THE CUSTOMER ORGANISATION: INSTRUMENTAL TO SIAM™ SUCCESS

WHITE PAPER

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kinetic **IT**

CONTENTS

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FOREWORD

In 2019, Kinetic IT published its first Service Integration and Management (SIAM) white paper 'MAIDE for SIAM' which introduced our MAIDE model as a practical framework for organisations seeking to achieve cohesive performance and efficient management of a multi-supplier environment. The paper discussed each key function of the model: Manage, Assure, Improve, Design, and Enable, and more importantly, introduced the concept of the Service Integrator and the role it performs in enabling a high-functioning SIAM ecosystem.

Experience tells us that the role of the Customer Organisation is key to SIAM success - they are ultimately accountable for the outcomes delivered and play an integral role in the design, implementation and operation of the SIAM model. Without their ongoing and proficient participation, a SIAM environment is unlikely to achieve many of the beneficial outcomes expected.

'The Customer Organisation: Instrumental to SIAM Success' expands on our first white paper and explores in more depth the integral role of the Customer Organisation within the Kinetic IT MAIDE operation model. This white paper draws on our extensive theoretical and practical SIAM capability. It includes contributions from Kinetic IT's customers, as well as our own subject matter experts, to provide honest insights coupled with practical advice.

Whatever stage you are at in your SIAM implementation, we hope it provides you with valuable advice to understand the role of the Customer Organisation and build a successful SIAM model with customer leadership, cohesion and collaborative teams working at its core.

MICHAEL NORTH,
CEO, KINETIC IT PTY LTD

INTRODUCTION

Service Integration and Management, or 'SIAM', has been around for some time now and is recognised by organisations across the globe as an effective solution to multi-sourced ecosystems. The SIAM Bodies of Knowledge (BoK), released in 2017 and 2018 respectively, have provided guidance and insight into applying SIAM best practices. However, many Customer Organisations today still struggle to understand the specific accountabilities and responsibilities within the layers and functions of the SIAM model.

Kinetic IT developed our MAIDE Model to guide customers in structuring their Service Integrator functions in a productive way. However the model does not specifically focus on the role of the Customer (Retained) Organisation within the SIAM environment. Ultimately, the role of the customer organisation is key to SIAM success. They are accountable for the outcomes delivered and play a crucial role in the design, implementation and operation of the SIAM model. Without the active and proficient participation of the Customer Organisation, SIAM is unlikely to yield many of the beneficial and valuable outcomes or be able to support a unified 'one team' culture focused on collaboration and continuous improvement.

With this in mind, we present the next SIAM white paper, 'The Customer Organisation: Instrumental to SIAM Success'. This white paper provides further guidance to define and develop clear strategies for enabling Customer Organisations to establish their position within a successful SIAM model. It builds upon Kinetic IT's extensive industry knowledge and proven experience in SIAM theory and the design, delivery and operation of SIAM models in Customer Organisations of varied size, scale and complexity.

THE CUSTOMER ORGANISATION

This section provides an overview of the role of the Customer Organisation. Further information can be found in the freely available SIAM Foundation and SIAM Professional Bodies of Knowledge (BoK).

There are three layers in a SIAM ecosystem: The Customer Organisation, its internal and external Service Providers, and the Service Integrator. The Service Integrator is a single logical entity accountable for the successful end-to-end delivery of services and the business value realised by the Customer Organisation. It provides operational governance over the Service Providers and promotes effective relationship management across all parties.
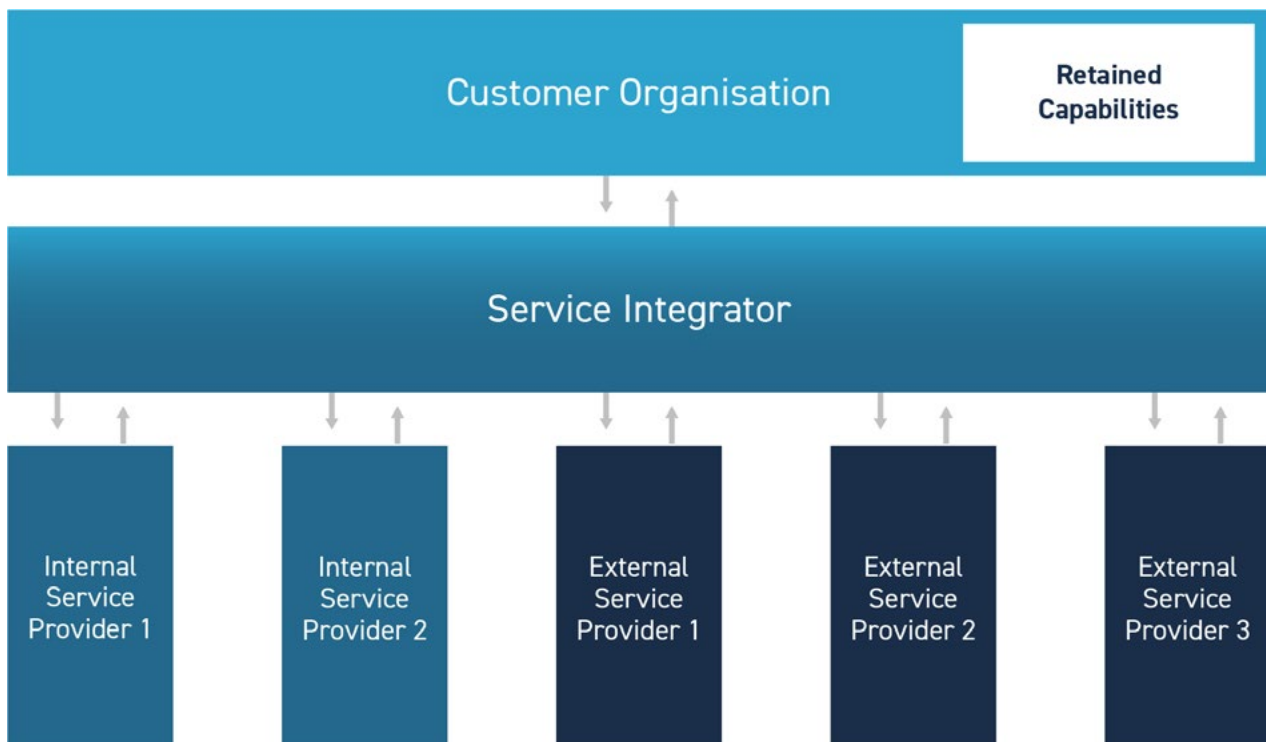

