Building the Service Chain

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Topics

- What We Will Explore
- Service Definition Problem
- Background Theories
- Business Services
- Using the Service Chain
- Service Lifecycle
- Service Centric Organization
- Managing the Service Chain
- Q & A

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What We Will Explore

- An approach for building services, but not the only one
- Based on both ITIL and business models
- Being implemented at a large corporation
- Being evaluated for other customers

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English Definition of Service

Work done by one person or group that benefits another.

Source: WordNet ® 2.0, © 2003 Princeton University

Service Definition Problem

- Many definitions of service for an organization:
  - Technology centric – e.g. email
  - Internally process focused – e.g. researching new technologies
  - Business activity based - delivery of packages
  - Supplier focused - automated ordering
- Need an agreed upon model for the definition at your company

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Background Theory - Value Chain

- Introduced by Michael Porter
  - Book - Competitive Advantage: Creating & Sustaining Superior Performance
  - Applies to companies and industries
- Value Chain – model of a firm's value creating activities that provide *products* or *services* to its customers.
- Competitive Advantage:
  - ☑ Created by optimizing & coordinating linkages between value-creating activities
  - ☑ Sources of advantage: lower cost or differentiation

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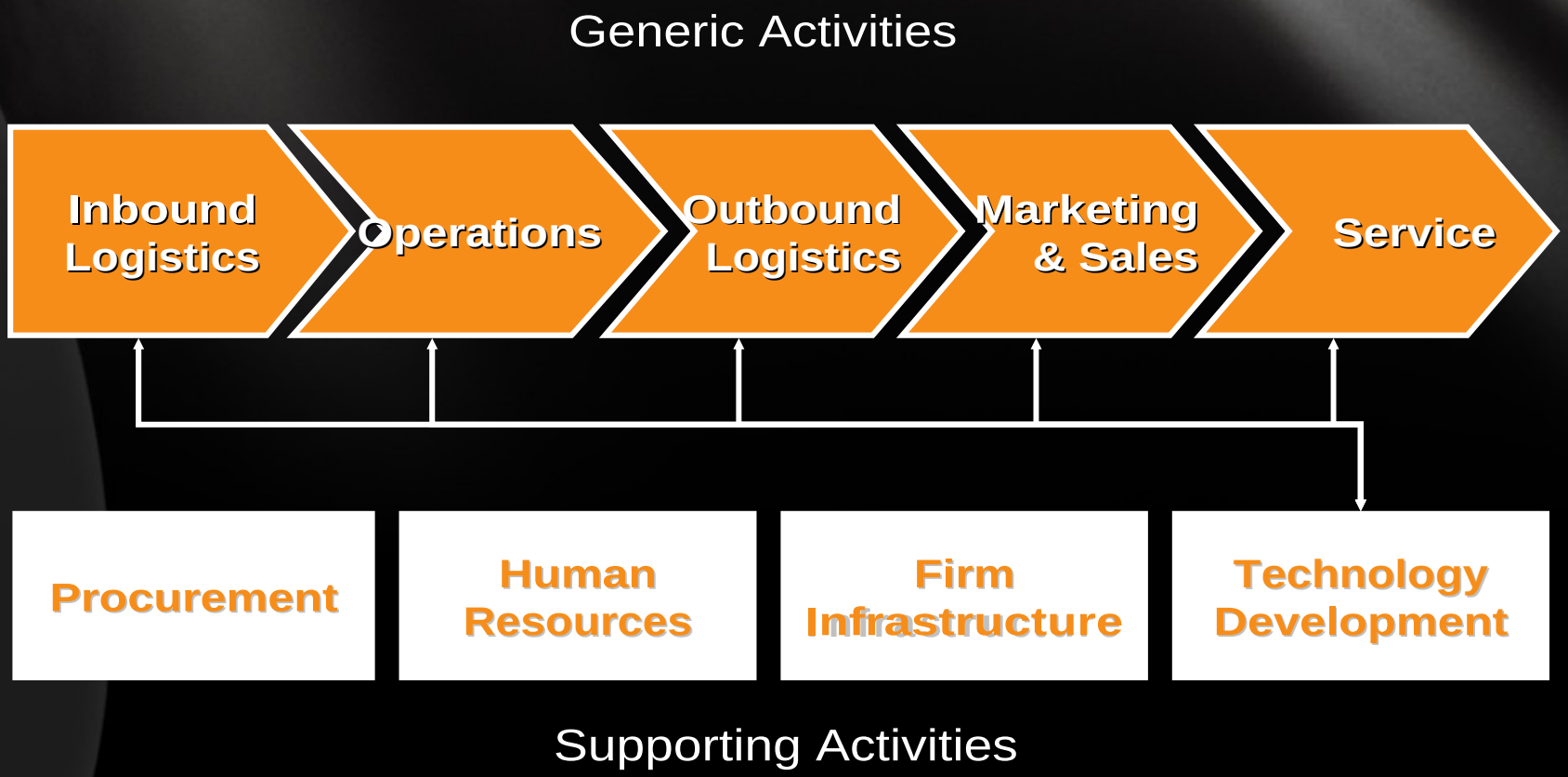
Generic Value Chain



