

WHITE PAPER

THE 7 BUILDING BLOCKS FOR IT SERVICE MANAGEMENT SUCCESS

Patricia Speltincx

patricia.speltincx@keytoyou.be

June 2013

Please note that this article is an adaptation of the white paper I wrote in conjunction with my presentation to the itSMF Belgium conference 2013 and has won the
itSMF UK 2013 Submission of the Year Award

ABSTRACT

It is sadly clear that most companies and organisations trying to implement ITIL® best practices don't get the expected results. My analysis of this situation is that focusing on processes is necessary but not sufficient to achieve success in a service organisation.

Through my experience and knowledge in both Service Management and management in general, I came to the conclusion that there is a need to go beyond the two obvious ITSM building blocks that are processes and technology. In addition to these, I have identified five key building blocks that have to be considered: people, management, organisation, culture and ITSM strategy.

This paper discusses these blocks and the way each of them contribute to success. It shows that from the seven building blocks, management is the one having the greatest lever effect, which reinforces the critical need for senior management engagement in any service management initiative.

This having being said, I hope that anyone, whatever their position in the company, can find in these pages some inspiration on how to contribute to a more efficient and more successful service organisation.

1. INTRODUCTION

For more than 20 years now, organisations have tried hard to adopt the ITIL® best practice framework with the hope of improving their IT Service Management. Let's face the reality: for most of them, results are not up to expectations.

Einstein defined insanity as *“doing the same thing over and over again and expecting different results”*. Wise man! Is it not time to stop doing more of the same thing and to consider a change? Let's start by seeing what could be done differently.

A service organisation, like any other organisation, wants to achieve success. I love the metaphor of building blocks in this context because it is a good illustration of the fact that **organisational success emerges from the complex assembly of several building blocks (i.e. resources and capabilities)**. Success does not just happen, you have to build it.

So, the question here is what are the blocks needed to build success in Service Management? Naturally, most people would turn to the ITIL® framework to find the answer to this question. ITIL® provides part of it by describing one of these building blocks, the processes, in detail. Some other blocks are just mentioned but not developed in ITIL® and others are simply out of its scope.

From my own experience, I have found it really interesting to go beyond ITIL®, to think 'out of the box', simply because **the question of developing organisational success is not specific to Service Management**. It is a common management concern. Therefore, **general management and organisational theories apply** and can help us to see problems encountered in our Service Management world from a wider perspective.

My objective in this paper is to identify and discuss the blocks that are needed to **build sustainable success in IT Service Management**. And to do this by adopting a wider perspective, **combining ITIL® with general management and organisational theories**.

ITIL® is a registered trade mark of the Cabinet Office

2. THE TWO OBVIOUS BLOCKS

Let's start with the two obvious ITSM (IT Service Management) building blocks: technology and processes. **Technology** is trivial: you could not provide IT services without technology and tools been involved. That's as far as it goes for this one!

Processes are widely acknowledged and accepted as a key building block for ITSM success. Processes are recognised as the foundation of the ITIL® best practice framework and of the ISO/IEC 20000 standard.

I will not spend more time discussing this block because everybody tends to agree that processes are necessary. There is no doubt about it! However, if they are necessary, are they sufficient? I don't think so!



And I take as proof the fact that, after more than 20 years of ITIL[®], organisations still struggle to get actual benefits out of processes. **ITIL[®] looks so simple at the first glance:** all you need to do to reap benefits from processes is to learn best practices and do the same in your organisation. **The reality is not that simple!**

The Service Management community should stop dreaming that processes on their own, and implemented as a cut and paste from best practices, will resolve all their problems. Processes are key but believing that they are sufficient on their own is nonsense. Processes are just a management tool, nothing less and nothing more.

Let me take another metaphor to illustrate my point: imagine you dream of setting up a great restaurant and the only assets you have are an excellent cookbook (recipes), the best kitchen appliances and experts in kitchen appliances. Do you think you will be successful? Of course not!

