

# *Service Management in a Complex Multi-Sourced Environment: The ATO Experience*

**Geoff Robinson, Kassandra Singh,  
Shane Johnson**



# Agenda

- 1 Background
- 2 IT Multi-Source Model
- 3 The Evolved IT Multi-Source Model
- 4 The IT Services Today
- 5 Conclusion Summary

# ATO Background

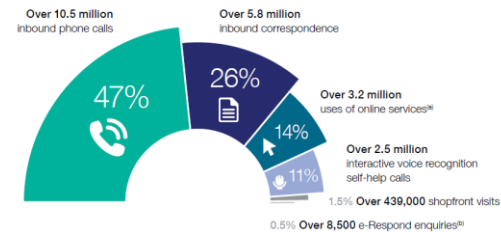
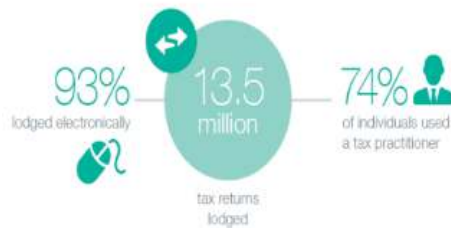
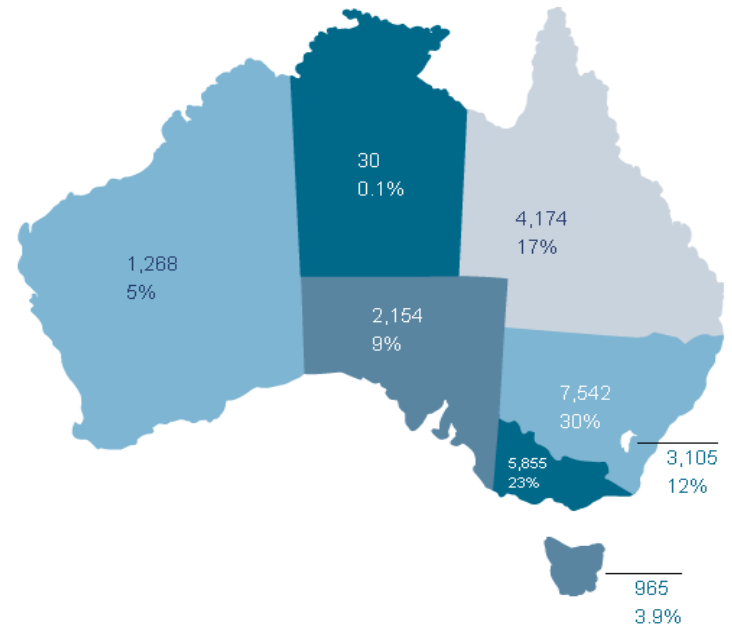
## 1.4 Billion Business Transactions per year

Our service delivery is supported by one of the largest information technology operations in the Australian Public Service. Working in partnership with external service providers, we have over 600 systems supporting our operations (in 63 sites) and providing services to the community.

Approximately 3.9 million transactions (financial and non-financial) are processed within our enterprise systems each day, or approximately 1.4 billion annually, including:

- 21.2 million payment transactions
- 17.2 million income tax returns
- 15.9 million superannuation member contributions statements
- 13.7 million notices of assessment
- 3.3 million lost member return forms

