5 Ways Service Management Could Have Helped Avert The Financial Crisis

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- Accredited ITSM Education Provider
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  - ITIL® V2/V3 Foundation and Manager Bridge
  - ITIL® V2 Practitioner, Service Manager
  - ISO/IEC 20000
  - Certified Process Design Engineer (CPDE®)
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- Federal Government Schedule Contract **GS-02F-0087T**
- Certified Minority Business
- PMI Global Registered Education Provider
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- Tens of thousands of learners trained since 2003

2007 - Awarded Federal Government Schedule Contract (GSA) allowing ITSM Academy to become a premier provider of ITSM education to the US Government

Agenda

- ♦ "The Blame Game" -- accountability
- ♦ Processes -- checks and balances
- ♦ Governance, Risk and Compliance -- enforcement
- ♦ Service Centric rather than profit centric
- ♦ CSI -- learning lessons from the past

"The Blame Game"

♦ Problem: Lack of Accountability

> *"With a bewildering and frightening financial crisis in full swing, the new national pastime is <u>finding someone to blame.</u>"*
>
> *--Business Week, Oct 18, 2008*

Blame: to hold responsible, to find fault with, to place responsibility for…
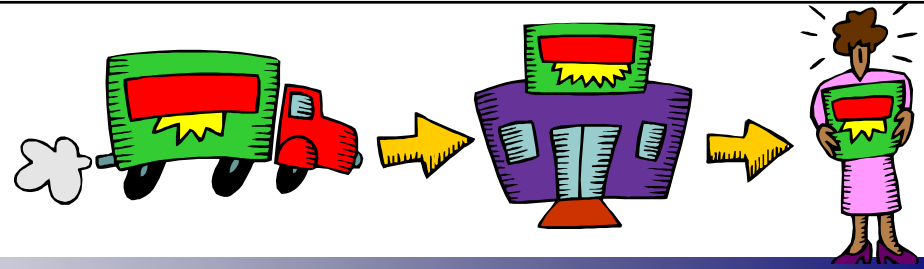
The Free Dictionary

People were the triggers, not the causes—
broken or missing processes, ideas, decisions
and events were the root causes

"The Blame Game"

♦ Solution: Tying personal performance to RACI/ARCI charting

|	**CEO**	**CXO**	**Management**
Setting vision and strategy	A, R	R, C	C, I
Building culture	A, R	R, C	C, I
Team building	A, R	R, C	C, I
Capital allocation	A, R	R, C	C, I

Processes

♦ Problem: Lack of practical checks and balances

- ♦ Unrestrained activities
- ♦ Operating in extremes
- ♦ Power and authority
- ♦ Oversight nowhere in sight
- ♦ If its too good to be true…
- ♦ Causal feedback loops ("systems")

Plausible deniability: lack of knowledge of an event or action so as to protect those in authority

Processes

- ♦ Solution 1: Document linear flows ("process")
- ♦ Solution 2: Document process controls
  - ♦ Inputs, Outputs, Roles, Procedures, Constraints, Resources
- ♦ Solution 3: Document causal feedback loops ("systems")
 - ♦ All outputs must be consumed

