Capability Oriented Service Transition Approach

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LEADit
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Session Over view

- What this session covers:-
  - Problem statement
  - How is Service transition different to Application / Infrastructure transition
  - Capability Oriented approach for Service Transition
  - Critical Success Factors
  - Key Risk to be managed
  - Key benefits
- What this session does not do:-
  - Purport to be all encompassing in outlining all there is to know about Service Transition management
  - Does not provide a “Silver Bullet” to solve all Service Transition Management issues

The problem statement

Time and again IT faces the challenge that what IT thinks as a very successful project is deemed to be not so successful by business.

The perennial problems is that traditionally IT has focused on delivery of IT assets with the assumption that these assets by some magic will become the Business enablers to create business benefits.

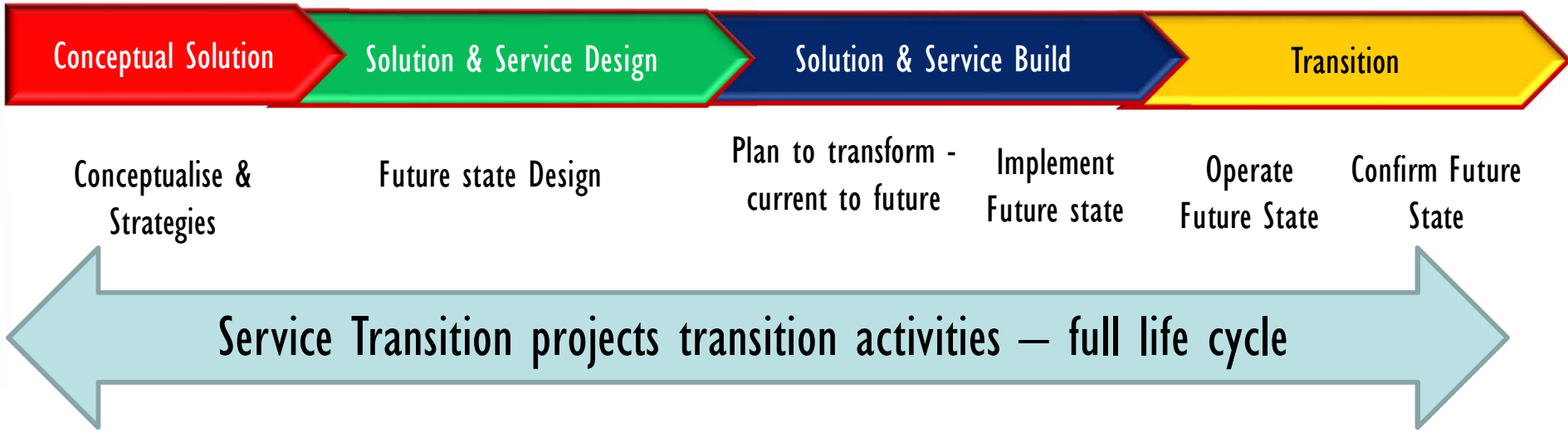
Reality is that as organisations move to Outsourcing, Cloud sourcing, SasS, IasS and AasS models they have to realise that it is the

- "Services" which are business enablers which
  - Create "Capabilities" Consumption of which,
    - Provides business the ability to derive "Benefits".

Service Transition spans across project Life cycle

- ✓ Service Transition is primarily transformation of current capabilities to successful creation and establishment of future capabilities

Infrastructure or Application projects transition activities Bridging two phases



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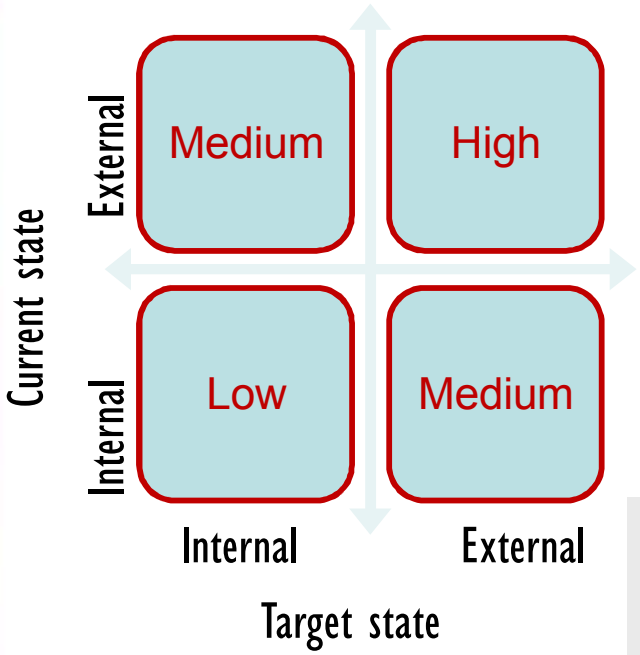
Why different approach for Service Transition?

