Service Portfolio Management Framework

Shivank Saxena
Department of Information Technology
and Management
Illinois Institute of Technology
ssaxena12@hawk.iit.edu
+1(312)731-1174

ABSTRACT

This paper highlights one of the most important process of service strategy, know to be as Service portfolio management. Making the use of currently used strategies within the industry, this paper would help in development of newer techniques for portfolio management.

KEYWORDS: Service Strategies, Portfolio, Enablers, Methods, Processes

1. INTRODUCTION

Any organization is mainly dependent upon its business strategy and modes for its survival within the competitive market. These two ought to be in sensible adjustment to have the capacity to agree to the quality prerequisites that the organization guarantees to convey. It helps in tracking of investment throughout a lifecycle of a service [1]. This paper discusses about a reliable solution for Service portfolio management elaborating the business techniques for gaining maximum profit. With the advancement in technologies, competition among the organizations is on peak to manufacture lost cost product due to which the quality is being compromised, making it necessary for the common man to invest wisely [2]. Portfolio Management aims to provide quality by clearly defining the roles and making services their priority which can be aligned with business rules.

2. FRAMEWORK FOR SERVICE PORTFOLIO MANAGEMENT

Service portfolio management acts as an important process for meeting the business goals. This is done by carefully observing and revising the rules according to the market demand. Figure 1 provides a detailed insight view of service portfolio management. The service portfolio defined in the center of the framework shows the working and dependence of services. This also includes the goals such as strategic alignment, value creation and balance; tasks such as Introduction, Maintenance, Retirement, Bundling, sourcing and commercialization; methods such as Financial modeling, scoring modeling, Probabilistic modeling, Behavioral modelling, Mathematical optimization, decision support, Mapping approach; Governance which defines the roles and responsibilities and finally the Enablers which comprises of description and categorization.

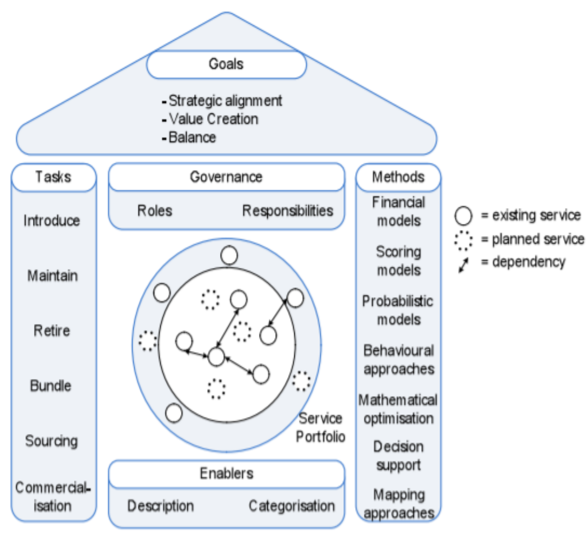

Fig – 1: Framework for Service Portfolio Management (Source: [3])

The Service Portfolio: The services and their management is managed at the heart of service portfolio management consisting of internal, external, business, planned and software services. The scope of service portfolio management also includes the upcoming ideas during their initial stages of building up. It also includes multi dependencies between granularity levels. Being an organization, services which are in exercise should be monitored carefully and thus necessary planning must be carried out at different granularity levels among the departments of that organization.

The Enablers: Many a times, a portfolio is overburdened with services which requires management of these services using a systematic approach using enablers. The Description enabler provides description in structured manner whereas the Categorization enabler helps in provides different service types and classes to them. The first Enabler defines the description which is then utilized by different portfolio methods. For instance, if availability of service is what causing a problem, one-dimension technique based on attributes can be used for supporting the decisions and analyzing at the same time.

The goals: For maximizing the value, services must be properly aligned by clearly defining the roles and objective in the portfolio. Therefore, it very important to maintain balance between business and I.T services.

The Task: The task is defined using 6 ways in a service portfolio management as described above using fig 1. It must also strengthen the process of decision-making continuous service lifecycle starting form the introduction of a new service to its retirement. It also seeks help regarding commercialization, sourcing of services and clubbing of multiple services into one package. The decisions are made based on interdependence of multiple services. Based on the industry case study definition of SPM Janssen and Feenstra gave the definition as. “service portfolio is a management instrument guiding decision making about the development, reuse, execution, maintenance and evaluation of services” [3]. The interdependence is monitored and hence the newer services are introduced based on leverage economies of scale. Raising the level of services is bit challenging as it faces issues regarding feasibility, market assessment and dependencies of the services. It only scheduled when a customer requests change. The process of bundling takes place by matching properties or services allocated to the consumer or at same consumer’s location. Service sourcing comes into picture while deploying decision making about insourcing of services within the company or outsourcing of through a vendor.

The methods: Methods are selected using internal and external services for targeting a desired goal. Financial model deals with cash flow management in and out of an organization using modeling techniques such as free cash flow, discounted cash flow, etc.

Governance: Governance deals with assignment of roles and responsibility based on holistic portfolio. The responsibility of making decisions comes with introduction of new services, modification and improvement in services and retirement of those services. Therefore, it is essentially important to have knowledge about different management layers describing everyone’s roles and responsibilities.

3. CONCLUSION

This concept paper describes about the framework which can be implemented by the organizations for better management of their portfolio services using methods, tasks, enablers and governance. This can also strengthen the organizations for option better decisions throughout the life cycle of the service as it aligns well with the service strategy, receiving the maximum from the consumer market.

4. REFERENCES

[1] H. Dammer, H. Gemünden, E. Schott, and C. Campana, "Die gelebte Projektorganisation: Das Management von Projektlandschaften," GPM Deutsche Gesellschaft für Projektmanagement eV (Hrsg.): Projektmanagement aktuell. Ausgabe, vol. 2, no. 2005, pp. 16-23, 2005.

[2] R.L. Keeney, H. Raiffa, Decisions with Multiple Objectives: Preferences and Value Tradeoffs, Cambridge:Cambridge University Press, 1993.

[3] Kohlborn, Thomas; Fielt, Erwin; Korthaus, Axel; and Rosemann, Michael, "Towards a Service Portfolio Management Framework" (2009). ACIS 2009 Proceedings. 21.