Governance
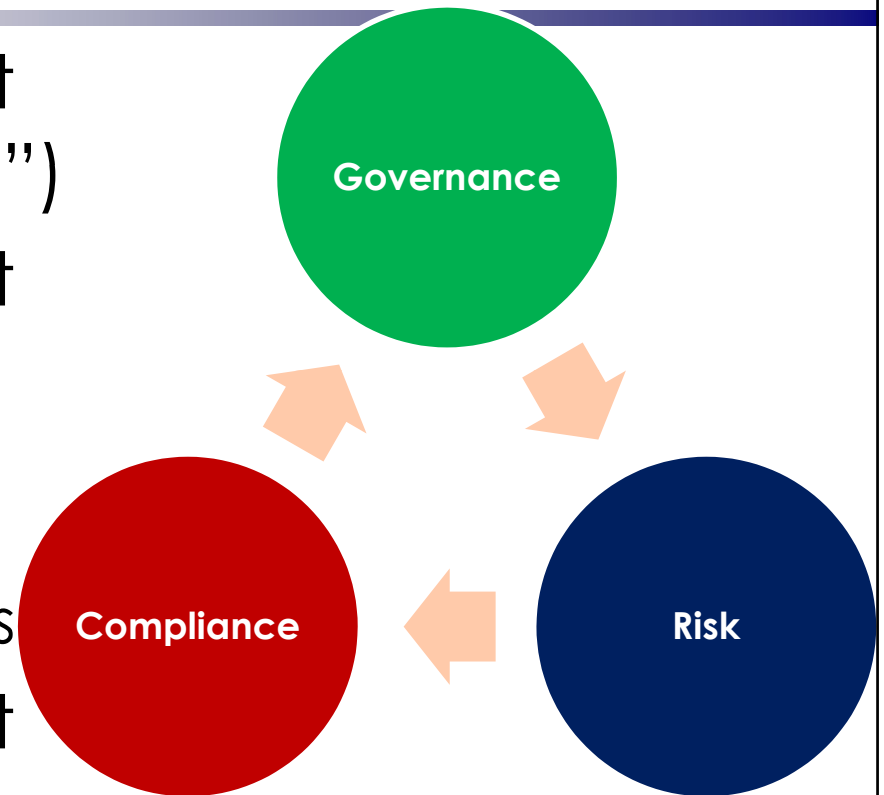
Risk

Compliance

Governance, Risk and Compliance

♦ Problem: Missing GRC

  ♦ Finding a balance between too little and too much control

    ✓ Moderation in everything

  ♦ Seeing risks as constraints that cannot be eliminated or ignored

    ✓ Consequences must be accepted

  ♦ Taking regulation and oversight seriously

   ✓ Complete freedom equals anarchy

Governance, Risk and Compliance

♦ Solution: Enforcement in four areas

ACCOUNTABILITY	**TRANSPARENCY**
PREDICTABILITY	**PARTICIPATION**

GOVERNANCE
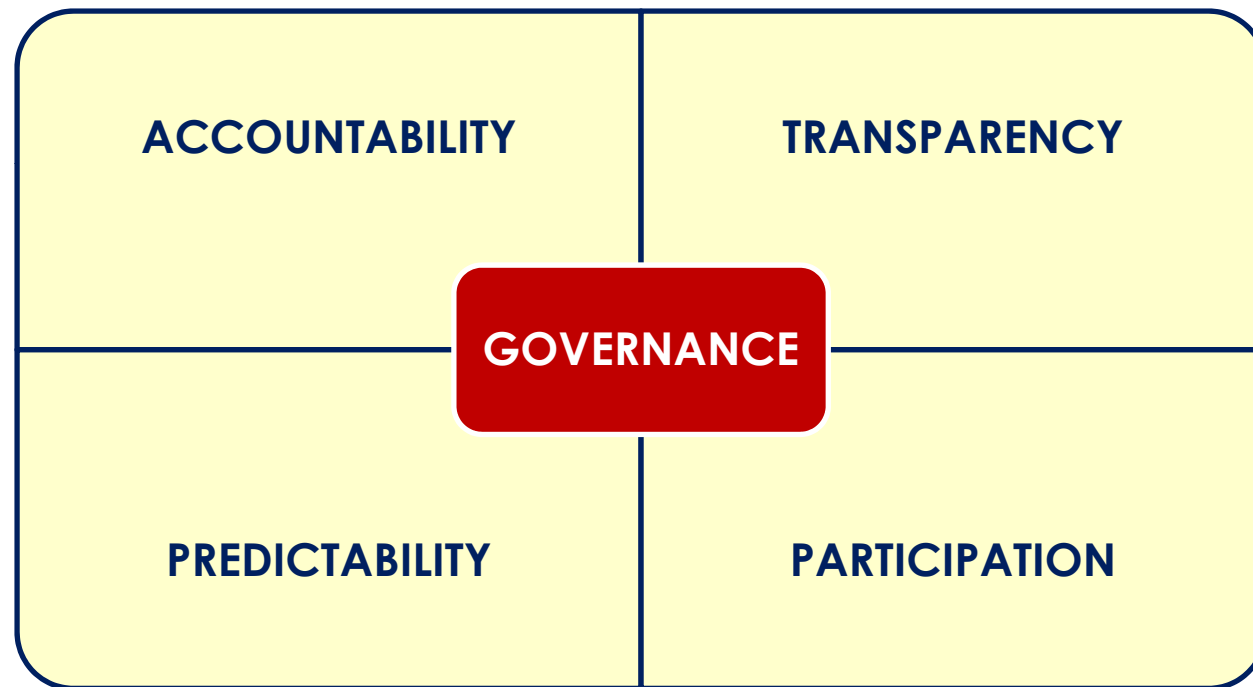
"I believe that banking institutions are more dangerous to our liberties than standing armies" - Thomas Jefferson

