

Service Lifecycle and Process Map: Lifesavers in Process Jungle

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"Any intelligent fool can make things bigger, more complex, and more violent. It takes a touch of genius -- and a lot of courage -- to move in the opposite direction."

E. F. Schumacher

Agenda

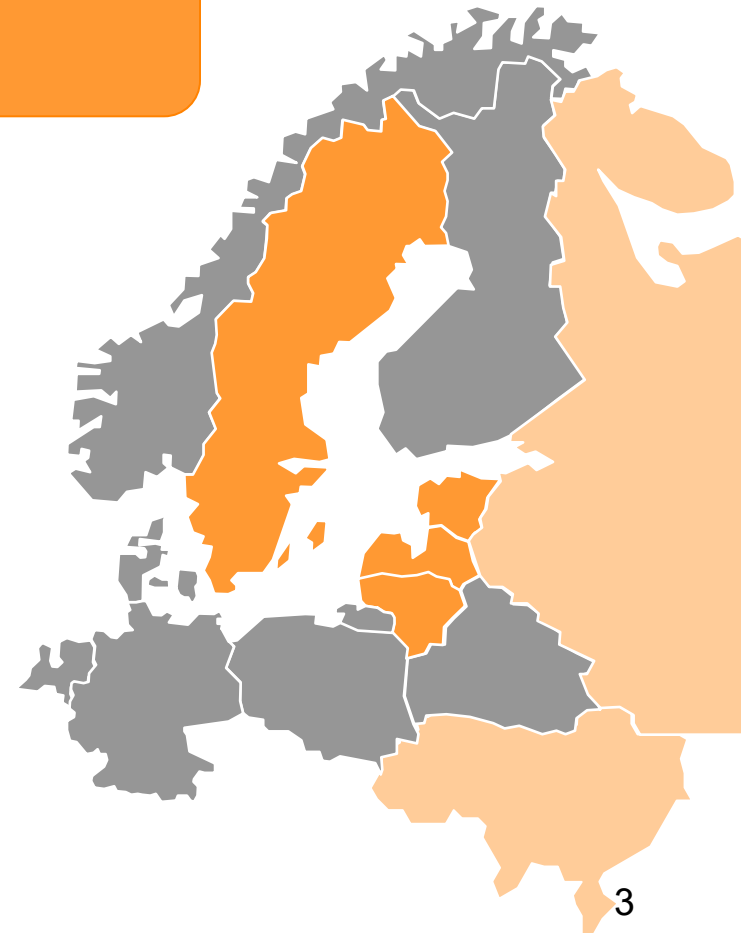
- Swedbank overview
- IT Service Management journey in Hansabank/Swedbank
 - 2003 – How it started?
 - 2006 – First successes and new challenges
- Lifesavers in the jungle
 - Vision for Business and IT alignment
 - IT service – Common denominator
 - Process map – GPS for process jungle
- Conclusions and steps ahead

The presentation is based on process improvement in Hansabank - a Baltic regional bank later acquired by and merged into Swedbank

Swedbank in Brief

One of the largest financial institutions in the region of Scandinavia and Baltics with total assets exceeding SEK 1,890 billion and operating profit SEK 1,016 million (Jan-Mar 2010).

- 9.5M private customers
- 534000 corporate customers
- 6M internet banking customers
- 600 branches
- 2100 ATMs
- 18000 employees
- Over 98% of all transactions are electronic



Overview of Hansabank/ Swedbank ITSM journey

2008-... – Establishment of Group IT

2006-2008 – IT optimisation toward business needs

2002-2006 – IT cost reduction, consolidation

1992-2002 – fast growth, mergers



Centralised Process Governance

Centralised Process Ownership

Centralised Process Ownership and Management

‘Natural’ processes

Business and IT partnership – ... – Business and IT partnership

2003 – How the ITSM journey started?

