# 8 Implementing continual service improvement

This publication has discussed implementing continual service improvement (CSI) from two perspectives: the implementation of CSI activities around services, and the implementation of CSI around service management processes. However, if your organization does not have very mature service management processes then it is usually difficult to execute the seven-step improvement process for services.

Immature processes usually have poor data quality if any at all. This is often because there are no processes or very ad hoc processes. Other organizations have multiple processes working with multiple tools being used to support the processes. If any monitoring is going on it may be at a component or application level but not from an end-to-end service perspective. There is no central gathering point for data, no resources allocated to process and analyse the data, and reporting consists of too much data broken into too many segments for anyone to analyse. Some organizations don't have any evidence of reporting at all.

## 8.1 CRITICAL CONSIDERATIONS FOR IMPLEMENTING CSI

Before implementing CSI it is important to have identified and filled the critical roles that have been identified in Chapter 6. These include a CSI manager, service owner and reporting analyst. A service level manager facilitates the liaison between the customers and IT.

Monitoring and reporting on technology metrics, process metrics and service metrics need to be in place.

Internal service review meetings need to be scheduled in order to review from an internal IT perspective the results achieved each month. These internal review meetings should take place before any external review meeting with the business.

## 8.2 WHERE DO I START?

### 8.2.1 Where do I start – the service approach

An organization can choose to implement CSI activities in many different ways. One way is to identify a certain service pain point such as a service that is not consistently achieving the desired results. Work with the service owner to validate the desired results and the trend results over the past few months. Review any monitoring that has been done. If there hasn't been any end-to-end monitoring in place but some component monitoring, then review what has been monitored and see if there are any consistent issues that are leading to the lower than expected service results. Even if there hasn't been any component monitoring conducted, review your incidents and see if you can find some trends and CIs that are consistently failing more than others and which impact the service. Also review the change records for the different CIs that together underpin the service.

The bottom line is that you have to start somewhere. If you don't feel you have adequate data from monitoring or from another process then the first step is to identify what to monitor, define the monitoring requirements, and put in place or begin using the technology required for monitoring.

Be sure to analyse the data to see if the trends make sense and whether there are any consistent failures or deviation from expected results. Report findings and identify improvement opportunities.

### 8.2.2 Where do I start – the lifecycle approach

Another approach is to start looking at the output from the different lifecycle stages. For example, service design personnel need to monitor and report on their activities and, through trend evaluation and analysis, identify improvement opportunities to implement. This needs to be done by every part of the lifecycle and CSI is engaged in this activity. Until the service is implemented we may not know if the right strategy was identified,

so we may not have input until later for service strategy improvement.

As service transition personnel begin working with the designed service they may identify improvement opportunities for service design. CSI can be effective well before a service is implemented into the live environment.

### 8.2.3 Where do I start – the functional group approach

Perhaps your organization is experiencing a lot of failures or issues with servers. If this is the case, it may be a good opportunity to focus CSI activities within the functional group responsible for the servers, as server failures have a direct impact on service availability.

This should be a short-term solution only, as CSI activities should be reviewing services from an end-to-end perspective; however, it is often easier to have a small group focused on CSI activities. Perhaps this could be a pilot of CSI activities before a full deployment across the organization.

### 8.3 GOVERNANCE

No matter if you are implementing CSI around service management or services, it is critical that governance is addressed from a strategic view. Organizations are facing the need to expand their IT service management strategies from an operational level to tactical and strategic levels to address business process automation, market globalization and the increasing dependency on IT for the efficient and reliable management and delivery of core business services. To address this requirement, formalized service management processes and specialized service and work management tools are being introduced to manage today's complex and distributed IT environments. Introducing service management processes into internal IT organizations requires a transformation to the IT culture.

Some internal IT organizations are still system/ technology-management-based organizations, which are reactive in nature. Transforming to a service-management-based organization, which is more proactive in nature, is a step to aligning IT with business. It is also fundamental to achieving the goal of providing efficient and reliable management and delivery of core business services.

