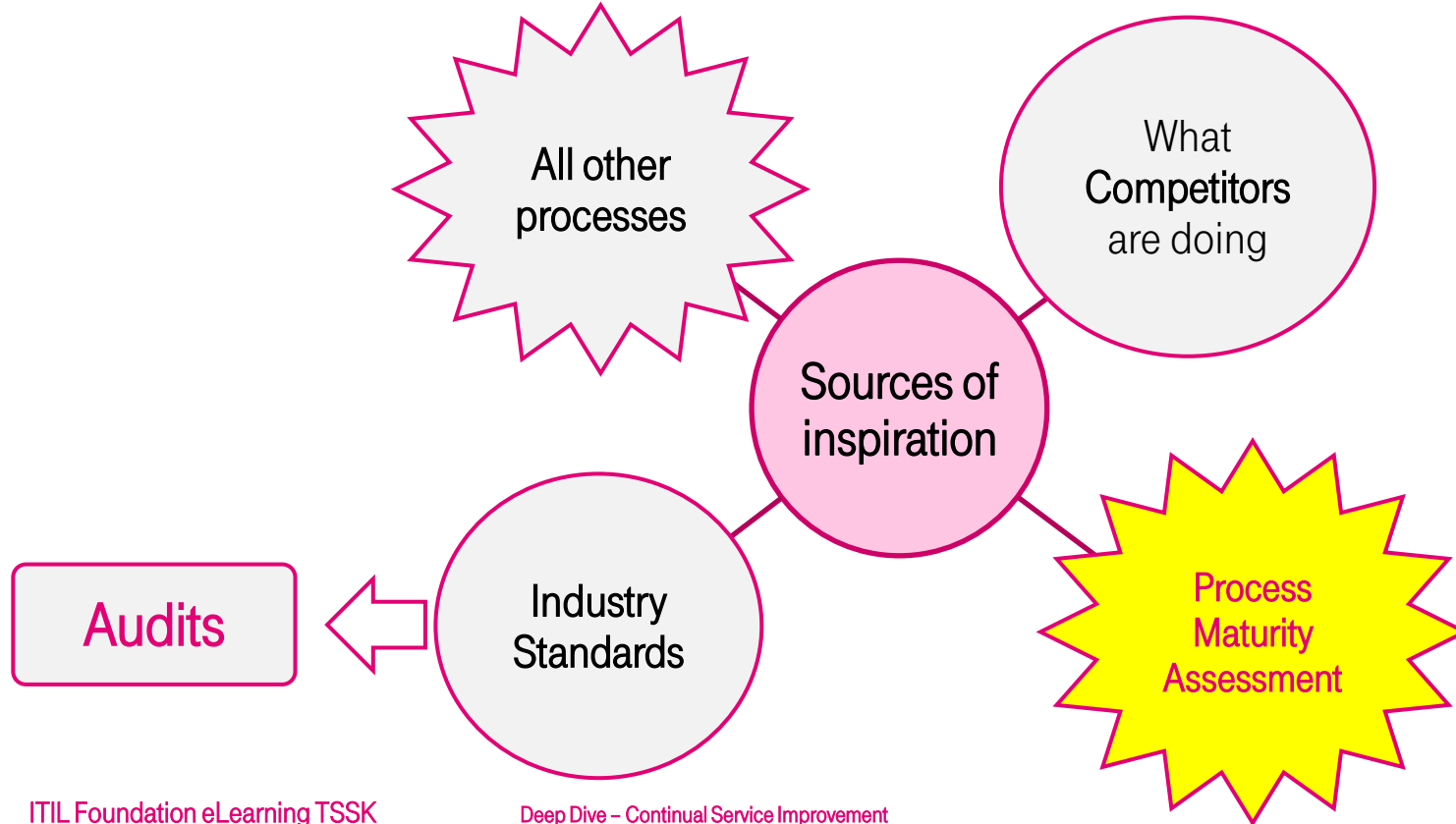
Audits

PROCESS MATURITY ASSESSMENT

- Six maturity levels

0 1 2 3 4 5

Offer → Order → Delivery

Mat. Level 4   Mat. Level 3   Mat. Level 1
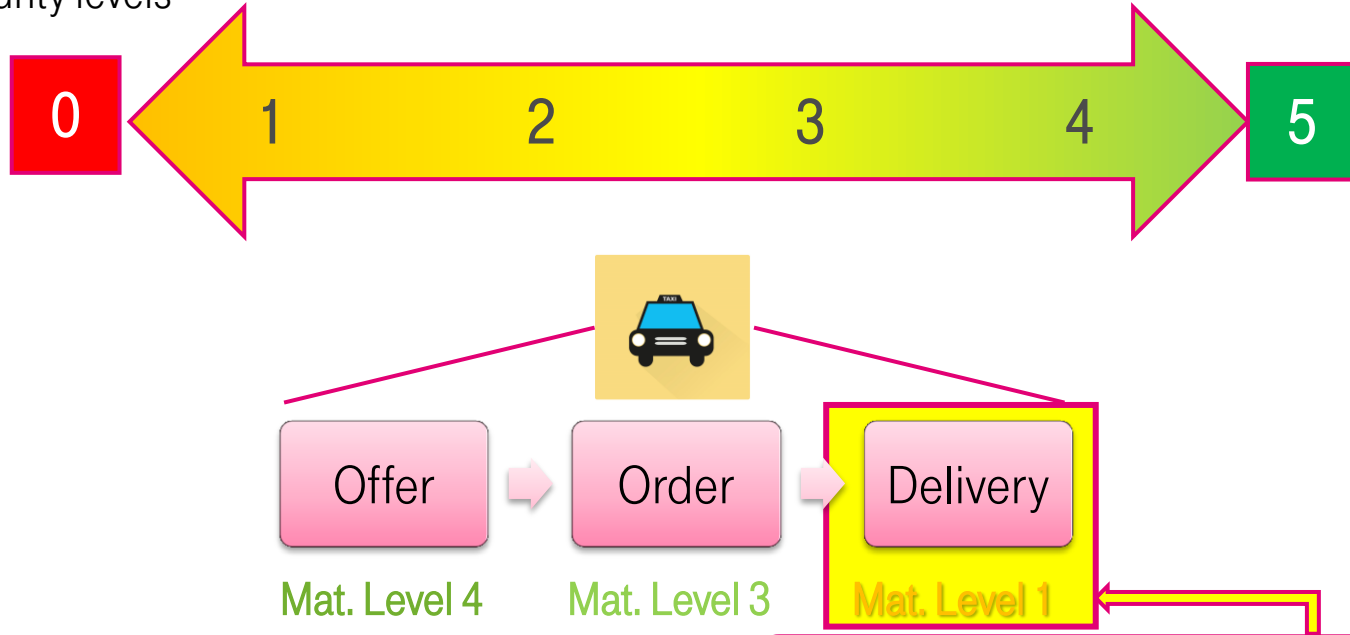
Bringing all processes to the same level eliminates (many) operational issues

Processes with Maturity Level below 3 automatically fail audits

PROCESS MATURITY LEVELS

Person-Dependent Practices
- No documentation
- Results depend entirely on the practitioners – What and How they will do

Documented Process
- A documentation on how the process **should** be done exists
- No guarantee that the documentation is followed

Partial Deployment
- Following the documented processes is enforced in some portion of the organization
- First opportunity for tangible benefits of following a process

Full Deployment
- Everyone is required to follow the documented process
- Failed service provisioning usually signals flaws in process design

Measured And Automated
- Metrics for process performance are defined (timing, customer satisfaction etc.)
- Computer systems help manage available resources, first automation takes place

