

Services

Cutting through the confusion



Agenda

- Services Terminology
- Defining Services
- Mapping Services
- Marketing Services



Services Terminology

Services start with definitions

“An exact statement or description of the nature, scope, or meaning of something.” -- *Webster's*

- Definitions are a major element in understanding, knowledge, identification, creation and development
- Poor service management can result from a poor (i.e. unclear, inaccurate) definition and identification of “service”
- Factors
 - Precision—bordered
 - Falsifiable—open to failure
 - Context—business vs technical



Pure Good

Pure Service

Salt; Ore;
Wood

Processed
Food

New car;
New house

Made to order
or custom items

Restaurant;
Retail

Cleaning;
Repair;
Maintenance

Teaching;
Consulting

Goods

Services

- Based on worth
- General Characteristics
 - Perishability-Low
 - Measurable demand
 - Tangibility
 - Seperability
 - Homogeneity
 - Ownership + Transferability
 - Statistically measurable

- Based on value
- General Characteristics
 - Perishability-High
 - Fluctuating demand
 - Intangibility
 - Inseperability
 - Heterogeneity
 - Lack of ownership
 - Not statistically measurable

Services depend on understanding the principles of “worth”, “price” and “value”. There is a clear relationship between the three concepts.

Worth

- “Sufficiently good, important, or interesting to *justify a specified action*; deserving to be treated or regarded in the way specified.”
- Inherent to a good or service
- Often logic or reason based



Price

- The *equilibrium point* between demand (willingness to buy) and supply (willingness to sell)
- Facilitated by “currency”
- Valid for one transaction



Value

- The regard that something is held to deserve; the *importance, purpose or usefulness* of something.
- Utility (Fit for Purpose) + Warranty (Fit for Use)
- Determined upon consumption or usage
- Often emotionally or feelings based

A means of delivering *value* to customers by facilitating *outcomes* customers want to achieve *without* the ownership of specific costs and risks.

- Work done for others
- Ability to... <Business Process> or <Business Outcome>
- 3xE=VFM (Value for Money)
 - Efficiency
 - Effectiveness
 - Economy
- Verb/Noun Format
- Generates revenue
- Understood by your grandmother

Where is there any clear mention of technology?

Services are actions, not things

A service provided by a business service provider. A Business service is made up of a combination of *information technology, people and processes*

Customer Facing Services

- A customer-facing business service directly supports the *business processes* of one or more end customers and its *service level targets* should be defined in a *service level agreement*.
 - Financial Services
 - Retail Services
 - Shipping or Logistics Services
 - Food Services
 - Manufacturing Services

Support (Non Technical) Services

- Other business services, called supporting services, are *not directly used* by the end customers but are *required* by the service provider *to deliver* customer-facing services.
 - Financial Administration
 - Legal Administration
 - Facilities Management
 - Human Resources Management
 - Payroll Administration
 - Customer Relationship Management

A service provided by an IT service provider. An IT service is made up of a combination of *information technology, people and processes*

Customer Facing Services

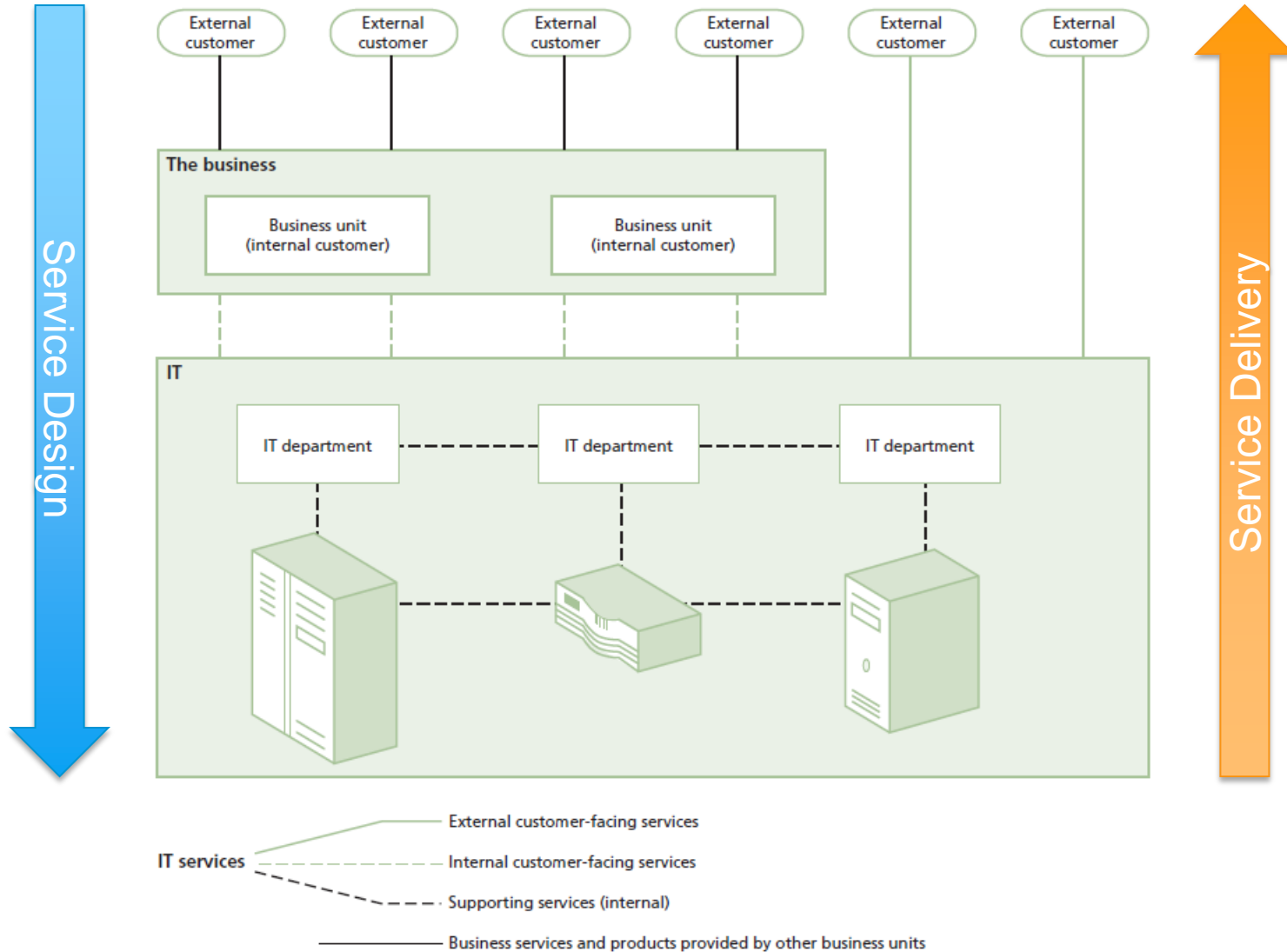
- A customer-facing IT service directly supports the *business processes* of one or more customers and its *service level targets* should be defined in a *service level agreement*.
 - Collaboration Services
 - Consulting Services
 - Point of Sale Management
 - Manufacturing Systems Management
 - HR Systems Management
 - CRM Systems Management