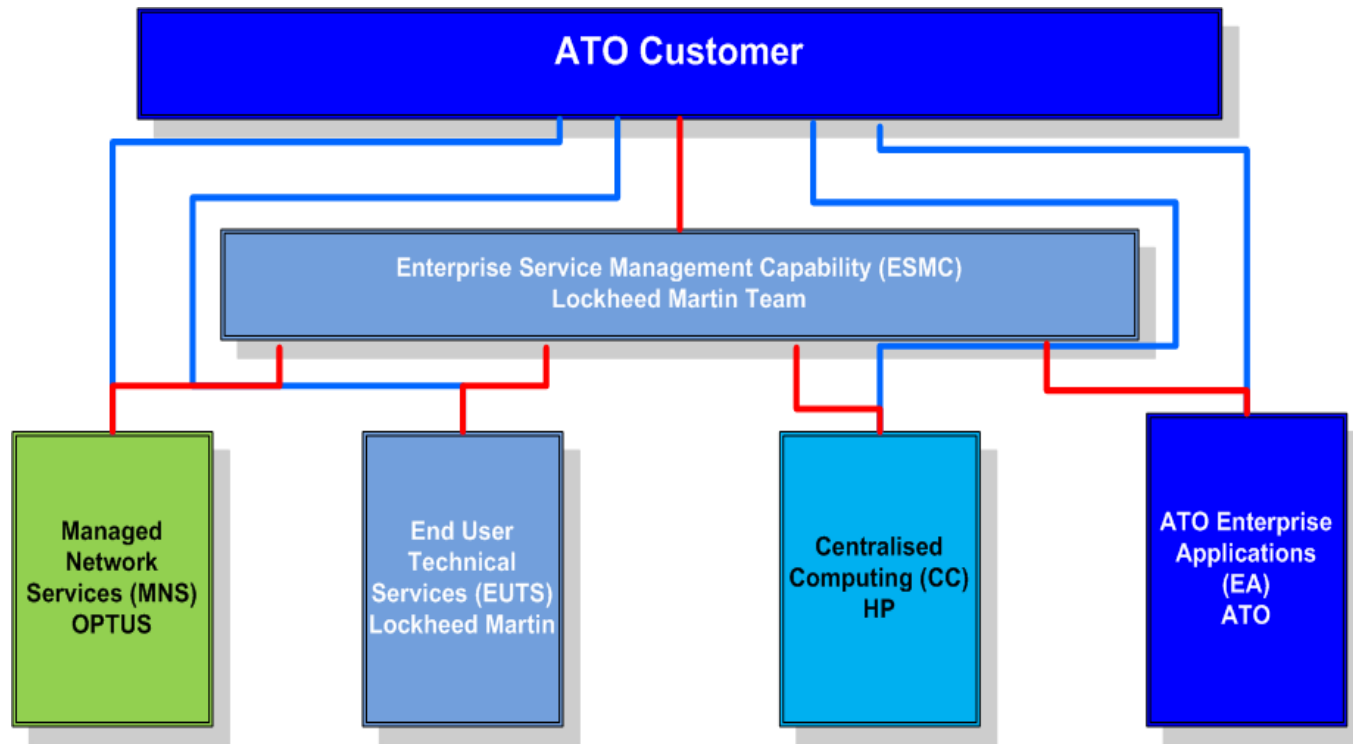
## 25,000 Employees in 63 sites



# The Multi-Source Model

Internal ATO IT Workforce: **2,000**

Primary IT Service Partner Workforce: **1,500**



- Contractual and Financial Management
- Operational Service Management / Performance Management & Reporting

# The Multi-Source Model – The Expected Benefits

Focus on improving value for money,  
recognising ATO business drivers

## Financial (Quantitative) Benefits

1. Direct financial benefits – reduced pricing under new contracts
2. Direct reduction in or redeployment of ATO staff in outsourced or surplus roles as a result of new arrangements
3. Quantified benefits associated with improved service quality



Financial Benefits validated based on

- ATO Basecase / Original estimate
- Current position & impacts
- Expected outcome