Implementing an IT service management (ITSM) process governance organization will support the development of, and transformation to, a process- and service-based organization and provide the organizational infrastructure to manage process improvement initiatives.

A comprehensive and integrated approach to the design, implementation and ongoing compliance to accepted ITSM standards includes:

■ Organizational structures, roles and responsibilities
■ IT processes, policies and controls.

### 8.3.1 Business drivers

The implementation of a standard ITSM process and governance is deemed as imperative to support current and future business plans:

■ Support the organization's vision
■ Provide standard IT processes and a stable and reliable IT environment to enable timely and efficient integration of new services and systems
■ Provide process policies, standards and controls to comply with internal audit and external regulatory and legislation requirements
■ Foster a climate of commitment to best practices
■ Provide a standard ITSM process across the IT organization to support the organizational transformation to an enterprise IT services model while maintaining operational stability and reliability to the business.

### 8.3.2 Process changes

Implementing CSI will have an impact on many parts of the IT organization. Processes, people, technology and management will undergo change. CSI needs to become a way of life within the organization. This may require new management structure, new technology and changes to processes to support CSI, and people will need to be trained and understand the importance of CSI within the organization.

If you only focus on changing a single process or technology CSI may not be effective. Figure 8.1 identifies how CSI should instead take a holistic view to improvements.
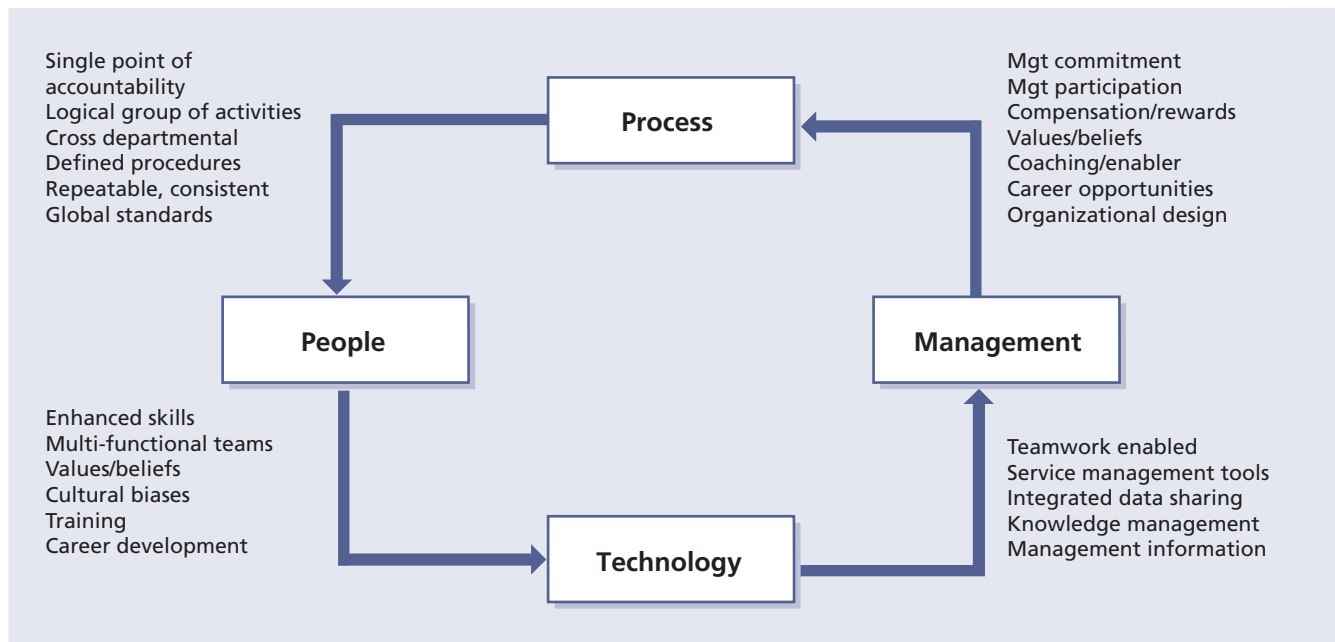
*Figure 8.1 Process re-engineering changes everything*

