

Not just theory –

Real business benefits through operational efficiency

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Synopsis

- Efficiency isn't just about reducing cost; objectives have to be achieved including maintaining service quality. During this session, Matthew Burrows will expose some battle scars and share examples of victory in the fight for greater operational efficiency. This will include case studies from BSMimpact customers, demonstrating how you achieve efficiency and realise business value.

Efficiency

- “A measure of whether the right amount of resources have been used to deliver a Process, Service or Activity. *An Efficient Process achieves its **Objectives** with the minimum amount of time, money, people or other resources.*” ITIL® V3

Objectives

- Deliver services which meet agreed customer requirements/needs
- **NOTE:** *You can reduce your costs or the number of people needed to deliver service or operate a process, but if your customers leave because the quality of service has dropped then you're still going to end up out of a job*

Objectives – ISO/IEC 20000

- *“ISO/IEC 20000 promotes the adoption of an integrated process approach to effectively deliver managed services to meet the business and customer requirements.”* BS ISO/IEC 20000-1:2005
- *“Co-ordinated integration and implementation of the service management processes provides the ongoing control, **greater efficiency** and opportunities for continual improvement”*
BS ISO/IEC 20000-1:2005

Objectives – Cost and Quality

- Reducing time, money, people or other resources can reduce cost and improve service quality

Common Approach

- Challenged to reduce costs by x%
- Get rid of contractors, ban travel, reduce training, cancel bonuses, reduce permanent headcount
- Over-stretch remaining resources, loose key knowledge
- Reduce motivation and therefore productivity
- Negatively impact service quality, loose customers & revenue



Saving money is easy!

- Customer: *“I need to save money”*
- Consultant: *“Is that the only benefit that you need?”*
- Customer: *“Yes, saving money is what I’m tasked with doing, my number 1 priority. The board have told me that I have to save money.”*
- Consultant: *“That’s easy, I can produce a business case which meets your cost reduction needs. In fact, I can exceed your target and reduce your costs by 100% - send everyone home. Of course, you’ll have no customers or revenue, so you’ll need to go home too.”*

Objectives – Resources

- “Resource – A generic term that includes IT Infrastructure, people, money or anything else that might help to deliver an IT Service. Resources are considered to be **Assets** of an Organisation.” ITIL® V3

Objectives – Assets

- “Asset – Any Resource or Capability. Assets of a Service Provider include anything that could contribute to the delivery of a Service. Assets can be one of the following types: Management, Organization, Process, Knowledge, People, Information, Applications, Infrastructure, and Financial Capital.” ITIL® V3

Automation

- **Automation** –using technology to do tasks that would otherwise have been done manually.
- Can generate the following benefits:
 - improve the speed of tasks
 - remove human error of manual activity
 - improve quality as well as reducing cost
- Considerations:
 - Some investment is required in tools – often capital project spend
 - Processes need to be clear, documented, repeatable and often simplified further to be effectively automated – no point in automating bad process
 - The effort and investment required can be more than the benefits if you pick the wrong processes or tasks
 - Don't forget that people are still critical success factors

Bad Example

- Customer spent several million on some excellent tools
- Failed to adequately engage the people who would have to use, manage and support these tools
- Failure to address cultural, communications, stakeholder management, and training issues adequately has resulting in the tools not being used much
- Benefits in the business case haven't been delivered
 - We are working with them planning another initiative to expand the use of the tools, this time addressing the people aspects, and hopefully realising the value from the significant investment they have already made

Good Example

- Service delivery improvement programme which included a significant amount of Event Management automation
 - Auto-ticketing – no more operators looking at consoles
 - Reduced reactive work and freed them up to spend time tuning alerts and proactive activity to prevent outages
 - Benefits included faster processing, and no ‘finger trouble’ entry errors
 - The programme also involved setting up a new Service Control Centre, centralising and simplifying the 24x365 operational environment
 - £12m of operational savings during the 12 months programme lifecycle, i.e. before the programme finished – achieved!