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Business Services - Delivering Value

Services
(Business Services)

- Ordering Cars
- Applying for a Loan
- Host a Website
- Ordering Parts

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How Do We Find Them?

- Many business have standard activities they perform to create value for the customer
- Company annual reports - how does it make money?
- Industry associations to compare how companies in the same industry create value for the customer

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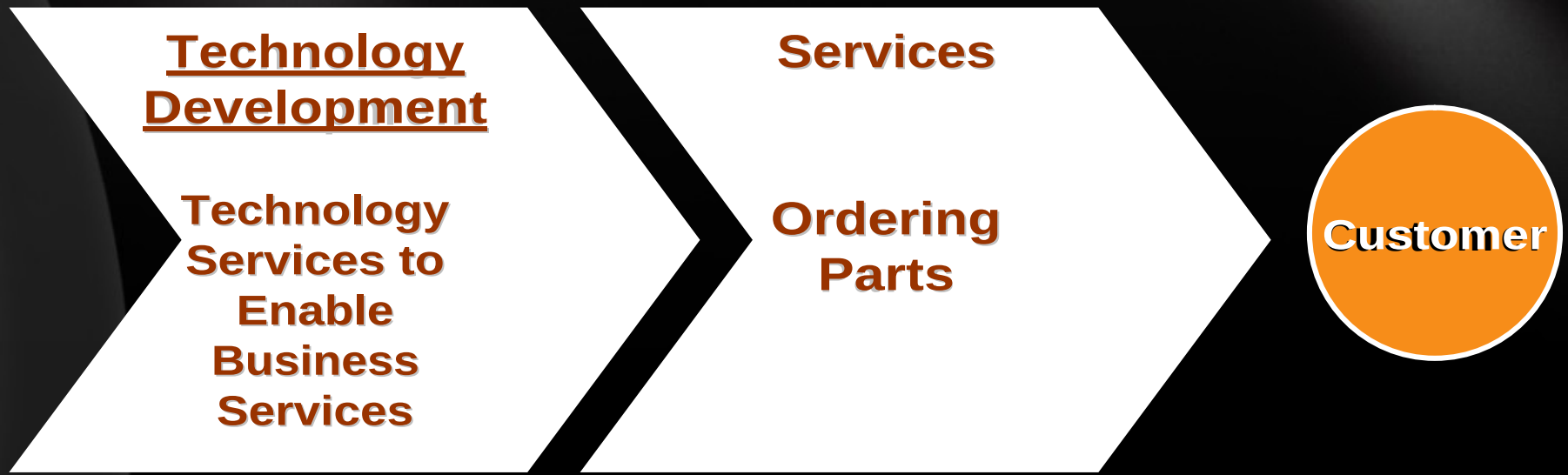
Example Service Chain