Continuously Improving
- Performance targets are regularly tightened, necessitating improvement actions
- Methodologies such as Six Sigma, Kaizen, 5S, Poka-Yoke are applied regularly
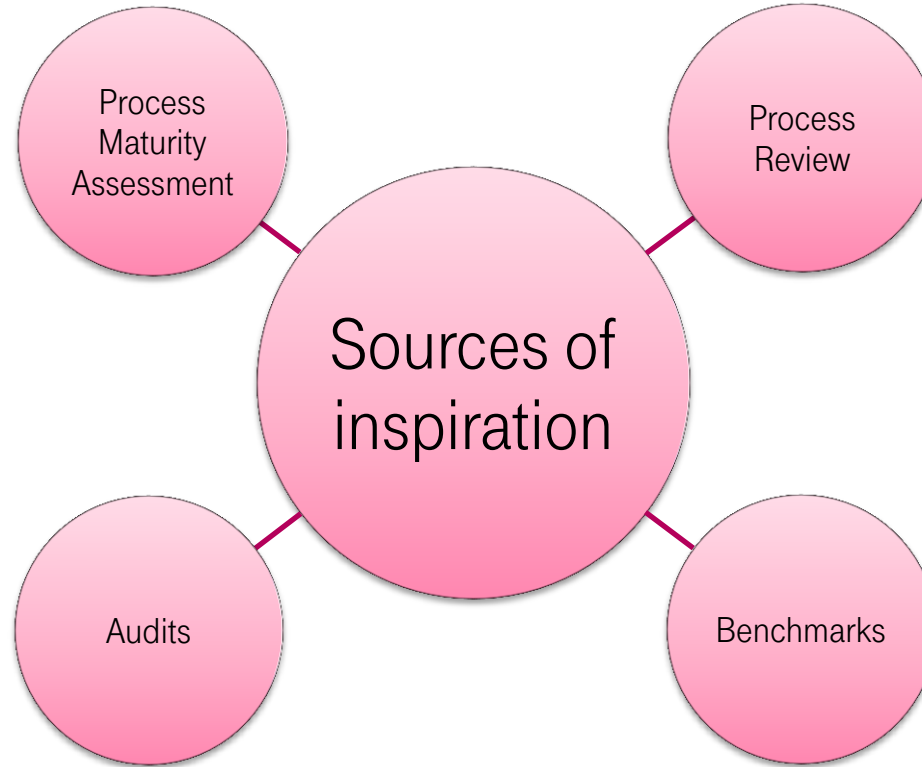
PROCESS MATURITY - ASSESSMENT

➢ Similar approach to **audits**

➢ **Assessor** uses questionnaire to check for completely fulfilled levels

Example:

☑ Level 2:   ☑ "Is this process used by at least 1 of our locations?"

☑ "Has at least one product today been produced according to the documentation?"

