

# ***Pink Elephant's Pink Think Tank 2014***

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# The Pink Think Tank

- Topic: Increasing multi-supplier value streams
- Objective: pragmatic actionable advice





# Introducing the PTT members



**Charles T. Betz**  
Director of Strategy & Innovation,  
Signature Client Group, AT&T  
Global Business Services, USA



**David Cannon**  
ITIL Author & VP, I&O Consulting,  
Forrester Research, USA



**Karen Ferris**  
Director, Macanta Consulting,  
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**Charles Araujo**  
Founder, The IT Transformation  
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**James Finister**  
European SIAM Lead, Tata  
Consultancy Services, UK



**Rodrigo Flores**  
ITIL & ITSM Author, Managing  
Director, ACP, Accenture Cloud,  
USA



Facilitated By **Jack Probst**  
itSMF USA President, Principal  
Consultant, Pink Elephant, USA



**Rob England**  
Author, Managing Director, Two  
Hills Limited, New Zealand



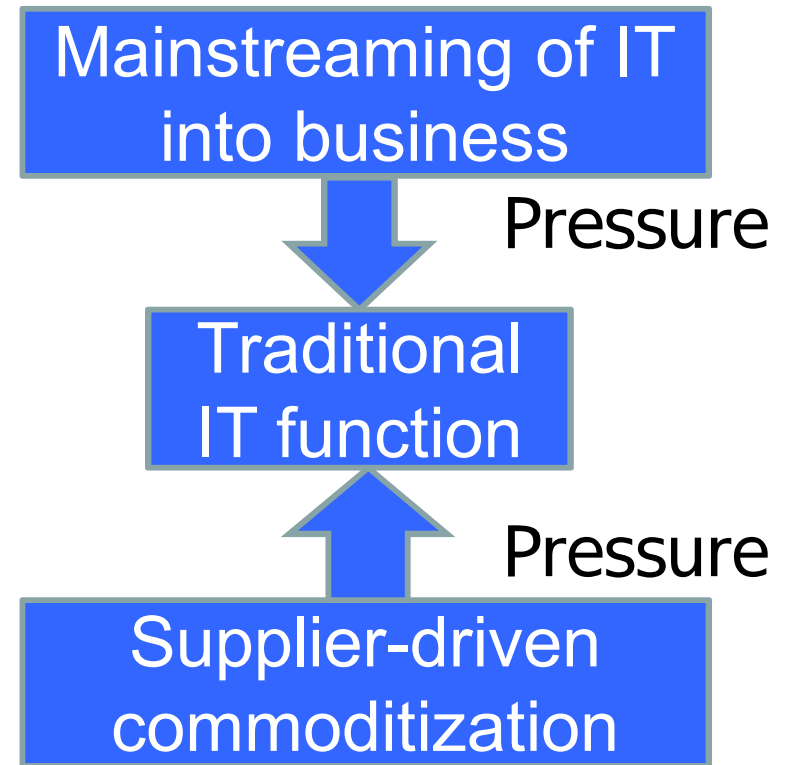
**Troy DuMoulin**  
VP, Research, Innovation &  
Product Development, Pink  
Elephant, Canada

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# Problem

- The squeeze
- Everything is changing
  - Multi-supplier
  - SI, MSI, SIAM...
- Complexity
- You are not ready!





## Multi-supplier value stream

- Ecommerce to Amazon, and Akamai for internet caching
- Service desk outsourcer, and application hosting
- CSC data centre, and managed NOC
- Full service MSI outsourcer