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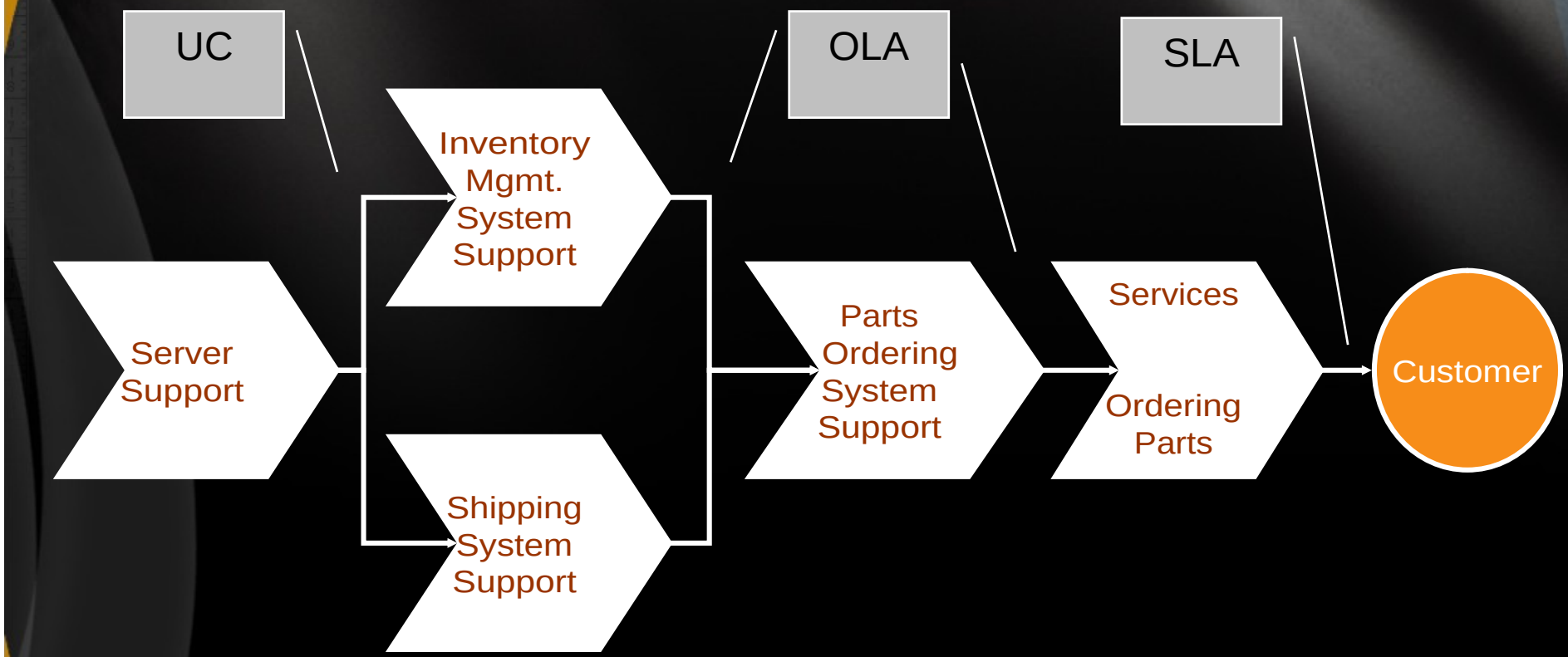
Example Continued



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Using the Service Chain

- Use it to create a direct link between your technology areas and the customer
- Use it to define clear lines of responsibility
- View each service in the chain as an independent company
- Empower them with the process, tools and correct staffing to run their service
- Similar to managing a supply chain
- Use it for competitive advantage