SOURCES OF INSPIRATION FOR IMPROVEMENT

ADDITIONAL SOURCES OF INSPIRATION

Smart service providers consider other sources of improvement inspiration

➢ Suggestion or wish from a customer

➢ Idea from an employee involved in the process

➢ Observation from a person with fresh eyes

Every idea should be documented and then properly managed

CSI REGISTER
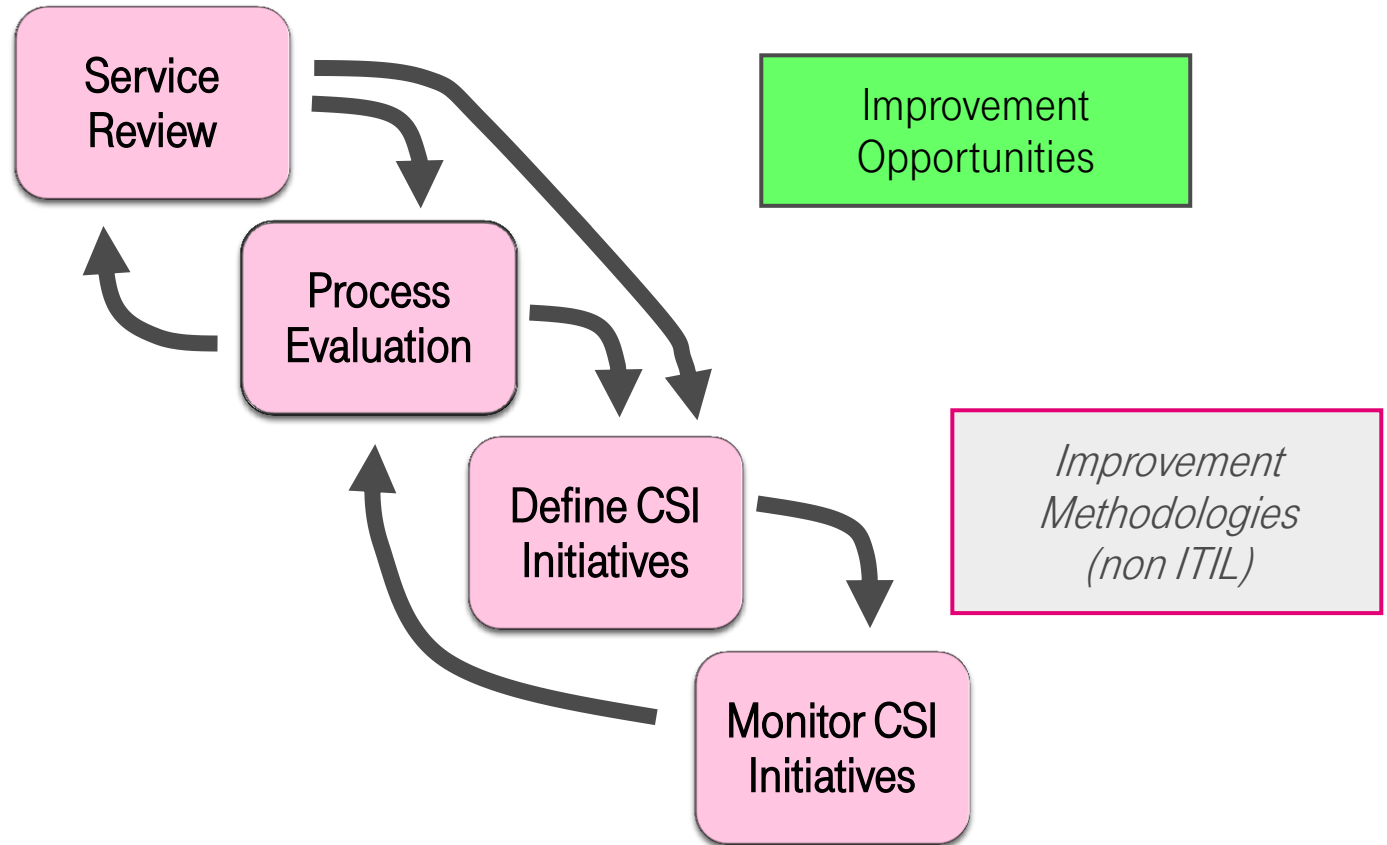
CSI Register: Tool, document or database collecting all improvement suggestions
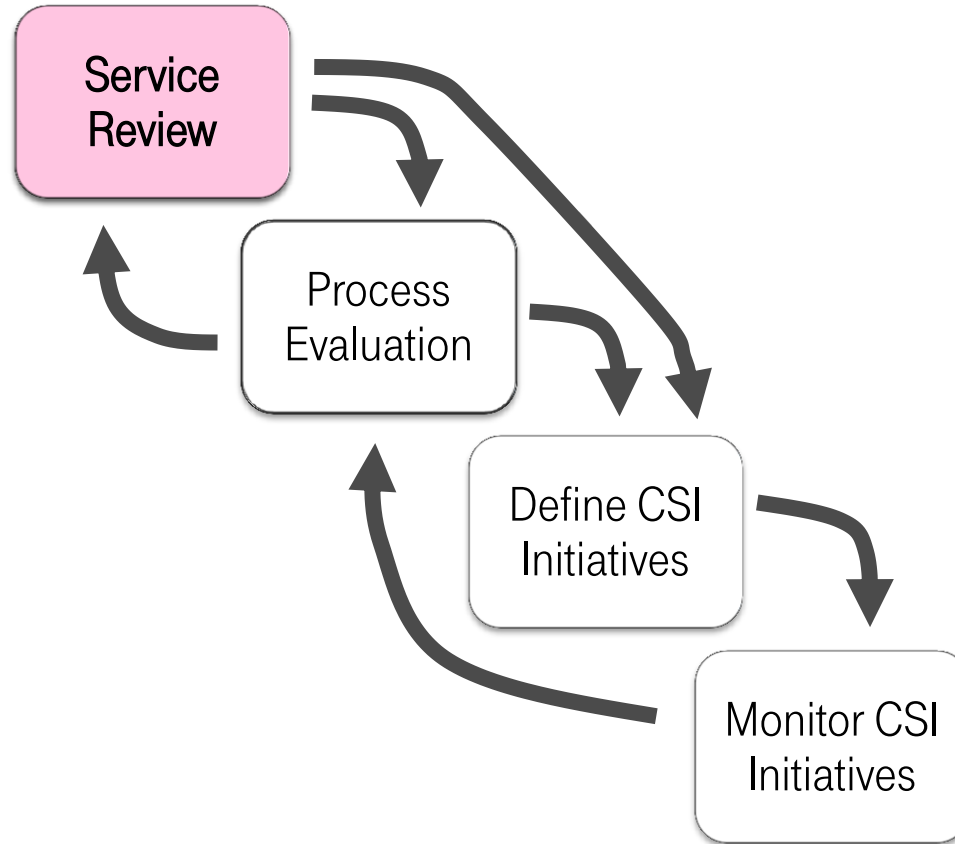
Improvement Opportunity record