## 8.4 CSI AND ORGANIZATIONAL CHANGE

Project management structures and frameworks fail to take into account the softer aspects involved in organizational change such as overcoming resistance to change, gaining commitment, empowering, motivating, involving and communicating. Experience reveals that it is precisely these aspects that prevent many CSI initiatives from realizing their intended aims. The success of a CSI initiative depends on the buy-in of all stakeholders. Gaining their support from the outset, and keeping it, will ensure their participation in the development process and acceptance of the solution. The first five steps in Table 8.1 identify the basic leadership actions required.

Those responsible for managing and steering the CSI initiative should consciously address these softer issues. Using an approach such as John P. Kotter's 'eight steps to transform your organization', coupled with formalized project management skills and practices, will significantly increase the chance of success.

Kotter, Professor of Leadership at Harvard Business School, investigated more than 100 companies involved in, or having attempted, a complex change programme and identified eight main steps that need to be implemented in order to successfully change. The eight steps, which

are shown in Table 8.1, apply equally to ITSM implementation programmes.

### 8.4.1 Create a sense of urgency

Half of all transformations fail to realize their goals because they lack adequate attention to this step. Not enough people accept that change is essential. To create a sense of urgency, ask the question 'What if we do nothing?' Answering this question at all organizational levels will help gain commitment and provide input to a business justification for investing in CSI.

Examples of the consequences of doing nothing are:

■ The business will lose money because of outages of crucial IT services, systems and applications.
■ The business will find IT costs unacceptable and may insist on staffing reductions as an easy option for reducing costs.

The question 'What if we do nothing?' should be answered from the perspective of different stakeholders. This step could be taken in the form of one-on-one dialogues with stakeholders, workshops and team meetings. The aim is to create a real awareness and commitment that the status quo is no longer acceptable.

**Table 8.1 Eight steps that need to be implemented, and the main reasons why transformation efforts fail (from Kotter, 1996)**

| Step | | Reasons for failure (quotes) |
|---|---|---|
| 1 | Create a sense of urgency | '50% of transformations fail in this phase' |
| | | 'Without motivation, people won't help and the effort goes nowhere' |
| | | '76% of a company's management should be convinced of the need' |
| 2 | Form a guiding coalition | 'Underestimating the difficulties in producing change' |
| | | 'Lack of effective, strong leadership' |
| | | 'Not a powerful enough guiding coalition … opposition eventually stops the change initiative' |
| 3 | Create a vision | 'Without a sensible vision, a transformation effort can easily dissolve into a list of confusing, incompatible projects that can take the organization in the wrong direction, or nowhere at all' |
| | | 'An explanation of 5 minutes should obtain a reaction of "understanding" and "interest"' |
| 4 | Communicate the vision | 'Without credible communication, and a lot of it, the hearts and minds of the troops are never captured' |
| | | 'Make use of all communications channels' |
| | | 'Let the managers lead by example … "walk the talk"' |
| 5 | Empower others to act on the vision | 'Structures to underpin the vision … and removal of barriers to change' |
| | | 'The more people involved, the better the outcome' |
| | | 'Reward initiatives' |
| 6 | Plan for and create quick wins | 'Real transformation takes time … without quick wins, too many people give up or join the ranks of those opposing change' |
| | | 'Actively look for performance improvements and establish clear goals' |
| | | 'Communicate successes' |
| 7 | Consolidate improvements and produce more change | 'Until changes sink deeply into the culture, new approaches are fragile and subject to regression' |
| | | 'In many cases, workers revert to old practice' |
| | | 'Use credibility of quick wins to tackle even bigger problems' |
| 8 | Institutionalize the change | 'Show how new approaches, behaviour and attitude have helped improve performance' |
| | | 'Ensure selection and promotion criteria underpin the new approach' |

### 8.4.2 Form a guiding coalition

Experience shows a need for assembling a group with sufficient power to lead the change effort and work together as a team. Power means more than simply formal authority but also experience, respect, trust and credibility. This team is the guiding coalition for the CSI.