Central Focus

♦ Problem: Profit-centric focus rather than service-centric focus

   ♦ Results (outcomes) versus goals (targets)

   ♦ Outputs or services do not produce themselves

   ♦ Psychology with mathematics or accounting

   ♦ Ignoring cultural factors is dangerous

   ♦ Services correspond to people more than technology
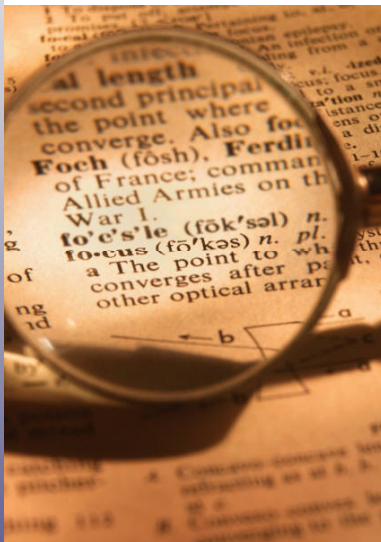
Central Focus

♦ Solution: Asking the correct question

♦ Why you exist?... (results focused)
   - ✓ Service, in a word is "good"
   - ✓ Receive

♦ What you do?... (goal focused)
   - ✓ Cart before the horse
   - ✓ Achieve

Continual Service Improvement

♦ Problem: Not learning lessons from the past

- ♦ Events do not happen in vacuums

- ♦ History is not cyclical but similar root causes result in similar events

- ♦ Because an event is not recorded does not mean it did not happen

- ♦ Supposed "fixes" often cause greater failure

Continual Service Improvement

♦ **Solution: Continual Service Improvement**

   ♦ Historical lessons

      ✓ Were the 1920s and 1930s so long ago?

   ♦ Personal lessons

      ✓ Cheater don't win and winners don't cheat

   ♦ Professional lessons

      ✓ Even Superman had flaws
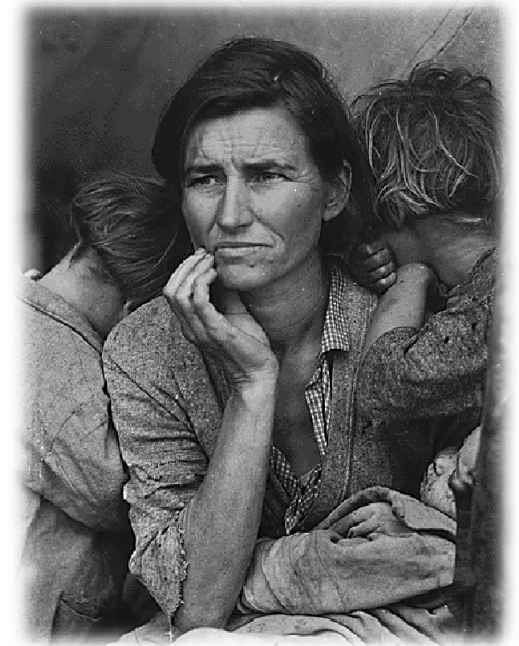
To sum it all up…

♦ Embrace accountability

♦ Process works, please use it

♦ Rules protect us from ourselves

♦ To thine own self be true

♦ Look before you leap
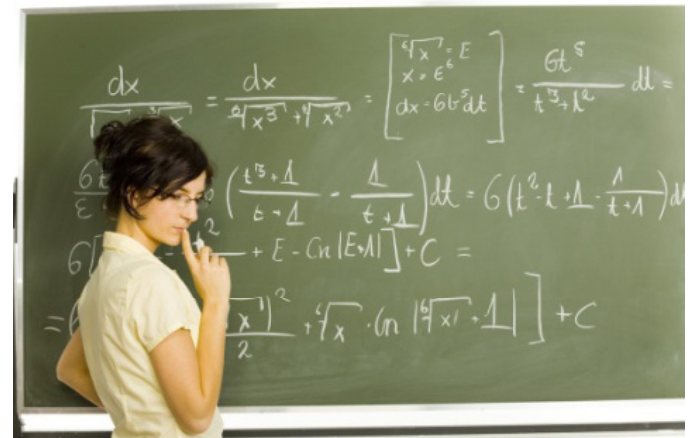
Questions and Answers