Support (Technical) Services

- Other IT services, called supporting services, are *not directly used* by the business but are *required* by the service provider *to deliver* customer-facing services.
 - Network Management
 - Email Systems Management
 - Application Development
 - Service Desk
 - Data Center Management
 - Desktop Provisioning

An IT Service is a type of Business Service, just as IT is a business unit focused on technology based services

Service Hierarchy



Every business really only does five things

- Create/design/develop/acquire goods and services
- Market and sell those goods and services
- Deliver those goods and services
- Support those goods and services
- Manage a corporate infrastructure (finance, IT, HR, facilities, etc.)

**Which IT services facilitate your outcomes for these high level areas?
Those are Business Services**

Technical Services provide support to Business Services, and do not operate independently

- Map a chain of outcomes that are necessary to a successful business service
- Identify which of those services are customer facing and which underpin others
- Capture “service in a service” relationships
- Don’t confuse applications, systems, infrastructure with services – there is a difference!
- Technical Services have names including “support”, “maintenance”, “management”, etc.

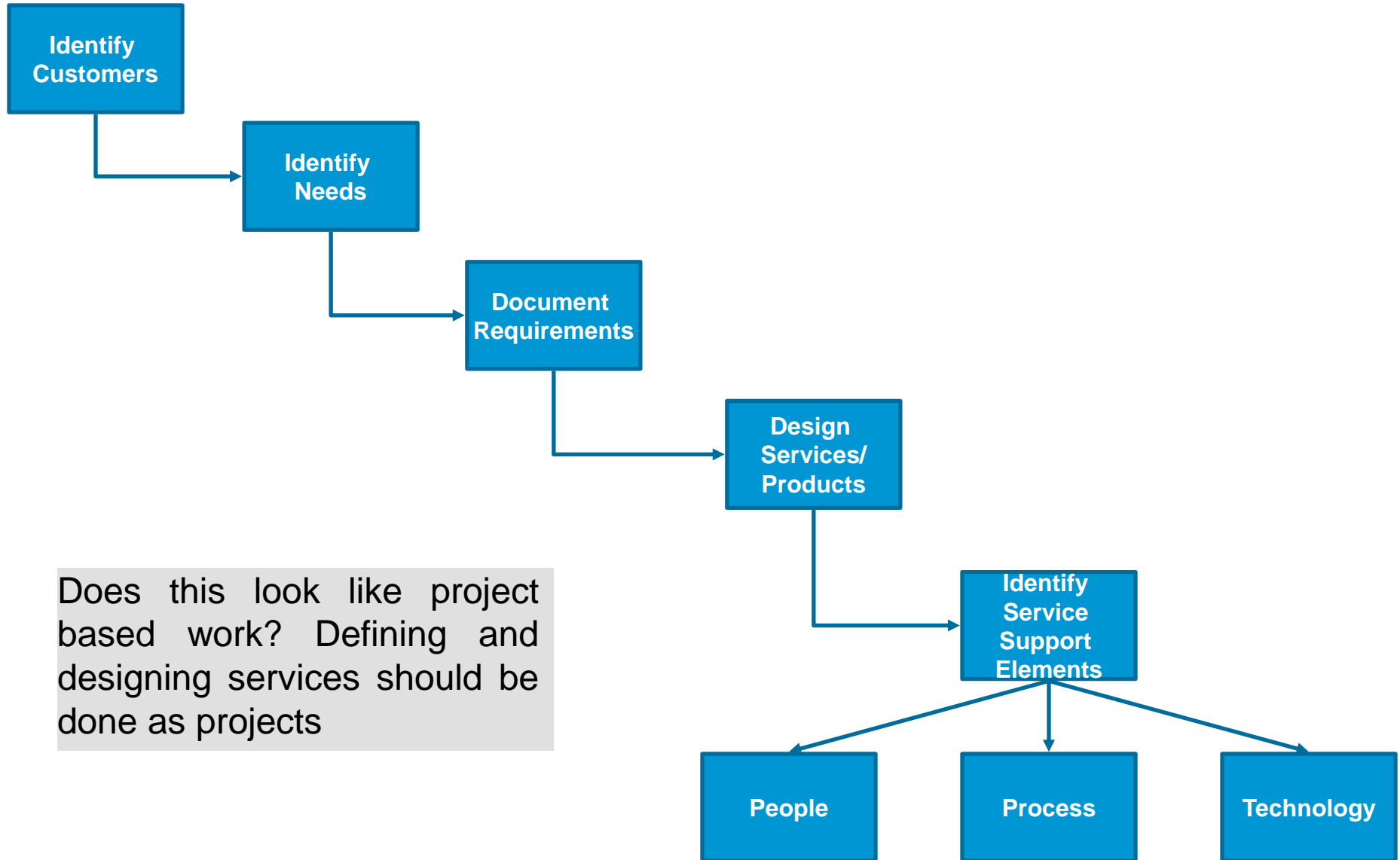
Even though customers do not see the Technical Service Catalog, the ITIL definition of a service still applies to technical services.



