



FIVE YEARS OF IT MANAGEMENT IMPROVEMENT

Eight cases from the Master of IT Management

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FROM TECHNOLOGY TO SERVICE

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In the past many organizations have struggled to implement the guidance from ITIL to a sufficient degree. This has led to a lot of frustration for managers and employees. After 15 years it seems that only a few organizations have managed to implement ITIL successfully and that ITIL has not delivered what has been promised.

With the refresh of ITIL, introducing a third release, Getronics PinkRocade (now Getronics Consulting) want to investigate if a competitive offering can be constructed that will help their customers to reach a higher level of service management sooner. Customers are increasingly asking for faster results and for a limited timeframe for implementation programs (like one year).

Revolution: IT departments need to change into an IT Service Provider.

According to the theory of Larry Greiner on how organizations grow every organization will experience a fundamental crisis and will need a revolutionary change before they can continue to grow again. The possible fundamental crisis that IT departments can be dealing with, is a crisis in the relationship between Business and IT.

Not every organization wants to grow. An implementation of IT service management is therefore not for every IT organization a must. When the business has low demands on IT (Support mode) then an IT department can suffice with being mostly focused on the technology itself. Many IT departments in the past were formed around operating of the IT infrastructure and application portfolio and on improving the performance of the IT technology. These IT departments were not directly involved in the development of IT strategy of the business.

Companies have started to develop different views on their IT department depending on the importance of IT for their business processes and market strategy. Based on the research done by Nolan and Warren several views of the business on IT can be recognized. Based on the research by Nolan different roles

of IT can be recognized. See Table 1 for these categorizations. These different business views mean that in a growing number of companies the business demands an IT organization that is behaving more like an IT Service Provider, IT partner or even an IT entrepreneur. When the IT role is not aligned with the Business View then this can be considered a crisis. A crisis in Business IT relationship that needs a revolution to deals with.

Business View	IT Role
No strategic View	IT Expert
Scattered View	IT Department
Utility or Commodity View	IT Service Provider (Supply)
Utility or Commodity View	IT Service Provider (Demand)
Mission-Critical View	IT Partner (co-maker)
Strategic View	IT Entrepreneur (Creator)

Business View and IT Role

The success of the revolution can be measured by the ISO20000 criteria

The ISO20000 standard for service management can be used to determine where an IT service provider needs to grow to in order to close the gap between IT and Business. The standard provides guidance on using a management system, implementing and controlling service management and planning and implementing new services. Without specific documented customer requirements, senior IT executive commitment and a proven continuous improvement cycle the organization will not be able to comply to the standard. ITIL, specifically new version 3, provides guidance to help implementing an ISO20000 compliant IT Service Provider.

The revolution can be successful when all aspects of management of change are applied

To implement the ISO20000 IT Service Provider in a revolutionary way, as response to the crisis mentioned above, a change program needs to be started. To be able to finish the change program within the limited timeframe a number of change strategies are investigated. Kotter's eight step process for transformation helps to establish what needs to be done and in which sequence. Two important steps are to empower employees by taking away barriers and to enable short-term wins.

The barriers mentioned by Kotter correspond to four of the five change strategies of De Caluwé and Vermaak. These change strategies help to investigate all elements that will either accelerate or block changes from happening. Based on these theories a model is constructed of five elements:

- Cooperation & Power
- Structure & Planning
- Culture & People
- Development & Learning
- Leadership & Performance

The ITIL3 core books provide guidance for implementing ITIL based service management. Most of this guidance refers to measures in structure & planning and in cooperation & power. There is considerable less guidance around the people aspect of service management. Two proposals jump out:

- Implement all processes at once (from a design point of view), do not implement different processes at different times.
- Take the value to the business the services delivers as starting point to create a framework of control objectives as guideline.

When using this model and looking at previous implementations, specifically by Getronics PinkRocade consultants than it shows some of the reasons why ITIL implementations were not as successful. In most cases the ITIL implementations have been approached from a more evolutionary approach: the focus was mainly on the design of processes, the documented procedures and role descriptions and the tooling. Other important elements of a large change program, specifically relating to the HR system, job descriptions, involving customers and linking to the business strategy and objectives, were missing or only slightly touched. Involving the employees in the ITIL initiative proves to be difficult resulting in about 75% of the cases in the consultant making the designs of the processes by themselves. The successful implementation cases were all conducted in a timeframe of 55 to 100 weeks.