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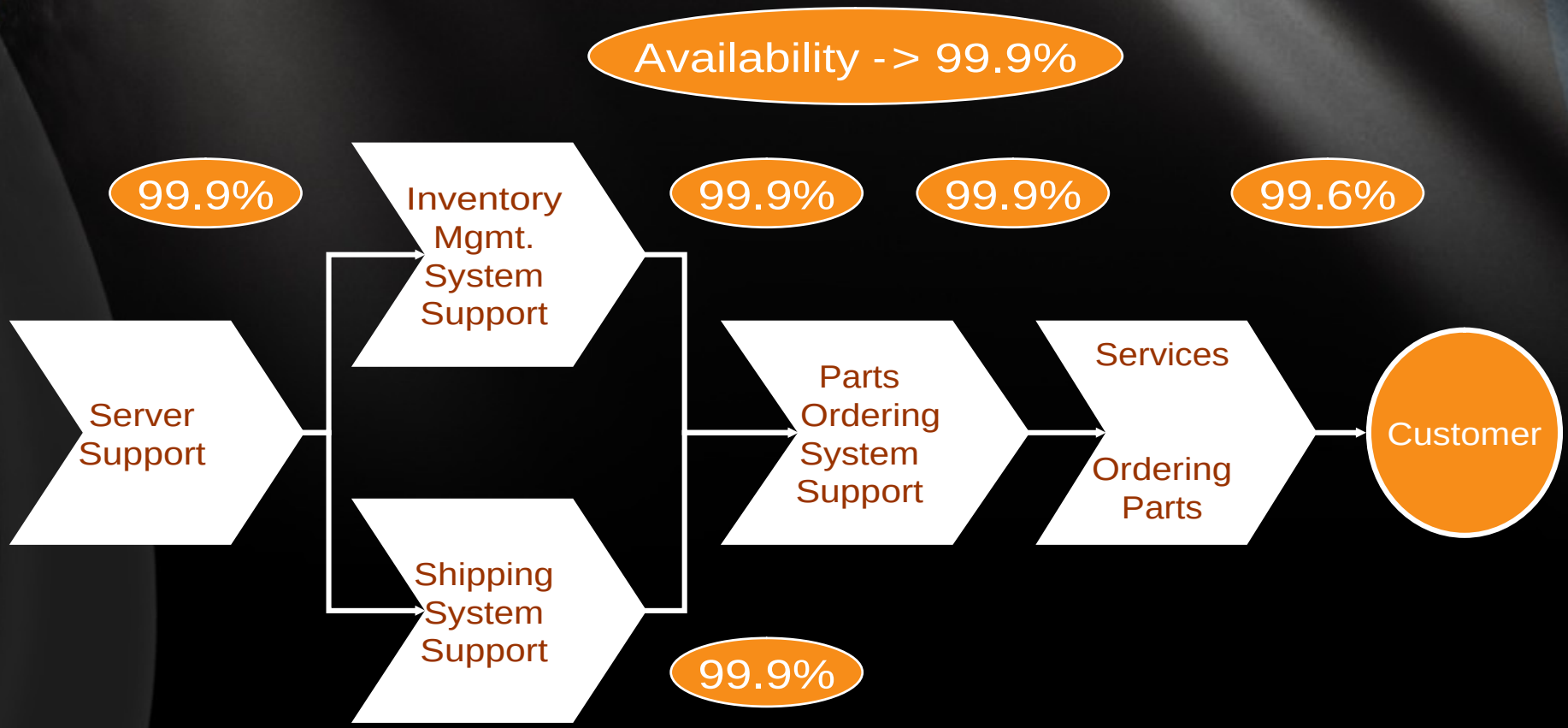
Example Using the Chain



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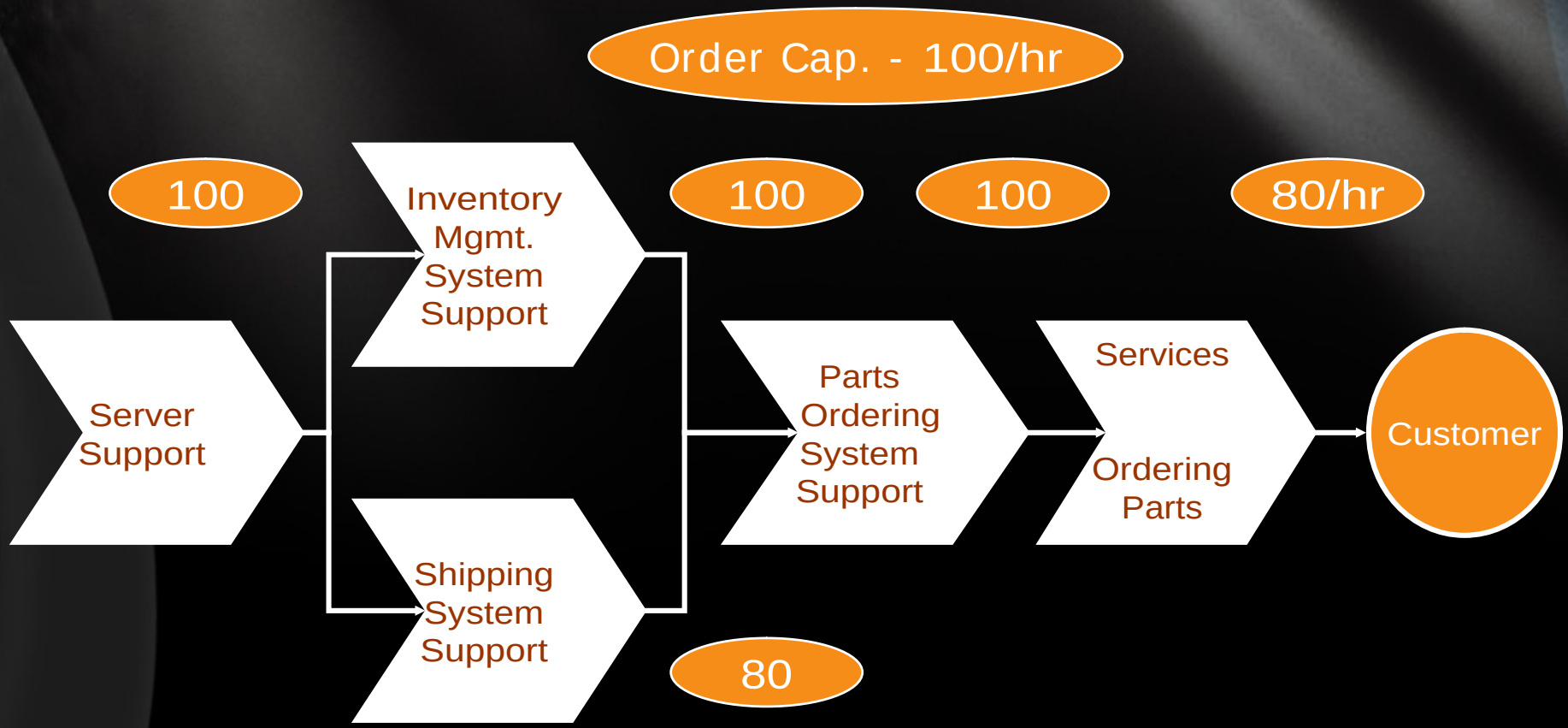
Example Using the Chain