Defining Services

Services follow a process

Service Design Process (Informal)



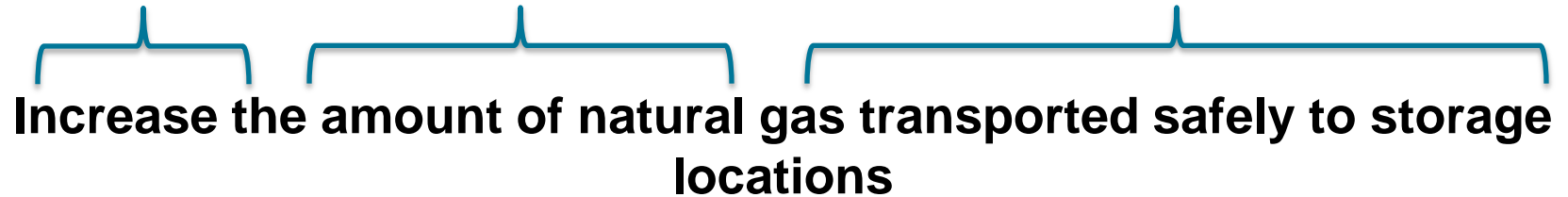
Does this look like project based work? Defining and designing services should be done as projects

-
- 1 Define the market and identify customers
 - 2 Understand the customer and their needs
 - 3 Quantify the outcomes
 - 4 Classify and visualize the service
 - 5 Understand the opportunities (market spaces)
 - 6 Define services based on outcomes
 - 7 Define Service Models
 - 8 Define service units and packages
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Objective

Measure

Desired Outcome



Increase the amount of natural gas transported safely to storage locations

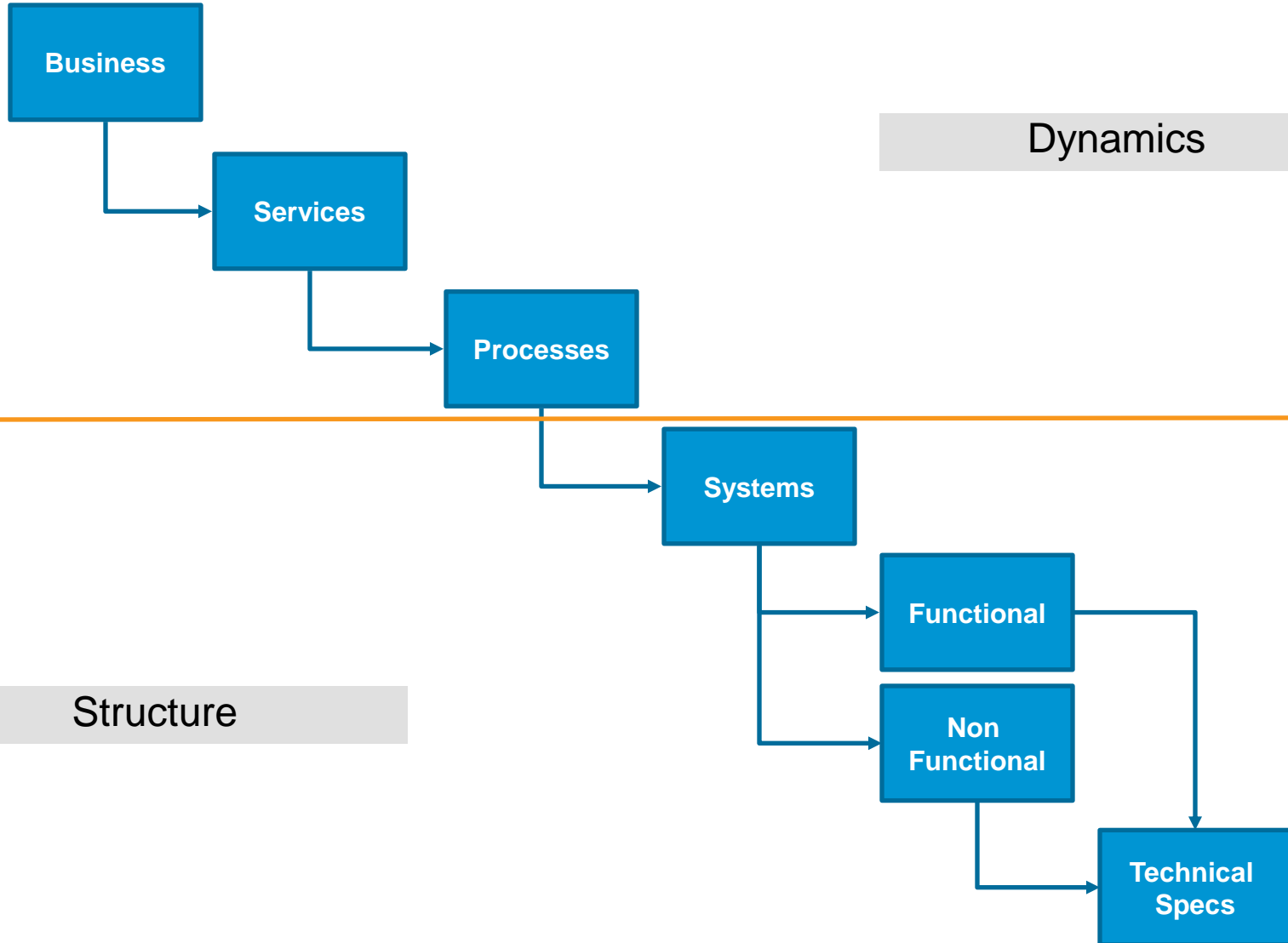
- Identify clear and measurable outcomes
- Document the outcomes as part of the service description in the Service Pipeline
- Map outcomes to services
 - As part of the CMS and Service Portfolio
 - To understand how services impact outcomes
 - To understand the type and level of service needed

Business Relationship Management helps a service provider define and document outcomes in measurable terms