- 3 countries, 3 organisations
 - Local IT support
 - Separate tools and processes
 - Multiple attempts to implement common processes
 - IT costs too high, > 22% of operational costs
- Need for IT optimisation (consolidation)

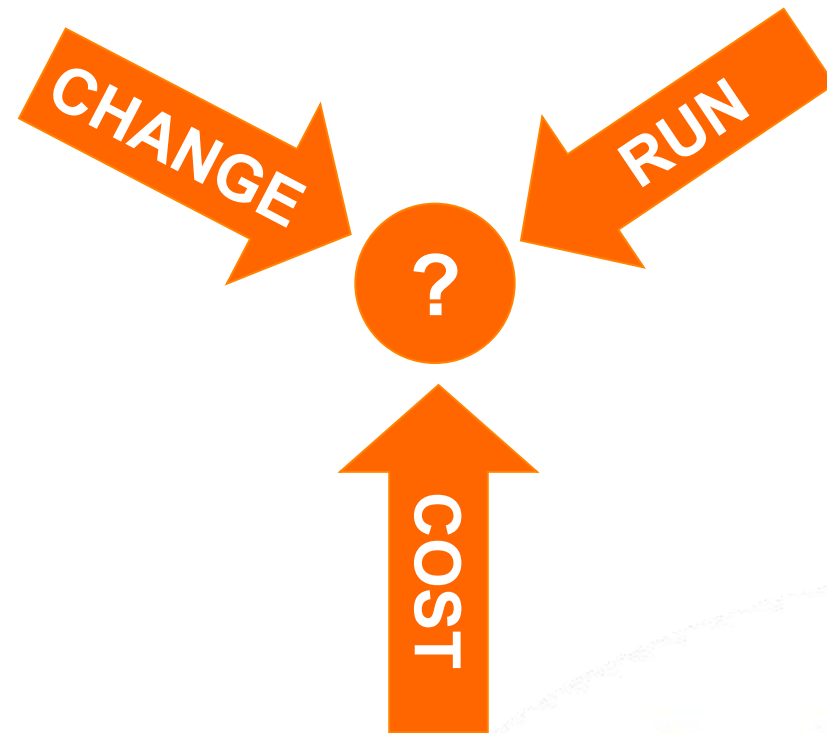
CoSI (Common Service Initiative)

to establish Common, Pan-Baltic, IT service management processes and organization to be proactive and more effective and offer better service to customers.



2006 – New Challenges

- IT Development and IT Operations targets activity oriented and conflicting
- IT targets start prevailing over business
- Process world ('jungle'!) is too complex
 - Continuous search for local optimums



Process 'jungle'

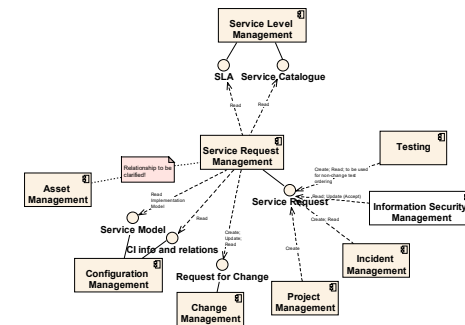
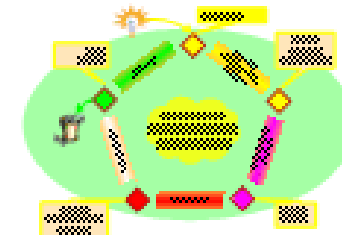
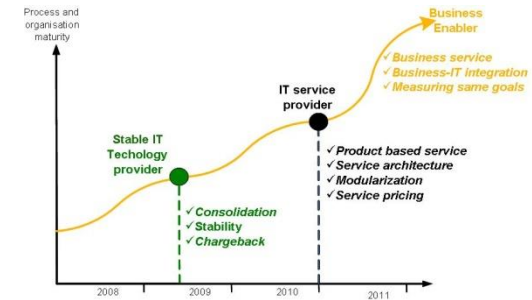
Process	Source/Reference
Service Level Management	ITIL
Change Management	ITIL
Project Portfolio Management	Gartner one-off definition
Project Management	CMMI; PMI PMBOK
Requirements Engineering	CMMI
Enterprise Architecture	The Open Group Architecture Framework
Development	CMMI
...	

- 40+ processes identified
- Many roles from different processes applied to one person
- Different frameworks and principles
- Conflicting definitions