Figure 1: SIAM Layers

The Customer Organisation:

- Owns the contractual relationships with external Service Providers, and if external, the Service Integrator.
- Typically contains business units such as finance, human resources, sales, marketing and internal IT.
- Has their own customers who buy their products and services.

The Customer Organisation includes retained capabilities which are functions responsible for strategic, structural, governing and business engagement activities. These business functions typically remain under the direct control and ownership of the Customer Organisation.

Figure 2: The MAIDE model in a SIAM environment

In this white paper we will reference the MAIDE model for the Service Integrator structure. Whilst the MAIDE functions are relatively self-explanatory (Manage-Assure-Improve-Design-Enable) we would recommend reading our 'MAIDE for SIAM' white paper for further information. In here we described the functions of the Customer Organisation as follows:

[a] starting point is the traditional governance position...with governance as the key function for the customer retained capability, contract management and financial management play an important role in the formal management of Service Providers, especially external providers... While the Service Integrator manages the day-to-day delivery, collaboration and even the improvement of providers' services, the customer retained capability sits in the background for dispute resolution and the commercial and legal management of the providers' contracts. This is closely linked to the Assure function.

... The customer's business strategy will define its IT or information systems strategy, and subsequently the strategic objectives for the SIAM environment. This strategic view requires overarching program management, particularly for the portfolio and future pipeline.

Business relationship management also features in the customer retained capability for the SIAM model to continue to be a partner, or even better – a part, of the business, receiving input into, and feedback on, the strategy, portfolio, improvements, demand patters and all other information that truly indicate the success of the SIAM environment.

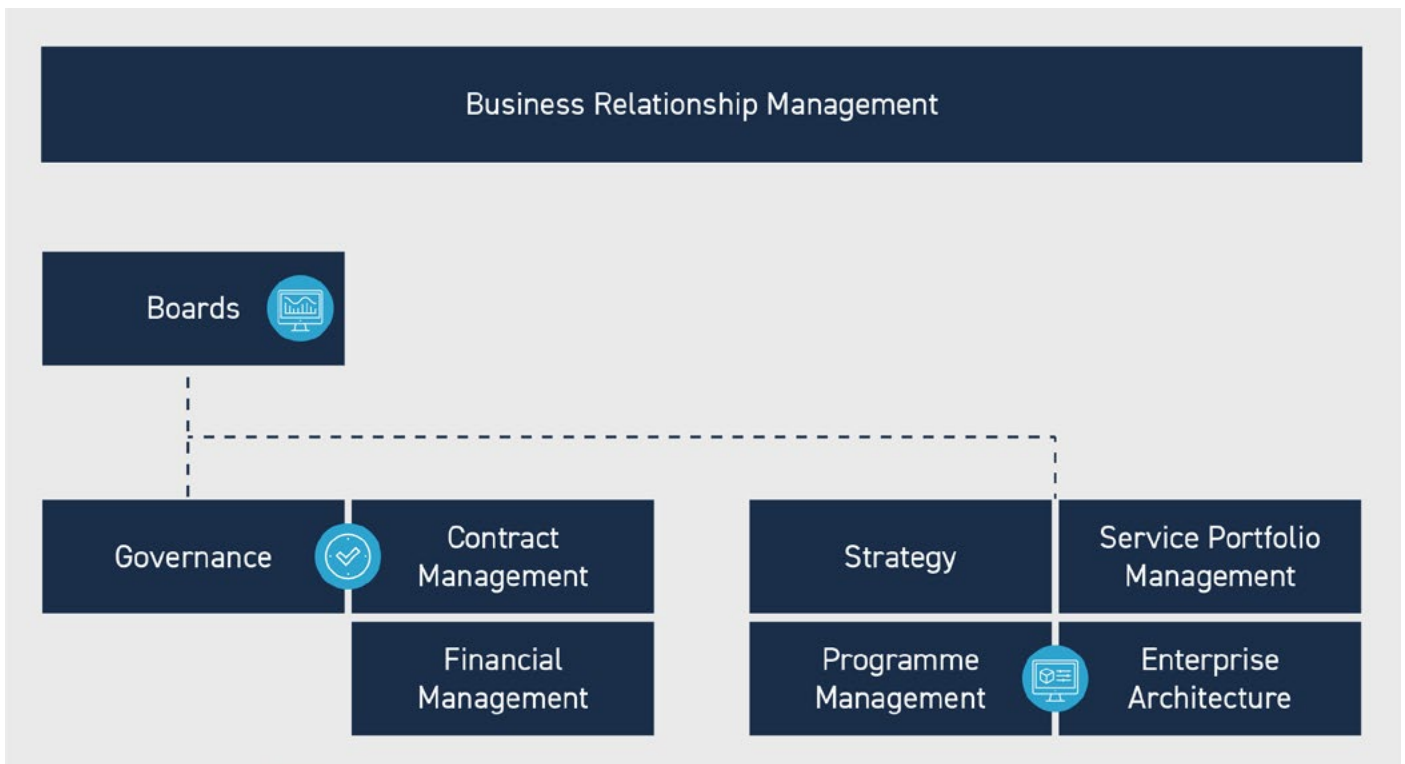- Kinetic IT 'MAIDE for SIAM' White Paper

