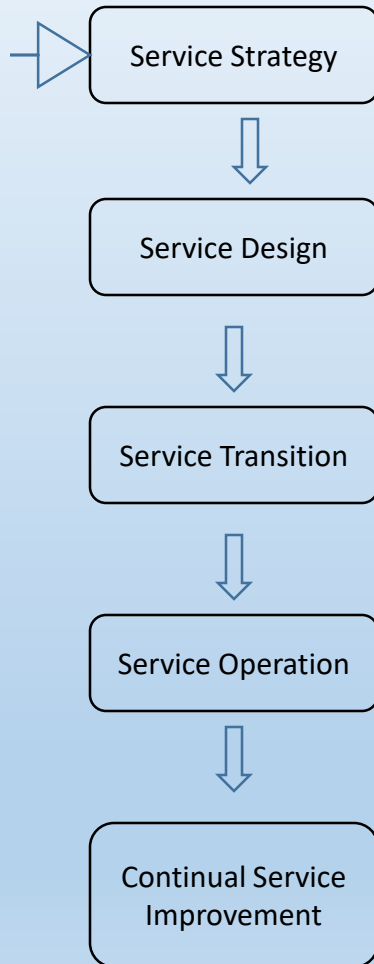


# L5 Service Strategy



- Service Value & Service Providers
  - Utility & Warranty
  - Types of service providers
- Service Portfolio
  - Service pipeline
  - Service catalogue
  - Retired services
- Sourcing Strategy
- Relevant processes
- Relationships with other lifecycle elements

# Learning outcome:

Student will be able to:

- Describe the aims of service strategy
- Describe the concept of service value
- Describe the 3 common types of service provider
- Describe what service portfolio is
- Describe the 3 key processes within service strategy
  - Financial management
  - Demand management
  - Service portfolio management
- Relationships with other service lifecycle phases

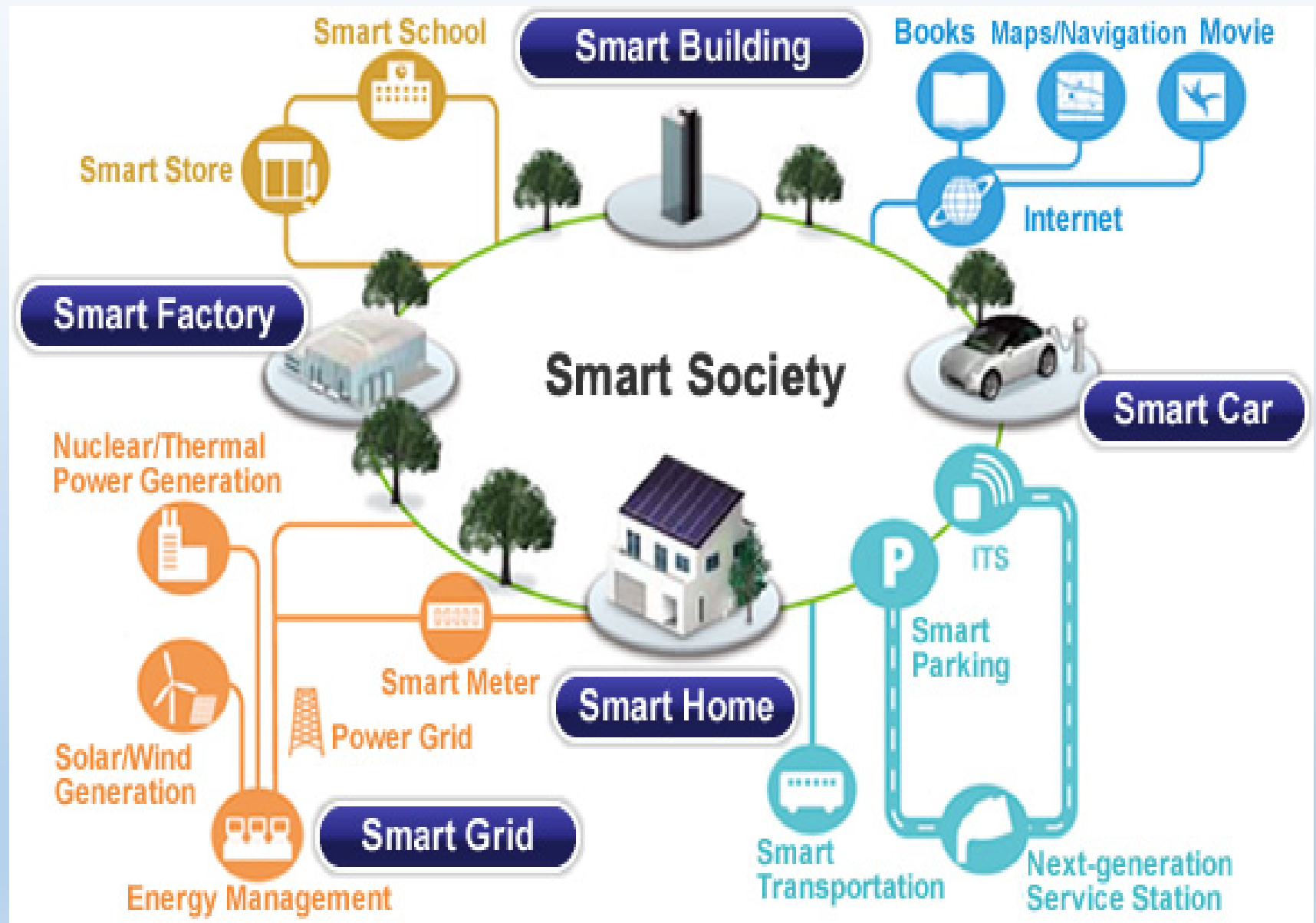
[What is a Smart Nation?](#)