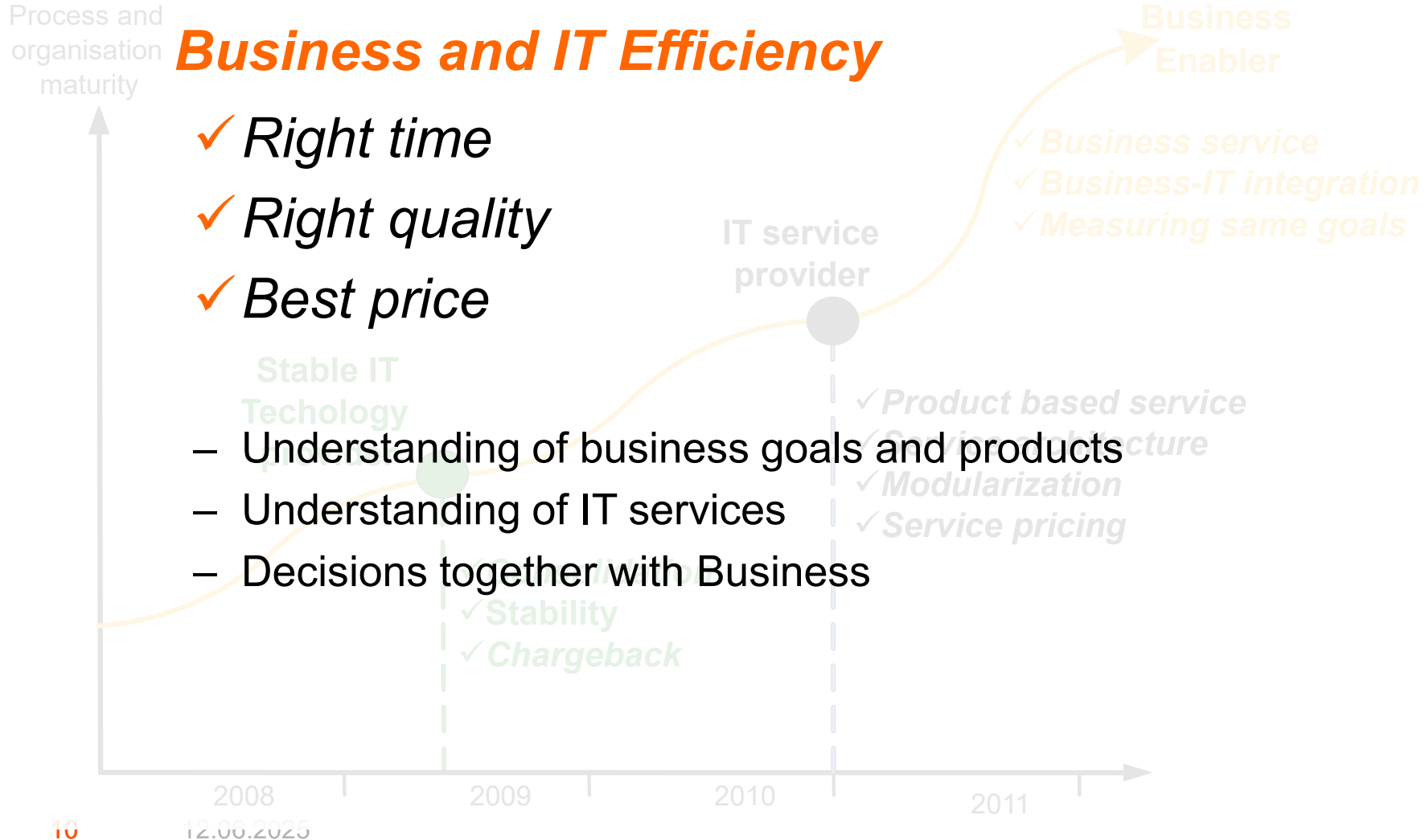
Lifesavers in the 'jungle'

Lifesavers

- IT Vision for Business and IT alignment
 - Process improvement as driver for organisational improvement
- IT service and IT Service Lifecycle
 - Common object for IT and Business
 - Common denominator across processes
- Process map
 - GPS for process 'jungle'



Vision for Business and IT alignment



Why IT Service?

Need for process backbone and common denominator!

Project?

Change?

Service?

...?

Service:

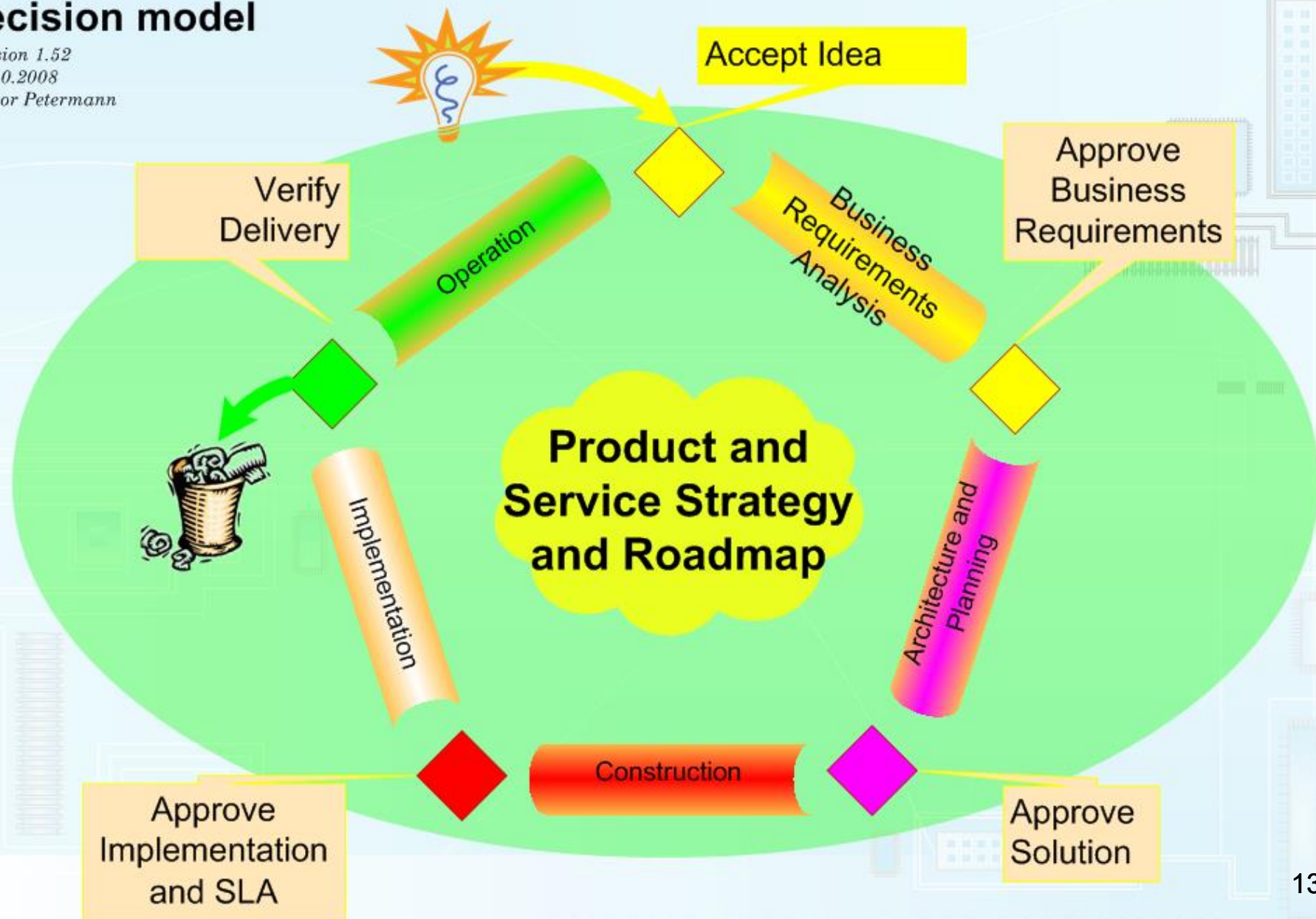
- Consolidates value, created by IT organisation
- Constitutes agreement between IT and business
- Persistent

IT Service Lifecycle

- Description of main phases and decisions needed to create, maintain and improve the IT service in order to provide business value.
- Main principles
 - Every change in service functionality requires similar main activities and decisions
 - To streamline the processes, decision authorities must be
 - clearly defined
 - delegated as low as possible

Service Lifecycle Decision model

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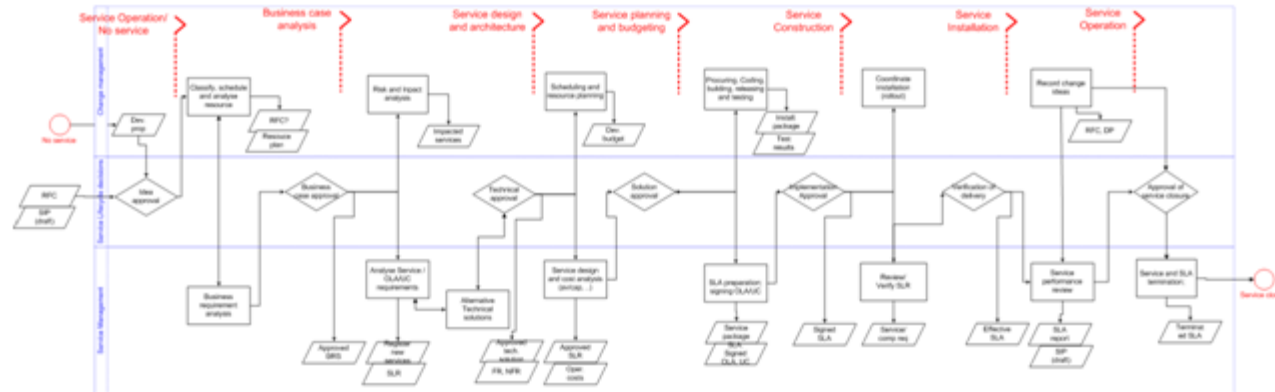