Figure 3: Customer retained activities and links

When discussing SIAM with our customers, we often introduce and explain the role of the Service Integrator using an analogy, whereby the Service Integrator performs like an orchestra conductor, their role being one of service orchestration. An orchestra conductor's responsibility is to understand the music and clearly convey it to the musicians in a way that sets the tempo, unifies their performance, and therefore delivers an exceptional sound of music to the audience. The Service Integrator must critically listen and understand the situation presented by the Customer Organisation and its Service Providers. Then it interprets the information and insight to provide clear and executable direction to unify all parties for seamless operations and successful achievement of outcomes.

If the Service Integrator is an orchestra conductor, then the Customer Organisation is naturally the first violinist or concertmaster, sitting to the conductor's left, closest to the audience. They are considered the leader of the entire orchestra. Thus, the Customer Organisation, their relationship to the Service Integrator and their accountabilities towards achieving valued outcomes is therefore a central tenet – a concertmaster – in a SIAM environment.

Recognising, understanding and actively practicing this key role is a significant challenge for many customers, yet the greatest opportunity to realise SIAM success. To help customers establish themselves as a leader capable of managing the Service Integrator, defining the right governance and establishing the best culture and working practices, this white paper addresses three specific and critical responsibilities:

1. Governance
2. Direction
3. Business Relationship Management.

GOVERNANCE

While the Service Integrator is largely responsible for managing the Service Providers in a SIAM environment, it's the Customer Organisation that is ultimately accountable for the outcomes of its multi-sourced environment. This includes establishing effective governance and commercial practices which reinforce the Customer Organisation as a key point of escalation and decision-making.

The challenge, however, is to find a balance between becoming too involved in day-to-day operations, running a risk of hampering the Service Integrator's role, or conversely being too far removed from the 'goings-on' and therefore unable to provide timely and effective controls. In the SIAM Foundation BoK, this is described as the 'challenge of control' – not too much, not too little ... just right!

The customer's interaction within the integrator's functions (Manage, Assure, Improve, Design and Enable) need to evolve and mature along with the evolution of the SIAM framework.
- Practitioner comment

DESIGN

During the design stage of the SIAM ecosystem, described in the SIAM Foundation BoK as 'Discovery & Strategy' and 'Plan & Build', the Customer Organisation will play an important and active role in the creation of a governance framework. Like the sheet music that guides an orchestra, the governance framework is an essential tool for all parties to work cohesively.

A governance framework is used by the Customer Organisation and its Service Integrator to translate the elements of governance mechanisms, such as policies, into tactical and operational practices, procedures, roles and responsibilities within the SIAM model. The governance elements help to establish 'business rules'. Without mandating specific, restrictive processes, the Customer Organisation should create standards and guardrails for inclusion into Service Provider activities. These guardrails should detail how the Service Integrator will expect to engage with Service Providers and can be incorporated into collaboration agreements, working charters, or even service agreements and contracts.

Unfortunately, many SIAM models are rendered ineffectual despite significant investment, simply because the Customer Organisation fails to empower its Service Integrator. Establishing the role of the Service Integrator, at the right organisational level and with the appropriate autonomy, is crucial to command its position as the Customer Organisation's representative. Without this, the Service Integrator becomes nothing more than a toothless barking dog.

The main features of the framework are the provision of an organisational design and reporting and board structures with associated policies and charters. It sets the tone, defines the preferred cultural characteristics and helps all layers of the SIAM ecosystem to answer questions such as, "Why are we doing this?", "Is this correct?", "Who is the decision maker?" or "Who do we need to share this information with?". Unfortunately, poor design and execution of a governance framework won't be felt by the Customer Organisation, the Service Integrator and the Service Providers until it's too late.

Initially the customer wanted a lot of meetings, focussing on numbers and reporting. This muddied the waters and made the customer's role too operational. Once we, as the Service Integrator, had proven we could perform our role and had the customer's best interest in mind, these meetings and the operational focus disappeared and were replaced with informal updates.
- Practitioner comment

Based on Kinetic IT's experience, we recommend the following approach and activities to help the Customer Organisation avoid the most common pitfalls:

1. CREATE A CLEAR BOARD STRUCTURE AND ASSIGN ASSOCIATED ROLES AND RESPONSIBILITIES

Clarity in roles, responsibilities and expectations is paramount in a SIAM ecosystem. Establishing what boards are required, along with associated roles, responsibilities and decision-making models such as RACI and RAPID matrices lay the foundations for this clarity. It is important that the Customer Organisation aligns these boards with the organisation's higher levels of corporate governance.

The more defined the structure is, the easier it is for the Service Integrator and Service Providers to interact with it. Furthermore, establishing ownership and specific responsibilities is particularly important when the SIAM model is operated across multiple geographies, sites and organisations where the risk of roles being duplicated or not being filled is high.