- Name, ID, Description, Status

- Source (Complaint, Audit, Proposal)

- Current impact, Date of discovery

- Assigned Improvement Manager

✓ Proposed Solution, Implementation Budget, Plan and Schedule

✓ Confirmed results of solution

Suggested **Service** Improvements

Suggested **Process** Improvements

Improvement Opportunities

CSI PROCESSES

Service Review

Process Evaluation

Define CSI Initiatives

Monitor CSI Initiatives

Improvement Opportunities

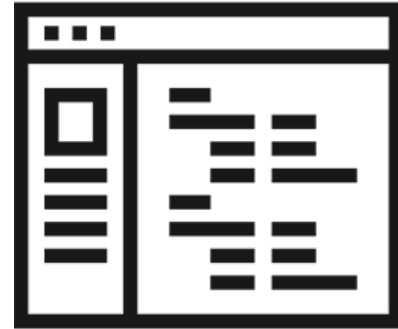Improvement Methodologies (non ITIL)

CSI PROCESSES

SERVICE REVIEW

Objectives:

- Regularly review business and infrastructure services

- Improve quality of the service

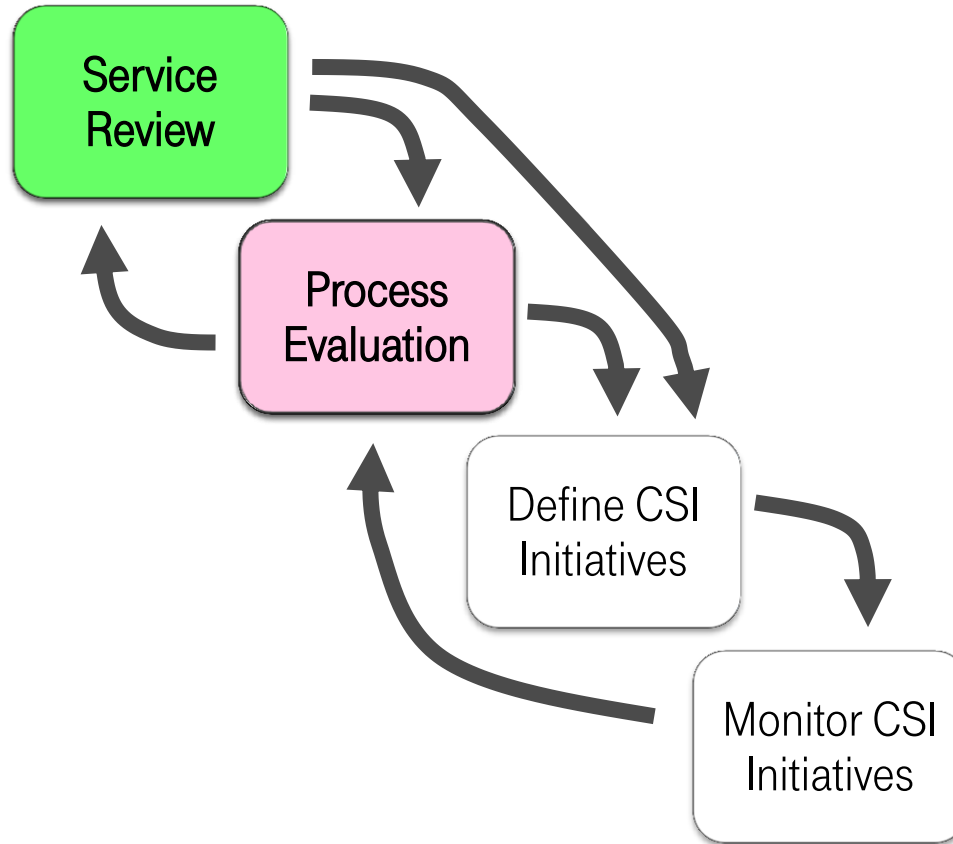- Look for more efficient ways to deliver the service

Global business demand:

- More with the same costs

- The same with lower costs

- "More with Less"

Service Review Report

CSI PROCESSES

PROCESS EVALUATION

Process Assessment Guideline
- Describes how to apply process evaluation methods: Process Maturity Assessment, Benchmark, Audit, Process Review