Effects of Service lifecycle implementation

- Clear connection between activities in Development and Operations; common KPI-s
- Emphasis on service, service requirements and quality
- Process improvements utilising Service Lifecycle as shared concept
- Communication tool:
 - How IT works?
 - What's my impact?
- Driver for overall organisational improvement!

Still confused in the 'jungle': how to navigate?

- How are processes really connected?
 - Tryout to visualise process connections by lifecycle phases

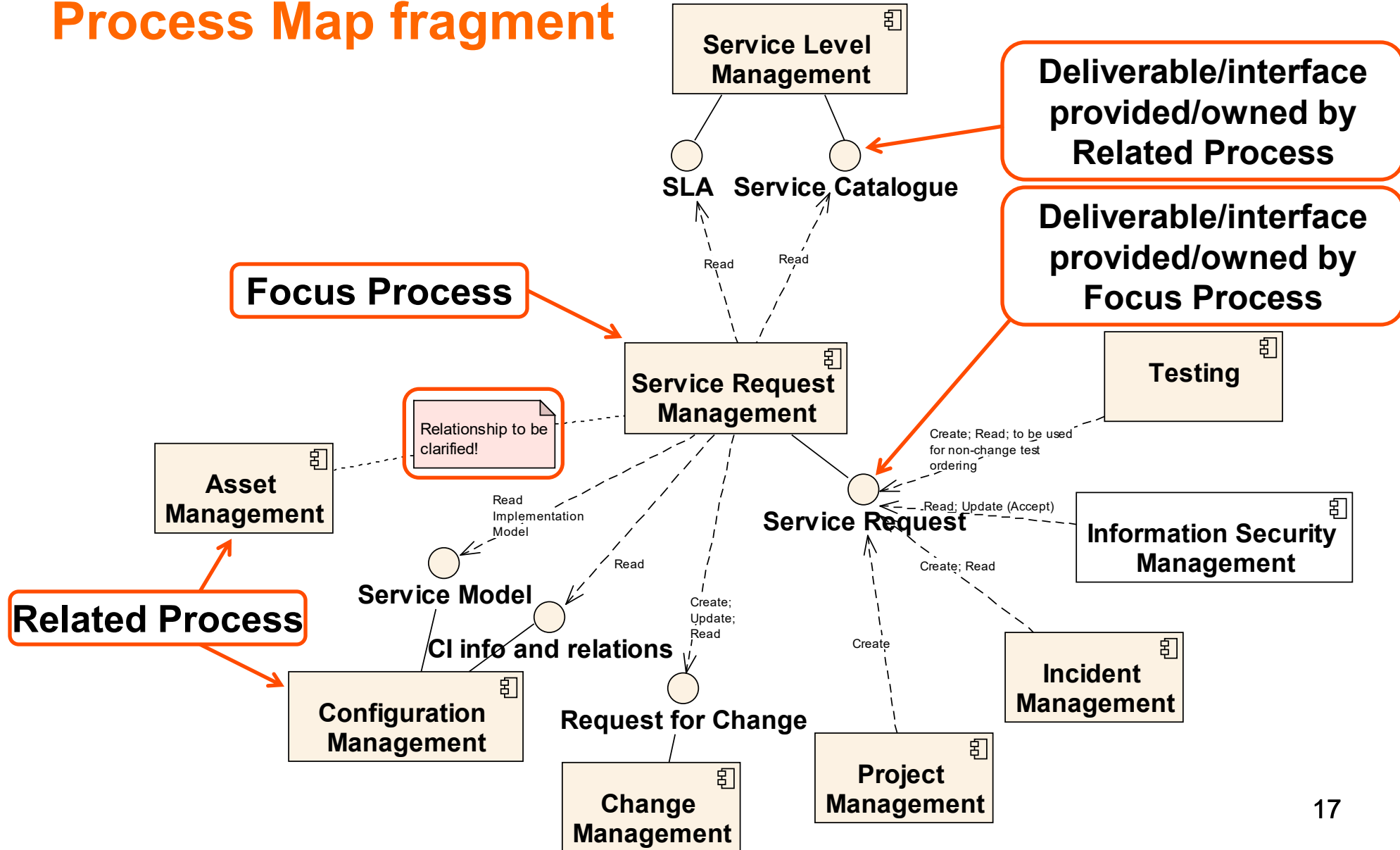


- Sample definition: *Change*
 - Modification, addition or removal of any CI or CI configuration in IT (software, hardware or network) – *Change Management Principles*
 - Any modification of approved, supported or base lined hardware, network, software, application, environment, system, desktop build or associated documentation – *Configuration Management Procedure*
 - and 4 more interpretations

Process Map: Main principles

- All relations between processes are taking place via certain Deliverables (a.k.a. Interfaces)
- Each Interface is provided and owned by one and only Process
- Each Interface might be used by many Processes in different ways and for different purposes
- If process change has impact on deliverables or related definitions, Process Map change must be agreed before releasing process change