Key Differences between Infrastructure / Application & Transition project management

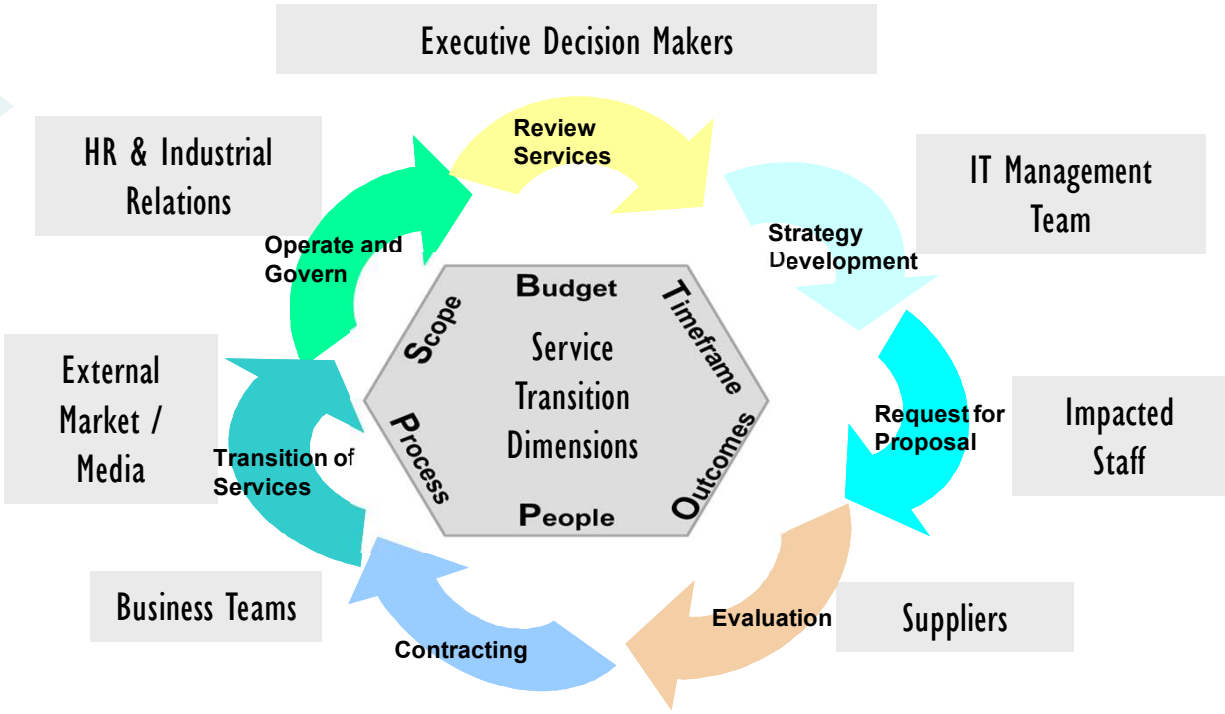
Attributes	Infrastructure / Application	Service Transition
Focus	Technology Transformation	Organisation & Capability Transformation - People & Process
Deliverables	Tangible & Physical	Intangible
Scope	Software, application and Infrastructure	Service Portfolio
Sign off criteria	Tangible relatively simple	Capability based & can be subjective
Key Impact	IT Internal Technical Services	Customer facing Business Services
Milestones	Technology based	Capability based
Stakeholder Management	Medium to Low – Mainly Technical Stakeholders (Internal & External)	High to Medium – Diverse cohort of Stakeholders' Customers, Business, IT (Internal & External)
Budget	Costing models well defined	Costing models with many variables
Time frame	Relatively well defined	Most of the time end event driven
Knowledge transfer	Well defined and can be gained through documentation	People based and need "Observe & Execute" activity with documentation

Service Transition complexity



Service Transition can be of different flavour and complexity – it is important to adopt actual execution to different variations.