Process Evaluation
- Ensures that evaluation methods are regularly applied

PROCESS EVALUATION

Food Safety Inspectors
- Audit of following industry standards
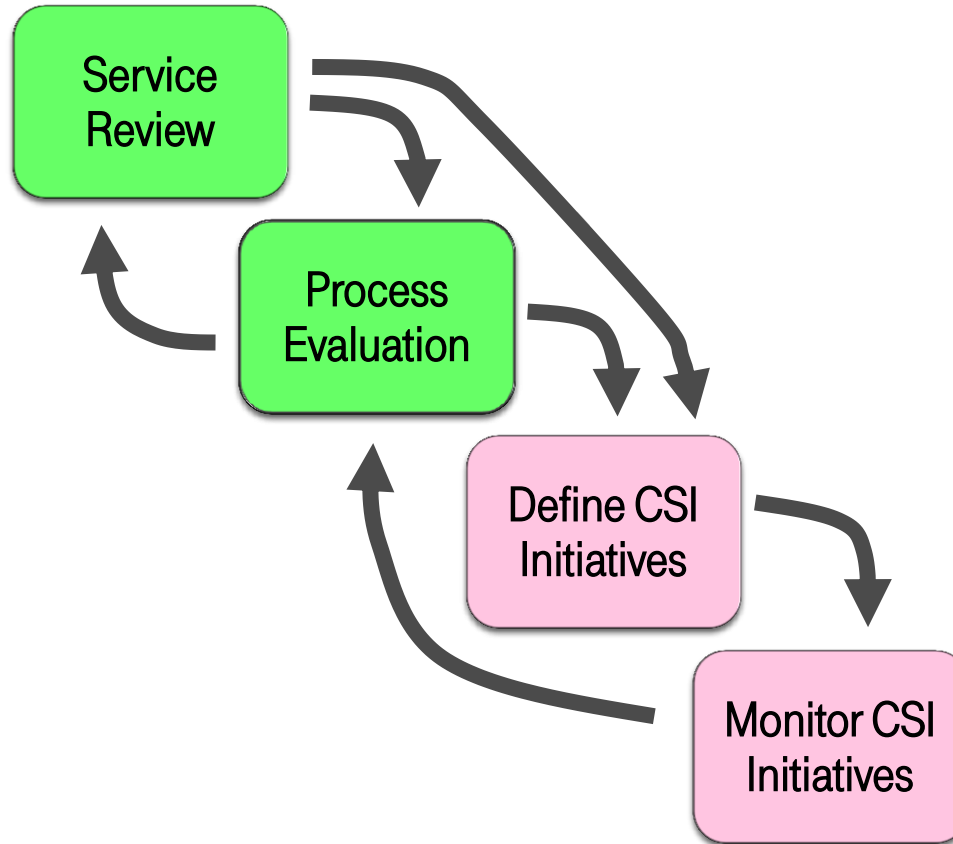- Non-conformities must be fixed immediately

Book of Complaints
- A form of process review
- Once per week by shift leader
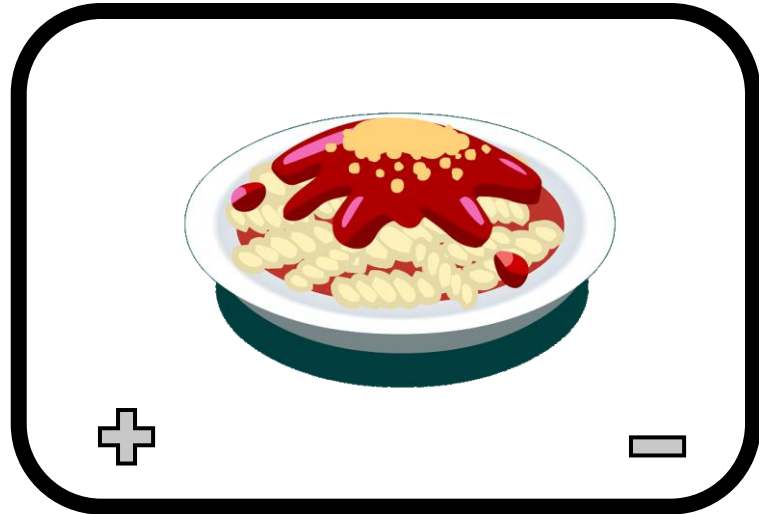- Once per month by restaurant owner

Newspaper Reviews
- Benchmark
- Comparing to other restaurants in the city
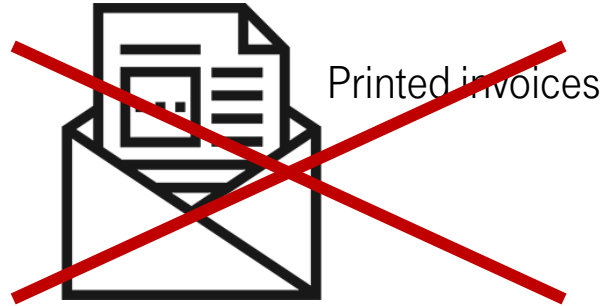
CSI PROCESSES

CSI INITIATIVES

➢ Service Review and Process Evaluation produce **improvement opportunities.**

➢ **Improvement opportunities** are recorded in **CSI Register** (formerly: SIP).