It is important that the team leading the CSI has a shared understanding of the urgency and what it wants to achieve. A guiding coalition team does not have to comprise solely of senior managers. A guiding coalition should ensure that the organization is motivated and inspired to participate. A single champion cannot achieve success alone. Those initiating a CSI should try to gain full support from the stakeholders, including the business managers, IT staff and the user community. The team must be prepared to spend time and effort convincing and motivating others to participate.

In the beginning this team will be small and should include an influential business or IT sponsor. As the programme buy-in grows, and throughout the programme itself when more and more successes are achieved and benefits realized, this team should be increased to involve a wider range of people and functions. Conscious attention should be given to managing a formal and informal network that forms the basis of a guiding coalition, asking the questions 'Do we have the right people on board?' and, if not, 'Who should we have on board?'

### 8.4.3 Create a vision

The guiding coalition should be responsible for ensuring that a vision is produced describing the aim and purpose of CSI. A good vision statement can serve four important purposes. It can:

- Clarify the direction of the programme
- Motivate people to take action in the right direction
- Coordinate the actions of many different people
- Outline the aims of senior management.

Without a sensible and easily understood vision, a CSI implementation can easily dissolve into a list of confusing, incompatible projects that can take the organization in the wrong direction, or even nowhere at all. A vision that is easy to understand is also easy to explain. As a rule of thumb, if one cannot explain the vision in five minutes, the vision itself is not clear and focused enough.

A sound vision statement is important when forming a business justification for CSI; if one is already under way then having clear aims will help set more specific goals. The goals of CSI should be SMART (specific, measurable, achievable, relevant and time-bound) and addressed in terms relating to the business itself.

### 8.4.4 Communicate the vision

Although the vision is a powerful tool in helping guide and coordinate change, the real power is unleashed when the vision is effectively communicated to the stakeholders. Every stakeholder should understand the vision.

The sense of urgency ('What if we do nothing?') and the vision ('What's in it for me?') should form the basis of all communication to the stakeholders involved in or impacted by the CSI initiative. These messages should be aimed at motivating, inspiring and creating the necessary energy and commitment to buy in to the change programme. An important aspect of the communication is demonstrating by example.

It is important to make use of all communications channels to get the messages across. Use the organization's newsletters, intranet site, posters, theme and team meetings, and seminars. Aim the communication at the specific needs and wants of each target group. For example, a presentation to computer operators, stressing the benefits of lower management costs and increased business availability, may be less likely to inspire them than the idea that they will have the chance to gain new skills and opportunities, or that they will be supported by the latest advanced management technology so they spend less time fire-fighting.

### 8.4.5 Empower others to act on the vision

Establishing the urgency, creating a guiding coalition, and creating and communicating a vision are all aimed at creating energy, enthusiasm, buy-in and commitment to enable successful change. In the empowering phase, two important aspects need to be stressed: enabling and removing barriers.

It is crucial to understand what is meant by empowerment. It is a combination of enabling

people and removing barriers. Empowerment means giving people the tools, training, direction and assurance that they will be given clear and unambiguous fixed goals. Once people are empowered, they are accountable. That is why confirming their confidence before going ahead is important.

### 8.4.6 Plan for and create short-term wins

Implementing service management improvements can be a lengthy programme of change. It is important that, during the programme, short-term wins are realized and communicated. Short-term wins help to keep a change effort on track and to keep the energy and commitment levels high. Real transformation takes time. Without short-term wins, too many people give up or join the ranks of those opposing the change. Short-term wins can also be used to help:

■ Convince sceptics of the benefits
■ Retain support of influential stakeholders
■ Expand the guiding coalition and get more people on board and committed to the programme
■ Build confidence to tackle even more complex implementation issues and process integration.