Do not underestimate People aspects - Be cognisant of the organisation change aspect of the Service Transition



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Service Transition project manager - competencies

"Service Transition" is much more complex compared to "Technology and Application Transition" -

✓ This makes it necessary for Service Transition project manager to typically have a much broader competency set

Core competencies

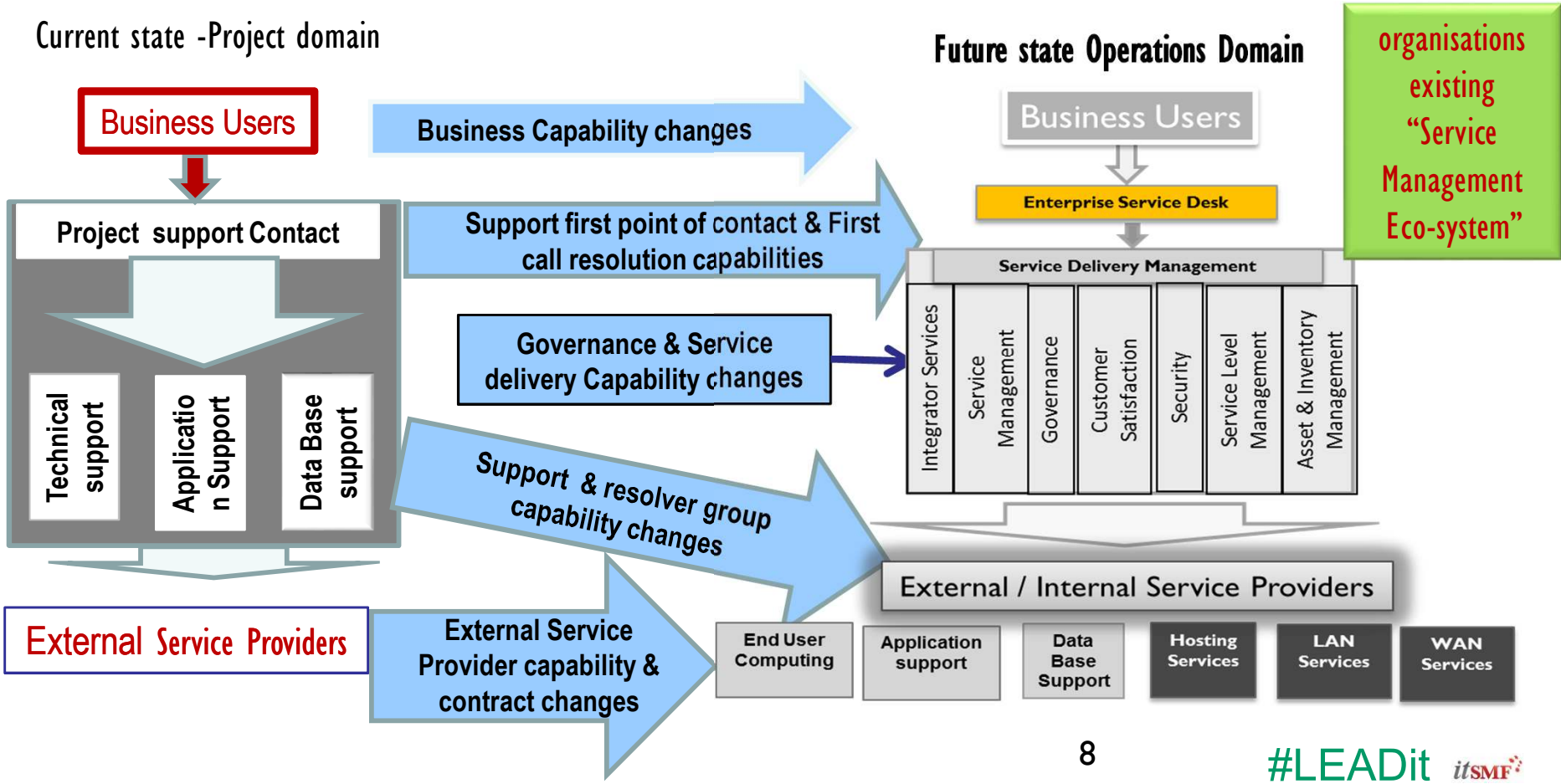
- Project Management
- Service Management
- Organisation Transformation Management
- Process Management