It is the same for IT services. You don't build good IT services just with documented processes, IT technology and IT experts. They are necessary but not sufficient.

So other blocks have to be considered!

3. THE FIVE KEY BLOCKS

I have called the following blocks 'key blocks' because, in my opinion, they are enablers for processes and tools. I will go as far as to say that **if these 5 blocks have not reached a certain level of maturity, processes CANNOT bring benefits and could even be counterproductive.**

How did I come up with these 5 blocks? By integrating my own Service Management experience with management and organisational theories. In this context, I think of authors like P.M. Senge (The Fifth discipline), J.K. Liker (The Toyota Way), W. Schutz (The Human Element), J.Collins (Good to Great), R. M. Grant (Contemporary Strategy Analysis), W.E. Deming (Out of the crisis)...

So, let's have a closer look at these building blocks that are key to the success of a service organisation.

3.1. People

This is people as individuals and teams, and I include staff and managers. For service organisations, people are key assets. Their **level of motivation and engagement has a massive influence on the quality of services** delivered to the customers and therefore on the profitability of the organisation.

All current management theories agree on the importance of developing people for the success of the organisation. Here is an interesting extract from ITIL[®] (Service Strategy – Appendix B – B.5 p382)

"The value of People assets is the capacity for creativity, analysis, perception, learning, judgment, leadership, communication, coordination, empathy and trust.



Such capacity is in teams and individuals within the organization, due to knowledge, experience and skills.

...They are the most versatile and potent of all asset types because of their ability to learn and adapt.

..., people assets are the only type that can create, combine and consume all other asset types. Their tolerance of ambiguity and uncertainty also compensates for the limitations of Processes, Applications and Infrastructure... “

People have a massive potential and it is key to the success of service organisations to develop and tap in to the potential of their people.

Key skills that really make a difference and that should be developed are as follows:

Personal mastery

This is about self-control, self-leadership, autonomy, ability to focus our energy, ability to have the right attitudes, to act according to our values. Personal mastery is key to personal efficiency. Personal efficiency is key to the organisation's efficiency.

Ability to challenge mental models

This is about realising that we are subjective beings and that we see the world as we are and not as the world actually is. It is about accepting that there can be several truths and valid viewpoints other than ours. It is about challenging our mental models and progressively changing our perception of the world to get closer and closer to the reality. This open-mindedness is key to efficiency.

Will Schutz pointed out that it is not the difference between people that was the real cause of team inefficiencies but mental and behavioural rigidities.

Ability to work and learn in teams

Imagine the energy that is wasted today in tensions and conflicts. Organisations would greatly benefit from developing people's ability to work and learn together in a really cooperative way. It is well-known that the potential of a cohesive team is far greater than the sum of the individuals' potential.

Problem solving

I don't talk here about technical Problem Management but about the general ability of an organisation to resolve problems that are preventing it from creating value and achieving its objectives.

I observe that, when facing a problem, people tend to focus their energy on defending themselves and their viewpoints, proving they are right, proving it is someone else's responsibility or fault, finding excuses for what went wrong... All these behaviours have in common that the energy is actually taken away from the problem resolution!



Efficient problem solving is about considering that each of us is responsible (not guilty) for the problem and able to contribute ('able to respond') to its resolution. It is about looking at it as a common problem and focusing all our energy on its resolution.

I wanted to mention 'problem solving' explicitly to insist on its importance to organisations' success but this capability will naturally emerge by developing the first three skills mentioned above.

Note that the three first skills correspond to 3 of the 5 disciplines P. Senge puts forward as the key disciplines needed to develop a learning organisation.

All these skills are acquired through **personal development**. The business world tends not to like this idea of personal development but this is really what is needed. Personal development leads to personal efficiency that in turn leads to the organisation's efficiency, which is exactly what is wanted.

Before going to the next key building block, let's remember what René Descartes said about common sense: *"Nothing is more fairly distributed than common sense: no one thinks he needs more of it than he already has."*

It is the same here. Most people see when others don't have these skills and think that they have them whilst in fact they are miles away! This can be one of the reasons why organisations invest so little in personal development.