Focus on ICT Sourcing Program  
Key Business Outcomes

## Non - Financial (Qualitative) Benefits

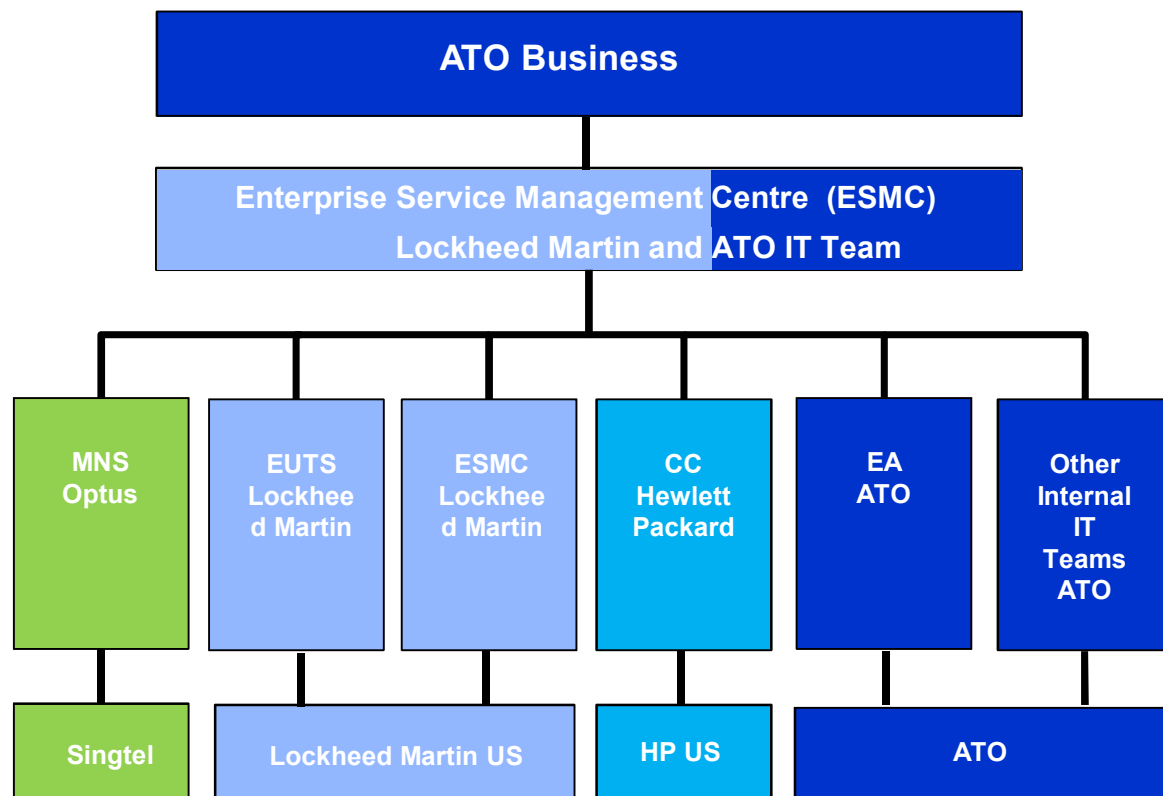
1. Improved quality of services (eg. reduced outages, stability)
2. Improved flexibility to support business change
3. Indirect benefits such as improved customer satisfaction



Non- Financial Benefits aligned with:

- Operational (EST)
- Operational (internal ATO users)
- External (community, Tax Practitioners)
- Government

# The Evolved Multi-Source Model



# The Multi-Source Model – The Reality

- Multi-Source Model is a different way of thinking
- To enable success the model should be based on roles & responsibilities:
  - Functional vs Hierarchical structures
  - Recognise Multi layered relationships
  - Decision Matrix clearly defined
- Internal groups need to be managed differently
- Each Organisation has their own drivers

## Financial (Quantitative) Benefits

1. Underestimated transition and transformation to the MSE model took longer than 6 months.
2. Higher retained activity
3. Scope and other changes mask direct financial benefits
4. Service Delivery Improvements being realised and growing as we complete full implementation

## Non-Financial (Qualitative) Benefits

1. Reduction in high severity incidents
2. SLA's met across the Multi Source Environment
3. Large volume of changes - minimal disruption
4. Able to support large growth in e-services



# The Original Operating Model

Enterprise Service Management Capability (ESMC)  
Lockheed Martin Team

## Consolidated

*Service Desk*

- Consolidate 3 Service Desks into 1

## Integrated (ESMC the Service Management Integrator)

*Incident, Problem, Request & Access, Event, Change & Release, SACM, Knowledge, Catalogue*

- Single Service Management Tool
- Common Process and Procedures integrated to SP operational procedures
- Governance Forums

## Coordinated (ATO the Service Management Integrator – ESMC provide support to ATO)

*Availability, IT Service Continuity, Capacity, Security and CSI*

- Service Provider Tools
- Common Process
- ATO Lead Governance forums





## Where we are now – 2 years

### 1. Consolidated three Service Desk's into one:

- **403,843** IT Service Desk Transactions:
  - 198,569 Phone calls - **49%**
  - 74,376 Online and Email Inquiries - **18%**
  - 134,597 Online Catalogue Requests - **32%**
  