> We found that many of the broader governance entities weren't aware that certain operational boards existed, nor did they understand their role (and vice versa). The clear definition of a governance framework that identified the corporate governance entities and their Terms of Reference (ToR), the operational boards and their TOR allowed a RACI to be developed.
> - Practitioner comment

There may already be existing roles and/or committees in the organisation, but it's important to ensure:

- All definitions are relevant to the SIAM model. Generic definitions from another model can be a useful starting point but must be reviewed against the design for the SIAM ecosystem. When a skills framework is used, it's essential to realign the framework to the skills and capabilities required for defined SIAM roles.
- All defined roles and responsibilities must include necessary skills, capabilities, competencies, knowledge and experience. Definitions should also include integration and collaboration responsibilities where appropriate.
- There are separate role definitions for the Customer Organisation, Service Integrator and Service Providers with no overlaps or duplications.
- The overall structure and division of responsibilities is subject to ongoing audits to ensure roles are being performed as defined and continue to be relevant and appropriate.

There are specific roles that must sit within the Customer Organisation and which cannot be outsourced, such as the SIAM Governance Lead. This role is primarily responsible for providing assurance for the implementation and operation of the SIAM model. It requires knowledge, skills and experience with the Customer Organisation's governance, audit and risk management practices, and program and project management, as well as generic skills such as excellent communication and confidence to communicate with any stakeholder, at any level across all organisations.

> The importance of building relationships with the appropriate level of customer participation cannot be underestimated. You can only govern, change and uplift what you can influence through trusting, respectful and honest relationships at the right levels of the organisations.
>
> This can greatly influence the effectiveness of the SIAM governance framework, with the customer championing the SIAM cause and implementing or modifying delivery and support contracts to encourage working within the SIAM framework.
> - Practitioner comment

Often when a SIAM model commences, it does so in an environment where contracts, services and providers are already established. This means that contracts and agreements that detail working practices and service levels are traditional in nature and offer little support to the integrated, collaborative and end-to-end approach of SIAM service delivery. Being pragmatic, one can assume that well-intentioned providers will allow some degree of flexibility in the working arrangements to accommodate the changes SIAM demands. However, to ensure long term success, it's important that SIAM-based contracts are established.

To support the Customer Organisation's services and desired outcomes, contracts in SIAM models should link service provisions across the full ecosystem, motivating the right behaviours from Service Providers and enforcing compliance with a SIAM governance framework. In addition to outlining the services and associated service levels to be delivered by individual providers (including an external Service Integrator), the contracts must address integration. This includes

areas such as tooling, processes, knowledge management, collaboration and participation in the structural elements. By addressing integration in contracts, it lays a strong foundation for the Service Integrator to facilitate collaborative behaviours and drive a "one team" approach from the outset.

SIAM contracts are unique and some providers (commodity, niche or similar) won't agree to using them. The Customer Organisation needs to provide enough detail around acceptable ways of working, collaboration and integration activities within contracts, whilst still allowing for individual Service Provider approaches.

The starting point was performance data. The first step was to request all internal teams to start providing a monthly report on service management performance – the same requested from external Service Providers. We are evolving this approach and the next step will be to use the data to start defining internal team SLAs, starting with the end customer outcome and working backwards the SLAs of both internal and external teams contributing to that outcome.

It's much easier with external providers as we have a contract to measure them against. With internal teams, the end goal will be getting to the position where we can embed measurement into their performance targets.
- Practitioner comment

2. ESTABLISH A TRUST-BASED MANAGEMENT MODEL

Trust between all parties operating in a SIAM ecosystem is essential. A lack of trust can manifest itself as duplication of roles and activities and benefits of the SIAM environment not being realised. For example, the Customer Organisation "polices" the Service Integrator role and is unwilling or unable to hand over activities usually performed by the Service Integrator. This can not only send a message that the Service Integrator doesn't have the respect of the Customer Organisation, it can also result in delivery inconsistencies, cost and performance inefficiencies and general confusion across all parties.

Because the Customer Organisation owns the contracts with each Service Provider, the Service Integrator, particularly an external one, can lack the reverence of the Service Providers. For example, internal providers may bypass the Service Integrator and work only with their own organisation, whereas external providers might prefer to engage the Customer Organisation directly without involving the Service Integrator. Ultimately this diminishes the respect, importance and effectiveness of the Service Integrator role.

> The ultimate success of the SIAM ecosystem largely relies on the level of trust that is established. The Service Integrator must earn the trust of the Customer Organisation and its retained capabilities, and the Customer Organisation must be prepared to 'let go' and place their trust in the experts they have engaged to do the job. If there is no trust, success will be futile.
> - Practitioner comment

Trust-based management is an approach that varies the level of governance performed by the Customer Organisation and the Service Integrator, depending on the 'trust level'. The approach will also depend on the nature of the contracts and the maturity of the relationship between the two parties. The baseline trust level provides an understanding of the levels of trust across the ecosystem. This same approach can be used by the Service Integrator to map and manage Service Provider relationships, for example:

- Low trust requires intensive, 'hands-on' management and increased reporting and meetings. It may be a temporary state during the early stages of a relationship. The core focus is confirming the Service Integrator can manage the environment to the levels agreed with the Customer Organisation.
- Medium trust sees a less intensive management approach and the Service Integrator operating with more autonomy.
- High trust fosters positive and healthy relationships among all parties, with a focus on shared goals and driving innovation.