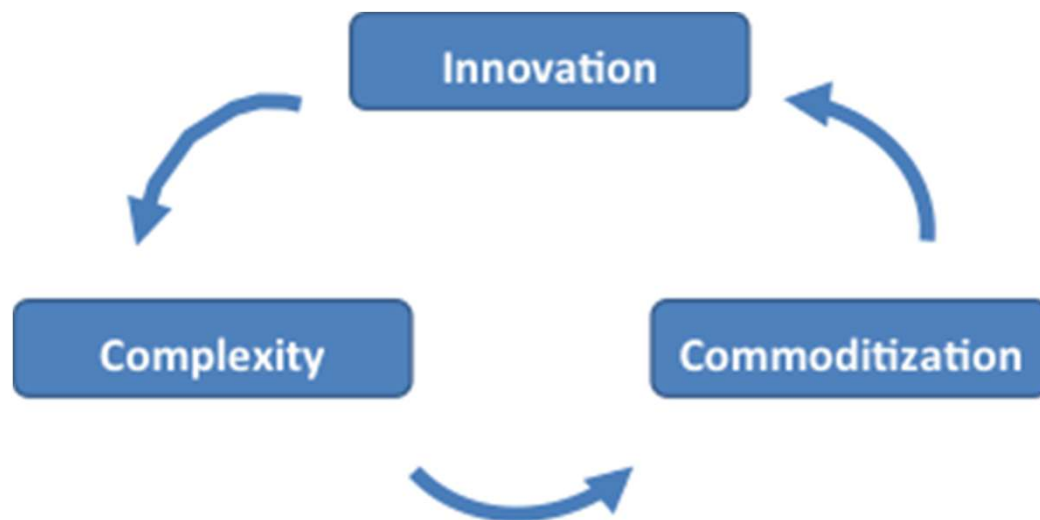


# Trends

- As commoditization increases, the traditional IT role moves to service providers
- Anything that doesn't demonstrate differentiating value is a candidate for externalisation
- Suppliers will develop service solutions, and tools to support them, that an individual organization cannot do on its own
- Evolving nature of multi-supplier will drive changes to how IT is organized and managed

# Solution Statement

- Corporate governance
- Know your business
- Operating model
- Core
- Changed priorities
- Supplier Management
- Balance
- Strategic services
- Strategic suppliers
- Cost and agility
- Change the way people work
- Trusted advisor



# Further findings, further development

	Executive/Governance	Tactical/Management	Supplier
Continue	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to management contract and procurement tactically</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Start	<ul style="list-style-type: none"> <li>• Build a robust corporate governance policies that incorporate the use and innovation of Information Technology throughout the Enterprise (IT Policy is not corporate policy).</li> <li>• Governance provides the boundaries to support business innovation, operational stability and drive flexible solutions</li> <li>• Define the value stream operating model</li> <li>• Select which capabilities should be core/federated across the Enterprise</li> <li>• Establish a strategic Supplier Management function within the context of the business supplier management</li> <li>• Establish service owners</li> <li>• Take ownership of Service Management</li> <li>• Establish Service Portfolio and Architecture and the governance process to manage the portfolio</li> <li>• Improve financial processes and service costing models to support better portfolio/supplier decisions</li> <li>• Develop a supplier management structure distinguishing between strategic and commodity suppliers that are reflected in relationships and contract models</li> <li>• Understand the compliance, risk, assurance from the MSI model – especially multi-nationals</li> <li>• Security issues have people implications</li> </ul>	<ul style="list-style-type: none"> <li>• Define detailed policy, processes, roles, etc. for core practices</li> <li>• Understand the current Supplier Management domain</li> <li>• Establish Service Owners</li> <li>• Establish a Service Catalog</li> <li>• Establish a service level management framework including measurements with emphasis on supplier performance</li> <li>• Institute KPI for supplier orchestration and drive out transaction costs</li> <li>• Maintain accountability of outsourced services</li> <li>• Understand your requirements/expectations, pick the right vendor, let them do their job (within the “right” limit) and manage to performance expectations</li> <li>• Strategic supplier contract models should reflect a balance of risk and reward to the supplier</li> <li>• Contracts should reflect what the supplier, IT and the business is responsible for</li> </ul>	<ul style="list-style-type: none"> <li>• Require primary supplier to be responsible to achieve service level agreements based on the performance of sub-suppliers</li> <li>• Incorporate detailed policy, processes, roles, etc. for core practices into supplier agreements</li> <li>• Suppliers deliver what they need and not what they want. Be honest with the customer about what is possible and what is not</li> </ul>





## More Resources

- LinkedIn group
- White papers
  - outcomes from the Pink Think Tank
  - current state of value streams and supplier management
  - governance of multi-supplier IT value streams
  - organisational operating models
  - personal career implications
  - SIAM Service Integration and Management
- PinkForum14
- Pink15



# Options

- Do nothing
- Wait until something happens
- Start this Monday



# Monday – What Are You Going To Do About This?

- Understand how your services are adding value to the organisation
- How will the evolving nature of a multi-sourcing environment change my role or job in the future?
- Understand what you can do, and set priorities
- For Supplier Management
  - Discover your existing practices to manage contracts & suppliers
  - Inventory existing contracts, ownership and relationships
  - Map the contracts to business outcomes and/or SLA
  - Evaluate existing supplier management capabilities and skills
  - Reprioritize Supplier Management, Portfolio Management, BRM
  - Get help

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