



## The Value Challenge

The pressure to deliver more value is increasing every day. Global competition is driving not only the business to improve, but also the IT organizations that enable the business. How is IT doing? The straight forward answer is that per a recent Gartner survey, two thirds of the IT executives are concerned about their jobs. IT is under pressure to streamline, optimize, and properly deliver their services.

As each IT executive looks at the challenge of optimizing their organization to deliver more value, they are faced with a common set of challenges:

### **Business challenges**

The pressures from the business (IT's customer) will continue to grow and the challenge is not limited to the following:

Challenge	Requirement
Agility	Need to move at the speed of the business
Responsiveness	Need to deliver and communicate value
Productivity	<ul style="list-style-type: none"><li>• Deliver a level of performance when the business expects it</li><li>• Optimize cost to compete with outsourcing</li></ul>
Reliability	Achieve a desired price point (cost effective)
Scalability	Ability to grow at the speed of demand
Resiliency	Ability to continue service through all situations, including satisfying compliance requirements
Quality	Ability to deliver service with minimal number of defects

### **Implementation challenges**

As IT pursues meeting the challenges from the business, it is faced with a number of challenges – few are technological:

- Expensive manual processes that are difficult to optimize
- Proliferation of tool point solutions
- Organizational resistance to new solutions
- Overcoming the threshold of pain to move to a better way of doing business
- Perception that processes are additional overhead
- Transition from a heroic fire-fighting and artisan IT culture, to a post-information age business
- Effectively address compliance to satisfy regulatory requirements

### **Operational challenges**

Once solutions are in place, ongoing operations present challenges that include:

- Negotiated IT services defined in business terms
- Negotiated service level expectations that can be delivered at an acceptable cost and risk
- Consistently generating measurements in business terms to communicate value
- Ensuring adherence to the optimized process and controls
- Appropriate delegation of authority and tasks to reduce cost

In the end, it is a constant struggle to balance capability, risk, and cost to achieve the optimal solutions for your business.

## Goal

In this global marketplace – where outsourcing is on everyone's mind – IT is likely considered as only an enabling service that is not a core differentiator for the business. In this environment, IT needs to start to think and act like a business. The first questions to ask are:

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- Who are our customers? – Do we really understand who our clients are? What are they trying to achieve?
- What is our business model? – Are we a cost center, service provider, profit generator, or differentiator?
- What are our services? – Can our customers clearly grasp and understand the value proposition?
- What level of service is acceptable – Is our level of service a differentiator, enabler, or is a cost of doing business? Do our customers understand the cost associated with the level of service provided, or are there concessions that they are willing to make to achieve a price point?
- How will we deliver the services? – In order to deliver the services at the expected levels, what level of capability is needed in people/organization, process, and technologies?

## Solution

Once we understand the business of IT, we need to build the level of capability required to deliver those services and the expected service level for a given price.

### Industry Solutions

Over the years, the industry has provided solutions that have yet to deliver the value necessary for consistent success.

Historically, IT Service Management was optimized through custom approaches developed through trial and error by the experiences of seasoned professionals. In some cases, this worked quite effectively but, in most, IT operations were an area ruled by heroics or artisans.

As the IT Infrastructure Library (ITIL) came into existence, organizations strove to improve through using a long process of training and certification, with mixed results. The success was largely dependent on the skills that staff and management had prior to ITIL.

Recently, the software tool vendors started the march toward numerous point solutions. These have become very effective in creating islands of automation that struggle to deliver the required value. Unfortunately, few solutions have addressed the workflow automation that is necessary to achieve results.

### Covestic's Answer

As Covestic looked at the challenge, we realized IT should learn from the experience of the business and leverage the solutions that the business has successfully implemented to address the needs of their customers.

Requirement	Business Solution
Understand what we are in the business to provide	<ul style="list-style-type: none"> <li>• Services in terms our customers can understand</li> <li>• Clear value proposition</li> </ul>
Process centric	<ul style="list-style-type: none"> <li>• Effective basis to measure and manage improvement</li> </ul>
Eliminate defects	<ul style="list-style-type: none"> <li>• Quality management (e.g., Six Sigma)</li> </ul>
Deriving value from every step	<ul style="list-style-type: none"> <li>• Lean techniques</li> </ul>
Visible performance with accurate and pertinent measures	<ul style="list-style-type: none"> <li>• Metrics reporting and scorecards</li> </ul>
Automation and agility	<ul style="list-style-type: none"> <li>• Business Process Management</li> <li>• Enterprise management</li> </ul>
Ensure ownership of solutions	<ul style="list-style-type: none"> <li>• Successful Organizational Change Management</li> </ul>
Fiscal responsibility	<ul style="list-style-type: none"> <li>• Effective financial management based on accurate data</li> </ul>

In Covestic's experience over the past decade, we've found that effective solutions have the following key attributes:

- Services perspective
  - Define services in business terms
  - Enable capture and measurement of service level expectations
  - Enable mapping of services to not only the technologies, but to the management of the activities of the infrastructure stack
- People/Organization perspective

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- Reduce their effort, not increase
- Provide value at a personal level
- Clearly defined roles
- Provide accurate mapping of responsibilities to roles
- Process perspective
  - Enforce robust controls
  - Enable traceable actions
  - Build in process optimization as part of the execution of the processes
  - Enable automatic measurement at the service, technology, organization, and personal level
- Technology perspective
  - Seamlessly integrate with existing enterprise management solutions
  - Collect essential data to status the services
  - Effectively and efficiently automate the IT Service Management workflow
  - Reduce the level of effort to manage and administer the technologies
  - Enable the needs of IT Financial Management

If we leverage what the business has learned with the knowledge and experience of implementing ITSM, the natural conclusion is to use the latest business process management suites (BPMS) to automate the service management workflow and integrate existing enterprise management solutions.

By utilizing this business-enabling technology, IT can more effectively run IT as a business.

Covestic has combined ITSM and enterprise management solutions to produce an ITSM BPM solution that has the following capabilities and benefits:

Capabilities	Benefits
• Automation of the ITSM workflow	• Executable ITIL processes that can be utilized immediately
• Individual ITIL procedures embedded in the workflow	• Complexity of procedures is streamlined and embedded in the

Capabilities	Benefits
	workflow
• Reduces the effort of organizational acceptance	• Staff does not require training on all ITIL processes – only how they interface with their process roles and tasks
• Integrated Key Performance Indicator (KPI) metrics and reporting	• Scorecards and dashboard out-of-the-box
• Embedded controls to satisfy any regulatory requirements	• Compliance out-of-the-box
• Traceability of actions	• Audit out-of-the-box
• IT cost tracking	• Integrated IT Financial Management
• Streamlined ITSM implementation	• Reduction in time, effort, and total investment in deploying ITSM
• Ongoing business rules and process changes on-the-fly	• Customizable to your unique situation • Agility out-of-the-box

## Why Covestic?

Covestic has a proven track record in ITSM implementations. We are committed to our clients' success and strive to "teach to fish" so that our clients can continue their improvement efforts on their own. We have experience with more than 50 tool solutions representing the majority of IT Service Management activities. We work with our clients throughout the lifecycle of improvement to ensure success at all phases.

**Come see us at booth 218**

**Visit [www.covestic.com](http://www.covestic.com) for more information.**