Moving to a trust-based management model will deliver significant benefits in terms of effective relationships, increased productivity and reduced costs. The SIAM BoK offer the phrase 'the Service Integrator speaks with the voice of the customer' and even a simple statement like this can be formalised within contracts to ensure the role of the Service Integrator is understood and acknowledged by all parties. When it's not possible to include such a statement within services contracts or agreements (e.g. because there is an existing legacy contract in place that cannot be amended, or for internal providers which don't have a contract), a definition of the Service Integrator's role can be included in operational level agreements (OLAs) or a collaboration agreement, which may also address other specific SIAM arrangements such as reporting requirements and attendance at forums or other structural elements.

3. TREAT INTERNAL AND EXTERNAL TEAMS WITH EQUITY

In our experience, most Customer Organisations are happy to apply the full force of their governance, ways of working and performance measurement practices to manage the delivery of external Service Providers, but don't apply the same principles or accountabilities to internal Service Providers. Beyond the common issues that arise from disparate working practices among different teams, without the buy-in of the Customer Organisation's Internal Service Providers, it's often the performance (or lack thereof) of these internal teams that impacts the overall delivery.

Of course, established ways of working and internal politics can make it difficult to administer new approaches without the enforcement of a contract – which is why we say SIAM is a cultural change. Creating an environment that ensures all parties involved in end-to-end service delivery have an appropriately defined set of responsibilities and metrics, and understand their inputs and obligations to other teams (internal or external) is crucial.

When establishing a SIAM ecosystem, the Customer Organisation should ensure all Service Providers are treated the same – whether internal or external. This includes defining and forming service agreements and associated performance measurements for all parties. This will ease the support paths between each provider and sends a clear message regarding the empowerment of the Service Integrator by the Customer Organisation to manage each Service Provider with equity and impartiality.

IMPLEMENTATION

When implementing a new SIAM model, especially the establishment of the Service Integrator and key Service Provider roles, the Customer Organisation should maintain close supervision on the initial proceedings. In particular, the Customer Organisation should play an active and leading role in the definition of the governance framework, which is recommended to use the 'MECE' principle – Mutually Exclusive, Collectively Exhaustive – to ensure roles and responsibilities don't overlap and nothing slips between the cracks. The Customer Organisation should also be flexible and agile in responding to any discrepancies and disputes that arise.

A plan detailing the scope and existing contract end-dates should be created so that a timeline to update and upgrade these to a SIAM-specific engagement can be established. If appointed early in the SIAM roadmap, the Service Integrator can work with the Customer Organisation to review existing Service Provider contracts and identify any duplications, gaps and/or inconsistencies with the future SIAM model.

> The commercial team worked with the new Service Provider and delivered a contract with key service levels that was then provided to the Service Integrator. As the Service Integrator had no visibility during the negotiation of the contract, not only were there gaps in the design of the service, there was a misalignment of service levels across other providers and some KPIs were missing altogether.
> - Practitioner comment

OPERATION

During the 'Run & Improve' stage, all the good work from the earlier design stage should come to fruition. Management and operational governance is performed by the Service Integrator, however the Customer Organisation should maintain an active role, particularly in the structural elements of the SIAM ecosystem such as the governance boards, forums and working groups. It should also actively support the Service Integrator in keeping the whole SIAM ecosystem focused on a "one team" approach and targeted performance outcomes.

4. UNDERSTAND THE DIFFERENCE BETWEEN GOVERNANCE AND MANAGEMENT

In a SIAM model, the intent of the customer retained capability moves towards a governance, procurement and contract management function. Often staff allocated to these roles would have previously been involved in the operational management of existing Service Providers. Switching to a governing role may be difficult as it can require a different skillset outside of traditional service management. These skills may not be available with incumbent staff and existing Service Providers.

Most customers that are new to SIAM have a distorted view of what SIAM is. They can mistakenly believe the Service Integrator is there to own and manage their service management processes. Whilst this can be a small part of the overall service, getting too involved in the 'doing' component can greatly detract from the main benefits SIAM can offer.
- Practitioner comment

Capability profiling can help identify what capabilities exist within the organisation, and where there are gaps in skills and expertise. It can also determine if the Customer Organisation has the ability and desire to address any shortfalls, either by providing training to uplift internal capability or sourcing required skills from the market. It's important to focus on the people within the SIAM model and the skills they need to carry out their defined roles. Placing people in roles they are not qualified for or ill-equipped to perform isn't just risky, it can severely impact business performance, team morale, and the ability to attract and retain top talent.

5. CREATE A DASHBOARD FOR SIAM SUCCESS

The ultimate outcome from any organisation's performance is a satisfied customer, and this is no different in a SIAM environment. The 2019 Global SIAM Survey, sponsored by Kinetic IT, cited key customer outcomes for SIAM implementations as 'improved supplier performance', 'improved control over the supply chain' and 'improved collaboration between Service Providers'.

To understand how a SIAM environment is performing, most organisations produce reams of reports. It's simple enough to measure discreet elements of a service, process, individual or activity's performance, but it's much harder to measure end-to-end service delivery. One major issue faced by the Customer Organisation is how to measure the 'health' of SIAM and the value the Service Integrator contributes to the cohesive delivery of all other Service Providers. Measuring the Service Integrator is a challenge, since traditional measures often reveal very little.

One solution that has shown success in tracking and measuring 'SIAM health' is the creation of a SIAM Dashboard. This dashboard features a range of metrics from across the SIAM ecosystem including experiential and collaboration measures as well as more traditional service management metrics. Common performance metrics such as 'service availability', 'downtime' and 'speed' should be balanced with soft measures such as collaboration and participation, and to achieve this, the Customer Organisation and Service Integrator should work with all SIAM Service Providers to design a report that focuses and clearly demonstrates 'what good looks like'.

