



SUCCESS WITH SIAM - A MINDSET TRANSFORMATION

Abstract

A combination of factors is making service integration and management, also known as SIAM, an integral contributor to businesses that flourish today.

To begin with the increasing adoption of cloud technologies, agile automation, and strategic innovation as well as collaboration of IT outsourcing and service towers has made it challenging for organizations as they now must deal with multiple service providers. The limited integration of multiple vendor processes and tools leads to unstructured governance and stakeholder management, as well as lack of service-level agreement alignment resulting in low customer satisfaction scores.

This paper provides an overview of SIAM, the challenges that it can help address, and the various models that a business can choose to implement SIAM based on their unique needs.

Introduction

The industry has moved on from the days where customer responsibility was limited to managing status and progress and approving milestone payments. With the transition to SIAM becoming inevitable, its success will rely on a collaborative approach between the customer and service provider(s) – everyone in the organization and beyond needs to believe in the common objective and be prepared to embrace this change with the right mindset and approach.



Building the case for SIAM

IT outsourcing is no longer a novelty especially with technology becoming the backbone of operations for a great number of organizations today. A go-to solution has been to outsource the management of IT in such a way that their tech investment pays off to the maximum extent possible with the assurance it's being managed by domain experts.

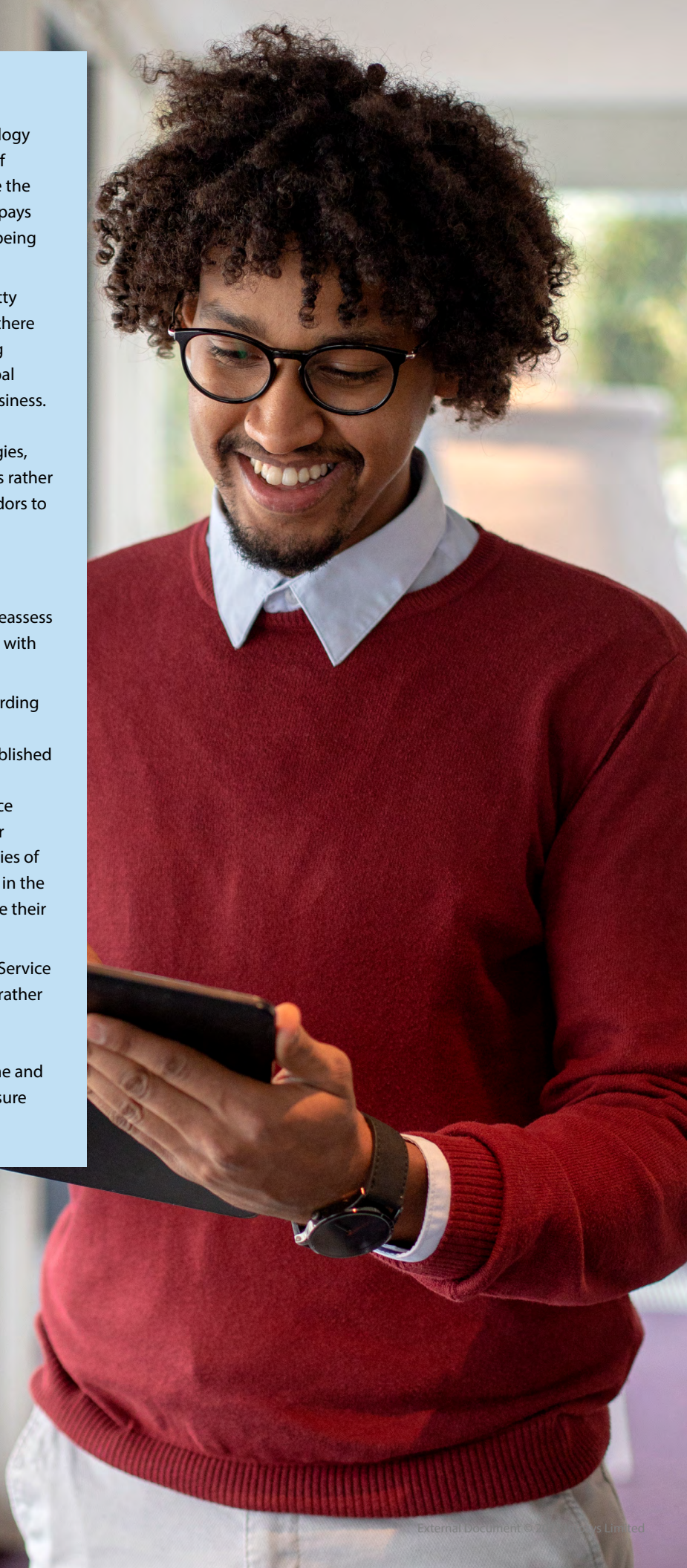
However, managing IT outsourcing itself can become a knotty affair requiring significant time, effort, and resources when there are hundreds of suppliers across many different outsourcing contracts. This is a common scenario especially in large global companies. The focus, therefore, gets diverted from core business. All this is effectively addressed in the framework that SIAM provides in the form of robust supplier management strategies, which help redirect the organization back to their core goals rather than being overwhelmed by the spectrum of IT service vendors to be managed in their supplier network.

Multi-Supplier Complexities of IT Outsourcing Today

A multitude of challenges are compelling organizations to reassess their current supplier management strategy and compare it with the strengths of the SIAM approach in this respect.