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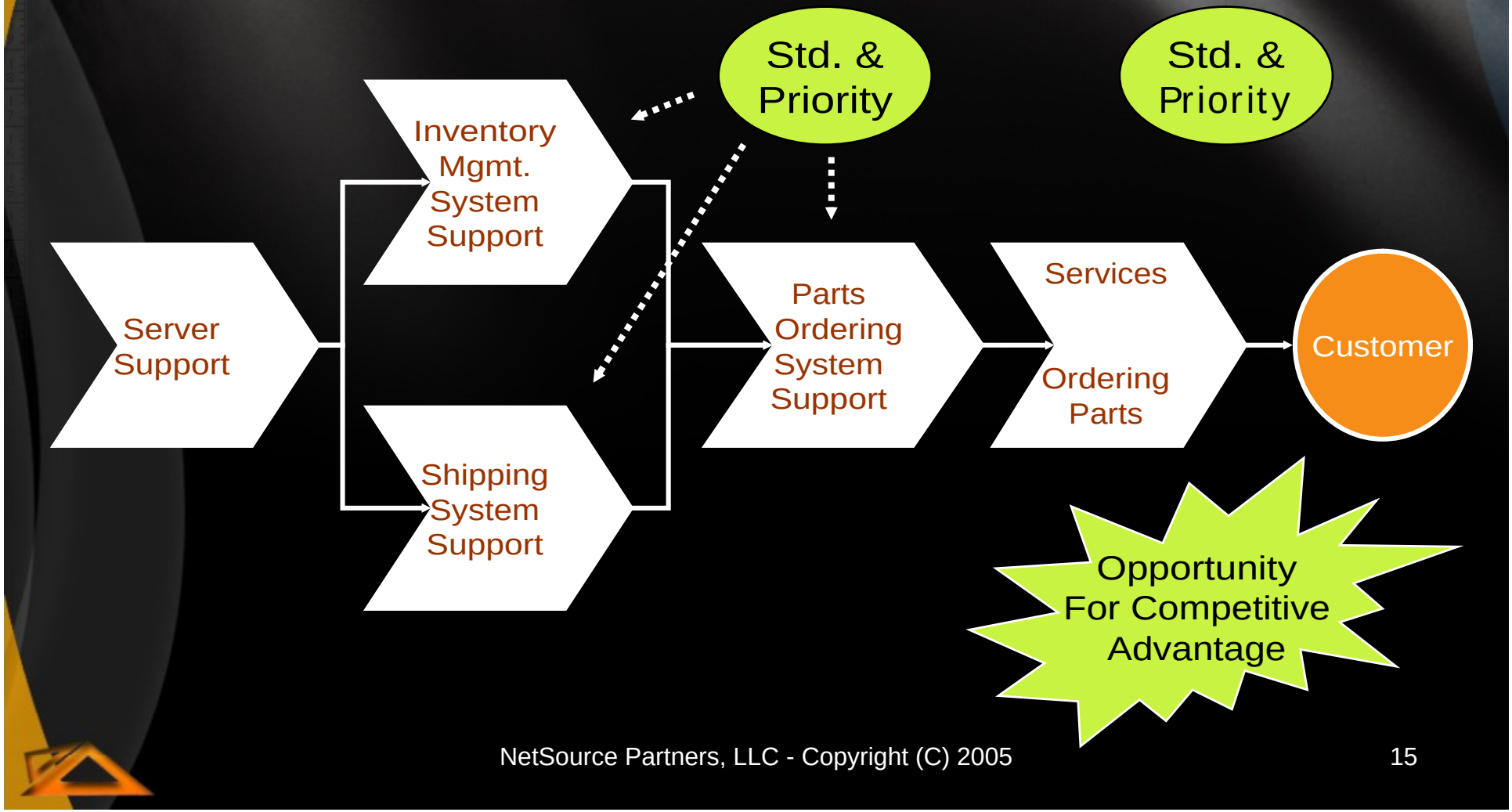
Example Using the Chain