There are many different platforms that collect various real-time (or near real-time) data sources and present these in a graphical dashboard format. Ideally, the dashboard should be made to all key parties involved in the SIAM ecosystem - whether they're within the Customer Organisation or external to it, such as Service Providers.

A structured and comprehensive level of reporting back to the Customer Organisation is critical to the success of the SIAM model. The aggregation of Service Provider data into meaningful reports and dashboards ensures the value of the model is clearly communicated. The SIAM Health Dashboard allowed us to take both the Customer Organisation and its Service Providers on a journey to focus on what SIAM is all about – and that's collaboration and value creation.
- Practitioner comment

Figure 4: SIAM dashboard example

FUTURE DIRECTION

The ever-changing SIAM environment is built for flexibility and agility, for instance through the introduction of 'loose coupling' of Service Providers. It is important that any change that occurs is captured and reflected in the SIAM model, including its artefacts such as process models, contracts, agreements and reporting structures. Equally as important is that any change should align to the Customer Organisation's business strategy and organisational goals. Therefore, the Customer Organisation plays a critical role in ensuring there is a clear and understood connection between the SIAM model and the future direction of the wider business.

To reduce confusion or disconnect between any new initiative and the SIAM model, the Customer Organisation should aim to provide the Service Integrator and Service Providers with an early warning of upcoming changes and projects and direction on how they may impact the SIAM model, as well as consider and include the SIAM model, culture and requirements into the upcoming business changes and projects. These directive activities of the Customer Organisation mostly interact with the 'Design' and 'Improve' functions of the Service Integrator's SIAM MAIDE structure.

DESIGN AND IMPLEMENTATION

In our experience, the future direction of the SIAM model is not the primary concern of the design and implementation stage. In theory, the future direction of the model, along with the role of the Customer Organisation, should be considered from the start. However, in practice, the complexity of establishing a new SIAM environment and the corresponding operational changes involved tends to prevail.

Whilst this more reactive approach can be justified in the short term, its not a recommended or sustainable approach as the SIAM environment needs to be capable of rapidly adapting to new business requirements, adopting new technology developments and responding to any other changes that promise to improve business outcomes.

The creating of a SIAM roadmap ensures the Service Integrator and the Customer Organisation are on the same page with regards to future enhancements and uplifts required. The future directions should also provide a picture of the future, with SIAM model improvements and tooling requirements included. If you don't have a roadmap, you will lose your way very quickly.
- Practitioner comment

At a minimum, basic considerations in the governance structure (e.g. Board Charters), and the identification of functional elements, such as program management and enterprise architecture, should occur. Two specific aspects that should be considered in this area are:

- Onboarding and offboarding Service Providers; and
- SIAM Tooling Strategy.

ONBOARDING AND OFFBOARDING SERVICE PROVIDERS

While the process of onboarding and/or offboarding Service Providers is a responsibility of the Service Integrator, the Customer Organisation owns the strategic relationships and contracts with external Service Providers. As such, the Customer Organisation should be the driver (or at the very least, involved) in key Service Provider engagement activities including procurement, due diligence, contract negotiation and disengagement activities including incumbent transition, transfer of duties, financial settlement and, if required, legal actions.

The Customer Organisation should also ensure supporting procedural documentation such as standards, policies, templates and checklists are established to enable efficient onboarding and offboarding, allowing the SIAM environment to quickly and easily add or remove Service Providers. This concept of loose coupling is a design principle that requires planning at an enterprise architecture level.

SIAM TOOLING STRATEGY

The architecture, scalability and interoperability of SIAM environment technology should form part of the Customer Organisation's SIAM tooling strategy, governed in part by the Service Integrator's 'Enable' function. The tools that support or enable the SIAM environment must work cohesively across different Service Providers as well as geographical territories. While the tools may be selected, owned and configured by individual Service Providers or the Service Integrator, it is important that the SIAM tooling strategy is endorsed at an enterprise level and linked to other key corporate systems such as communication, data storage, and security and document management.

> This can only work if the customer allows the Service Integrator to become involved at appropriate architecture governance levels and can shape and influence these components when required.
> - Practitioner comment

OPERATION

Once the SIAM environment is operational, it is important that the Customer Organisation, together with the Service Integrator and Service Providers, ensures it remains dynamic and highly functioning. This includes identifying, assessing and implementing necessary changes that deliver positive outcomes with little to no negative implications. It is ultimately the Customer Organisation's responsibility that these changes are implemented, but care needs to be taken to ensure that this does not create a bottle-neck - or conversely a box-ticking process which adds little value.

6. DISTINGUISH BETWEEN INTERNAL AND EXTERNAL CHANGES TO THE SIAM ENVIRONMENT

There are two key drivers of change to a SIAM environment: Internal and external. Internal changes are those that come from within the model, often instigated by the Service Integrator or Service Providers, which aim to improve the SIAM model e.g. addressing performance inefficiencies. Internal changes are often managed by the Service Integrator through the 'Improve' or 'Assure' functions in the MAIDE model and may require the Customer Organisation to prioritise, approve and potentially resource through governance mechanisms.

It's important to note that some minor or standard changes may not require Customer Organisation input or involvement at all and can be delegated to the Service Integrator or relevant Service Provider(s) depending on the risk, impact and other key factors. In this case, the Customer Organisation's role becomes one of governance.

External changes are those that are not SIAM-specific, are largely driven by the wider business and which may or will have an impact on the SIAM model and environment. Whereas with internal changes, the Customer Organisation represents the business, it instead must represent the SIAM environment in external changes.