[What happen in 2015?](#)

# \*Purpose of Service Strategy

- Identify competition and to distinguish oneself from the rest by delivering superior value/performance to customers.
- Senior management need to answer questions such as :
  - What kind of service must we offer and to whom ?
  - How to justify strategic investment?
  - How to stand out from competitions?
  - How to allocate resources in service portfolio effectively?





# KEY MILESTONES FOR STRATEGIC NATIONAL PROJECTS

## National Digital Identity (NDI)



SingPass Mobile Token  
MyInfo extended to more Govt and Private Sector services



NDI platform operational  
Digital signatures for paperless transactions



Widespread adoption of NDI

## E-Payments



PayNow



Common Payment QR Standard



E-payments in Hawker Centres



Account-Based Ticketing for Public Transport



Rollout of 25,000 Unified Point-of-Sales terminals

## Smart Nation Sensor Platform (SNSP)



Wireless Sensor Network deployment in Orchard Road and selected areas



Smart Connected Lamp Post trial



City-level sensor data available for industry and public

## Smart Urban Mobility



More timely bus arrivals with common public bus fleet management system



Trial on-demand bus services



Deploy AVs to enhance public transport (Earliest)

## Moments of Life (MOL)



MOL app for families with young children



Expanded suite of services for families with young children



MOL approach extended to more life moments

2017

2018

2019

2020

2021

2022

## \*Key activities of service strategy process

- Define the market –

Understand customer & opportunities and classify the services identified

- Setting investment priorities–

Decide directions for growth opportunities

- Develop the offer –

Develop the service portfolio including service catalogue

- Develop the strategic assets –

Use service management as a strategic asset. Eg ITIL

- Prepare for implementation-

Set goals, plan and define critical success factors

# \*Service Values

- What is service value to customers ?
- In ITIL service value consists of:
  - Utility – fitness for purpose
    - Stands for increase of possible profits for customer
    - Add value to activities
  - Warranty – fitness for use
    - Stands for reduction of possible losses to customer
    - Ensure availability and reliability in continuity & security



Eg. IT helpdesk returns a repaired item to customer.

So service provided : repair a faulty item. But, if it becomes faulty within 1 day then the repaired service is not reliable and the service value in the eyes of the customers will be low.



## \*Service Providers

- Different types of service providers should be evaluated to justify investment.

### 1 – Internal service provider

Those providers who deliver their services within their own business units.

### 2 – Shared service unit

Those providers who deliver services to business units under same organization

### 3 – External service provider

Those providers who deliver services to customers in competing environment that need flexible structures.



# \*Service Portfolio

- A document used to represent the opportunities and readiness of a service provider to serve customer.
- Aims to help Service Provider to understand how its resources are allocated toward maximizing the value it offers to customers.
- Divided into 3 subsets :
  - Service catalogue
  - Service pipeline
  - Retired services



# Service catalogue

- **Service catalogue** is an expression of the operational capacity of the provider within the context of market
- The service catalogue has two aspect:
  - Business service catalogue
  - Technical service catalogue

Service  
Catalogue



# Business Service Catalogue

- Defined as the mapping of critical business processes to the underlying IT services/Components
- Keeping the details of the relationships between those components
- Supporting the customer view of the service catalogue.
- Eg. Maintain ATM service to bank customers.( critical business process ).
- Supporting process: an IT service hotline is provided 24 hrs a day. Service staff will be on site within 2 hrs. ATM service will be resumed within 2 hrs for 95% of the service called received for each month. Control processes : monthly report of no of service call received. Downtime of ATM for each service call.
- Also need to record ATM numbers for different bank branches.

