

oneio™



THE CIO HANDBOOK: HOW TO MANAGE MULTIPLE SERVICE PROVIDERS SUCCESSFULLY

CONTENTS

1. About this eGuide
2. How to review your current service providers
3. How to measure a provider's ability to integrate
4. How to challenge the outcomes a service provider is creating
5. How to develop a service network between all your providers
6. What's next



INTRODUCTION

Welcome to this easy to follow guide on getting the most from your outsourced and managed IT functions. Many IT leaders are moving more and more of their IT processes out of the internal focus of their teams and into the hands of experienced and reliable managed service providers. This method of managing corporate IT comes with two very distinct advantages:

Managed Services are consistent and reliable

Staff turnover, absence or training is no longer a concern for those services, which is particularly important for those that require as close to 100% uptime as possible. This consistency should allow you to take a more planned approach to meeting your business objectives.

Internal staff win back focus and continual improvement time

When you move repeatable and operational tasks out of the internal workforce, you create brand new opportunities for the staff and resources you had managing those functions. For some, this may look like simply managing the new contracts and suppliers you have, for others this maybe launching new business focused initiatives, which enable IT to identify, build and release changes faster.

But of course no strategy or method of outsourcing is perfect and there is no text book approach to perfectly balancing insourcing and outsourcing. The balance will be different for every business and will also continually change, based on the growing needs of the business and its customers. This eGuide will talk you through some of the most common challenges IT organisations like yours face when dealing with this balance and provide you with some well-established advice on how to take on these challenges successfully.

HOW TO REVIEW YOUR CURRENT SERVICE PROVIDERS

The first step of any good outsourcing strategy is to fully understand and appreciate the value of what you already have. Not only does this help you establish an accurate and honest starting point, but helps you identify strengths and weaknesses you may not have known you had. Here is our three step approach to reviewing your current state of play:

1. Understand what both you and the rest of the business is expecting from a supplier

When looking at a supplier analytically, it is good to tie that supplier back to a single objective and then decide how successful they are currently being in helping you meet it. A really simple way of starting this process is to ask your contact at the supplier what they believe your business objective for their services to be. Their answer will tell you a lot about their position in your ecosystem. Secondly it is important to talk to other leaders in the business who are aware of this service to see whether their view of this objective aligns to your own.

2. Review instances of repeat problems and outages

Running a good service is one thing, restoring it when it goes wrong is another and different suppliers will naturally have varying levels of success in this area. An important sign to look out for when assessing a supplier is to see how they approach root causes analysis. Lazy or under resourced suppliers will often skip important steps in root causes analysis, and apply quick fixes to incidents.

A large number of reoccurring incidents or similar outages is a sign that the supplier is not resourcing your service adequately, regardless of how quickly the incidents are resolved at the time.

3. Challenge suppliers on their approach to major incidents

The acid test with any supplier is to see how they choose to support you when things are critical. It is the proof you need to see whether they care about the success of your business as much as the sales rep. said they did! You can do this by including the supplier in your business continuity planning processes or by providing them with a handful of business critical scenarios and asking them how they would react. The positive signs you are looking for are them showing how they would quickly act to understand the impact on your business and how a unique incident would receive a unique response. A negative response would be one described by SLAs and contractual obligations.

HOW TO MEASURE A PROVIDER'S ABILITY TO INTEGRATE

For each service provider you have there will be a host of applications and systems in place to running the services they provide. Some of those will be on your side, some on their side and some on both.

Integrations between their systems and your own, particularly service management, ticketing and monitoring tools will be vital to the running of those ser-

“we often see fail is the length of time required to establish those integrations (sometimes up to 2-3 years into a contract).”

vices. These integrations are often all documented in your contract, however what we often see fail is the length of time required to establish those integrations (sometimes up to 2-3 years into a contract). So here is a quick fire

list of actions you can take to ensure your next service provider has the right resources in place to deliver on promised integrations.

1. Request more detail on the genuine setup time of an integration

What is their average setup time on any given integration and if they had setup a similar integration before, can you talk to that client about it directly? If the setup time is undefined in the contract, is that because it just might not be possible? These are all important questions to ask. The crux of the matter is, you need to know what parts of your service contract will be fully operational in 6-12 months, and what are you still going to be chasing for a solution on. Complex integrations are difficult to do, but the common approach to managing that is it be ambiguous about how it will be done, rather than providing an honest appraisal on how long it could take. So apply pressure here to get the answers you need.

2. Ensure they have the right tools in place

One reason integrations are often delayed or fail to connect is that behind the tools are large teams of offshore developers managing your integration like a giant telecoms exchange; swapping data and APIs around until something works. It is an antiquated approach but it has traditionally been the cheapest method of managing complex integrations. There are now tools, which will automate the design, testing and delivery of these integrations, though they are yet to be fully utilised across the industry. To ensure

"One reason integrations are often delayed or fail to connect is that behind the tools are large teams of offshore developers managing your integration like a giant telecoms exchange; swapping data and APIs around until something works."

you are buying into a provider with the right tools, request to see whether they are making use of the best available technology for automating service integrations.

3. Make sure they won't be any resistance when introducing new services

Because introducing new integrations or new software platforms into manually managed integrations has so many additional costs; such as training, hiring, re-search and development, some service providers can be resistant to introducing new services. Again, ensuring they have the setup processes and technology in place to seamlessly add new platforms to your service contract at a low cost will be vital to the changes you'll want to make in your business.

HOW TO CHALLENGE THE OUTCOMES A SERVICE PROVIDER IS CREATING

The best kind of service provider is one that treats your contract like a business partnership with a shared set of objectives. If the services provided by an

"It is a very simple question to ask, either during the tender process or whilst reviewing a service; 'how do you define the value you create for us?'"

outsourced partner have a direct impact on the success of a customer experience or sales transaction, it is important to ascertain how well they understand and appreciate those outcomes.