Over time, the Customer Organisation has undergone organisational restructures, technological changes and a general evolution of their understanding of the SIAM environment. Each organisational change has led to changes to the SIAM model – in particular, the structural elements and reporting framework.
- Practitioner comment

BUSINESS RELATIONSHIPS

A successful and high performing SIAM ecosystem is fuelled by collaboration, cooperation and coordination, and is underpinned by trust, mutual-respect and shared motivation by all parties involved.

Ultimately, the Customer Organisation is a central figure in the core relationship between the SIAM environment and the wider business. Concepts like digital transformation or enterprise service management heighten the importance of this role. IT services (and the SIAM environment around those) form only a portion of the overall consumer services of the organisation and this may require the IT department SIAM model component to be further integrated with other business functions to be effective in something like a digital transformation program. The Customer Organisation would play a crucial role in ensuring this happens.

There is also a role within the SIAM environment in setting, managing and improving the culture. A culture of collaboration and continuous improvement is hard to define, specifically in contracts and agreements, and it will be up to the Customer Organisation to foster such a culture and to provide direction to enable everyone to maximise their participation and contribution.

If we recognise a SIAM environment as "one team", delivering valued and valuable end-to-end services, then the Customer Organisation is not only a part of this team, but a leader.

DESIGN AND IMPLEMENTATION

The results and outcomes of organisational changes are inherently linked to the organisation's people, it's culture and values. Whether it's implementing a new technology solution or uplifting a standard business practice, the success of that change – that is, the realisation of business objectives – is dependent on how well the people understand, connect with and adopt the changes asked of them.

Organisational Change Management (OCM) plays an integral role in the establishment and functioning of a dynamic SIAM environment. One of the biggest challenges of a SIAM environment is the amount of organisational change it creates within the Customer Organisation, as well as the systems, practices, ways of working, technologies, relationships and even cultural norms within the Service Integrator and Service Providers.

It is vital that all parties are on the same page from the outset. The Customer Organisation has invested in a SIAM model based on their business objectives and designed it to deliver widescale benefits. As such, it is strongly recommended that the Customer Organisation adopts and applies an OCM strategy from SIAM model inception and throughout its operation, employing the necessary communication, engagement and training tactics that supports everyone – from individual to organisation – to not only adopt, but embrace change as and when it happens.

There are numerous OCM models to choose from including ADKAR, Kotter's Change Management Model, McKinsey's 7-S model. Each model offers different tactics and the right model is dependent on the Customer Organisation's industry, culture, organisational structure and systems, as well as the business objectives they're trying to realise. However, what is common across all models is that change involves people – their resistance, their willingness, their knowledge and know-how and effective communication underpins the success – or failure – of any change.

7. DON'T UNDERESTIMATE ORGANISATIONAL CHANGE MANAGEMENT REQUIREMENTS

As the SIAM model transitions from design and implementation to operation, there will be an increasing pace and scale of change happening. This includes the appointment and onboarding of the Service Integrator and Service Providers – thus creating a melting pot of varying organisational cultures and values, as well as the adoption of new systems, ways of working and technologies. One of the first steps in OCM and the establishment of a new SIAM model and environment is to define and communicate a shared vision, along with definitions of key roles and responsibilities. Undertaken by the Customer Organisation, this will provide clarity to all parties invovled, ensuring everyone is aligned, and help form the foundations of a (new) communal culture.

A transition to a SIAM environment undoubtedly involves cultural change (along with structural and functional change). It requires the Customer Organisation to 'let go' of its previous cultural norms, practices and even some responsibilities and relationships for the ultimate success of the SIAM environment. During the transition phase (incorporating the early design and implementation of the SIAM model), the Customer Organisation may want to appoint dedicated OCM resources with suitable expertise and capabilities to establish an OCM strategy and drive planned OCM activities.

While some OCM activities can be performed by the Service Integrator, particularly during onboarding and offboarding of Service Providers as well as business-as-usual operational changes, the ultimate accountability lies with the Customer Organisation. This is in large part due to the nature and role of the Customer Organisation in building and maintaining strong relationships both within the SIAM environment and across the business. Add to this the fact the Service Integrator has little standing with other parts of the organisation (in particular if it is an external Service Integrator), or with incumbent Service Providers, and the role of the Customer Organisation to initiate OCM, maintain the relationships at strategic levels and to empower the Service Integrator to act on its behalf become evident.

It can be difficult to implement step change activities when it is easier for the customer to maintain the status quo, thus losing sight of why they adopted a SIAM model in the first place. The challenge is – when implementing SIAM, do you implement the SIAM model under an aggressive timeframe irrespective of organisational disruption, or do you implement it gradually over a longer timeframe to minimise disruption?
- Practitioner comment

OPERATION

The role of the Customer Organisation is to commission services and provide direction. In a traditional multi-service provider model, the Customer Organisation has a direct relationship with each Service Provider. However, in a SIAM model, it maintains a direct relationship with the Service Integrator. Once in full operation, the Customer Organisation may employ a light-touch engagement with different Service Providers. At this stage most of the daily activities are performed by the Service Integrator and it's only on the occasion of escalations and performance issues that the Customer Organisation needs to step in and act.

8. KEEP IN TOUCH

Unfortunately, there remains a misconception that outsourcing means no further actions or engagement is required of the Customer Organisation. Rather, the Customer Organisation does need to maintain strategic relationships with both Service Providers and the wider business, as well as provide ongoing leadership and guidance of a "one team" culture for the continued success of the SIAM environment.