Supplementary competencies

- Risk Management
- Vendor Management
- Contract Management
- Financial Management
- Business Stakeholder Management
- Requirements Management
- Service Architecture

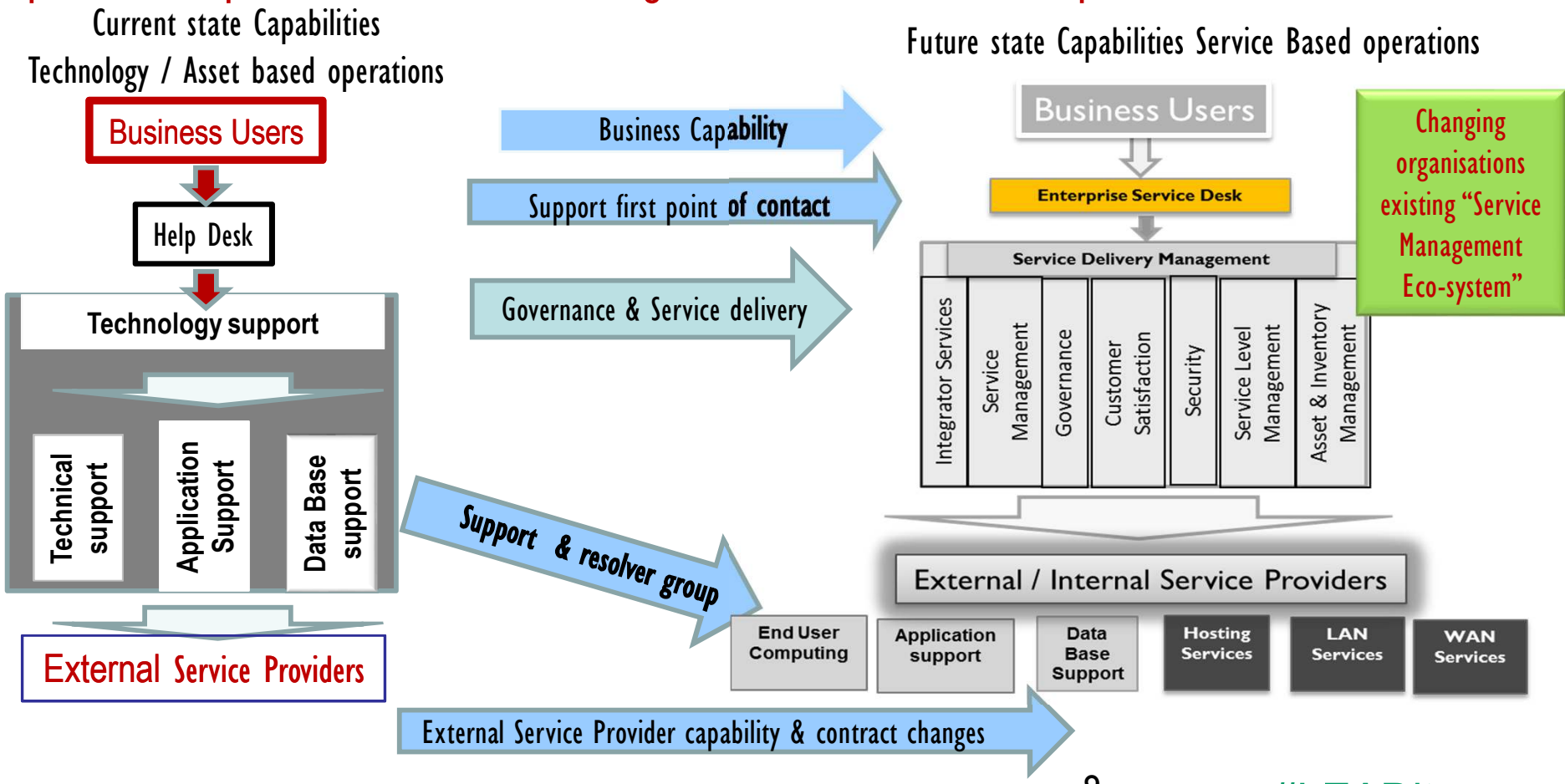
Current to Future state Capability –

Project to Operation - New Service created Or Existing service Modified – scenario one



