

Service Integration and Management (SIAM)

implementation

the benefits and challenges



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What is SIAM?

Service Integration and Management (SIAM) is an IT service delivery model whereby a SIAM provider acts on behalf of a business to manage the services received from multiple IT delivery Towers. The SIAM integrates and manages the services so they are delivered in an efficient and seamless way to the business. The SIAM provider can be an in-house IT team or a third party specialist contracted to manage the IT services on the client's behalf.

Why SIAM?

The SIAM model enables organisations to break free from large, single source contracts that can leave them locked in and unable to implement innovative new technologies at a pace suited to their needs.

Instead, by implementing a SIAM and Service Towers model, they can achieve the optimum blend of services from a mix of best of breed third party suppliers and in-house provision.

Effective implementation of a SIAM and 'Service Towers' delivery model can lead to improvements in the efficiency, flexibility and cost-effectiveness of IT provision, moving away from rigid supply models and taking advantage of the competition offered through access to a broad base of individual, specialist providers.

A SIAM model can be applied to any combination of Service Towers including Cloud, Networks, End User Computing and Applications Management. By providing a framework for the impartial, integrated management and governance of ICT services, products and technologies across a multi-service ecosystem, organisations are better able to control their suppliers and retained IT resource, using common assured standards of governance, service quality and cost efficiency.

A successful SIAM implementation can provide many advantages:

- ▶ Enables organisations to be flexible and responsive to changing demands through a multi-supplier, multi-level governance approach
- ▶ Avoids vendor lock-in, supporting deployment of specialist solutions from niche providers that can rapidly transform delivery
- ▶ Aligns and integrates supplier service portfolios in line with organisational objectives
- ▶ Ensures efficient service management orchestration and delivery, underpinned by strong governance, integrated processes and tooling solutions, enabling significant cost reductions and improved service performance
- ▶ Removes complexity and fragmentation in the IT supply chain
- ▶ Enables re-focusing of retained IT functions on differentiation, such as how IT can more effectively support the organisation's strategy
- ▶ Provides the ability to choose the best combination of specialist suppliers with flexible, variable length contracts
- ▶ Supports closer, more collaborative supplier relationships rather than 'arms length' engagement
- ▶ Enables organisations to move many services to commodity based 'pay as you go' provision
- ▶ Drives competition to ensure the best possible value for money
- ▶ Gives greater transparency as costs are not hidden within a large end-to-end service charge
- ▶ Allows scope for continuous innovation and improvement without the need to re-tender.

This document explores the critical success factors associated with transition to a SIAM model, highlighting the obstacles that will need to be overcome and the steps that will need to be taken to achieve multi-source service integration across the supply chain.

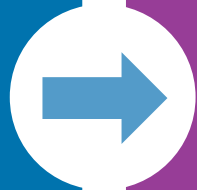


The eight dimensions of SIAM

1. Look to the long term:

define a strategy that identifies future goals and a roadmap to achieve critical success factors.

1.



2. Define the scope and scale:

outline the strategic objectives of SIAM and decide how you want to use SIAM; a single independent provider contract, or aligning SIAM with the delivery of a Tower? Using an external provider or managed by retained IT?

2.

3. Map IT to the needs of the organization:

introduce a change lifecycle across retained IT and the business units to ensure demand is managed, justified and matches business needs.

3.



4. Address collaboration and behaviors:

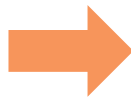
foster a climate of sound relationships and collaboration; employ good communications and information management practices; accentuate service and benefits realisation, and actively pursue innovation.

4.

Provide strong governance:

create a clarity of purpose, roles and responsibilities and a clear link to business and regulatory demands.

5.



Cultivate a culture of continuous improvement:

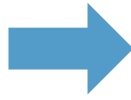
achieve process excellence and robust program and service management for SIAM and the service towers; for example, defining the cross-provider service management processes.

6.

Introduce appropriate tools:

extensible tooling is necessary to automate aspects of the service model. Protect the investments that organisations have made and leverage them as part of the service offering.

7.



Prioritise procurement:

ensure that suppliers have the contractual measures and Service Level Agreements (SLAs) required to drive the behaviours that support a multi-sourced supplier ecosystem.

8.