Try to identify some short-term wins for each service and/or process and plan these into the CSI. It is also important that short-term wins are made visible and are communicated to all stakeholders. When planning to communicate the short-term wins, obtain answers to the questions 'For whom is it a short-term win?' and 'To what degree does it support the overall aims and goals?' and work these answers into the communication.

### 8.4.7 Consolidate improvements and produce more change

The success of short-term wins keeps the momentum going and creates more change. In CSI it is important to recognize short-, medium- and long-term wins. Changes should sink deeply into the new culture or the new approaches will be fragile and subject to regression:

■ **Short-term wins** have the characteristics of convincing, motivating and showing immediate benefits and gains.

■ **Medium-term wins** have the characteristics of confidence and capability, and having a set of working processes in place.
■ **Long-term wins** have the characteristics of self-learning and expertise, and fully integrated processes that have self-learning and improvement built into them; reaching this stage requires a baseline of confident, capable delivery and real understanding. Trying to reach this level before having gone through the other levels is like trying to win an Olympic medal before commencing training.

### 8.4.8 Institutionalize the change

Change needs to be institutionalized within the organization. Many changes fail because they are not consolidated into everyday practice. This is akin to buying a membership to a gym but not going to the gym. To institutionalize a change means showing how new working practices have produced real gain and benefits, and ensuring that the improvements are embedded in all organizational practices.

Often the CSI team is disbanded before the working practices are institutionalized; there is a danger that people may revert to old working practices. This has to stop. CSI must be a way of life not a knee-jerk reaction to a failure of some sort.

These are some ways of institutionalizing changes:

■ Hire people with ITIL experience or proven customer- or service-focused experience.
■ When inducting new employees (in business and IT), include service management familiarization: 'This is the way we do things.'
■ Include ITIL or service-management-focused training in employee training plans and offerings.
■ Match service goals and management reporting to changing requirements, showing that they are used and requests are made for new sets of steering information.
■ Identify clear action items in meeting minutes and act on them in a timely manner.
■ Integrate new IT solutions and development projects into existing processes.

Signs that the changes have been institutionalized include:

■ People defend the procedures and declare 'This is the way we work', rather than 'This is the way I've been told to do it'.

■ People make suggestions for improving procedures and work instructions to make them more effective or efficient.

■ Service and process owners are proud of their achievements and offer to give presentations and write articles.

### 8.4.9 Organization culture

Organizational culture is the whole of the ideas, corporate values, beliefs, practices and expectations about behaviour and daily customs that are shared by the employees in an organization – the normal way of doing things. Component parts of the culture include:

■ The way authority is exercised and people rewarded

■ Methods of communication

■ The degrees of formality required in working hours and dress, and the extent to which procedures and regulations are enforced.

One could say culture is the heart of the matter or a key issue in implementing CSI. Culture could support an implementation or it could be the bearer of resistance.

Culture is continually named as one of the barriers in realizing any type of organizational change. When an organization has embraced CSI, the new organizational structure and technology receives overwhelming attention and almost no attention is paid to the effect on the culture. Culture isn't good or bad – it's just there.

An organization's culture can be immediately recognized by an outsider from the staff's attitudes and morale, their vocabulary – the phrases and buzzwords they use, and the stories and legends they tell of the organization's heroes. Continual improvement is about moving away from the hero mentality and focusing more on proactive planning and improving, instead of always reacting to fix something when it breaks.

#### 8.4.9.1 Key concept

One of the keys to changing the culture of an organization is to understand that you do not start out to change the culture. You start out to change the employee's behaviour. In other words, when implementing CSI around services and service management processes you are asking the staff members to change how they do things. You want them to follow the new CSI activities and procedures, and use the tools appropriately.

As you change employees' behaviour then over time this changed behaviour becomes the organization's new culture. Senior management plays an important part in changing behaviour. Senior managers have to be the proper role models: if they don't follow a process they are giving permission to others to follow their lead. Senior managers have to ensure that people are rewarded for following the new process, and for CSI it means ongoing monitoring, analysing, reviewing, trend evaluation, reporting, identification of improvement opportunities and, of course, implementing those opportunities.

