Enable Digital Transformation
with Service Integration and Management (SIAM)

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A Digital SIAM operating model leverages cloud-based platforms to seamlessly connect the enterprise consumer of IT goods and services with the entire supply chain ecosystem. The SIAM operating model enables shared services organizations to serve their customers with more insights and agility and equip their sourcing management and governance teams with actionable information.

Summary

Information technology (IT) and the role of the Chief Information Officer (CIO) within organizations is transforming as the enterprise adoption of digital strategies takes root. The legacy mindset of IT as a back-office function delivering technology services to the business with a mission to drive cost efficiencies and eliminate 'shadow IT' is no longer sufficient. The CIO is not only expected to keep the lights on but also to drive innovation and create value directly to the business and end customers. This imperative, in a technology environment experiencing unprecedented velocity of change, requires an agile operating model that facilitates speed to value within a transparent, intuitive customer experience.

Yesterday's trends are today's norms with multisourcing, cloud, social/mobile, internet of things (IoT), and as a Service (XaaS) business models now part of the raised expectations from the consumer. Rapid advances in technology have created the need for organizations to adopt a more agile IT supply chain ecosystem to deliver on these expectations. This agility is enabled with an automated service integration and management (SIAM) solution that provides a digital platform connecting consumers to suppliers. The SIAM model is rapidly moving from its origins as a framework that provides contractual plug-and-play capabilities to a digital service automation platform.

SIAM leverages best-of-breed service management products and services to provide customers with a holistic service that integrates multiple suppliers of IT services to provide a single business-facing shared service organization. The solution provides a digital platform that efficiently connects consumers and suppliers with a core focus on service and experience. The service provides for the efficient lifecycle management of suppliers and services while providing a digital marketplace with automated order-to-cash operations that creates an experience on par with today's online retail shopping experience.

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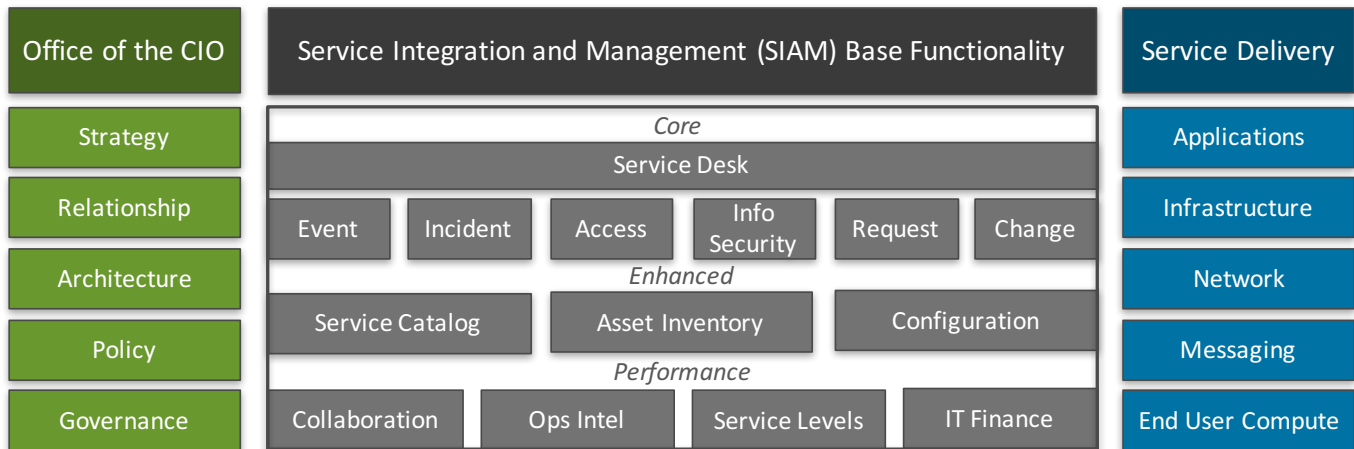
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SIAM Background and Core Capabilities

The SIAM model evolved as CIOs began to adopt multisourcing, breaking apart sole source bundled agreements and going to market to procure services at the functional tower level. Extracting cross-functional services and creating a SIAM overlay service made perfect sense. At that time, the cloud was conceptual and Everything-as-a-Service was unheard of. Today, the cloud is very real and the growing availability of on/off services like AWS and Office 365 has disrupted the industry. Multisourcing is now multitasking and agile integration is the key enabler.