Choosing the right SIAM model

For any organisation considering a SIAM model it is important to think carefully about the role the SIAM supplier will play. Are you looking for a third-party to act as a SIAM management partner? Are you planning to run SIAM independently from your retained IT organisation? Are you interested in SIAM as a component of your IT operation and is it appropriate for the SIAM to deliver one of the underlying Service Towers? There is no single 'right' model for SIAM and it requires careful consideration of a number of factors before settling on the right approach.

For in-house SIAM provision it is necessary to address whether your IT organisation has the requisite skills and resources to transition to and operate the SIAM function – and whether doing so is a cost effective, strategic use of those resources. Many organisations elect to employ a specialist as SIAM provider, with expertise and experience of integrating and managing complex, disaggregated ICT supply chains. However, such specialists can also be used to assist in the design of and transition to a SIAM operating model that is then operated by the in-house IT organisation.

If the preferred approach is the provision of SIAM by a specialist partner, the typical operating model is for the organisation to contract the SIAM supplier and Service Tower providers directly, with the SIAM provider being assigned responsibility for operational governance, service management and integration across those Service Towers, and providing a Single Point of Contact (SPOC) Service Desk. In some instances there may also be value in the SIAM provider being responsible for the provision or contracting of a Service Tower.

With the model selected it's necessary to establish the blend of retained (in house) and outsourced services will be required? This will be driven in part by the Target Operating Model (TOM) that should be determined at the beginning of the process in much the same way that it would be during a conventional end-to-end procurement approach. Defining the TOM is a key element of creating a SIAM roadmap as it has implications for legacy contracts as well as the internal aspects of change management associated with moving services externally. Maintaining the confidence and support of employees is key if the organisation is to achieve a smooth transition.

Key elements in choosing a SIAM model:

- ▶ Creating a Target Operating Model based on service requirements
- ▶ Defining the balance of in-house and outsourced provision
- ▶ Choosing to handle SIAM provision in-house or via a specialist
- ▶ Defining methods and measures such as Master Service, Collaboration, Shared Service Level and Operating Level Agreements
- ▶ Selecting a SIAM provider if appropriate (independent or able to provide services under the agreement).

The challenges of implementation

Implementing SIAM is a complex task that demands careful planning, preparation and implementation to ensure that both in-house and outsourced teams are coordinated and aligned towards the same objectives and apply the same processes, tools and governance standards. Failure to achieve this can result in fragmentation, with individual suppliers focusing on blame rather than addressing the cause of service failure or quality issues.

As SIAM involves potentially complex, multi-supplier ecosystems it is important to define the principles, methods and measures for collaboration between the SIAM provider and the Service Tower providers, such as Master Service, Collaboration, Shared Service Level and Operating Level Agreements. The SIAM provider must have the required empowerment and delegated authority from the client organisation to ensure it is able to manage the Tower suppliers effectively.