Current to Future state Capability –

Operation to Operation - Transfer of existing Services from one to other provider – scenario two



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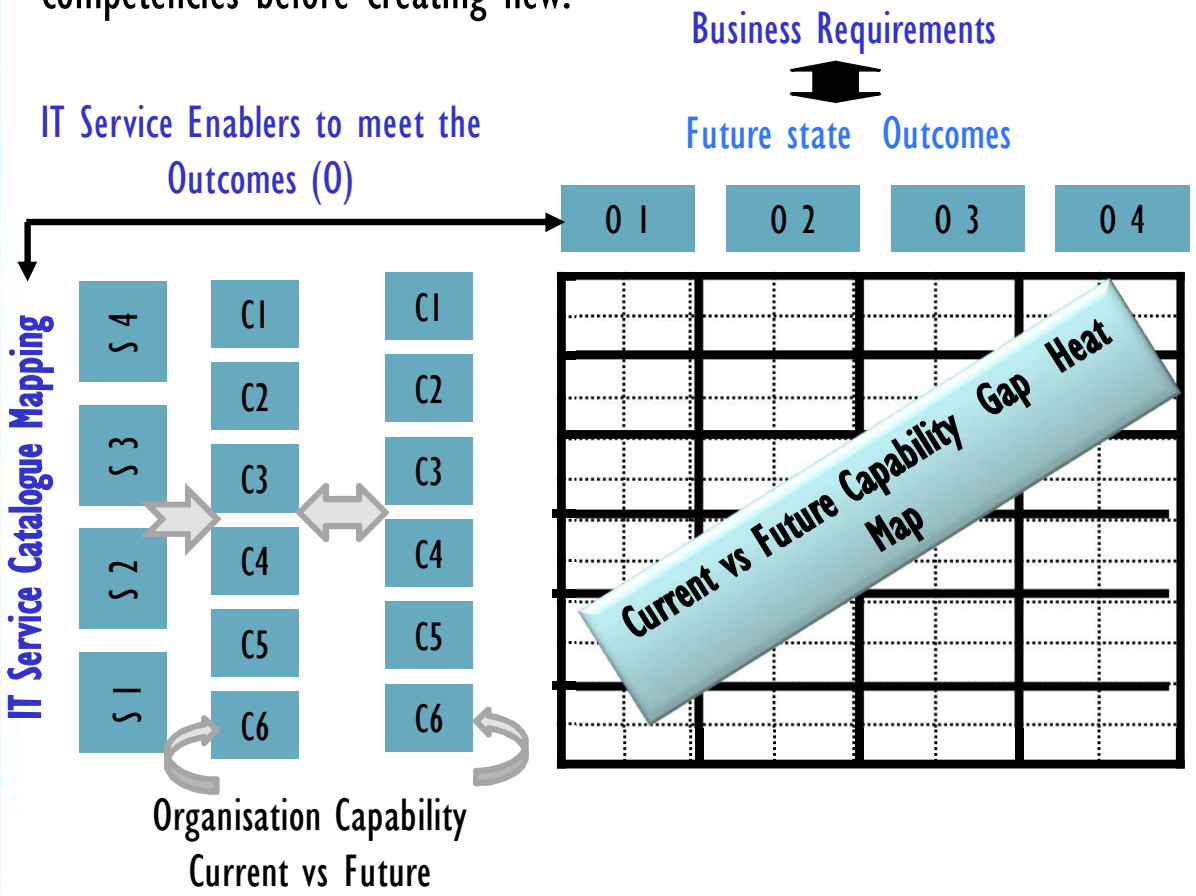
Service Transition scenarios