The SIAM role provides services that have historically been provided either internally by the client or more traditionally by the external service provider as a part of the day-to-day operations and delivery of functional services (e.g., application development, server management, managed network services). Although Gartner identifies SIAM, or multisourcing service integration (MSI), as early mainstream in the hype cycle for infrastructure services, there is not an industry standard framework for the scope of services or delivery model. ITIL provides the common language but each instance of SIAM has historically been unique as the SIAM-as-a-Service market continues to evolve.

At a high level, Diagram 1 below illustrates a common framework of how the core functions and capabilities are allocated between the Office of the CIO, the SIAM layer, and the Service Components. The Office of the CIO has ultimate accountability of the IT products and services and owns the strategy, relationship management, technical architecture, policy, and governance functions. The Service Component teams perform day-to-day service delivery operational functions and have cross-functional responsibilities that integrate with the SIAM function. The SIAM role provides program management and coordination as well as select service delivery functions such as the service desk.

Diagram 1: SIAM Core Capabilities

Office of the CIO	Service Integration and Management (SIAM) Base Functionality	Service Delivery
Strategy	*Core* — Service Desk; Event, Incident, Access, Info Security, Request, Change	Applications
Relationship		Infrastructure
Architecture	*Enhanced* — Service Catalog, Asset Inventory, Configuration	Network
Policy	*Performance* — Collaboration, Ops Intel, Service Levels, IT Finance	Messaging
Governance		End User Compute

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The SIAM Value Proposition

Customer Needs and Challenges

IT organizations have sourced products and services for many years, supplementing their internal IT service delivery capabilities with external service providers. These sourced services range from staff augmentation to fully managed services. To mitigate single supplier risk and introduce competition, most organizations have evolved from single outsourcing relationships providing diverse services to multisourcing, procuring discrete services from multiple service providers. More recently, with the proliferation of cloud and XaaS offerings, enterprises have further disaggregated the service portfolio and have created best-of-breed services ecosystems.

This disaggregation has created the need for a SIAM layer as an operations, services, and business management platform to achieve seamless end-to-end service outcomes with a single point of accountability. This requirement is also growing among enterprises that use traditional IT services in conjunction with increasing use of cloud services, requiring a cloud service brokerage (CSB) aggregation component within SIAM.

Specifically, there are common challenges most enterprises encounter with multisourcing, including:

- **Speed to value** - Manual processes to onboard suppliers, services, and customers reduces agility and creates value leakage.

- **Integration** - Disparate management platforms force custom integrations that change with each upgrade or new supplier.

- **Transparency** - Unique metrics and dashboards across the provider supply chain prohibit assessment of overall performance.

- **Role clarity** - Unclear, inconsistent accountability due to variety of scope descriptions and performance measures.

- **Supplier lock-in** - Lack of common cross-functional framework creates barrier to plug-and-play service provider ecosystem.

- **Cost inefficiencies** - Potential duplication of services, assets, and licensing due to lack of holistic view of service landscape.

- **Administration** - Increased management overhead to ensure service quality adds significant cost to business case.

- **Hybrid cloud** - Complexity of orchestrated provisioning, deployment, and management of hybrid cloud services.

Benefits of Multisourcing with SIAM

The challenges of multisourcing are addressed with a well-designed SIAM function. The SIAM role allows an organization to drive service delivery around a common set of processes with a single party responsible for providing integration, visibility, and control back to the client. Key benefits of this model include:

- **Standardization -** Consistent processes and terminology across the supply chain ecosystem.
- **Choice** - Broaden the portfolio of services available through a controlled yet dynamic self-service marketplace.
- **Agility -** Greater flexibility to plug-and-play new suppliers into the SIAM ecosystem based upon performance.
- **Coordination -** Effective governance and controls consistently applied to facilitate integrated service delivery.
- **Transparency -** Data-driven insight of performance, effectiveness, and efficiency of external and internal service providers.
- **Speed -** Enabler of business innovation through accelerated time to market of services and improvements.
- **Clarity -** Single system of record coordinates efforts with clear accountability and reporting.
- **Savings -** Cost takeout as duplicative/unwanted efforts and "margin on margin" subcontractors are eliminated.