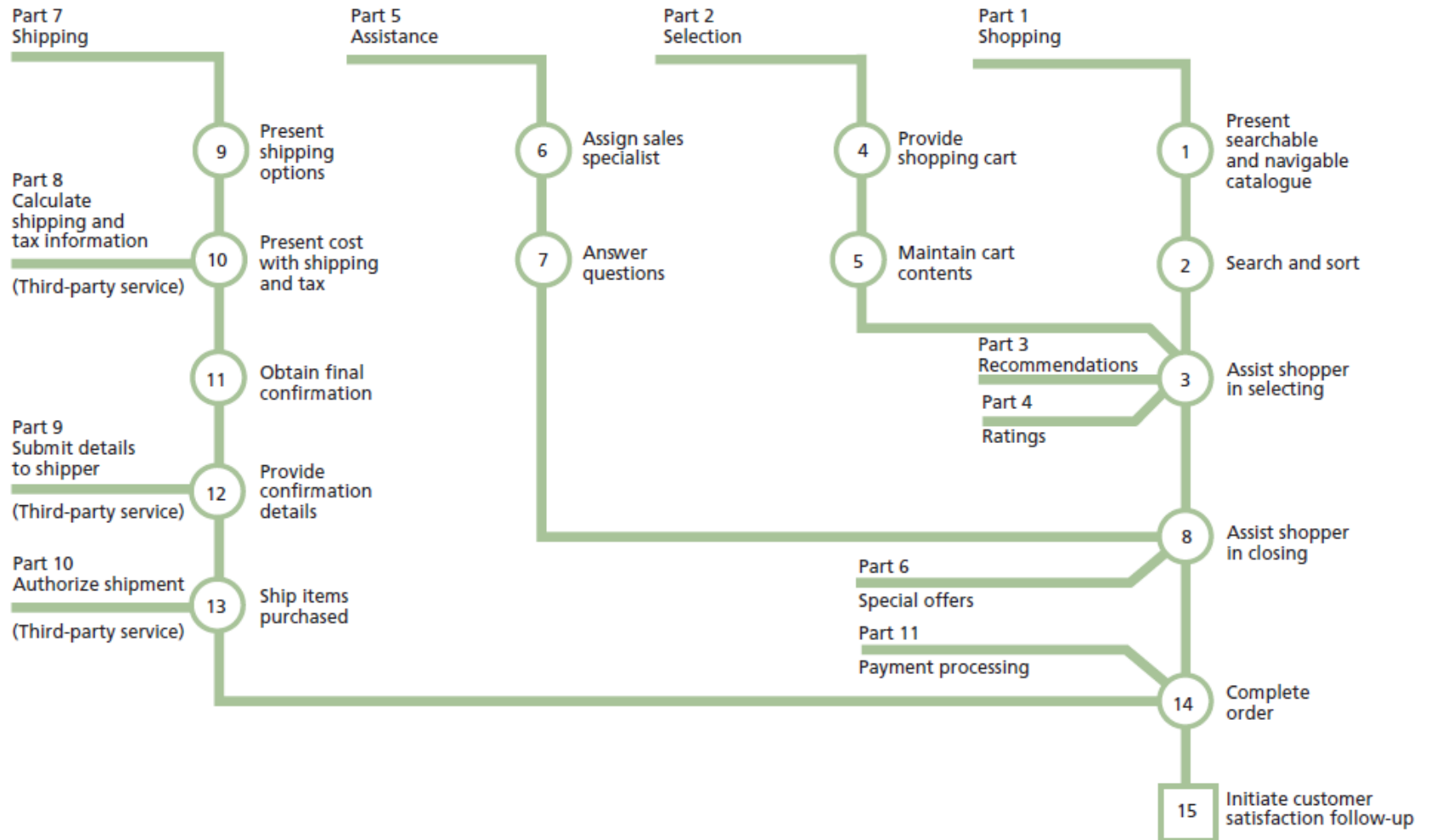
Mapping Services

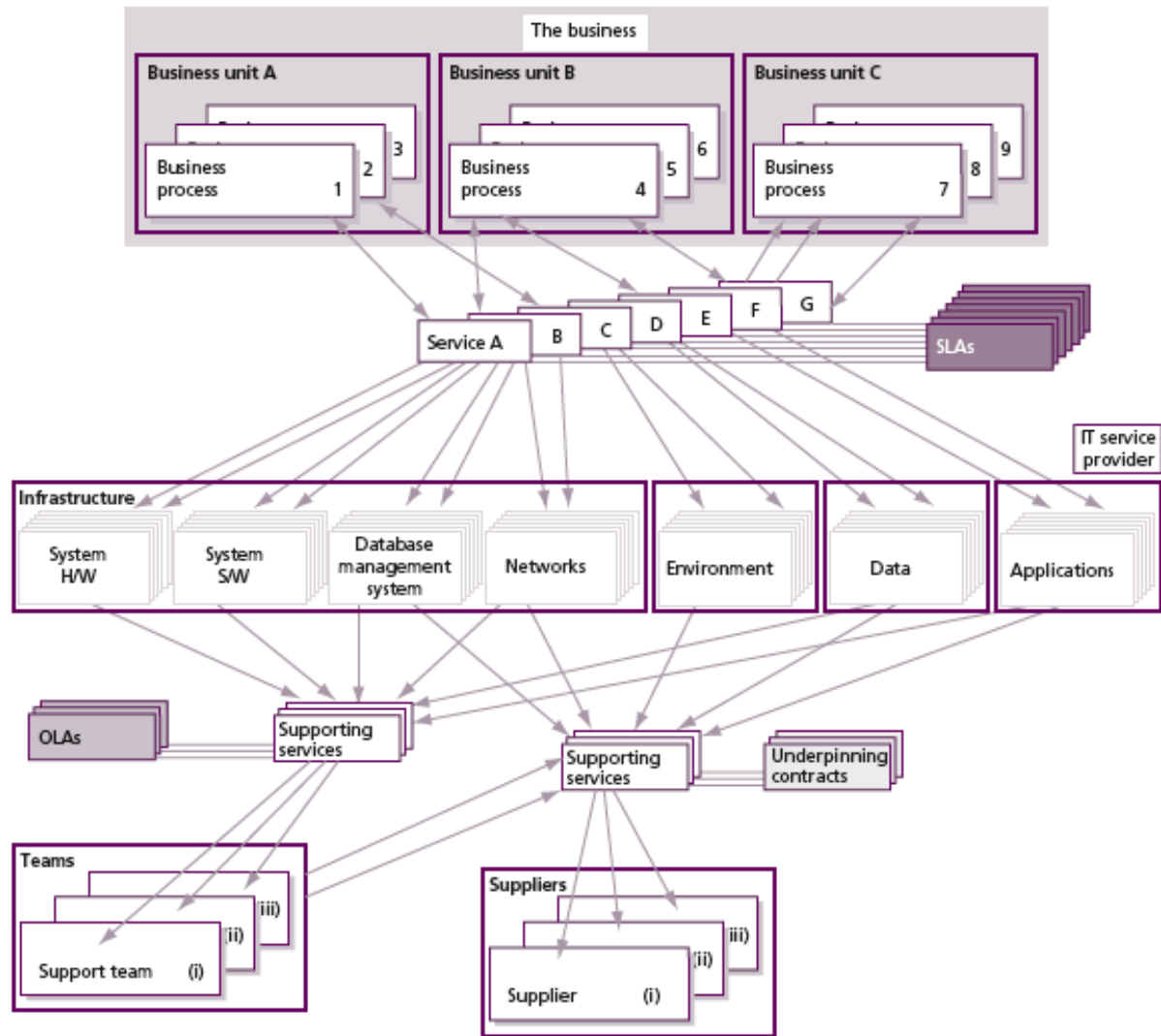
Services are all about visualization



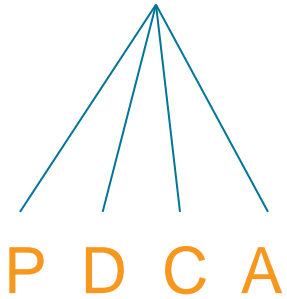
Dynamics

Structure

