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IT Service Management

Leveraging ITSM in a Multi-Vendor Outsourced Enterprise

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February 13, 2005

Introduction

The requirement in many enterprises today is to provide the highest quality service at the lowest possible cost. This places a focus on IT to be the best service provider possible and ensure the services provided meet the business requirements and ultimately enable the organization to achieve its goals.

It is primarily for this reason that the effective and efficient selection and utilization of technology has played and will continue to play a critical role. By extension, the perspectives of personnel expertise and employing industry accepted best practices also play a critical role. The integration of people, process, and technology within any given organizational structure, environment, and culture is therefore crucial.

In response, many organizations have evaluated or are currently undergoing studies to determine the benefits of outsourcing their IT Service Support and Service Delivery operational infrastructure to one or more vendors. Coincident with these studies, are evaluations to determine what factors will need to be addressed to successfully outsource to multiple vendors and achieve the goal of providing highest quality service while lowering the total cost of operation.

This white paper will discuss the challenges facing many organizations that are considering or have migrated into a multi-vendor outsourced enterprise. It will detail the employing and leveraging of IT Service Management best practices to address these issues and minimize the impact of operating in such an environment and finally this white paper will detail an proactive approach to accommodating this type of outsourcing situation.

The Challenge

The challenge facing most organizations lies in many areas. Ensuring the right number of people with the appropriate expertise to manage both day-to-day and strategically an ever increasing set of hardware and software technologies with a level of complexity within the IT infrastructure is a daunting task. On one hand the cost to implement and maintain this state is operationally prohibitive, and on the other hand, there is an uncertainty associated with developing and employing best practices to achieve the necessary and required levels of performance and service. Attaining the appropriate balance of people, expertise, process, and technology across the IT infrastructure enterprise wide, while ensuring this is integrated within the organization to achieve its goals is very difficult and in some cases impossible.

In a general sense, IT must be positioned as a service provider both tactically and strategically to the organization and this requires addressing many critical areas that will result in aligning IT to meet business requirements. The most critical of which is adapting, adopting, and utilizing best practice processes.

Specifically, it is both prudent and necessary on the part of the organization to look at several, and in most cases many, vendors to source the appropriate hardware and software technologies, IT infrastructure components, knowledge, etc. for both Service Support and Service Delivery. This requirements spans phases from assessment, to architecture and design, across planning, into implementation, and finally provisioning for ongoing support.

In attempting to do this, organizations face many challenges. Outsourcing to various vendors requires that they must be capable of working in concert in all areas of Service Support and Service Delivery otherwise customer service, operational costs, or both are negatively impacted.

The next Section will detail the Service Support and Service Delivery challenges and IT Service Management best practice process that will address them.

Employing ITSM to Minimize the Impact of a Multi-Vendor Outsourced Environment

The objective is to employ IT Service Management best practice processes to better manage a multi-vendor outsourced environment and achieve the goal of the enterprise to provide a high level of quality and consistent service at the lowest operational cost.

Offered in the form of a questionnaire, the following sections and areas can be used by organizations to gather information to qualify and scope the IT services being provided by any one outsourcing vendor and to manage them accordingly. The focus is to provide a high level view of the organization, their outsourcing requirements, and their IT service management issues and methods. Subsequently, the information gathered can be used collectively to determine areas of overlap, insufficient coverage, or gap in coverage in a multi-vendor outsourced environment

Ultimately it will enable an understanding of the organization's requirements in the following areas:

- What the organization is trying to achieve
- What is being delivered today
- How the current service is measured
- The interfaces into the current service
- The resources that need to be provided by an outsource vendor in order to take over the current service

In addition to the questionnaire the following information would be helpful:

- Organization chart (all staff)
- Hardware and software inventories
- A copy of Service Level Agreement(s)
- Any other relevant documentation

Some important questions that should be answered internally:

- What the organization is trying to achieve with outsourcing?
- What are the business requirements and/or issues that are affected?
- What are the organization's "pain points" that are driving the need for outsourcing?

The questionnaire should be viewed as a "living" document and as such will be continually reviewed and updated. There are 4 Sections each comprising several to many appropriate questions.

Scope and Benefit Analysis

1. Describe the organization's outsourcing requirements in high-level terms.

2. What is the perceived benefit that is trying to be achieved?
   - Cost Reduction?
   - Service Improvement?
   - Staff Redeployment?
   - Other?

3. Where is the greatest benefit?

4. Are there one or more things that are easily implemented that will accrue the majority of the benefits?

5. Are there metrics to quantify and verify the benefit?

6. Has a TCO been done to confirm the potential benefit?

7. Does the organization requirements match the capabilities of an Outside Service Vendor providing the outsourcing?

8. What is the organization's perception of the Outside Service Vendor capabilities and offerings?

Organization & Methods

1. Describe the current organization.

2. How many staff is there in total?

3. Where are they located and what are their roles and responsibilities?

4. Does the organization distinguish between ITSM Service Support and Service Delivery functions?

5. What is the scope and maturity level of Service Support?

6. What is the scope and maturity level of Service Delivery?

7. How many of the staff is affected by this initiative?
    - Software Installation/Maintenance
    - Software Support
    - Hardware planning
    - Other

8. What is the policy towards staff redeployment, in relation to outsourcing?

9. Is there a Communication Plan in place to make the staff aware of outsourcing and it's impact?

10. Which services/functions are platform independent? Which are on a network?

11. What formal interfaces/relationships will be required with other groups outside the scope of the outsourcing initiative?
    - Operations?
    - Network?
    - Configuration Management?
    - DBA?
    - Other?