# Technical Service Catalogue

- The aspect of the service portfolio that is not visible to the customer
- Containing details on the technical composition of services
- Supporting the service provider's view of the service catalogue.

Eg. To support the service standard in SLA, the Call center telephone line must be operational 100% of the time. The Power supply to the ATM must be available 100% of the time. The senior engineer must be on site if op staff cannot fix problem within 1 hr. Op staff must attend 100 hrs of training per yr.



- Service Pipeline

- Consist of services that are still in development for a specific market or customer
- Applied to the operational phase via Service Transition
- Represent the growth and strategic anticipation for the future



- Retired Services

- Services have been phased out or withdrawn

# Sourcing strategy

- Aims to improve the core competencies of the services provided by outsourcing certain services.
- Risks :
  - Substitution : Vendor can replace you
  - Disruption : Vendor can damage your name
  - Distinctiveness : Dependency on vendor

# Service Lifecycle

## Service Strategy (SS)

- Demand Management
- Service Portfolio Management
- Financial Management for IT Services
- Business Relationship Management

## Service Design (SD)

- Design Coordination
- Service Level Management
- Service Catalogue Management
- Availability Management
- Capacity Management
- Information Security Management
- Supplier Management
- IT Service Continuity Management



## Service Transition (ST)

- Change Management
- Service Asset and Configuration Management
- Release and Deployment Management
- Transition Planning and Support
- Knowledge Management

## Service Operation (SO)

- Event Management
- Incident Management
- Request Fulfillment
- Problem Management
- Access Management

## Continual Service Improvement (CSI)

- Seven-Step Improvement Process

## \*Processes at strategic level:

- Financial Management
- Demand Management
- Service Portfolio Management





# \*Financial Management

- The objective of the Financial Management is to ensure that the right financing is obtained for the delivery and purchase of services
- Financial Management includes three basic activities:
  - **Accounting** - tracking how money is actually spent by a Service Provider
  - **Budgeting** – planning how money will be spent by a Service Provider
  - **Charging** – securing payment from customers for services provided



# Demand Management



# \*Demand Management

- The goal of demand management is to predict as close as possible the purchase of services/products, and if possible , to regulate it.

Eg. The traffic load on the ATM network will vary :