Thank you for attending

Michael Cardinal

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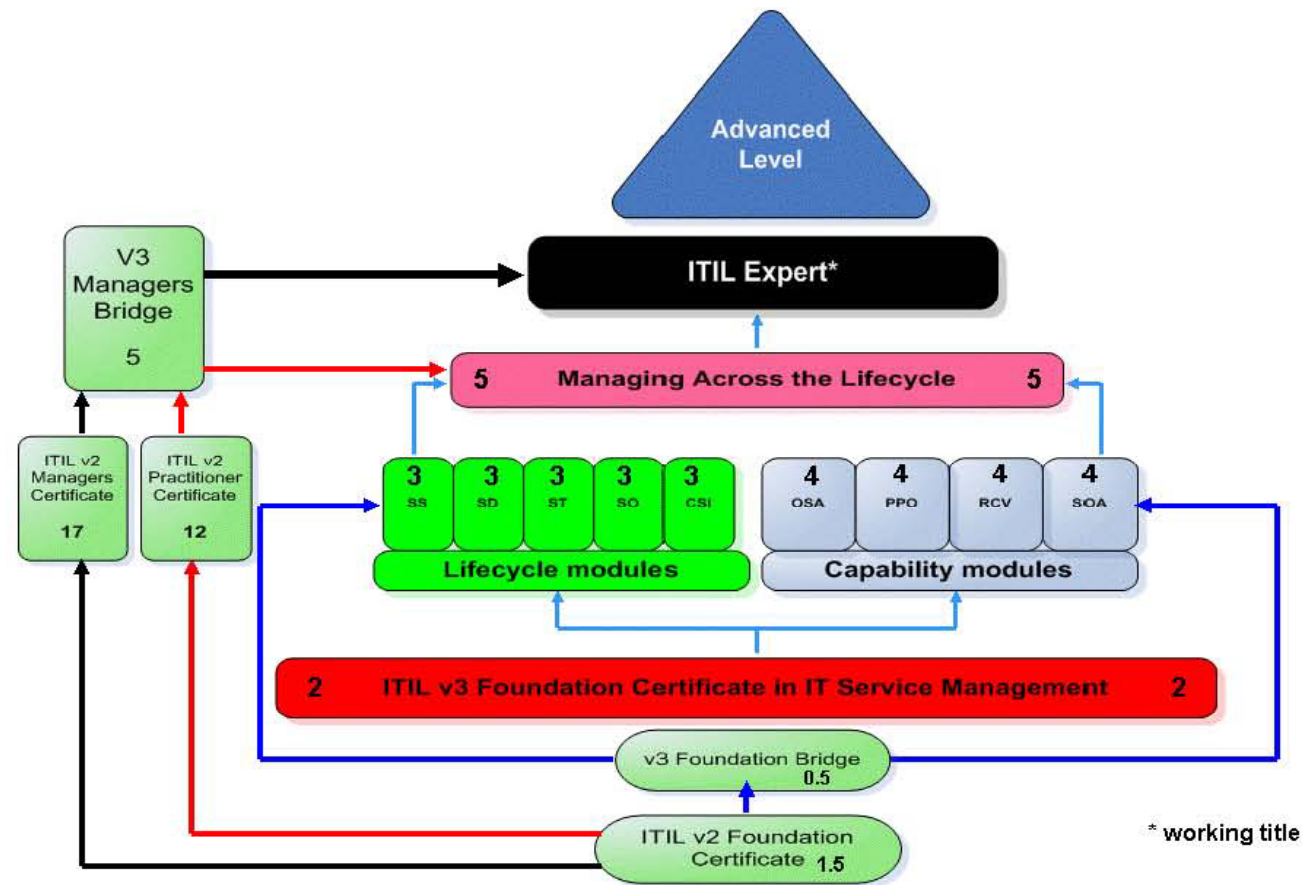 - ◆ ITIL® V3 Service Manager Bridge

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