3.2. Management

The next key building block of successful service organisations I want to talk about is the management capability, i.e. the way the organisation manages its assets, and in particular people, in order to achieve its objectives. This capability is in the sole hands of managers and executives.

Here is what ITIL[®] says about it (Service Strategy – Appendix B – B.1 p381): "Management is a system that includes leadership, administration, policies, performance measures and incentives. This layer cultivates, coordinates and controls all other asset types. Management includes idiosyncratic elements such as philosophy, core beliefs, values, decision-making style and perceptions of risk. It is also the most distinctive and inimitable type of asset deeply rooted in the organization...".

The key message here is that **management plays a critical role as a lever for all the assets of the company**, and in particular for the other key building blocks of ITSM (i.e. people, organisation, culture and ITSM strategy). Think of people for example. You can have the best people but, without good management, you do not use their potential and you don't keep them.

From all the blocks needed to build a successful organisation, management can be considered as the **cornerstone**.



The critical importance of the management capability is totally underestimated although experience teaches that one main cause of failure in implementing ITSM is indeed inadequate management. Unfortunately, management often consists of just managing targets and performance, which is only a minute part of what it should be doing.

From the managerial point of view, introducing formal ITSM processes in an organisation is not as trivial as it seems because the organisation moves from a pure hierarchical organisation to a matrix or even a multi-dimensional organisation. Instead of having one clear management line, i.e. hierarchical, there is a new transversal managerial dimension added for process and/or service management. This represents a massive change both for staff and for managers. To be successful with this change, a high-level and mature management capability is required.

Although it is important, it would be too long to develop here all the issues encountered when moving to a matrix service organisation but I want to emphasise the fact that **the classical 'command and control', hierarchical management style does not work any longer** in this context. Something different is needed.

It is essential that managers understand that developing successful ITSM is more than just imposing new work processes on staff: this would simply be more of the same 'command and control' managerial style. A critical success factor for the introduction of processes is a change in the managerial mindset.

There is a **need to develop a management philosophy that is adapted to the use of processes**. This is what I have called **Management BY Processes** in order to stress the importance of going beyond simple management OF processes.

The key principles of Management BY Processes are:

Learning organisation

The current business world is complex and in constant change. Time is over when a few individuals could acquire and hold all knowledge needed for the company to be successful. To survive, an organisation nowadays must be able to continuously learn in order to adapt to unavoidable changes and to competition.

Systems thinking

This is The Fifth Discipline of P. Senge (I don't give them in order! Remember, I had already mentioned three: personal mastery, mental models, team learning. Plus this one is four. You will have to read further to know the last one). For P. Senge, systems thinking is the cornerstone of the learning organisation (that's why he calls it the fifth discipline). In summary, it is about seeing the big picture when analysing a situation or resolving a problem.

A service organisation is a complex system made of interconnected elements and is itself part of a complex environment. It is essential to see it and to think of it in that way.



According to this systemic view, all the building blocks I am talking about in this paper must be considered and developed in an integrated way. It does not make sense to consider processes and technology in isolation, as is often the case in ITSM projects.

Continuous improvement

This management principle is coupled to the learning organisation. The whole point of learning is to then act in order to maintain and improve efficiency, cost-effectiveness and distinctiveness. This is part of the quality culture and it must be more than just buzzwords. It has to be part of the managerial culture.

Empowerment of staff

This management principle is promoted by most modern management theories. Although it is often used too lightly as a fashionable concept with little understanding of its real depth, empowerment of staff makes full sense in this complex world. The service industry needs people who are autonomous and who are committed to the quality of the services they deliver to customers. People need to be given the power to get there.

Cooperation

Quality services depend on cooperation between people from different teams. This is the essence of the matrix organisation.

Although most managers agree on this fact, the prevailing management practices actually promote internal competition rather than cooperation. There is often a fundamental contradiction between management based on objectives and targets and the wish for better cooperation between teams.