For example, service providers lack clarity and visibility regarding processes and their specific responsibilities - service and operational level agreements (SLA/OLA) are not clearly established and communicated. This does not make for a conducive environment in which they can collaborate with other service providers to fulfill customer needs and elevate the customer engagement. Many can feel overwhelmed by the complexities of managing a vast network of suppliers as compared to a few in the past. They may not have the in-house capabilities to redefine their IT service management strategy.

In such scenarios, the end-customer experience takes a hit. Service providers focus on simply meeting the terms of agreement rather than going the extra mile to collaborate with other vendors to elevate customer engagement. Often, this challenge is compounded by the fact that reporting usually takes up time and money in addition to the absence of benchmarking to measure the service provider's performance.



The right strategy to implement SIAM

There is no “one-size-fits-all.”

Organizations can choose to:

- Retain control and management of their service providers.
- Outsource to an experienced third party proficient in service integration and put them in charge of managing the organization’s service providers.
- Retain some and outsource some wherein in-house teams manage smaller projects/suppliers while external SIAM experts are hired for handling the organization’s larger and key service providers.
- Pick their biggest/most important/most trusted supplier as their ally in-charge of managing the SIAM implementation and their entire supplier network in the bargain.

The basic idea is that organizations will have to choose to implement SIAM using an approach that fits into their specific needs and after considering factors such as the maturity of their IT setup, extent of existing domain knowledge and experience in-house to determine the kind of support they would need from external parties.



Key Factors for a Successful SIAM Practice

Adoption of SIAM practice by itself is not a guarantee of success for any organization. Several other aspects must be considered to ensure that service integration and management provides the expected results.

Addressing Organizational Change Management

With the right mindset, SIAM can achieve a significant shift in the ways of working in a multi-supplier environment. However, it requires organizational change management (OCM) to manage the change that happens as part of a SIAM implementation.

Executive support such as C-level support and direct executive sponsorship as well as executive involvement are critical for the initiation and overall success of SIAM. Using the vision, model, and strategy for the chosen SIAM approach to pitch the value that it can deliver to the organization to the leadership is essential. Their buy-in will be key to developing the required mindset for SIAM and evangelizing it throughout the organization.

Prior to moving to SIAM, businesses must assess their state of readiness to adopt the chosen SIAM model. This involves:

- Defining OCM roles/teams to conduct an organizational readiness assessment on how receptive and interested people in the organization are to changing their ways of working
- Assessing if the required people, process, and technology are set up to effectively manage service providers to deliver service outcomes to the organization
- Evaluating the organization’s ability to trust their empaneled suppliers to deliver.
- Investing in retraining key people of the organization to move from doing to coordinating and supervising
- Investigating whether current contracts by the organization can inhibit transition to a SIAM model in any way
- Including the service management platform team in the assessment to get their views on how a specific tool/platform can support SIAM in the organization

Leveraging a platform to operationalize SIAM in the organization

For SIAM to succeed, it needs a platform or tool that is thoughtfully designed, architected for all use cases, and facilitates smooth integration between all parties involved such as business, technology, service integrator, and suppliers. The platform must be user-friendly for all teams with seamless integration across provider, function, and processes. Such a platform acts as a catalyst to drive participation of all parties involved, streamlines integration, and provides a common system to track performance and delivery. This ensures that process needs are addressed for all the services.

Shifting to the pay-as-you-consume model

The fundamental premise of SIAM is that a business typically acquires IT services from multiple service providers. Total cost of ownership (TCO) indicates to the business what its capital and operational expenses are but does not specify what IT services they are specifically using. In the context of IT services, total cost of consumption (TCC) is a better metric since it provides the per unit cost of use of IT services.

There are different ways of measuring this across the value chain, depending on how tools/platforms are integrated. The organization pay for the service during its lifecycle or leverage their configuration management database (CMDB) to implement a Configuration Item (CI) based billing model.

Prioritizing the user experience

It is common practice to focus on contractual SLAs and propose solutions based on the contractual construct. To fulfil contractual obligations, there are many other metrics and trends at the operations level that need to be monitored to identify areas of improvement that directly impact user experience. Unfortunately, most executives remain focused on the contractual SLAs. However, if operational issues remain unaddressed, poor user experience and lack of acceptance can undermine the best of efforts.

Measuring the return on value (ROV)

Return on investment (ROI) is the traditional measure of profitability. However, ROI does not capture intangibles. Return on value (ROV) is the actual value gained by an organization due to new initiatives and continuous improvement efforts. ROV is a better measure of the success of implementing SIAM within an organization.

Consider the example of manufacturing a car. Various parts and components of a vehicle made in different locations by different suppliers do not make sense to anyone. Individually, they do not hold much value until all these resources are combined with the skills and work of employees at an automotive manufacturing plant. Those parts and that effort then come together to create a drivable vehicle.

Value creation for a business is similar. Optimizing for continuous improvement resulting in value must become a running theme.



This makes a collaborative mindset among all key stakeholders from business and the service integration team the unifying thread in bringing together the wide range of systems and processes seamlessly that can then be structured and governed as a well-oiled, unified outfit.



A woman with blonde hair tied back, wearing a black blazer over a white shirt, is looking down at a laptop screen. She is holding a green folder in her left hand. The background shows a blurred office environment with large windows.

Conclusion

Organizations around the world grapple with disparate IT systems and the inability to effectively manage multiple vendors. The SIAM methodology solves this problem by offering expert guidance and a robust framework of methods and strategies that enable typically distinct processes, roles, and functions to operate as a single platform for better IT service management.

Two core aspects of implementing SIAM are about choosing the approach that works for a specific business and ensuring that people with the requisite skills and right attitude are on the project. For such people are the key to embracing the change, and function as change agents to successfully drive the SIAM culture and adoption across the organization.

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