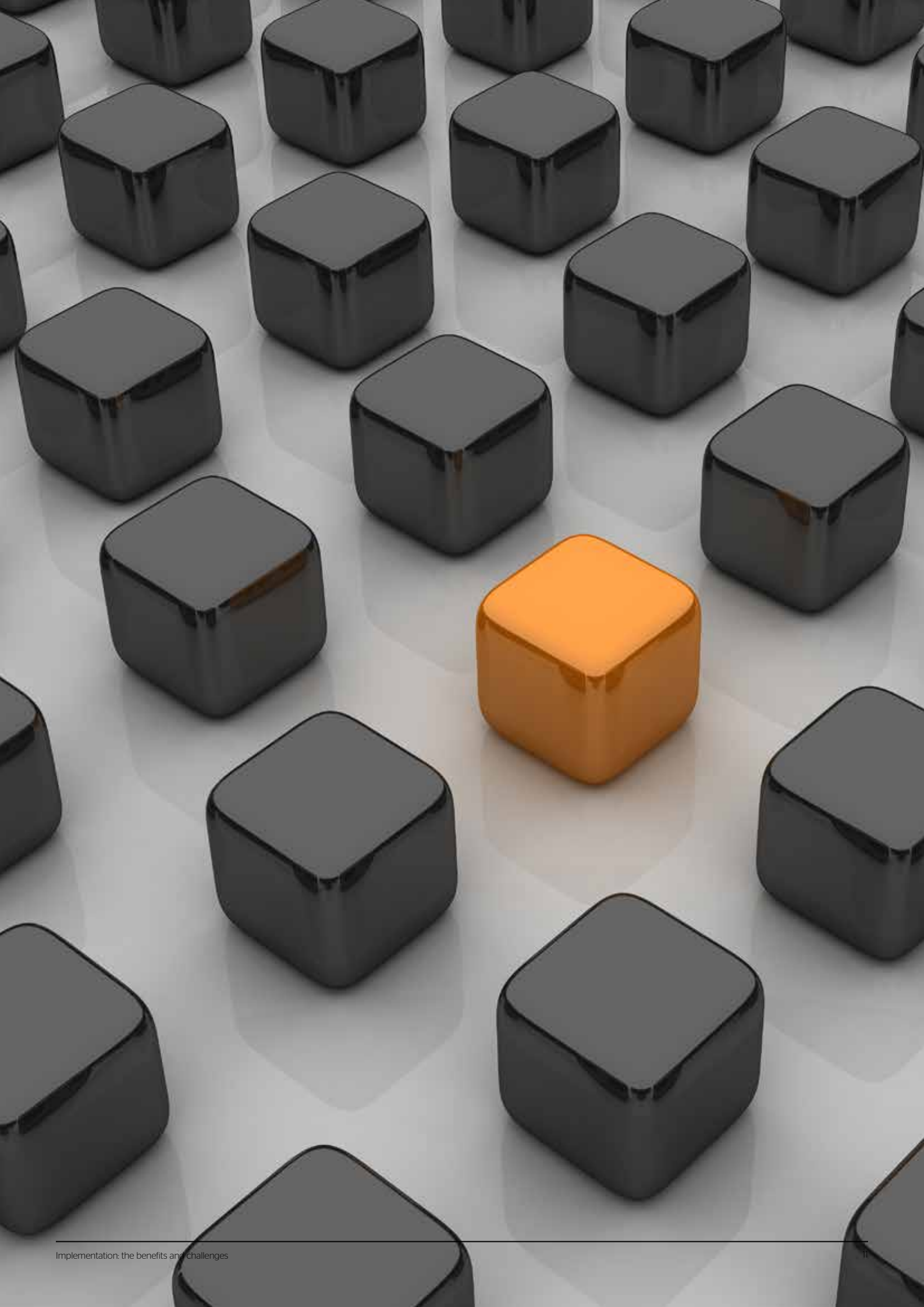
A comprehensive familiarisation, induction and training programme should be developed, involving the organisation, retained IT, SIAM provider and supply chain staff to ensure clear understanding of the role of SIAM, its objectives, how processes will be re-engineered and each party's roles and responsibilities through transition to operation.

The migration from an end-to-end (or other) service model requires a structured programme for change involving all necessary stakeholders (organisational, architectural, operational and financial), with clearly defined quality gates and acceptance criteria for each phase of transition. To enable this the SIAM provider must develop an effective tooling platform that supply chain members will be able to use directly, or into which their existing

toolsets can be integrated, to enable end-to-end service and operational management. One of the advantages of outsourcing the SIAM role is that a specialist provider should have existing, proven toolsets - the 'glue' that will bind operating processes together across the supply chain - whereas an organisation undertaking its own SIAM operation would, in all likelihood, have to source and integrate multiple tools itself, with the associated complexity, cost and risk.

A major aspect of the migration to SIAM is understanding the time required to exit from any existing legacy contracts, as these will need to be terminated or gradually transitioned to the new SIAM-based operating model. Focus should be given to ensuring that exit arrangements are clear and that contracts reflect the time necessary to transition to the new arrangements. Consideration should also be given to whether existing contracts need to be updated to reflect the transition to the SIAM/Towers model.

This complexity generally leads to a phased approach, whereby services are either moved across to the SIAM structure or replaced gradually by new providers. This also includes taking into account any in-house provision that will be retained or replaced. Ideally it would be possible to synchronise all existing contracts to cut-over at the same time but this is rarely practical and, in reality, a hybrid combination of legacy and SIAM provision will tend to operate, possibly for years. The length of time required to achieve a fully SIAM-based model needs to be appreciated and it requires no small amount of faith in the end goal for a business to remain focused on the benefits during this complex and lengthy transition phase.