- ✓ 81% of incidents resolved at the Service Desk
- ✓ 68% of tickets resolved at Service Desk (Includes Requests & Events)
- ✓ 78% calls resolved on first contact
- ✓ Improved end user total satisfaction by 12%
- ✓ Promoted adoption of Self Help tools to eliminate calls and reduce business disruption (e.g. Password Resets)

# Where we are now – 2 years

## 2. Integrated Service Management Process

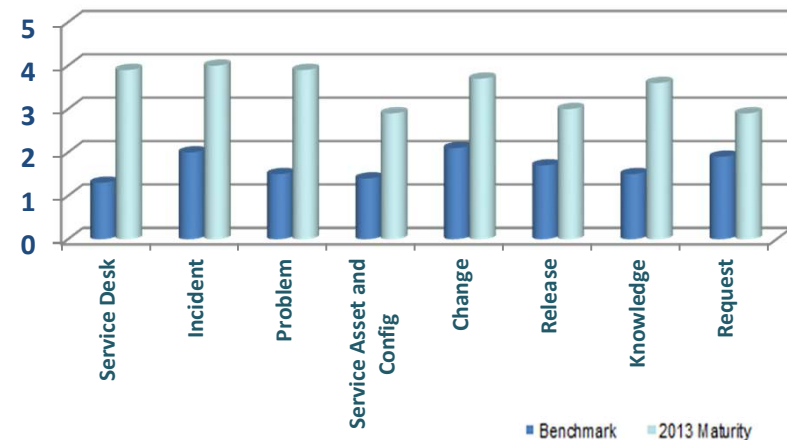
*Incident, Problem, Request & Access, Change & Release, Knowledge, Catalogue and Asset Management*

- Significantly Reduced Outage Hours and volume of High Severity Incidents
- More than doubled volume of problems identified and closed
- 27,565 IT Changes implemented per annum
- 82 Major Releases

- Deployed Single Service Management Tool:
  - ✓ Integration into HR System for User and Manager Information
  - ✓ Automated Approval Workflow for Catalogue Requests
  - ✓ Auto Ticketing of Emails and Web Requests
  - ✓ Transparency across MSE on IT ticket data

- Achieved Service Improvements:
  - ✓ Achievement of SLA's across the Service Partners
  - ✓ 0.31 Incidents per User on average per month
  - ✓ 40% reduction in high severity incidents
  - ✓ 66% of changes pre-approved by the CAB
  - ✓ 51% of IT transactions received electronically
  - ✓ Year on Year improvements in ITIL Maturity
  - ✓ Above benchmark Process Maturity

ATO ITIL Process Maturity Compared to Benchmark





## Where we are now – 2 years

### 3. Coordinated Service Management Process

*Availability, Event, IT Service Continuity, Capacity, Security and CSI*

- Developed a strong CSI process and program for the Integrated Processes with ESMC as lead
- Initiated Governance Forums for ITSC and Security
- Developed end to end processes for ITSC and Security
- Availability, Event, Capacity remained in current state along with Configuration management whilst design changes were made to overcome commercial barriers

## How we got here

- Evolved the Multi Source Model
  - Approached the Service Management Integration activity as a joint in-house and outsourced function:
    - Clearly defined the roles, responsibilities and accountability
    - Developed functional vs hierarchical structures
    - Establish a strong governance model
- Enhanced the Performance Management Framework to recognise multi partner transactions
- CSI and Quality Systems were embedded early
- Strong Process Controls and Governance
- Conducted regular ITIL Self Assessments and annual Process Effectiveness audits performed by Pink Elephant

## Recommendations

- Approach the Service Management Integration activity as a joint in-house and outsourced function
- Prepare for the competitive environment
- Plan for a longer transition starting with business readiness
- Recognise and accommodate the differences of the Internal support teams
- Approach SLAs differently for activities that require multi-partner engagements
- Start the CSI Model from the beginning
- Future proof the contracts with the flexibility required to easily leverage emerging technology and models



# Resources



Kassandra Singh  
[kassandra.singh@lmco.com](mailto:kassandra.singh@lmco.com)  
[www.lmco.com](http://www.lmco.com)



Shane Johnson  
[shane.johnson@theitsmhub.com.au](mailto:shane.johnson@theitsmhub.com.au)  
[www.theitsmhub.com.au](http://www.theitsmhub.com.au)

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