We have defined roles for managing business relationships as part of the Customer Organisation. The operational roles within the Service Integrator also have a role to play in creating, managing and maintaining relationships with the business and there is significant overlap of responsibilities. This leads to duplicated functions, and for the business, challenges, about where and/or who in the 'IT organisation' to engage. A clear roles and responsibility model such as RACI helps define the accountabilities around key customer touch points which is critical.
- Practitioner comment

Effective leadership is about clearly communicating and visibly demonstrating the desired behaviours and outcomes. In layman's terms, this is about 'walking the walk', not just 'talking the talk'. The SIAM structural elements such as the boards and forums provide the Customer Organisation with the right channels and opportunities to demonstrate its leadership (and/or monitoring) role. Customer engagement in these structural elements helps to set the tone, foster buy-in and demonstrate the importance of participation.

KEY TAKEAWAYS

While the Service Integrator plays a central role in designing a SIAM model, the Customer Organisation plays an equally – if not more – active role in the establishment, operation and continuous improvement of a SIAM ecosystem.

This white paper attributed the role of the Customer Organisation to that of Governance (of the current environment), Direction (of the future state) and Business Relationship Management (with internal and external SIAM Service Providers, as well as the wider business). It also explained that the Customer Organisation's role changes throughout the lifecycle of the SIAM environment, from design and implementation of the SIAM model, to the operational SIAM environment afterwards.

Organisations that don't or can't fulfil this role adequately may find that planned and expected benefits of SIAM are not being achieved, and that the Service Integrator's role is limited to a box-ticking, contract-driven reporting function which is far from the intended "one team" collaborative environment.

Leveraging Kinetic IT's experience in SIAM environments, we have outlined eight practical recommendations for the Customer Organisation embarking on a SIAM journey:

1. Create a clear board structure including associated roles and responsibilities
2. Establish a trust-based management model
3. Treat internal and external teams with equity
4. Understand the difference between governance and management
5. Create a dashboard for SIAM success
6. Distinguish between internal and external changes to the SIAM environment
7. Don't underestimate Organisational Change Management requirements
8. Keep in touch

Using this practical advice as well as other guidance provided in the SIAM Bodies of Knowledge, Customer Organisations should be adequately prepared to design and establish an appropriate SIAM model and be capable to address future challenges or enable future enhancements.

Finally, the role of the Customer Organisation is not just a participant in a SIAM ecosystem, but an active leader. This is why we've likened the role to that of a first violinist in an orchestra. As concertmaster, they set the tone for the entire orchestra, carry the melody and work in harmony with the conductor-like Service Integrator. Understanding this, there can be no doubt that the Customer Organisation is instrumental to the success of the SIAM environment!

ABOUT THE AUTHORS

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As Manager of Service Management Capability at Kinetic IT, Michelle regards her role as an educator, mentor and advisor to Kinetic IT crew and customers in the theory and practical application of service management principles. An IT professional with over twenty years' industry experience, Michelle's finely tuned global expertise has seen her in roles including Training Director at UK service management company, Sysop, and Head of Service Desks at RAC Motoring Services.

Leveraging Michelle's extensive knowledge and capabilities, Michelle has authored and contributed to the publication of service management literature. In concert with colleague, Simon Dorst, and a team of industry experts across the world, Michelle was a founding member of the 2016 SIAM Foundation Body of Knowledge (BoK) and 2018 SIAM Professional BoK. She was a Lead Architect for the Scopism second edition SIAM Bodies of Knowledge (2020) and contributed to the 2017 VeriSM publications and was co-author of the 2018 VeriSM pocket guide.

Michelle's accomplishments in her field are widely recognised, earning her the itSMF Australia Service Management 'Champion of the Year' award in 2017 and 'Thought Leader of the Year' award (together with Simon Dorst) in 2018. In 2018, Michelle was also named as one of the Top 25 service management experts to follow on Twitter. In 2020, HDI acknowledged Michelle as one of the Top 25 Thought Leaders in Technical Support and Service Management.

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Trained and certified in ITIL since 1992, Simon has spent most of his career educating and advising people and organisations in the Netherlands, Singapore and Australia on the theory, benefits and practical application of ITIL principles.

A self-proclaimed 'ITIL Zealot', Simon was a Lead Architect for the Scopism second edition SIAM Body of Knowledge (2020), the SIAM Professional Body of Knowledge (2018) and was a founding member of the SIAM Foundation Body of Knowledge (2016) architect team.

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ABOUT KINETIC IT

Kinetic IT is a leading Australian-owned services provider of enterprise-class ICT services and solutions in the Australian marketplace. For more than 25 years, we've partnered with some of our nation's most important organisations, helping them deliver essential services relied upon by our communities including education, law enforcement, defence, emergency, utilities and transport.

Our team of over 1,400 talented crew operate across all states and territories, providing local capabilities within a global context. We work with private and public-sector customers that seek high quality solutions and efficient service delivery within some of the largest and most complex environments in the country. In return, we provide proven experience and capability, a commitment to best-practice methodologies and a refreshing penchant for flexibility and customer focus.

Since our inception, Kinetic IT has continued to deliver sustained strategic growth with exceptional customer experience ratings. We recognise our success is a result of our adaptable and outcome-driven services and through the authentic and enduring relationships we build with our crew, customers, partners, suppliers and the local communities where we live and work.

In addition to our core service offerings of Business & Digital Transformation, Managed Enterprise Technology, Cyber & Information Security, and Advisory & Consulting, Kinetic IT is an accredited training provider and examination centre specialising in ITIL® Service Management Framework and SIAM™ Methodology. Find out more about What We Do and our Training Services.

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