12. What is the main form of internal communication?
    - Meeting?
    - Email?
    - Voice-mail?
    - Telephone?

13. Is there an alignment between Outside Service Vendors and organizational areas?

14. Are there any Underpinning Contracts that are in place or need to be in place with Outside Service Vendors?

15. What Project Management tools and methodology is used?

Processing

1. Describe the current processing configuration.

Processors/Servers, OS Software, Network

2. How many processors and/or servers are currently installed? What is their configuration?

3. What are the primary software sub-systems?

4. What is the primary workload for each large server and/or image?
   - Production/Development
   - MIS, DSS
   - Online Systems
   - Operating System test

5. Other peripherals?
   - Tape drives/robots
   - CD-ROM's
   - Printers
   - Other

6. How much network equipment is currently installed? What is its configuration?

7. What Outside Service Vendors support these processors and/or servers, and peripherals?

8. Are the Outside Service Vendors aware of any Service Level Agreements that are in place?

9. Are there any Underpinning Contracts that are in place or need to be in place with Outside Service Vendors?

General

10. Is disk storage shared across platforms? Is there a NAS or SAN?

11. How is backup/archive managed?

12. Is there a common printing/reporting strategy across platform?

13. Are there any other processing platforms?

Service Delivery

1. Describe the service management policy, with special reference to problem/change management, release, and service level management.

2. Is software used to support Service Management?
    - Service Desk?
    - Incident/Problem Management?
    - Change Management?
    - Configuration Management?
    - IT Financial Service Management?
    - Release Management?
    - Capacity Management? Data Management?
    - Service Level Management?
    - Availability Management? Security Management?
    - IT Service Continuity Management?
    - Other?

Incident/Problem Management

3. How are customer calls logged and handled?
    - Service Desk
    - 1st/2nd level support

4. What constitutes an incident/problem?

5. How many problems are logged per month?
    - Mainframe/Large Servers
    - LUNIX/Unix/NT
    - Network
    - Other

6. What is the problem escalation procedure?

7. What proportion of incident and/or problems is resolved within:
   - 1 hour?
   - 24 hours?
   - >24 hours?

8. What is the policy regarding call-out/standby? *(Are there any assumptions regarding out-of-hours support)*

Change Management

9. What constitutes a change?

10. Is there a regular Change Control meeting? (And associated processes)

11. What areas come under change control?
    - Production/Development
    - Operating System
    - Hardware/Software Vendors

12. How many changes requests are raised per month?
    - Mainframe/Large Servers
    - OS Software
    - Network
    - Other

13. How are emergency changes handled?

Service Level Management

14. Are there formal Service Level Agreements with users? Operational Level Agreements within and across IT? Underpinning Contracts with Outside Service Vendors?

15. What are normal service hours?

16. What are the availability targets?
    - Overall
    - Mainframe/Large Servers
    - OS Software
    - Network

17. What are response time targets?
    - End-to-end

- Mainframe/Large Servers
- OS Software
- Network

18. Are there batch service levels?

19. How many unscheduled outages have occurred in the last 12 months?
    - Mainframe/Servers
    - OS Software
    - Network

20. What proportion of the outages are attributable to:
    - Hardware
    - System software
    - Application software
    - Availability
    - Environment
    - Human error
    - Performance degradation
    - Other

21. Are there any penalties associated with unscheduled outages?

22. What is the software installation and maintenance strategy (currency and frequency)?
    - Mainframe/Large Servers
    - OS Software
    - Network

23. How frequently are upgrades to the hardware platforms expected?
    - Mainframe/Large Servers
    - OS Software
    - Network
    - Storage

24. What scheduled outages are available for hardware and software installation and testing?

25. Is there a Disaster Recovery plan? Is it based on a Business Impact Analysis (BIA)?

26. What level of Disaster Recovery testing is carried out? How frequently?

27. Is there a charge-back/accounting system in operation?

Critical Success Factors to Leverage ITSM in a Multi-Vendor Outsourced Environment

The following is a partial list of critical success factors to leverage ITSM in a multi-vendor outsourced environment:

- ITSM has prime responsibility for the development best practice processes, project management, and for knowledge management of the best practice processes
- ITSM has prime responsibility for the analysis and planning aspects that will be used develop the ITSM best practice processes for adherence by the Outside Services Vendors
- These best practices will be implemented and supported by the appropriate organizational areas. Outside Service Vendors will adhere to these best practices
- The ITSM project manager and other organizational project managers will work closely in the joint assessment, architecture, design, planning, implementation, and support of managing the multiple Outside Service Vendors
- The internal organization ITSM and operational areas and the multiple Outside Service Vendors will be driven by the organization's unique requirements and needs

Summary

Utilizing IT Service Management best practice processes to better manage multi-vendor outsourced environment achieves the goals of the enterprise that are to provide the highest level of quality and consistent service at the lowest operational cost.

In addition, employing ITSM best practices will position IT as a service provider both tactically and strategically to the organization. This is critical to effectively and efficiently managing multi-vendors outsourcing as well as addressing the critical areas that will result in aligning IT to meet business requirements.