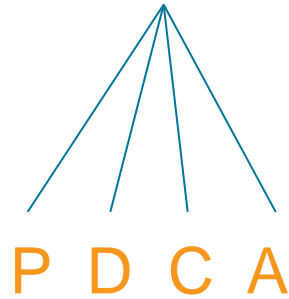




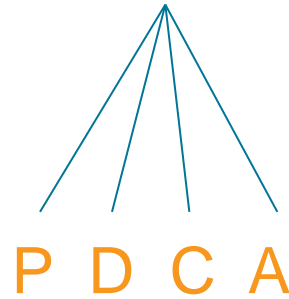
Plan



Do



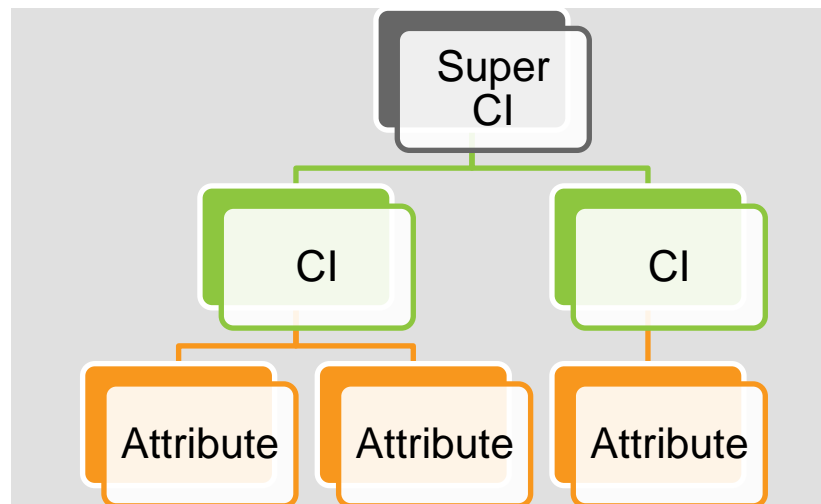
Check

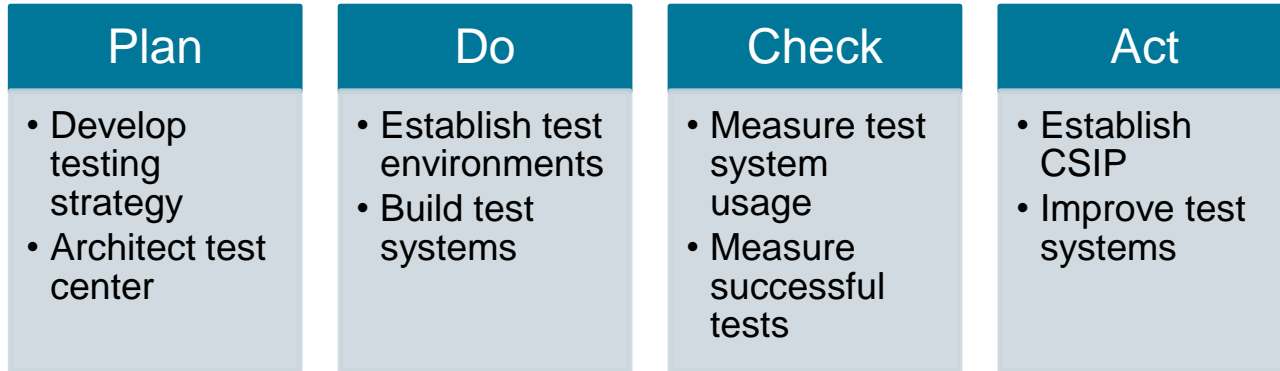


Act