This will also require the help of your organization's human resource department, as changing employees' behaviour is directly tied to ensuring the job descriptions are up to date, employees' goals and objectives take into consideration service management responsibilities, and expectations include CSI activities. Also employee performance plans should be directly related to fulfilling these responsibilities and expectations. Whether an employee is performing an activity for service improvement or a change management activity, this should be recognized and employees rewarded based on the performance.

The following two statements are important when thinking about changing an employee's behaviour.

■ **What gets rewarded gets done**  This is why it is important to set up performance plans, performance appraisal systems and compensation plans to tie into CSI activities as well as other service management activities. If you are rewarding an employee for simply doing the daily activities of their job, and not for understanding the full end-to-end service management processes, there will be no incentive for them to gain a broader understanding. It will be hard to change an employee's behaviour when they get rewarded for doing what they do today.

■ **You get what you inspect not what you expect**  Organizations always expect employees to do certain things, but unless they are actually monitoring and checking to see if the tasks and activities are being done, there is little reason for an employee to do them. Remember the

state of North Carolina example in section 5.6.5. The state achieved results through training, creating an awareness campaign and letting people know they were tracking results and would be discussing the results with the managers each month.

## 8.5  COMMUNICATION STRATEGY AND PLAN

Timely and effective communication forms an important part of any service improvement project. In an effort to transform an organization from performing CSI activities ad hoc to undertaking more formal and ongoing CSI activities, it is critical that participants and stakeholders are informed of all changes to the processes, activities, roles and responsibilities.

The goal of the communications plan is to build and maintain awareness, understanding, enthusiasm and support among key influential stakeholders for the CSI initiative.

When developing a communication plan, it is important to realize that effective communication is not based solely on a one-way flow of information, and it is more than just meetings. A communications plan must incorporate the ability to deal with responses and feedback from the targeted audiences.

The plan should include a role to:

- Design and deliver communications to the different CSI roles, stakeholders such as other ITSM process roles and identified target audiences
- Identify forums for customer and user feedback
- Receive and deliver responses and feedback to the project manager and/or process team members.

Key activities for the communications plan include:
- Identifying stakeholders and target audiences
- Developing communications strategies and tactics
- Identifying communication methods and techniques
- Developing the communications plan (a matrix of who, what, why, when, where and how)
- Identifying the project milestones and related communications requirements
- The tools and techniques to use to gain a perspective on the level of audience

understanding, e.g. surveys, website hits, event participation etc.

In order to change behaviours and ultimately an organization's culture will require a well-thought-out communication strategy and plan. An effective communication strategy and plan will focus on creating awareness of why the organization is implementing service management, why we want to formalize a CSI process, and why ITIL was chosen as the best-practice framework. The plan will also need to address how to provide service management education through formal training programmes or internal meetings, how to provide formal training on the new processes and tools that sets new expectations, and how to provide updates on progress and achievements.

When developing your communication strategy and plan it is important to take into consideration how corporate communication works today. In some organizations, if you want the chief information officer (CIO) to communicate something on behalf of CSI or any service management project, it may take a long time. This needs to be planned for.

Also keep in mind the culture around communicating with the business. In some organizations there are strict guidelines on who can communicate with the business. Often this is through the service level management (SLM) and business relationship management processes. No matter what the method is, always have communicating with the business as one of your key communication activities.

### 8.5.1  Defining a communication plan

Defining your plan needs to take into consideration the following topics:

- **Who is the messenger?**   This is often overlooked when assessing the importance of aligning the messenger with the message. There are times when it is appropriate for the CIO to deliver a communication. Another time it may be a service owner or process owner who should be doing the communicating.
- **What is the message?**   Define the purpose and objective of the message. This needs to be tailored to the target audience. Keep in mind the importance of communicating the benefits of the CSI initiative. The what's-in-it-for-me approach is still valid and needs to be addressed.