Here are few tips on getting the information you need out of your providers to find out how far their interest in your business goes.

1. How does the provider define the value they create for your business?

It is a very simple question to ask, either during the tender process or whilst reviewing a service; 'how do you define the value you create for us?'. The answer to this question could be as simple as helping you reduce costs or as complex as changing the way you provide customer experiences. And if it as complex as that, can they explain back to you for example, what a good customer experience looks and feels like to your company? The most important thing is that you agree and align on what the value is and a good provider should already understand your business enough to tell you this.

2. Reducing costs vs improving outputs

It's oldest line in the business book, how can we improve our revenue while reducing costs? Trying to answer the question has brought many companies to their knees, so it's important to remember how to create focus around each of these tasks and work out what is really important to you and why.

When assessing a supplier and the outcomes they provide you with, looking for opportunities to reduce the cost is always going to be a sensible thing to do. However, in most instances it is more important to see how that supplier can be improving what they create for you first.

The best method of approaching this is to review the contract of services you have and to see what areas of the service you are either under-utilising or simply not using at all. Once you know this, you can either approach the provider in order to explore how these currently unused services could be creating new value for you, or what opportunities do you have to remove them from the contract in

"A great service provider will not only be able to articulate what their approach is to improving their own services, but also how they support you in improving yours."

order to reduce costs. Whatever it is, try to see cost vs output as a balance to create, rather than two forces that compete.

3. Ask the provider to demonstrate their approach to continual improvement

Almost every high performing organisation we have worked with has a shared approach to improvement across the business, or at least IT. A great service provider will not only be able to articulate what their approach is to improving their own services, but also how they support you in improving yours. Opening a discussion with your

service providers around different approaches to improvement, whether it be the CSI concepts from ITIL® or something more bespoke and unique to them, will give you a valuable insight into the type of people and organisation you are working with.

HOW TO DEVELOP A SERVICE NETWORK BETWEEN ALL YOUR PROVIDERS

The next evolution from connecting service partner platforms together via APIs is to connect them all together within a single ecosystem. Removing the need



for point to point APIs in place of having a more open network where data can move freely between a multitude of systems, not only provides you with a faster set of integrations, it makes creating, removing or changing

systems and their integrations far easier too. Much like how we discussed the need for your suppliers having the right tools in place, it is equally important for you to know how best to connect both internal and external services to your existing environment. At Service-Flow, we have been exploring and developing innovative new approaches to exactly this. So based on our experiences as experts in the field of service integration, here are our top tips on transitioning from traditional APIs to a Service Network approach.

1. See the value in simple and automated integrations

Relying on traditional APIs (especially those which are managed manually) is simply not adequate anymore. Large commercial entities built around



the use of manually managed integrations will naturally disagree, however it is important that you (the customer) challenge this. Articulating your need to simplify how data is exchanged between a variety of systems in a way that clearly includes how it helps your business move and improve quicker is extremely helpful to winning the case of moving away from traditional APIs.

Wherever something in your IT ecosystem takes a long time to setup, has to be highly tested or repeated several times, there is ALWAYS an opportunity to automate. The dark industry secret here is that managed service providers can sometimes avoid doing this because complex and manual services can increase billings. So don't hesitate to challenge the possibilities of, and needs for automation harder than you might think necessary.

2. Sell the benefits to your providers

What makes life quicker and easier for you, will always make life quicker and easier for your suppliers too. The need to develop and manage multiple APIs and integra-

"What makes life quicker and easier for you, will always make life quicker and easier for your suppliers too."

tions over having a single system that manages your integration data (like traffic on a highway) is a win-win. You get the services in place you need quicker than ever before and the supplier has more time on their hands to add more value to the contract you have

and thus remain competitive! When discussing the need to innovate the way you manage, automate and potentially increase the software integrations you have, always focus in on how seeing the supplier will provide a smarter solution and utilise better technology, will increase the amount of value you see them creating for you and in turn, how much more you may invest in their services in the future.

3. Talk in terms of problems and solutions

High performing service integrations are not just a nice to have. They can save you weeks and even months of time, even more so in costs and enable a much faster rate of change within IT. To enforce this point when putting forward your case to begin leveraging service networks, identify speed and cost as the problem or barrier, which prevents you from succeeding. Then explain how automation and a single point of management for integrations will overcome these issues. Highlighting the use of service networks as a targeted solution to a significant bottle neck in the business will give a much greater position to negotiate from.

WHAT'S NEXT?

Hopefully reading this short guide has helped you establish at least one of a few things. Firstly, you will ideally now have a renewed view on how to assess the value of each of your suppliers, with a focus on how they can explain the importance of your own objectives to you and then how they use their own approach to innovating and improving to enable that. Secondly, you will hopefully have some new quick and practical methods at your disposal for challenging and questioning suppliers and finally, you would have gained a greater understanding and appreciation for the use of automation and service network technology.

At ONEiO, we work with clients every day who face similar challenges to you. Whether that be searching for new managed service providers or maximising the value from the partners they already have, we have seen it all and we continue to grow our body of knowledge around what works well. If you would like to make use of our experiences of either managing the complexities of multiple service providers or just the technology required to underpin physical service integrations, we are always happy to talk to new people and help where we can.

CONTACT US

Email us:

sales@service-flow.com

support@service-flow.com

UK OFFICE

Call: +44 1628 421510

Service-Flow UK1 Bell Street

Maidenhead SL6 1BU United Kingdom

FINLAND OFFICE

Call: +358 10 325 4200

Service-Flow Oy Huopalahdentie 24 FI 00350 Helsinki Finland



THANK YOU!