- Comparative considerations

Attributes	Project to Operation - scenario 1	Operation to Operation – scenario 2
Primary Success criteria	New or changed service meets agreed business requirements - fit for purpose	No degradation of existing services – fit for use
Service Performance	Predictive modelling based on Service Level Objectives	Establish bench mark based on current performance and SLAs
Service demand & capacity	Predictive modelling based on "Pattern of Business usage"	Establish capacity and demand management plans
Service support	Predictive based on likely use case and project experience	Establish process, organisation structures and performance measure to be met at least
Business impact	Functional – may not be able to perform new capability	Operational – will not be able to perform current operations – business disruption
Transition complexity	In most cases confined to one "Transition Project Manager" & single service provider	Invariably multiple "Transition Project Managers" & service providers involved
Organisation change	Most likely managed through business process and functional change	Most cases HR, IR , Contractual, legislative & Organisation impact (outsourcing, insourcing)
Service Provider management	Relatively simple as unlikely to have conflict of objectives and interest between parties	Quite complex – Very high possibility of tension between old & new service providers

Current vs Future Capability Gap management

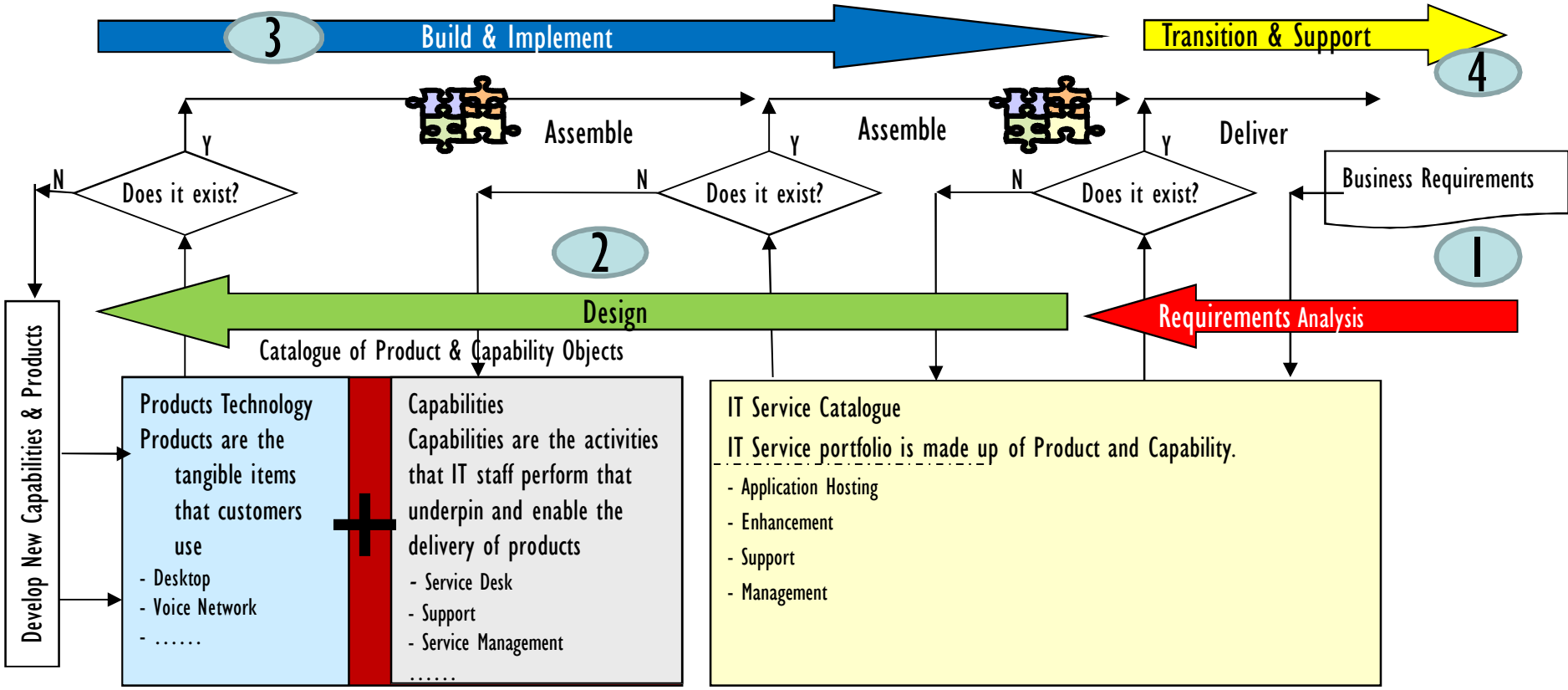
Avoid reinvention - Reuse the existing capabilities - Investigate existing organisation capability and competencies before creating new.