during 9-11am

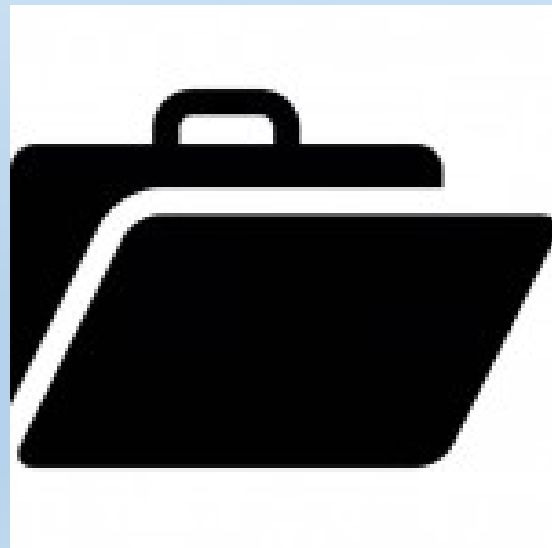
during 11-2pm

during 2-5 pm

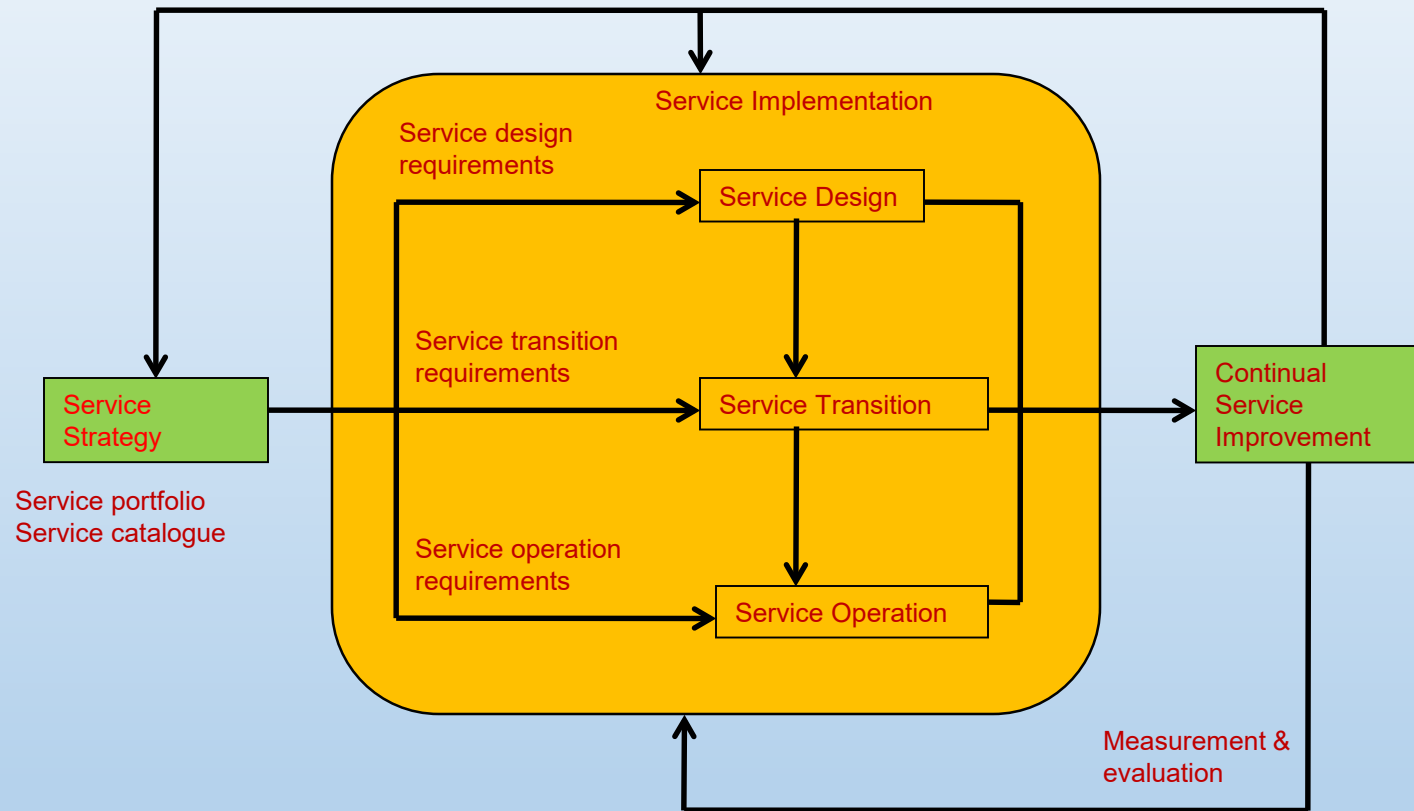
during IPO times

# \*Service Portfolio Management

- The Service Portfolio Management (SPM) process is concerned with management of the information concerning services in the Service Portfolio.
- The objective of SPM is to achieve maximum value creation while at same time managing the risks and costs



# \*Relationships with other lifecycle elements



# Service Strategy ( Review Questions )

- Q1 What is the purpose of service strategy?
- Q2 What is a service catalogue? What are the 2 aspects of service catalogue?
- Q3 Describe the 3 types of service provider.
- Q4 What are the 3 risks of outsourcing ?
- Q5 What is the objective of Demand Management? What are the important details you need to know for demand management?

# Review MCQ

1 Which of the following questions do the guidance in service strategy help to answer?

1 What services should we offer and to whom?

2 How do we differentiate ourselves from competing alternatives?

3 How do we create value for our customers?

A. 1 only

B. 2 only

C. 3 only

D. All of the above

2 The consideration of business outcomes and value creation are principles of which part of the Service Lifecycle?

A. Continual Service Improvement

B. Service Strategy

C. Service Design

D. Service Transition

3 Which is a process within service strategy ?

A. Incident management

B. Access management

C. Demand management

D. Service asset and configuration management

# Review MCQ

4 Which is NOT a part of the service portfolio?

- A. Service catalogue
- B. Service pipeline
- C. Retired services
- D. Express services

5 Service value for IT services should indicate\_\_\_\_\_.

- A. Service utility
- B. Service warranty
- C. Service charges
- Service utility & warranty

6 Which is NOT a major risk factor when you outsource service to external service provider ?

- A. Substitution
- B. Disruption
- C. Distinctiveness
- D. Communication