PRADITA University

MTI104 - IT Services

Session-01:

IHolistic Approach to Service Management: Four Dimensions

PRU/SPMI/FR-BM-18/0222

**Alfa Yohannis**

Service Management Overview

- Service management is not linear.
- Multiple aspects and components create a service.
- Both creation and consumption sides must collaborate.
- Components must align to create value.
- These components are organized into four dimensions.
- This chapter explores these dimensions.
- External factors also influence service delivery and consumption.

The Four Dimensions of Service Management

- Balance is essential in service management.
- Services require all constituent components for growth.
- Four key dimensions identified:
    - Organization and people
    - Information and technology
    - Suppliers and partners
    - Value streams and processes
- These dimensions must work in unison.
- IT services operate in rapidly changing environments.

Four dimensions of service management
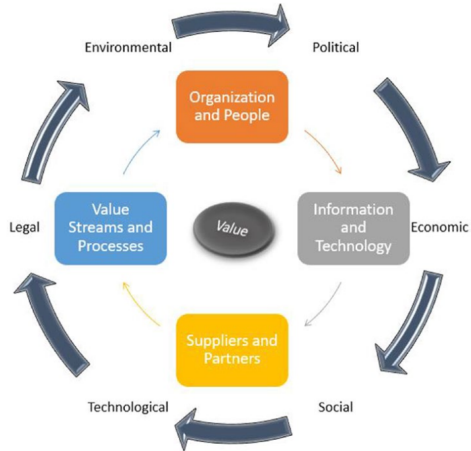
External Factors and the Four Dimensions

- IT services don't operate in a vacuum.
- Rapid changes in the environment affect services.
- External factors influence service management.
- Four dimensions apply to every IT service.
- Categorization helps rejuvenate and balance service components.

Organization and People

- Services are run by people guided by organizations.
- Organization and people form the first dimension.
- Key aspects include:
    - Organization structures
    - Culture
    - Roles and responsibilities
    - Leadership
- Human resources is a vast and continuously developing field.

Bird's-Eye View of Organization Structures

- Organizations vary in size and structure.
- Structures are chosen based on the organization's needs.
- Current trend favors horizontal structures.
- Large organizations often require vertical structures.
- Agile organizations tend to have flat structures.
- Vertical structures are process-driven.
- Structure impacts service delivery effectiveness.

Culture in Organizations

- Culture is crucial for organization effectiveness.
- It's more impactful than the structure alone.
- Culture is about the organization's psychology.
- Important cultural questions:
  - Ethics and transparency
  - Respect for employee aspirations
  - Promotion of open communication
- Culture affects employee satisfaction and value creation.

People Roles and Responsibilities

- People are central to service delivery.
- Organizational structure and culture are foundations.
- Right people are critical for success.
- Leadership plays a key role in team selection.
- Roles and responsibilities must align with aspirations.
- Flat organizations have broader roles.
- Vertical organizations have more specialized roles.

Leadership and Value

- Leadership is crucial in guiding teams.
- Leaders must understand the organization's true north.
- Different leadership styles can be effective.
- All efforts should lead to value creation.
- Value is the ultimate goal of service management.

Information and Technology in Service Manage

- Information and technology are distinct but connected.
- Information refers to knowledge and data.
- Technology involves tools like servers, software, etc.
- Two main areas of focus:
    - IT for actual services
    - IT for service management
- Both areas are critical for service effectiveness.

IT for Actual Services and Service Management

- IT for services involves technology used by customers.
- IT for service management supports service delivery.
- Example: Netflix's servers and content delivery.
- Service management systems aid in seamless service.
- Buffering issues in streaming are managed by service IT.
- Service management systems aim to enhance user experience.

Considerations for Information Management

- Information management must be secure and compliant.
- Identify necessary information for service delivery.
- Ensure encryption and protection of stored information.
- Manage information updates and changes securely.
- Regulatory compliance (e.g., GDPR) is crucial.
- Information must be accessible yet protected.

Partners and Suppliers

- Third dimension of service management
- Focuses on external dependencies
- Cooperation and collaboration are norms
- Companies need partners for raw materials, network, or HR
- Aim for consistent and continuous relationships
- Deals should be win-win
- ITIL identifies this as a key dimension in service management

Differentiating Partners and Suppliers

- Supplier roles and responsibilities are clear
- Partnership is more than a customer-supplier relationship
- Partners have privileges, trust, and influence in decision-making
- Examples: Microsoft partnership for software licenses
- Suppliers: Transaction-based with no long-term commitment
- Example: Stationery mart versus Amazon Prime membership

Partners vs. Suppliers

- Partners: Built on trust, long-term commitment
- Suppliers: Transaction-based, contract-driven
- Partners share goals, culture, business environment
- Suppliers provide goods and services without ongoing relationship
- Example: Amazon Prime as a partner versus generic suppliers

Organization Strategy for Partners and Supplie

- Decision to buy or build versus outsourcing
- Cost considerations and efficiency
- Talent availability and outsourcing
- Industry trends and risk management
- Legal and regulatory requirements impact decisions

Introducing Service Integration and Manageme

- Framework for managing partners and suppliers
- Acts as an interface between customer and partners
- Manages strategic, tactical, and transaction activities
- Can be third-party or internal division
- Ensures effective management of all partners and suppliers

Value Streams and Processes

- Value streams: Coordinated steps to co-create value
- Difference between process and value stream
- Process: Transforms inputs into outputs
- Value stream: Focuses on eliminating waste and improving productivity
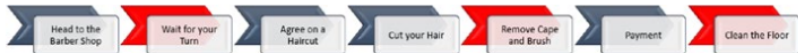- Example: Barber's service value stream

Deciphering Value Streams

- Operating model for value creation
- ITIL service value chain
- Value streams: Patterns for delivering value
- Identify and reduce waste
- Example: Optimizing barber's service

RADITA
niversity

Head to the Barber Shop → Wait for your Turn → Agree on a Haircut → Cut your Hair → Remove Cape and Brush → Payment → Clean the Floor

Simplifying Processes

- Process: Set of interrelated activities
- Transforms inputs into outputs
- Example: Recipe for making an egg omelet
- Processes define action sequences and dependencies

PESTLE Analysis

- External factors influencing services and products
- Political, Economic, Social, Technological, Legal, Environmental
- Examples: Covid-19 impact, economic downturns, technological advancements

Political Factors

- Impact of political actions and legislation
- Example: Covid-19 lockdown and remote work adaptations

Economic Factors

- Budgeting and cost management
- Example: Cost cuts due to economic downturns

Social Factors

- Changes in societal needs and wants
- Example: Nokia's failure to adapt to touch screens

Technological Factors

- Importance of technological upgrades
- Example: Blockbuster's failure to adopt streaming technology

Legal Factors

- Compliance with laws and regulations
- Example: GDPR impact on digital channels

Environmental Factors

- Influence of environmental changes
- Example: Demand for organic products and services

Quiz Question

Which of the options accurately reflects the difference between a partner and a supplier?

A. Clear separation of roles
B. Partners maintain knowledge bases
C. Suppliers are managed by partners
D. Partners are managed by suppliers