Cooperation cannot just be wishful thinking. The roots for it are in a well-thought and sincerely lived management philosophy.

Nowadays, most managers are too busy managing their targets that they don't take the time to think about management philosophy. By management philosophy I mean developing a vision, principles, core values.

Too often, management is more about managing figures than managing people and organisations; it is more about managing results than the actual system generating the results. To be fair, all the above concepts are sometimes talked about and used as buzzwords but they are rarely acted upon. As a consequence, a lot of energy is spent in tensions between managers and staff with poor services and poor efficiency as the end result.

3.3. Organisation

Success will also depend on the ability to move from a pure hierarchical organisation to a matrix organisation. Efficient end-to-end processes and services indeed require a high level of coordination and cooperation between various



technical teams but also between the hierarchical managers and the new transversal managers (e.g. service and process managers). This will not happen unless it is facilitated by a clear organisational structure.

What does this mean practically?

New roles and responsibilities

Introducing service and process dimensions requires new roles to be defined and enforced, e.g. service owner, process owner, service level manager.

Too often, Service Management best practices are developed in the scope of projects (temporary by nature) which when they end, leave a responsibility void because the key roles have not been created in the permanent structure.

Another common situation is that processes are designed according to best practices but nobody receives enough authority to enforce them. E.g. the release manager cannot stop an application going live although there is a red light from testing; process managers or owners are external consultants with limited authority...

To achieve success, serious attention must be given to define and enforce the needed roles and responsibilities.

Rules and systems

An organisational framework must be defined for the way services and processes will be managed. E.g. how will resources be allocated, how will priority be set, how will priority conflicts be settled, how will decisions be made, how will stakeholders coordinate activities...

New platforms

ITIL[®] mentions a few platforms such as the IT Steering Group, the Service Management Office, the Change Advisory Board. These are just a few examples and experience shows that others might be needed.

For the success of a service organisation, it is key to setup the coordination platforms aimed at making decisions, allocating resources, setting priorities, arbitrating conflicts...

3.4. Culture

You will have understood it by now: moving from an IT organisation to a successful IT service organisation involves a massive cultural shift. Without the appropriate culture, all the efforts invested in introducing ITSM best practices are in vain! So the ability of an organisation to adopt an appropriate culture is a key building block to success. This is widely acknowledged as the biggest challenge and a major cause of failure in ITSM projects. So let's have a closer look at this building block.



It is obvious for everybody that the culture of IT staff must evolve from a technology focus to a **service focus** and from a best efforts to a process-based approach. Although this deserves attention and effort, I think that this is the easy part of the cultural change.

What managers tend not to see is that the biggest cultural change to happen is not for IT staff but for themselves! They don't see (and it is comprehensible) that the biggest cultural block is theirs!

Developing successful ITSM represents a change in working practice for staff but it represents a far bigger change for managers who have to adopt a different management style, adapted to the use of processes. This is where the real difficulty resides and unfortunately, in most cases, it is not even acknowledged so, *a fortiori*, it cannot be overcome.

As I already mentioned above, a managers' challenge is to develop a **learning organisation**, to adopt **systems thinking**, to set up **continuous improvement**, to **empower staff** and to promote **cooperation**.

What a challenge!

This culture building block is a difficult one to get because first of all it has to be acknowledged as a challenge for and by managers. Secondly it takes time and patience and it cannot be tackled directly. It is only achieved as an indirect result from the development of the other building blocks I have mentioned.

3.5. ITSM strategy

Let me first clarify that when I talk here about IT Service Management strategy, I do not mean strategy for services as described in the ITIL[®] Service Strategy publication. I talk about the need to define a strategy for developing Service Management.

Last but by no means least of the key building blocks I want to discuss here is the need for an ITSM strategy to be defined at the highest level of the organisation.