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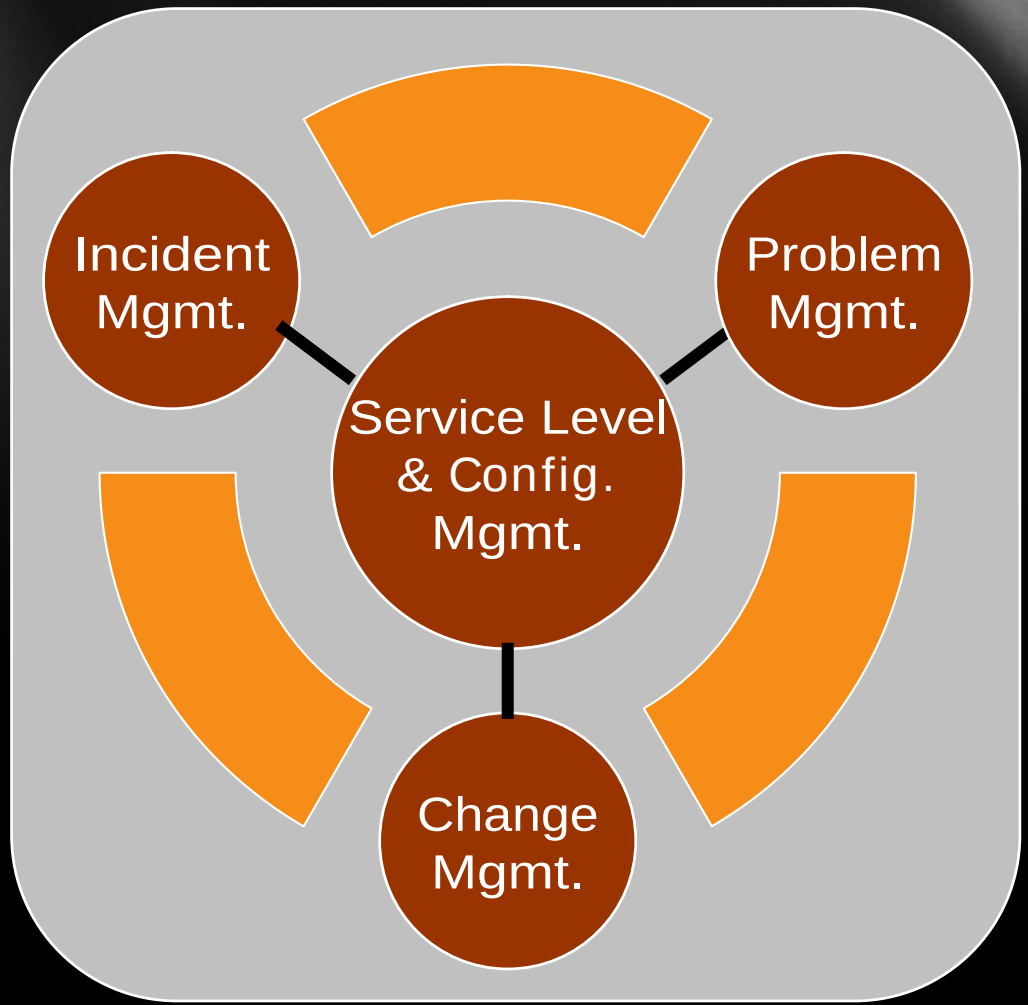
1980's Trivia Questions

