Contents

Foreword IX

Preface XI

1 Introduction 1
- 1.1 The growth of Service Integration 2
- 1.2 What is different in a multi-sourced environment? 2
- 1.3 Why is Service Integration different? 4
- 1.4 Conceptual model for Service Integration 5
  - 1.4.1 SIAM integration model 6
- 1.5 Benefits of effective Service Integration 7
- 1.6 An example model of Service Integration (SIAM) 8
- 1.7 Managing the intersections 10
- 1.8 Structure of this book 13
- 1.9 Case studies 14
  - 1.9.1 Case study 1 – Global large automotive manufacturer 14
  - 1.9.2 Case study 2 – Global energy company 17
  - 1.9.3 Case study 3 – European bank 21
  - 1.9.4 Summary 23

2 Basic Concepts and Terminology 25
- 2.1 What is sourcing? 25
  - 2.1.1 Separation of duties 25
  - 2.1.2 Sourcing types 26
  - 2.1.3 The retained organization 26
  - 2.1.4 Service Integration and SIAM versus service orchestration 28
  - 2.1.5 Service Integration and SIAM versus cloud service brokerage 29
- 2.2 Business relationships in outsourcing 29
  - 2.2.1 Relationship types 30
  - 2.2.2 Benefits of relationship planning 32
  - 2.2.3 Impact on Service Integration 34
- 2.3 Sourcing the Service Integrator function 35
  - 2.3.1 Why outsource Service Integration? 36
- 2.4 Service Sourcing archetypes .39
  - 2.4.1 Sourcing Archetype A - Internal 39
  - 2.4.2 Sourcing Archetype B - External 41
  - 2.4.3 Sourcing Archetype C - Multiple 44
  - 2.4.4 Sourcing Archetype D - Matrix 49
- 2.5 SIAM guiding principles 51
  - 2.5.1 Integrate the intersections 52

2.5.2 Service Providers are not enterprises 53
2.5.3 Every Service Provider encapsulates its services 54
2.5.4 The integration of services is a service 56
2.5.5 Services are assets 57
2.5.6 Propagation of responsibilities 57
2.5.7 ITSM operates on services (and not on the provider or its assets) 58
2.5.8 Agreements are defined and established by service and not provider 59
2.6 Process integration 59
2.6.1 Direct and indirect management of integrated processes 62
2.7 The Integrator and the Integrated 63
2.7.1 Contracts and agreements – backward propagation of requirements 64
2.7.2 Assets are communicating vessels 65
2.7.3 SIAM is recursive 67

People and Processes for Service Integration 69
3.1 The people perspective 69
3.1.1 Competences required 71
3.2 Enabling a culture of collaboration 73
3.2.1 Relationships charter 73
3.2.2 Multi-supplier relationships 75
3.2.3 Joint governance 75
3.2.4 Shared KPIs 75
3.3 Defining the scope of an SIAM function 76
3.3.1 Service desk 76
3.3.2 Key capabilities of the Service Integrator 77
3.3.3 Accountable and enabling Service integrator 79
3.3.4 Process control and execution 80
3.3.5 Planning process scope for SI 82
3.3.6 Using service models for the service strategy phase 83
3.4 Other processes impacted by Service Integration 86
3.4.1 Knowledge management 86
3.4.2 Service catalog 87
3.4.3 Configuration management 88
3.4.4 Event management and monitoring 88

Data and Tools 91
4.1 Introduction 91
4.1.1 The Open Groups IT4IT 92
4.2 Foundation principles for multi-sourced architectures 93
4.2.1 Output vs outcome 94
4.2.2 Identify the requirements for tools and data integration 95
4.2.3 Principles for simplifying tools design 97
4.3 Data implications of multi-sourcing 98
4.3.1 Foundation data 100
4.3.2 Performance data 103
4.3.3 Customer and consumer data 103
4.3.4 Service Provider data 103
4.3.5 Summary 104
4.4 Operational tool landscape definition 104
4.4.1 Defining a top-down architecture framework 104
4.5 Tools configuration 106
4.6 Common tools governance and sourcing 111
4.6.1 Owned versus sourced common platforms 112
4.6.2 Common tools governance 114

5 Sourcing Service Providers in the Multi-Sourcing Framework 117
5.1 Introduction 117
5.2 The sourcing process 118
5.2.1 On getting third party advice 118
5.2.2 Cost drivers of the sourcing process 119
5.2.3 Service framework 119
5.2.4 Scope 120
5.2.5 RFI and RFP 123
5.2.6 Contract negotiations and signing 125
5.2.7 Transition and transformation 126
5.3 Contractual aspects 127
5.3.1 Reversibility and exit plans 127
5.3.2 Definitions 129
5.3.3 Statements of work 129
5.3.4 Service catalog and service request catalog 129
5.3.5 Pricing and chargeback 129
5.3.6 Invoicing and chargeback 130
5.3.7 Service levels 131
5.3.8 Management of operational data 137
5.3.9 Intellectual property 138
5.3.10 Miscellaneous multi-sourcing specifics 139
5.4 Managing outsourced contracts in a multi-service provider environment 140
5.4.1 The contents of the ecosystem 140
5.4.2 Managing the Service Integrator 140
5.4.3 Project and changes 141
5.4.4 Step-in 142
5.4.5 Onboarding 143
5.4.6 Subcontracting 144
5.4.7 Performance measurement in a multi-service provider environment 144
5.4.8 Best practice example: multi-service provider common KPI model 145
5.4.9 Contract changes, renegotiations and renewals 147

5.5 The impact of cloud services 148
5.6 Conclusion 149

6 Strategies for Governance and Management 151

6.1 Formalizing SIAM governance 151
  6.1.1 Management of SIAM 156
6.2 Practical lessons for SIAM implementation 160
  6.2.1 Organizational change and sponsorship 160
  6.2.2 Separation of duties 162
  6.2.3 Management of operational data and intellectual property 163
  6.2.4 Conflict of interest (CoI) management plan 163
  6.2.5 Output/outcome oriented management 164
  6.2.6 Model driven, service-based design 166
  6.2.7 Sourcing model independence 168
  6.2.8 Standardization of roles and responsibilities 168

7 Continual Service Improvement (CSI) 171

7.1 CSI methods 171
7.2 CSI and Innovation in SIAM 173
7.3 Framework for innovation and CSI 174
7.4 Organizing for CSI 178
7.5 An improvement culture 179
  7.5.1 Interactions within interactions 182
  7.5.2 Five successful strategies for CSI 183
  7.5.3 CSI facilitators 183
  7.5.4 CSI inhibitors 185
7.6 Contracting for CSI 187

8 Conclusion 191

8.1 Basic concepts and terminology 192
8.2 People and process 194
8.3 Tools and data 195
8.4 Sourcing from multiple Service Providers 196
8.5 Governance 197
8.6 Continual service improvement (CSI) 197
8.7 Ready to jump? 198

Annex A Glossary of Terms 199

Table of Figures 203

Bibliography 205

Author Biographies 207

Index 209