**Table 8.2 Table for sample communication plan**

| Messenger | Target audience | Message | Method of communication | Date and frequency | Status |
|---|---|---|---|---|---|
| CIO | All of IT | CSI initiative is kicking off | Town hall meeting | Month/day | Planned |

■ **Who is the target audience?** The target audience for CSI could be senior management, mid-level managers or the staff who will be tasked with performing CSI activities. The target audience will often dictate who will deliver the message based on what the message is.

■ **Timing and frequency of communication** Be sure to plan and execute your communication in a timely manner. The one constant about managing change is that for communication to be effective, it will take more than a one-time communication. If reporting is what is being communicated you will want to define your reporting timelines and frequency.

■ **Method of communication** The old standby of sending emails and putting something on the web can work for some forms of communication, but in order to manage change effectively it is important to have a number of face-to-face meetings where there is an opportunity for two-way communications to take place. Attending staff meetings, holding information meetings open to all IT personnel and conducting town hall meetings are all effective methods that need to be considered.

■ **Provide a feedback mechanism** Be sure to provide some method for employees to ask questions and provide feedback on the change initiative. Someone should have ownership of checking and ensuring that responses are provided to questions or comments.

Be sure to keep a record of all your communications as they illustrate how the communication plan has been executed.

You can develop a simple table for your communication plan as shown in Table 8.2. Keep in mind that you will be communicating to various groups within IT. Be sure to include senior management, mid-level managers and line contributors, as well as those working or supporting CSI activities.
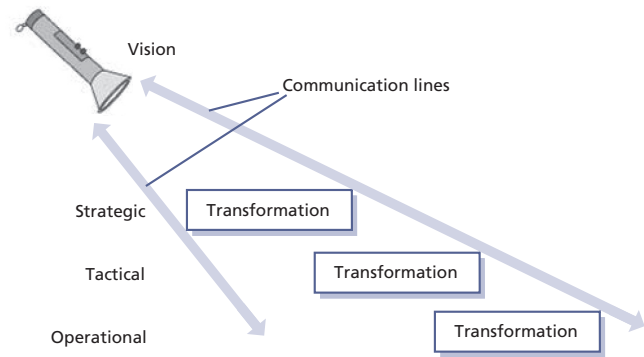


*Figure 8.2 Vision becomes blurred*

## 8.5.2 Communication transformation

The strategic management level usually initiates the communication about new initiatives and this should be true for implementing CSI within your organization. The CSI initiative is handed down from the strategic level to the tactical level and then to the operational level. It is more the rule than the exception that each level goes through its own transformation process. It is important that the same message is being sent and received as the vision is communicated down the organization. The outcome of this process is the cause and often the demand for the next level in an organization to transform. Information about this process and how people are dealing with it are seldom handed down. Unfortunately the higher level gives little feedback about this process to the next level.

What also happens is that the content of the vision and reasons for the organizational change becomes less understood as it moves down through the organization. Only parts of the rationale behind the organizational change come through to the operational level. Figure 8.2 shows how only part of the original content of the vision is handed down ('the shadow of the upper level') to the operational level. As the message is passed through the organizational levels, the clarity and content of the vision is blurred even further.