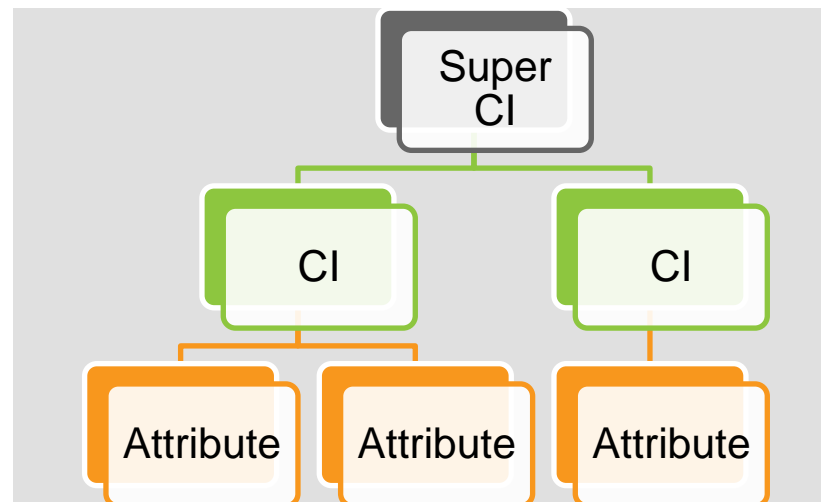


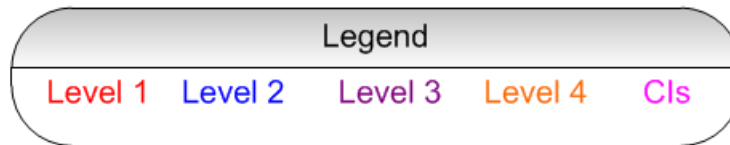
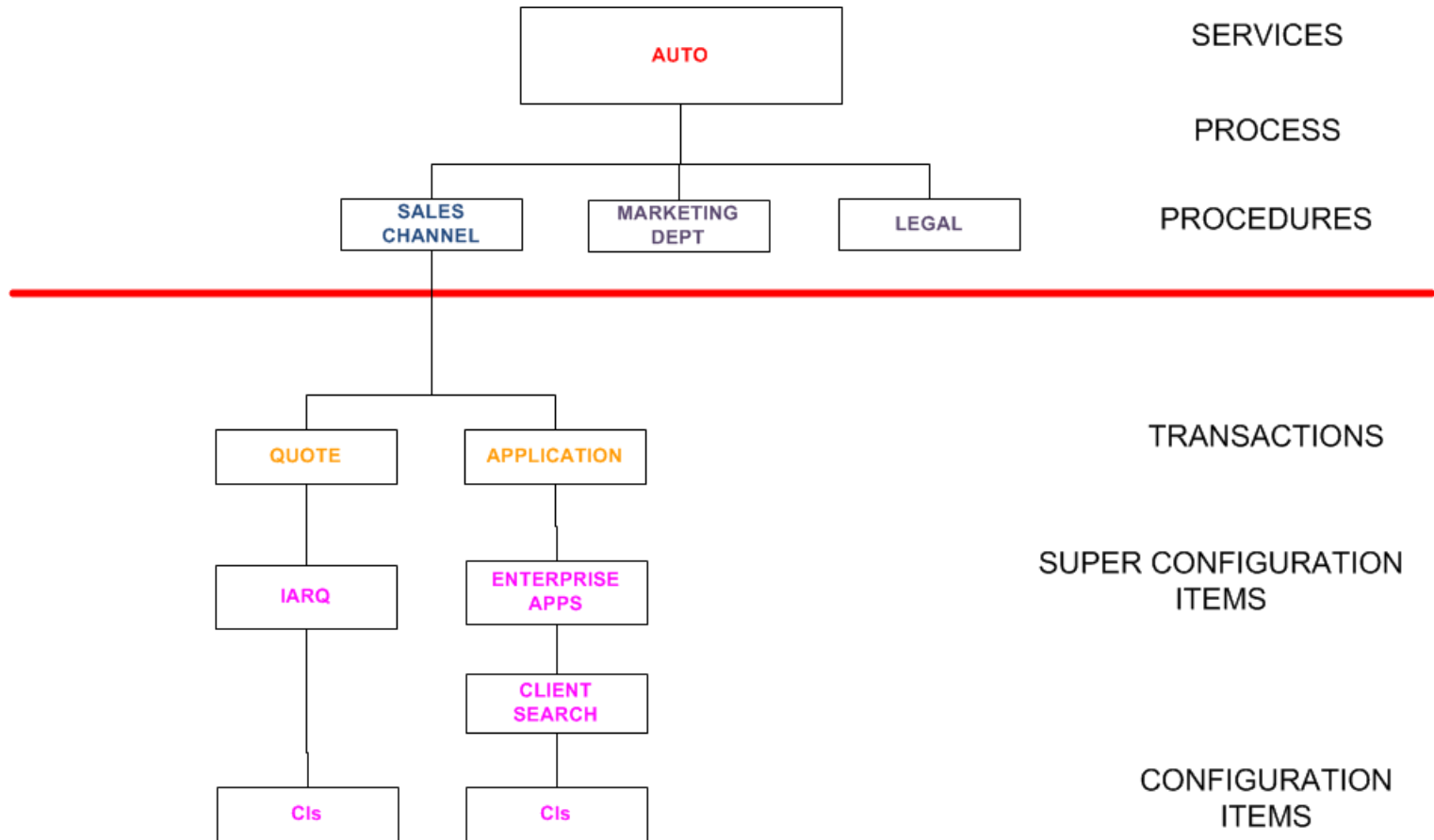
“Provision the laptop”



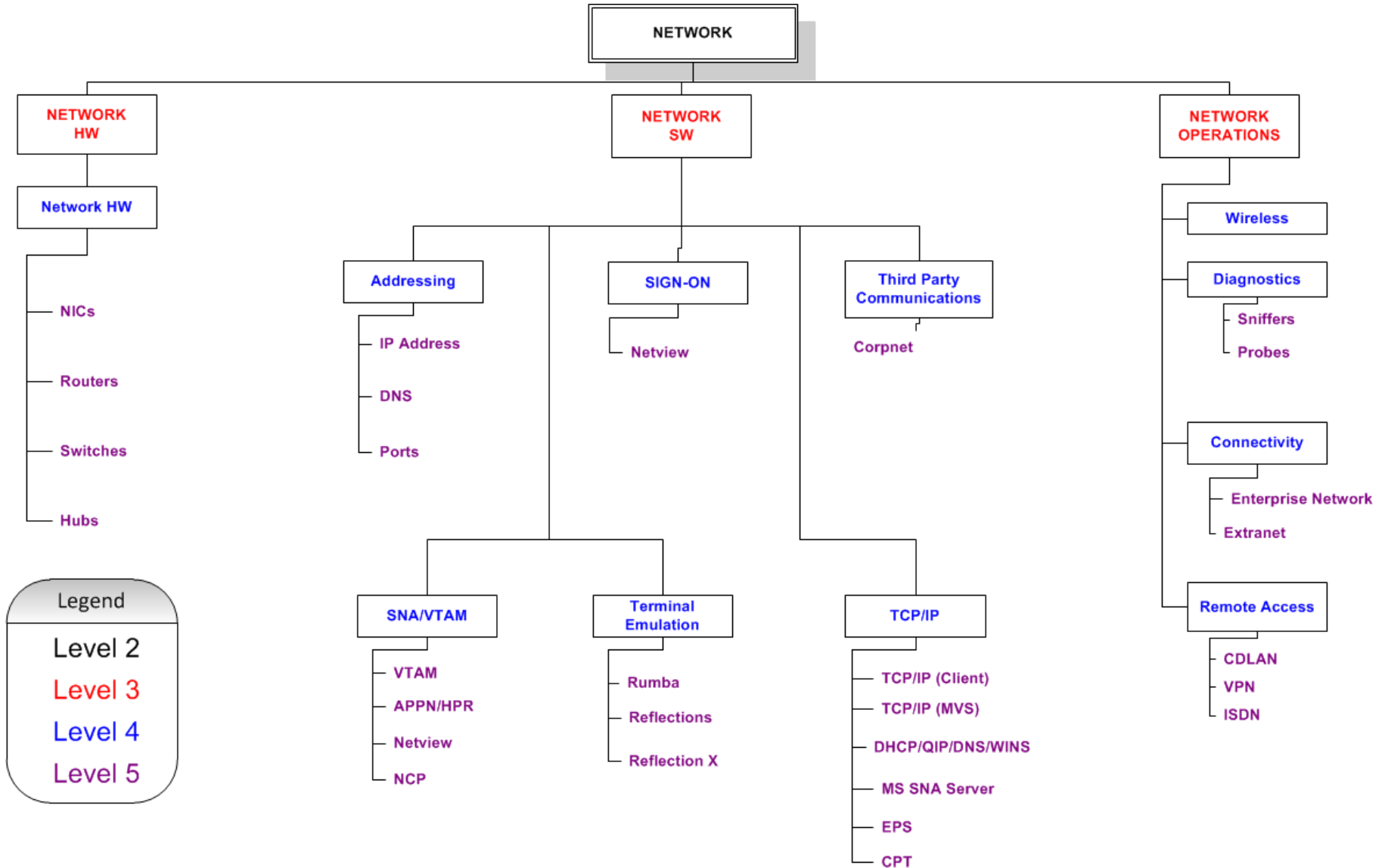


“Reimage the test system”