1. Understand business requirements to define future state outcomes.
2. Identify key Organisation capabilities critical for delivering successful outcomes.
3. Conduct a capability gap analysis between current & future state
4. Map the gap analysis to capability object inventory
5. develop and implement a capability gap closing plan

Capability Life Cycle - from current to future state

As far as possible build new or changed capabilities using already tested "Capability Objects" to reduce the risk of unknown



Critical Success Factors (CSF)

Following are some key CSFs which need to be considered at every stage of the service transition management project.

- ✓ Optimised? Is it Fit for purpose? Avoid "Star ship Enterprise" syndrome - Avoid temptation of over engineering
- ✓ Delivers Value? Allows business to meet its objectives in the desired timeframe?
- ✓ Manages Operational Risks? Does it create any detrimental impact on existing services or business capabilities?
- ✓ Sustainable? Supportable, Maintainable, Reliable, Scalable
- ✓ Affordable? Meets Total Cost of Ownership goals and strategies
- ✓ Operatable? Services fit operational requirements as stipulated in handover check list
- ✓ Strategically aligned? Does it align to Sourcing guideline, Business & Enterprise strategy, architecture, policies and principles?

Potential Risk factors to consider

- Lack of right resources with right competency – Service Transition project manager with no service management background – solution architect is a technical architect and not a service architect
- A perceived small change to existing service has potential to create a much wide service disruption across a much larger service portfolio
- Underestimating People aspects - People behave differently under stress - Teaming is critical
- Underestimating testing effort - Insufficient "Use case" scenarios to successfully complete appropriate testing. Too many assumptions with very little validation
- Lack of clarity on
  - "Target state ownership" -Low maturity of the receiving entity
  - "Service owner" role and responsibility
  - Decision making process decision rights - Too many and overlapping signoff points
  - Acceptance criteria
- Lack of or insufficient overall coordination, governance and clarity on interdependencies in complex multi-stream transition specially involving internal and external parties with contractual obligations
- Unavailability of right resources from "Operation" domain – internal and external - Inability to get specific and definite answers from Operations domain

Key benefits of capability based service transition approach

- Applying these concepts, to real life situations will result in
  - Higher probability of success -Successfully manage the transition of services, to service providers, whilst safeguarding the ongoing business
  - Better alignment to business outcomes & organisation strategic objectives - new or modified service entirely meets the business needs and expectations, when transitioned to the operational phase.
  - Minimise the risk, to performance of services currently in operation,
  - Sustainable operation of the services without a need for retro fit of fixes in operations.
- The success or failure of the transition can be measured by well definable outcomes in business context
- Business can relate to this approach much better and hence easy to gain their participation
- A stepped approach can be applied to create intermediate capability states resulting early realisation of benefit
- Estimation of Total Cost of Ownership (TCO) is much more predictable and defendable.

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Take away - Key Messages

- ✓ Service Transition is primarily transformation of current capabilities to successful creation and establishment of future capabilities
- ✓ "Service Transition" is different to "Technology and Application Transition" - This makes it necessary for Service Transition Manager to typically have a much broader competency set
- ✓ Infrastructure and Application projects deal with tangible aspects whereas Service Transition projects typically deal with intangibles
- ✓ Unlike typical Infrastructure or Application project, Service Transition project has full life cycle involvement from Concept, Design, Build, Implement and Operate phases of the life cycle
- ✓ Service Transition can be of different flavour and complexity – it is important to adopt actual execution to different variations.
- ✓ Most organisations have existing "Service Management Eco-system" -
- ✓ Avoid reinvention - Reuse the existing capabilities - Investigate existing organisation capability and competencies before creating new.
- ✓ As far as possible build new or changed capabilities using already tested "Capability Objects" to reduce the risk of unknown
- ✓ Do not underestimate People aspects - Be cognisant of the organisation change aspect of the Service Transition – for complex scenario it is advisable to involve "Organisation Change" professionals to manage these aspects

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