→ improvement manager transform an opportunity into **CSI Initiative**

CSI INITIATIVES

Printed invoices

Invoices sent by email

Required:
Adjustments of internal processes
Legislative changes

CSI INITIATIVES

CSI Initiatives may result in redesign of other processes

Formal procedure: Change Request to Process Architecture

(Note: Do not confuse this with "Change Request to Enterprise Architecture")

Common benefits from CSI Initiatives:

- Simplification of a process

- Partial automation

- Enhancement with additional functionality

Every process may be improved via CSI!

CSI PROCESSES

Service Review → Process Evaluation → Define CSI Initiatives → Monitor CSI Initiatives
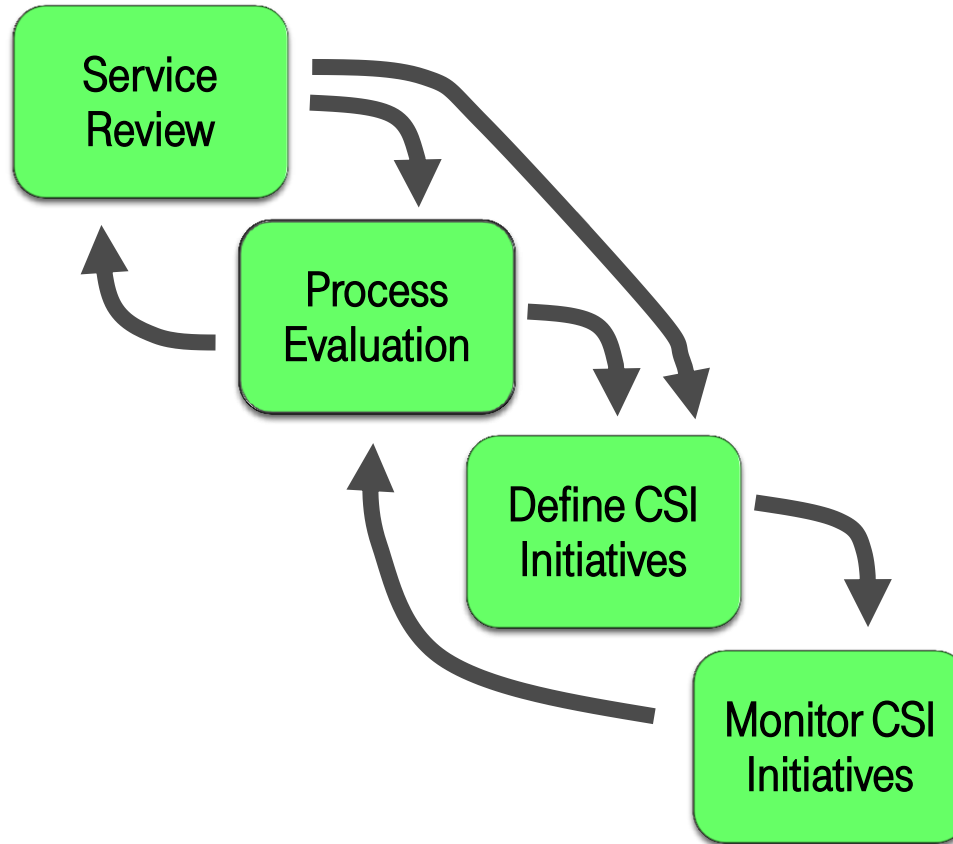
CONTINUAL SERVICE IMPROVEMENT - SUMMARY

Remember: Proactive Problem Management is a sign of service (operation) maturity

Continual Service Improvement is a sign of organization's maturity.

➤ Not just providing a service

➤ Trying to make it better in an organized manner

Highest level of Process Maturity is "Continuously Improving"

DEEP DIVE

➔ **Continual Service Improvement** ✓