Another Good Example

- Global Managed Services Supplier
- Shared operational support model
 - Teams supporting multiple customers, across geographies
- Shared systems and network management tools
- Helpdesk system with customers data segregated
 - Required standardisation of the helpdesk system and the processes which it supported
 - Their ability to customise the process was very limited – deliberately!
 - Could put a new customer on the system in weeks
 - *Would be much easier to do this now using ITIL®, but customers have to accept someone else's interpretation of best practice*

Current & Future examples

- IT capability pushing outside IT
 - Alert Management being used to manage emergencies e.g. business continuity, floods, etc.
 - *Find & notify a First Aider near accident*
 - *Notify the on-duty Fire Marshall about a rising temperature alert*
 - Service Request Management to order/allocate new starters car, phone and desk as well as their PC



Operational Efficiency Tips

1. Cost reduction does not equal efficiency
 - Understand current costs and target savings
2. Baseline current service quality
 - Understand future quality requirements
3. Agree required balance of Cost and Quality
 - ISO/IEC 20000 can help achieve this
 - Short term thinking may damage long term success

Operational Efficiency Tips

4. Think People, Process, Partners & Products
 - Tools alone do not generate the benefit
 - ‘Cultural Change’ – you’ll be asking others to do/think differently
 - Deal with emotions & subjective views
 - People don’t always fall in line with a logical argument
 - Answer the “What’s in it for me?” question
5. Simplification and Standardisation
6. Utilise experience (good and bad)

Your choice?

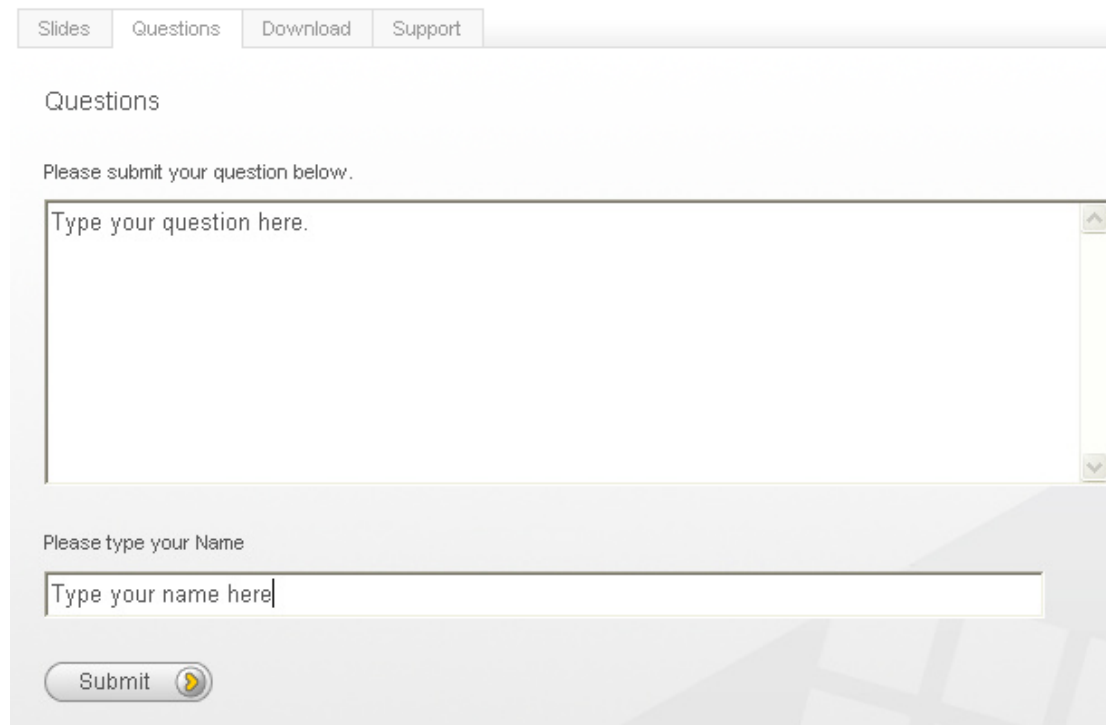


or



Questions?

Click on the questions tab on your screen, type in your question (and name if you wish) and hit submit.



The screenshot shows a web interface with a navigation bar at the top containing four tabs: "Slides", "Questions", "Download", and "Support". The "Questions" tab is selected. Below the navigation bar, the word "Questions" is displayed. A prompt reads "Please submit your question below." followed by a large text input area containing the placeholder text "Type your question here.". Below the text area, another prompt reads "Please type your Name" followed by a smaller text input area containing the placeholder text "Type your name here.". At the bottom of the form is a "Submit" button with a right-pointing arrow icon.