Process Map fragment



Effects of the process map

- Same understanding about interrelations/interfaces
 - External context across processes identified, agreed and centrally managed
 - Unified definitions
- Shared environment for process improvement
 - Map updates agreed before changes in individual processes
 - Place to record concerns and suggestions by process owners



Overall results

- IT costs constantly under control; < 20% of op. costs
- Increased business satisfaction
- Aligned and efficient IT organisation
 - 10-15% IT cost reduction in 2 consequent years, service quality targets not decreasing
- Masking complexity of IT processes from participants
- 'Business-based' IT services emerge
- Started integration of Business and IT processes

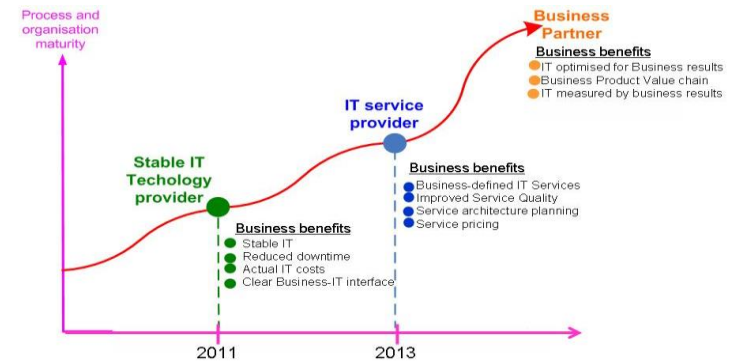
New challenge: merger with Swedbank and ...

...Need for cost optimisation and Business alignment

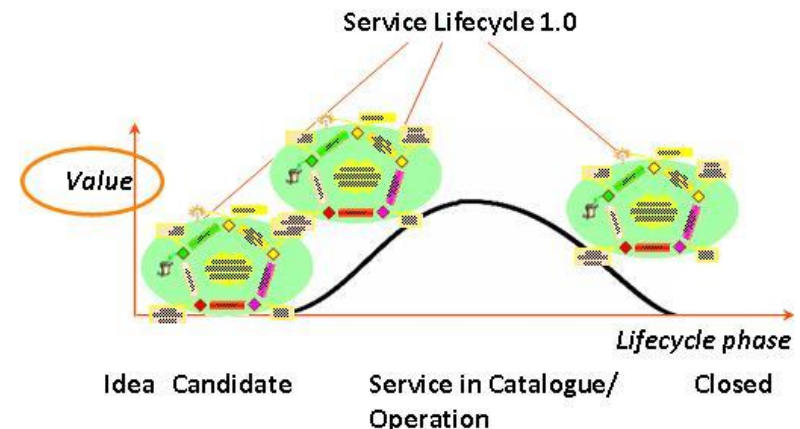
Steps ahead

- Baltic and Swedish IT organisations united since 2010,
 - process harmonisation, 60+ traces to “legacy processes”

- Vision for IT-Business partnership



- Service Lifecycle 2.0
 - Service value dimension
 - Expanding concept outside process world



Conclusions

- Processes are powerful weapons, handle with care
- Process improvement must be part of IT strategy
- Manage your services, not just processes



Thank you!