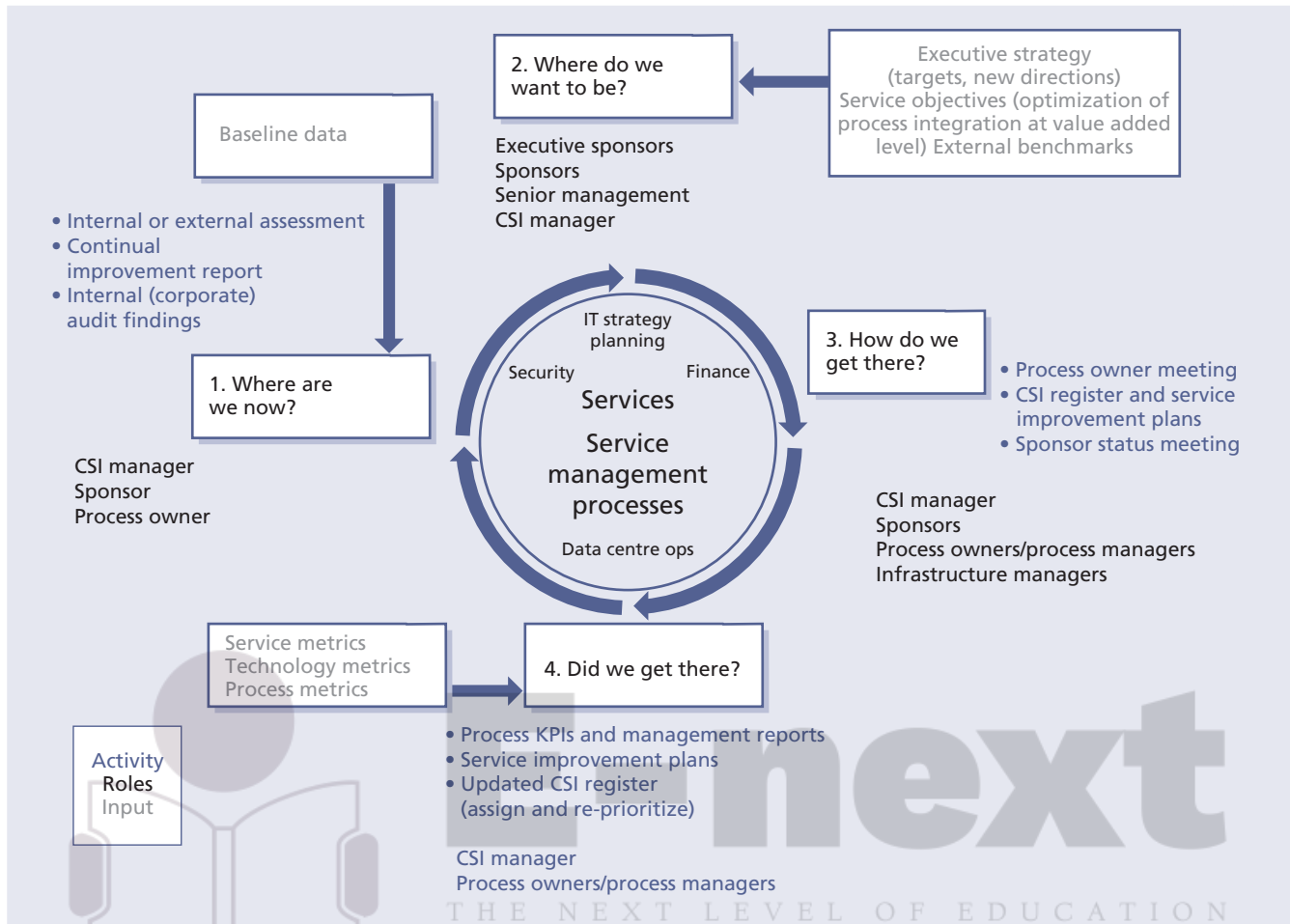Because each management level has its own separate transformation processes they fail to

*Figure 8.3 CSI roles and inputs*

appreciate the feelings of the other levels. This is most evident for operational level staff, who feel particularly vulnerable if they have not been involved in the discussions. Yet the commitment and energy of operational level staff are essential to the success of any organizational change.

## 8.6 SUMMARY

Developing a governance structure is important for formalizing CSI in your organization. CSI will require that key roles are filled for trend evaluation, analysis reporting and decision-making. Process compliance is critical for ensuring

the proper output for process metrics to be used for identifying process improvement initiatives. Technology will need to be in place for monitoring and reporting. Communication is critical to help change employees' behaviour. Communication will be necessary to identify the target audience, who the messenger is, what message is being communicated and what is the best way to communicate the message.

Figure 8.3 shows the roles and key inputs that are involved in the different phases of continual improvement.