The most accelerators in the past ITIL implementations mentioned had to do with structure & planning and the most obstacles were in the cooperation & power cluster. Showing that for external consultants it is easier to make interventions in the structure or planning (design and project management) where they have most difficulties dealing with the internal politics, difficult managers and not enough management commitment.

Based on the experiences and the guidance from the ITIL a list of the most valuable accelerators and obstacles can be created and this list has been given to the ITIL experts for feedback. The following accelerators get the highest scores:

1. Create a shared view on the outcome and the performance objectives (based on a
2. Compelling vision and strategy) (Cooperation & Power)
3. Inspect and reward, there should be consequences for the right and the wrong actions (Culture & People)
4. Build confidence in the organization (employees) by showing on a regular basis the
5. Improvements in performance that were made and empower them to take initiatives on their own. Keep reducing fear. (Leadership & Performance)

The two most important obstacles are:

- Lack of funds, resources, time, etc. This connects with the weak leadership and lack of commitment of senior management (Structure & Planning)
- The level of learning capacity of the organization is insufficient to understand quickly what is expected (Development & Learning)

It is possible to implement a IT Service Provider up to the ISO20000 standard in a limited timeframe of about one year. There has to be a crisis in the relationship between IT and Business to start of the change program. This implementation has to be done with the full commitment and support of the IT executives, with the cooperation of the HR department and the OR or workers council to alter the employee performance system and job descriptions and with the possibility to make changes in the staffing itself. The program should implement a management system quickly: measuring and reporting on business related objectives to manage improvements. Also the program should entail an intensive learning program for both staff and management.

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Reflection by the author

After writing this thesis I had the opportunity to present my findings on the annual congress of the ITSMF (IT Service Management Forum) Netherlands. I focused in my presentation on the conclusion in my thesis: to implement ITIL effectively there need to be a fundamental crisis in the IT organization and the actual implementation program needs to address all aspects of the change. I've gotten a lot of positive feedback from the attendants and some send me additional information on their ITIL change programs. The model to identify the crisis in the relationship between business and IT was specially well received. This model was not in the main objective of my thesis, and both in the feedback of the exam commission and in the presentations of my findings the model received the most positive attention.

Based on the feedback I've revised the model and presented this as the Business IT Integration Maturity Model.

Business View The perception of the importance of IT	IT Focus What IT finds important
Strategy View	Strategy Focus
Enabler View	Business Focus
Commodity View	Customer Focus
Scattered View	Product Focus
No Strategic View	Technology Focus

BITI Maturity Model

The BITI Maturity model is used to help IT organizations understand what role the business is expecting them to take. Some IT organizations are trying to become more than the business is expecting of them and therefore these organizations fail to become effective. In most cases the IT organization is not meeting the expectations of the business at all and are not growing to the desired role. These IT organizations need to take more drastic actions to accomplish the goals the business has set. By introducing ITIL based process improvement alone they will not succeed. I've found that organizations will only transform when the IT workers choose a different behavior and attitude. This demands strong leadership and willingness to change by the manager of the IT department. The identified change accelerators and obstacles are a useful tool to discuss this and to focus on what needs to be done.

Reflection by Drs. Hans Vriends MBA, Principal Consultant, Getronics

The thesis of Paul Leenards proved to be very useful in our practice for service strategy and transformation. The first key question Paul will ask you is what kind of service organization do you need? Instead of gradually trying to improve your ITIL processes over time using a continuous service improvement approach the content of the thesis forces you to think about the maturity of the business you are serving. The IT organization is forced to rethink its objectives and has to discuss with their customers how they can get to a sound relationship.

Once you decide, using the BITI-model what maturity you want to attain the thesis helps you with the strategy you need to get there. The thesis clearly shows that not every approach will be successful and that there are sound theoretical reasons, based on the organizational growth theory of Greiner, to prefer a revolutionary or an incremental approach. This insight helps our company in our advisory practice, when we discuss implementation approaches with our customers. Especially to warn customers that some changes in an IT organization cannot be done gradually, even if you have no time constraint at all.

What also proved to be very useful are the findings on the commitment of the line managers. Leadership is a dominant factor in realizing better services for customers. That is an important conclusion because a lot of managers seem to think that employees are intrinsically motivated to strive to a higher maturity. From practice however we know that when the objective behind a higher maturity, a perceived better service by the customer, is not clear to the IT staff the quality of service tends to decline again. Consultants and managers tend to see a revolutionary improvement as a career challenge and tend to seek a new job afterwards. These are the kind of changes in the guiding coalition that can be disastrous after a successful implementation.