Mock Services Hierarchy-Technical





Marketing Services

Services are about anticipation and desire

To make the best use of the Portfolio and the Catalog, see them as “stealth marketing” tools for your services and assets (capabilities and resources)

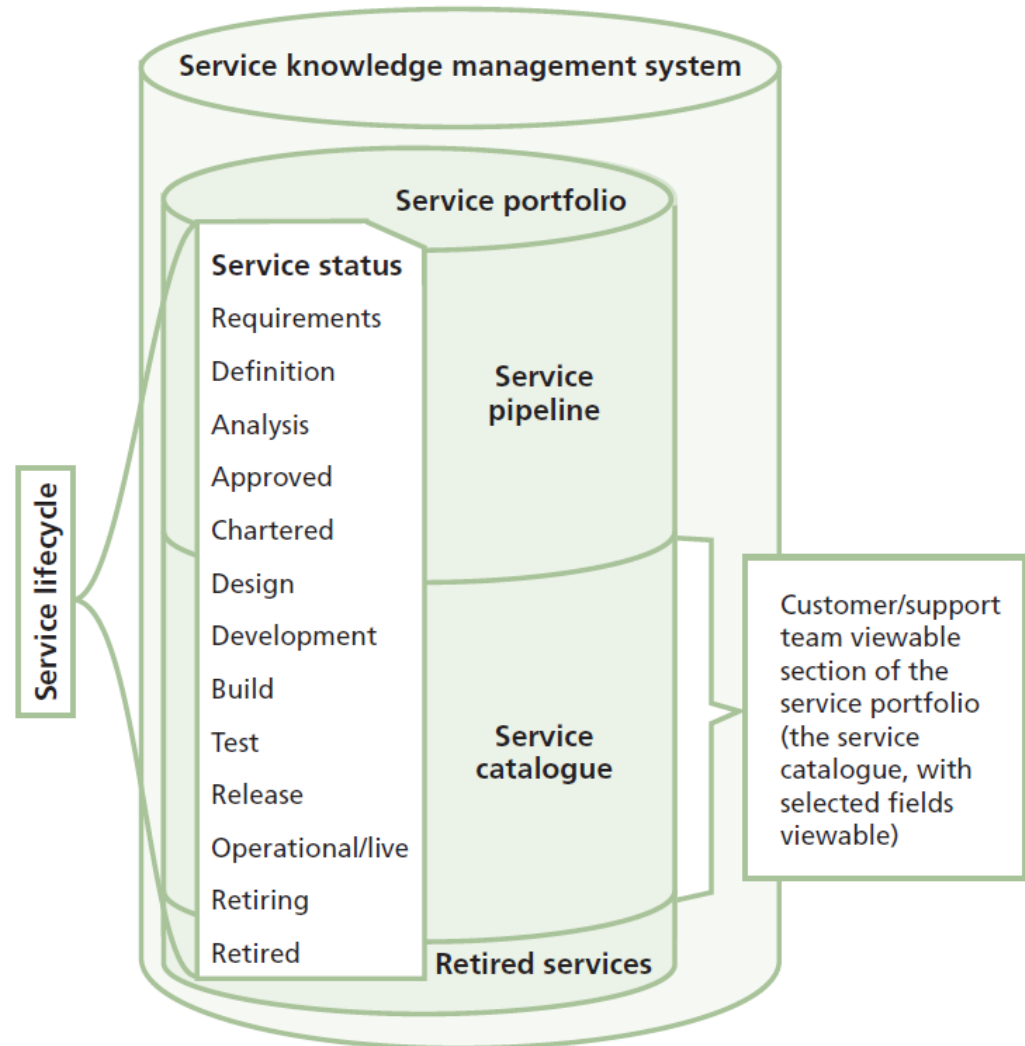
Service Portfolio

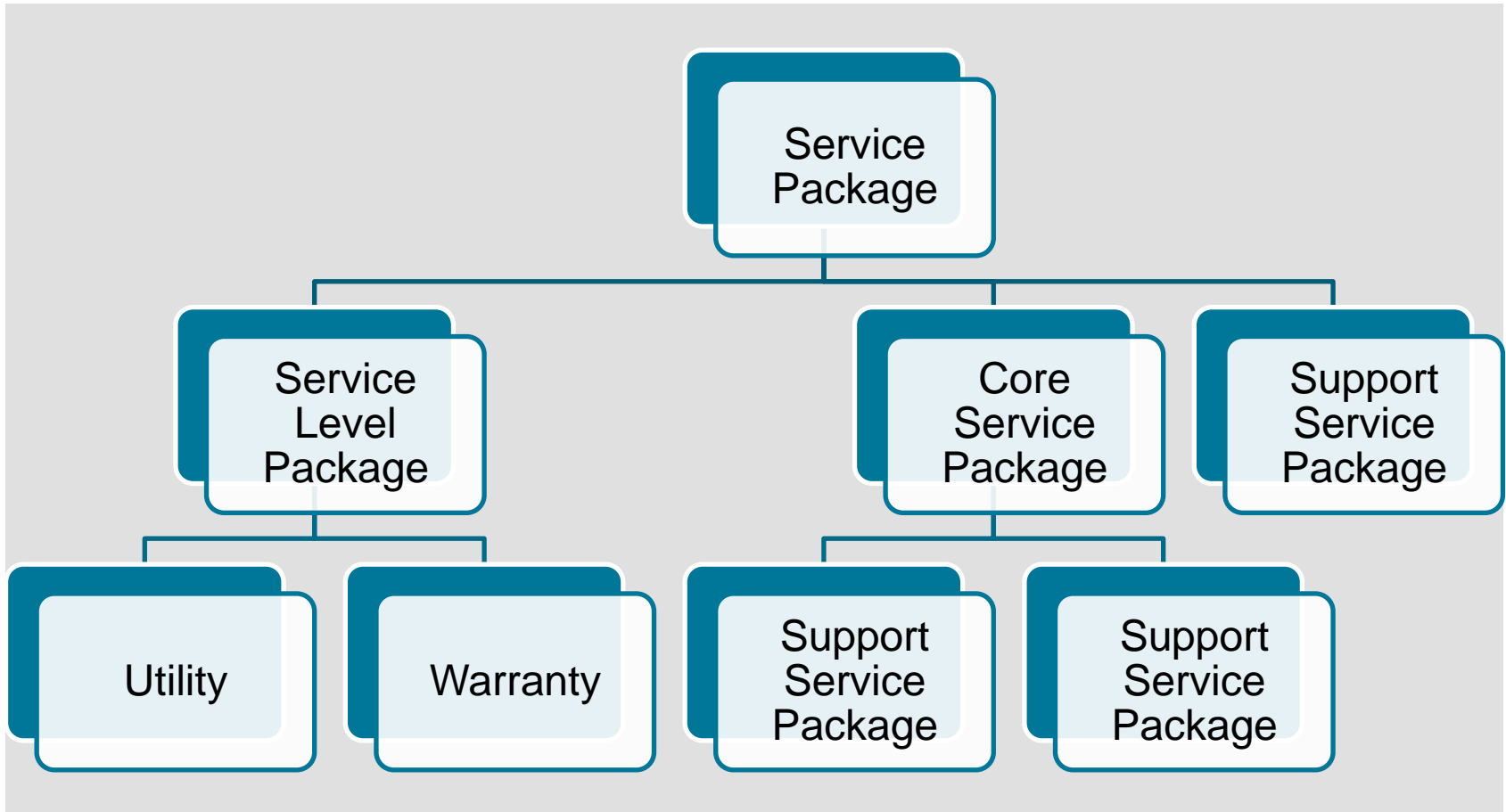
- Strategic and Tactical (aka high level)
- Decision making tool
- Future facing--Not concerned with today
- Offers potentials and possibilities
- Mirrors the lifecycle of services—from idea to dismantlement