Key requirements of SIAM implementation:

- ▶ A program for business change involving all necessary stakeholders (organisational, architectural, operational and financial) with clearly defined quality gates and acceptance criteria for each phase of transition to the SIAM operating model
- ▶ Requirement for mechanisms that define the principles, methods and measures for collaboration between the SIAM provider and the Service Tower providers, such as Master Service, Collaboration, Shared Service Level and Operating Level Agreements
- ▶ Establishing balance of retained and outsourced services
- ▶ Provision by the SIAM provider of an effective tooling platform that supply chain members will be able to use directly, or into which their existing toolsets can be integrated, to enable end-to-end service and operational management
- ▶ Aligning contracts and incentive structures
- ▶ Ensuring suppliers work collaboratively towards agreed service levels, defining the relationship between the SIAM provider and the organisation's retained IT organisation: key functions and responsibilities of the retained IT organisation include strategic governance, setting of standards and policies, ensuring supply chain member contracts are structured to support collaboration, providing delegated authority to empower the SIAM provider to orchestrate and manage performance across the supply chain, and providing initial and on-going business and services demand forecasts
- ▶ A comprehensive familiarisation, induction and training program involving the organisation, retained IT, SIAM provider and supply chain staff to ensure understanding of the role of SIAM, the objectives SIAM is targeted with fulfilling, how processes will be re-engineered and each party's roles and responsibilities in the SIAM operating model
- ▶ Clearly defined standards and policies against which the SIAM provider will manage services, and mechanisms for ensuring that SIAM working practices cannot be bypassed by either organisational units or supply chain members
- ▶ Defined processes for on-boarding and off-boarding (Exit Management) of a SIAM provider and, once in service operation, for the on and off-boarding of discrete supply chain members
- ▶ Management by the SIAM provider of a consolidated Continuous Service Improvement Plan across the supply chain, with measureable improvement targets, to proactively identify service improvement opportunities that will deliver quantifiable benefit to the organisation

Choosing a supplier

The choice of SIAM provider is of course critical to the success of the new model. This means that it's essential to spend time ensuring that the culture of the chosen partner will match well with your organisation and support a strong, collaborative approach. This means working with each potential SIAM supplier to see how they will represent your organisation, handle issues and potential conflicts and escalate matters when required.

What to look for in a supplier:

- ▶ Demonstrable, relevant experience in SIAM deployments of equivalent scale and scope
- ▶ A good match of culture and behavior
- ▶ A good understanding of all the key Service Towers (you can't manage what you don't understand!)
- ▶ The ability to handle pressure (stress test)
- ▶ An attitude that will preserve relationships even when handling disputes/failures



What next?

Once the Target Operating Model (TOM) has been determined and a SIAM provider appointed it's time to start building the new service ecosystem. As mentioned this is a lengthy process because, in most cases, it will be necessary to gradually migrate legacy services to the new model.

At the same time it's essential the SIAM provider has a defined process for the on-boarding and off-boarding of discrete suppliers into or out of the ICT supply chain. This flexible

provisioning is one of the key benefits of SIAM, allowing you to be agile in how you respond to changing business requirements by being able to add or remove specialist suppliers from the ecosystem without lengthy tendering or long-term lock in. In parallel, the SIAM provider should have a clearly defined Exit Management Plan, which defines how they will, in the event of contract termination, transition service operations to an alternate target operating model in a manner that minimises business disruption.



With a SIAM operating model successfully implemented, the SIAM provider should operate a Continuous Service Improvement Plan across the supply chain, with measurable improvement targets, based on developing opportunities that will deliver measurable improvements for the organisation. This is where the flexibility of SIAM becomes clear, as improvements frequently require changes to the supplier ecosystem: something that is more complex under the end-to-end approach but which forms the basis of the SIAM model.

Atos is already working with a number of major global organisations and public sector bodies to deliver a variety of SIAM solutions built around their very different needs. To begin the process of discovery contact our dedicated SIAM team on: +44 (0)20 7830 4444 or email ukwebenquiries@atos.net and we will work with you to determine the best model for your organisation.

About Atos

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