- What was the name of the movie that used a Delorean for a time travel machine?
  - ☑ *Answer: Back to the Future*
- What was the name of device that enabled time travel?
  - ☑ *Answer: Flux Capacitor*
- What does this have to do with Service Management?

Service Lifecycle (Service Mgmt. Flux Capacitor)



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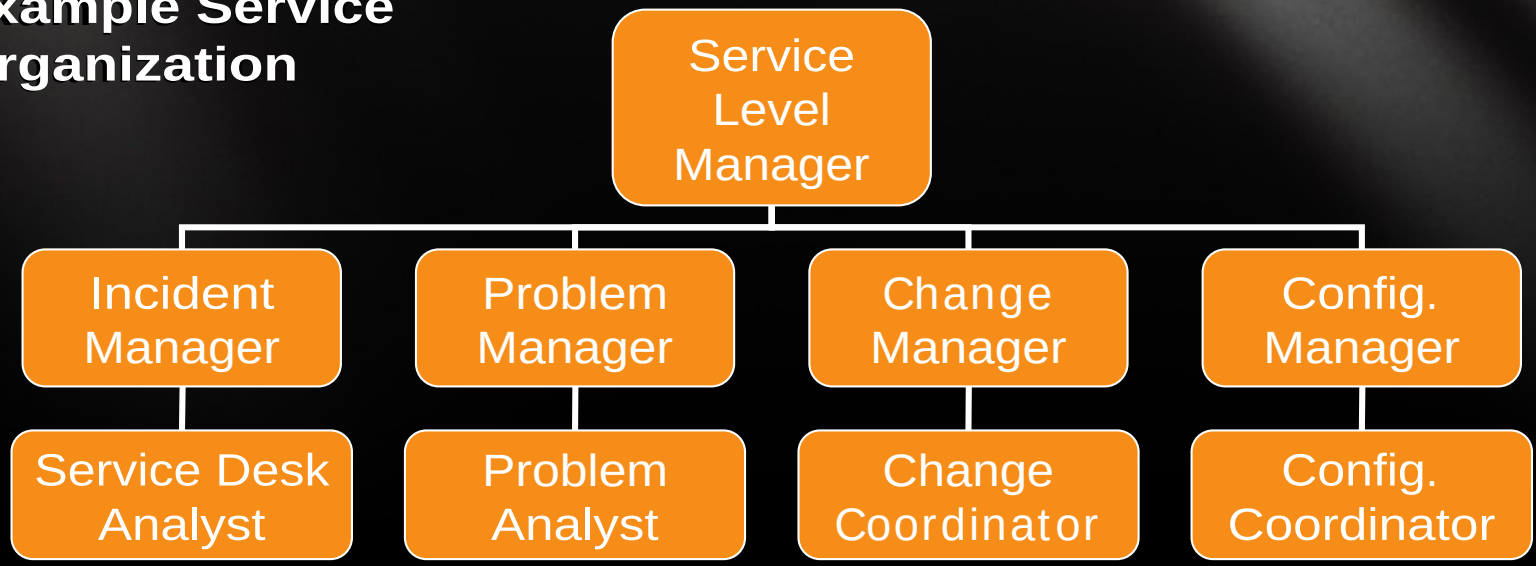
Service Centric Organization

Example Service Organization



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Managing Services

- Business Measures
  - Percent of successful orders
  - Mean time to deliver orders
  - Percent of bad orders
  - Mean time to correct orders
- Oriented toward customer facing activities
- Aligned with activities that add value

- Operational Measures
  - Mean time to recover
  - Incident volume trends
  - Percent of problems associated with incidents
  - Changes completed on time
  - Percent of valid config. items
- Aligned with operational services
- Oriented to improving operational services

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Questions & Answers

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Thank You!

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