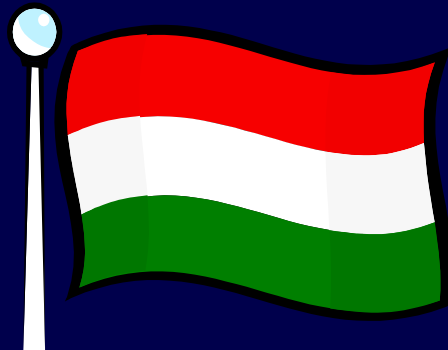


Money, Money, Money.

How to get the attention and buy-in of a business sponsor (... and their money).



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Service Management at its Best

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Why does your organisation exist?

- **To serve our customers?** Why? To make our customers happy? Why? So they like us more. Why? So they use us. Why? So they spend more. Why? So we make money!
- **To make biscuits/boxes/trucks....** Why? So people buy them. Why? So we make money!
- **To be good at what we do?** Why? So people use us. Why? So we sell more to more customers. Why? So we make money.
- **We are a charity!?** Great, why?! To help people. How? We collect donations. Why? To distribute to the needy. Want more money? Yes!
- **We are the Public Sector, here to govern?!** Why? People need us. Why? To provide infrastructure, protection. Why? To make them happy and safe... (sense I'm getting into a political debate here and that not my job)! However, unless things are very different here, public sector resources are limited and shrinking? We need money!
- There *may* be exceptions, i.e. Religious organisations, but on the whole, they tend to have relatively small IT departments and also have divine intervention for contingency planning purposes...



We are all moneymen (or women).

- Regardless of what we think, we are all working for commercial organisations with a balance sheet. Those that don't manage that effectively will drift, be acquired, disappear altogether.
- We are therefore responsible for helping them to spend as little as appropriate on the right IT strategy, services and processes etc. We need to accurately forecast - not just ask for more based on guesswork.
- They can then meet their core objectives such as;
 - Offering lower costs, thereby being more competitive
 - Generating stakeholder value (making profit or creating value)
 - Being able to invest in the provision of better services or give more away (government and charities)
- Organisations can not get by just being good at what they do. They must be better than the competition and profitable to survive and grow. That's challenging....





Money talks

- The people making decisions about IT and about IT people are financially focussed (i.e. accountants). “Money does not grow in trees”.
- **Not** “How much it costs?”
 - What is the return on investment, value on investment.
 - Give me the business case (measures, projections, terms).
 - Headlines, simple facts and figures - what is the X year projection?
 - What is the cost per transaction, person, term?
 - What does it enable/facilitate for the business?
- Return/Value measured in different ways
 - **What does it save** – i.e. implementing change management will cost £20,000 p/a and will save us £40,000 p/a.
 - **What does it make** – i.e. employing a new person will cost £20,000 p/a and their services will be saleable at £40,000 p/a.
 - **What does it enable?** i.e. Problem management focussed on business outages for retail systems will reduce them by 35%. This will enable greater uptime for the sales team and more converted sales (e.g. evidence shoes if systems are not up at peak sales times, customers go elsewhere).
 - **Personal** – You’ll look good boss! You deliver success in ways that are interesting to the decision makers in our company. Hit KPI’s, manage budgets better, talk in business terms and be noticed.
 - **Organisation** – ratings, working environment, attractiveness (employees/buyers)
- Speak in Hf, €, £, \$ and ROI’s, efficiency targets and measured facts – not gigabytes, servers, Mhz, hopes and improved services.....
- You need to understand the underlying IT issues, but translate it for you audience.





Service Management at its Best

English

Hungarian

Business

I need a new router (identified as a result of problem management)

Szükség van egy új útválasztóra (Probléma Menedzsment javaslatára alapján)

A new router will eliminate the regular outages we experience at peak times which result in loss of availability 1-2 times p/m for the sales team (they can not take orders). We also receive 25 calls to the service desk for each outage.

Cost of new router (TCO 3 yrs) = £ 3,000

Adjusted cost of outages (50% of 3 yrs lost rev - 18 p/a @ £500 ea) = £13,500

Est. cost of incident handling (£25 ea.) = £1,350

Therefore ROI for this improvement = 395% (£14,850/£3,000)

Lets do change management

Javítsuk a Változás-menedzsmentet

We handle 30k incidents at a cost of £25 ea. per year and have confirmed that at least 50% of them occur as a result of poorly implemented changes (industry figs indicate c85%).

Imp and run best practice change management processes (3 yrs) = £ 150,000

Reduction in Change related incidents (20% of 30k p/s) = £ 450,000

Therefore ROI for this improvement = 200% (£450k/£150k)

Implement SLM / Review service availability

Vezessünk be Szolgáltatási Szint Menedzsmentet és nézzük át a szolgáltatások rendelkezésre állását

We currently offer mostly 24 or 18 hours availability and support, yet we have observed that there is very little activity for 80% of services between 2000 and 0700 hrs and at w/e. Estimate cost of support/overtime alone for this coverage represent 15% entire IT budget of £3m p/a. Little is known about the client needs.

Cost of review of service availability £ 30,000

Confirmed projected actual saving = £ unknown

Just a 2% saving = £60k p/a

This example shows how a relatively small investment (e.g a feasibility study) can return massive ROI – you don't need to know all the facts.



Conclusion

- **Implementing service management is cost effective.** We know this because if it wasn't it would not have established itself as a must have for 10,000's corporations in UK, Europe, US, emerging markets. We can show you the numbers (not here though).
- **ITIL 3** includes financial management as a key component of the strategy. The methodology has grown to include this because of feedback from users.
- **You must however present ITIL/SM in business terms** to secure investment and to gain credibility (Hf not gigabytes).
- **Don't lead on IT service issues alone**, the chances are 'The Business' is relatively happy with IT (even if they moan a bit when it's personal). They are more interested in the impact that IT has on their budgets. Remember, every business exists to make money – and if you work in that business, you are part of that plan.
- **Be value generating**, not a cost (as an individual and a dept.).
- **Get help**, ask you suppliers to provide you with case studies, projections, business cases, presentations, meetings with your sponsors etc. They are in it for the money, so get them to earn it!



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How we do it.....

- Focus on what the business needs to function and improve – not IT issues.
- Service not process – business people understand the services they receive, not the supporting processes.
- Build awareness and gain sponsorship, reinforce the concept that service management exists to bridge the gap between IT and The Business.
- Present solutions to problems (proactively where possible).
- Measure, measure, measure
 - How much is being lost?
 - How much can we save/create?
 - How much does it cost to sort it out (internal, external, tools etc.)?
 - Y/N?
- Create a strategy and then implement and embed using your people (train, mentor, develop, measure) to operate in medium-long term.
- Some tips;
 - Avoid 'easy' technology solutions and open ended, undefined engagements.
 - Use ITIL! Avoid proprietary approach and heavy, inflexible strategies which force you to change too much.
- Look for experienced, successful and capable suppliers – avoid cowboys!



Questions, answers, ideas.



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