Let's recap what we have identified so far as key capabilities to be developed by a service organisation to be successful: developing **people's** potential and buy-in, adopting a **management approach** adapted to the use of processes, adapting the **organisational structure** to cope with the new managerial approach, instilling a service and cooperation **culture** both at staff and management level. **These capabilities go beyond pure ITSM and are global corporate matters.**

In addition, we have also identified that the cornerstone for all this is the adoption of a different management approach. There is very little chance this can be tackled just at IT level or in the scope of a traditional ITSM project. There is very little chance it can happen without reflection, self-questioning, commitment and genuine engagement at the strategic level of the company, simply because this is the level



having most influence and control over it. For real efficiency, the energy impulse must come from the top.

This is why an ITSM strategy should be defined as part of the wider corporate strategy to guarantee alignment and coherence.

The ITSM strategy should cover high-level guiding principles and planning for

- the **definition of the main ITSM building blocks** we have talked about so far, i.e. people, management, organisation, culture, processes;
- the way to develop them, including proper **change management** to facilitate the cultural and organisational change.

The advantage of such a strategic exercise is that it drives the key stakeholders to a **shared vision** for ITSM. And, here it is, the fifth and last discipline of P. Senge that has not yet been mentioned.

Let me open a parenthesis.

The 5 disciplines of the learning organisation (systems thinking, personal mastery, challenging mental models, shared vision and team learning) are the 5 capabilities an organisation must possess to be successful. This theory developed by P. Senge in "The Fifth Discipline" is a great source of inspiration for any service organisation, any team and any individual who wants to learn and progress.

Let's close the parenthesis and go back to the shared vision.

From P. Senge's own words: *"When there is genuine vision (as opposed to the all-too-familiar 'vision statement'), people excel and learn, not because they are told to, but because they want to.*

... The practice of shared vision involves the skills of unearthing shared 'pictures of the future' that foster genuine commitment and enrolment rather than compliance. In mastering this discipline, leaders learn the counterproductiveness of trying to dictate a vision, no matter how heartfelt".

4. CONCLUSION

Congratulations on reaching this far! Thanks for your interest and here is the conclusion.

These are the key messages I want to transmit to you through this paper:

1. **ITSM is more than implementing processes** according to best practice. ITSM is a capability and more specifically a managerial capability that can be developed through the complex assembly of resources and capabilities (building blocks).
2. Besides processes and technology, other key blocks are needed to build a successful service organisation. By adopting a systemic approach, I identified **5 additional key blocks: people, management, organisation, culture and strategy**. Naturally, these are not applicable only to service organisations but to any organisations.



3. **Management is the lever for the other building blocks.**

4. There is a benefit in **thinking ‘out of the box’** and **opening up to general management and organisational theories.**

At the end of the day, a service organisation is still an organisation and needs good management.

By identifying the key capabilities service organisations need to develop in order to be successful, I have described an ideal vision. I am aware that my message can sound somewhat theoretical.

However, *“There is nothing so practical as a good theory”* (Kurt Lewin). An ideal vision is indeed like a star guiding you on your journey, especially when the journey is long like this one. It gives you a clear idea of where to go and allows you to *“Begin with the end in mind”* (Stephen R. Covey). Therefore, I hope that, no matter how far from your current reality my message may sound, it can help you to identify the next actions you can take in order to make a step in the right direction.

If you are not a manager in your organisation, you may feel that all this is not in your sphere of influence. It is clear that senior managers control the most efficient lever, i.e. management approach, to move things forward and lead their organisation to success. However, whatever **your** position in your organisation is, there is something **you** can do at your level to contribute to the improvement of at least one of the key building blocks.

“If you want to live a long life, focus on making contributions.” Hans Selye

“Make the best use of what is in your power, and take the rest as it happens.”
Epictetus

Turn this ideal vision into a concrete action plan

Attend our “Management BY Processes in Service Organisations” seminars

See <http://www.keytoyou.be/en/services/service-management/training/> for further details.

We can also support you through consultancy.

See <http://www.keytoyou.be/en/services/service-management/strategic-consultancy/> for further details