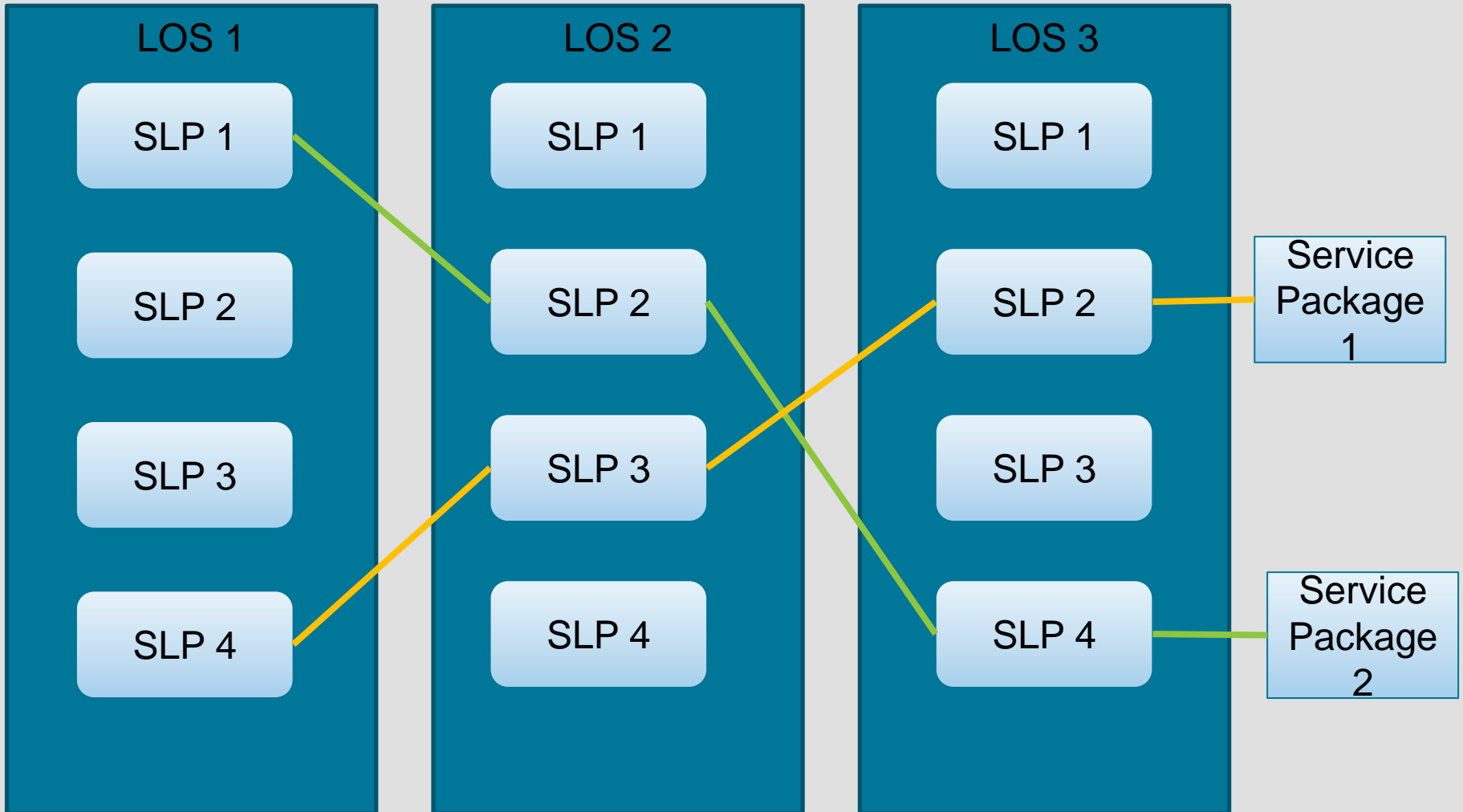
Service Catalog

- Tactical and Operational (aka more detail)
- Marketing tool first—menu second
- Current facing—not concerned with the far future
- Offers services and service packages
- Mirrors the needs and desires of your customers

The Service Portfolio serves as the conduit for services throughout their lifecycle









Summary



- Effective design of services starts with a clear and usable definition
- Services should be tied to the value they deliver
- Services must match their appropriate context (e.g. business, technical, support, etc.)
- Use a process to design services—do not “try to figure it out”
- Execute the service design process in a project framework (SDLC or Agile)
- Understand the outcomes that services deliver
- The best way to develop services is to visualize them
- Use the portfolio and the catalog to help market your services

Drive excitement and desire for what you can do to help others

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