The SIAM function, delivered in-house or sourced as an extension of the client governance team, becomes an objective partner to manage services. The client benefits from this integration expertise by having an independent party enforce compliance of policies, processes, and procedures.

SIAM Evolution

The market is moving from the legacy outsourced managed service model to a cloud-based XaaS supply chain ecosystem. During this transition, CIOs are expected to manage bimodal environments – legacy and cloud – while ensuring the security of data and privacy. Standardization and automation are driving down price points and accelerating speed to value.

Given this shift in market capabilities and consumer expectations, the demands on CIOs will continue to increase to position their capabilities to become more agile and less dependent on manual tasks and oversight. In a world where the CIO is providing disaggregated compute, storage, backup, network, DR, security, applications, desktop, analytics and more, technology and automation must be carrying the heavy load with people and manual processes in subordinate roles. Green SLAs and successful steady state service delivery will always be important but the ability to turn up new services, suppliers, and customers with agility in a business model that works for all parties is now vital.

The SIAM service coordinates and integrate service delivery across the ecosystem - from order to fulfillment to customer care and through to billing and reporting. Although digital tools provide the core service automation platform, reducing the labor footprint, the SIAM service still requires a robust integration of people, process, and tools:

- People – A distinguishing feature of the Digital SIAM model is digital labor, the automation of many cross-functional services previously performed by internal or service provider personnel. That said, there are numerous functions that currently require some human labor, including service desk, major incident management, and systems integration and management. While the market continues to advance in self-help, "shift-left" service management capabilities that push resolution closer to the customer and lowers cost, a complete SIAM solution requires skilled professionals experienced at providing service integration and management services.

- Process – As orchestrator of multisourced services responsible for providing a seamless, end-to-end integrated experience to the customer, the SIAM service must develop, implement, train, communicate, store, and update the service management processes to ensure consistent delivery of quality services. As services continue to disaggregate across more providers, this role of process administrator becomes more important over time.

- Tools – Cloud-based service automation platforms with broad functionality and the ability to consolidate tools while providing a single system of record has changed the way SIAM services are delivered. The industry is rapidly moving from people running business processes supported by technology to technology providing the service supported by a thin layer of people.

Digital SIAM

An incremental evolution of a contractual framework is not the answer. The market has shifted to leverage cloud-based service automation platforms that make possible a next generation solution - Digital SIAM. With increased adoption of robotic process automation (RPA) and Internet of Things (IoT) there is an even greater boost to and need for digital integration and analytics. Key drivers and characteristics of the next-generation solution include:

- Consumerization of IT, creating a user experience on par with online retailers
- Enterprise IT shift from supplier of services to broker of supply chain ecosystems
- API enablement of provider, toolset, and dashboard integration
- Increased adoption of hybrid cloud and proliferation of SKUs and service bundles
- Increased cloud service brokerage needs
- Platform workflow collaboration, reducing email, text, and phone traffic

The Digital SIAM operating model leverages cloud-based platforms to seamlessly connect the enterprise consumer of IT goods and services with the entire supply chain ecosystem. The platform serves as a shopping marketplace and fulfillment engine as well as a service automation system underpinning service management, business management, and operations management. The SIAM operating model enables shared services organizations to serve their customers with more insights and agility and equip their sourcing management and governance teams with actionable information.

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A key element in facilitating this ability to be responsive to customer needs while maintaining cost competitiveness is the automation of the SIAM layer. As the number of services, customers, service providers, service levels, service desk contacts, assets, etc. continues to proliferate, large portions of the SIAM function must be provided through software versus labor.

As illustrated in Diagram 2 below, the SIAM operating model consists of four core capacities: Marketplace, Service Management, IT Business Management, and Operations Management. The high-level capabilities within each sub-domain are outlined below.
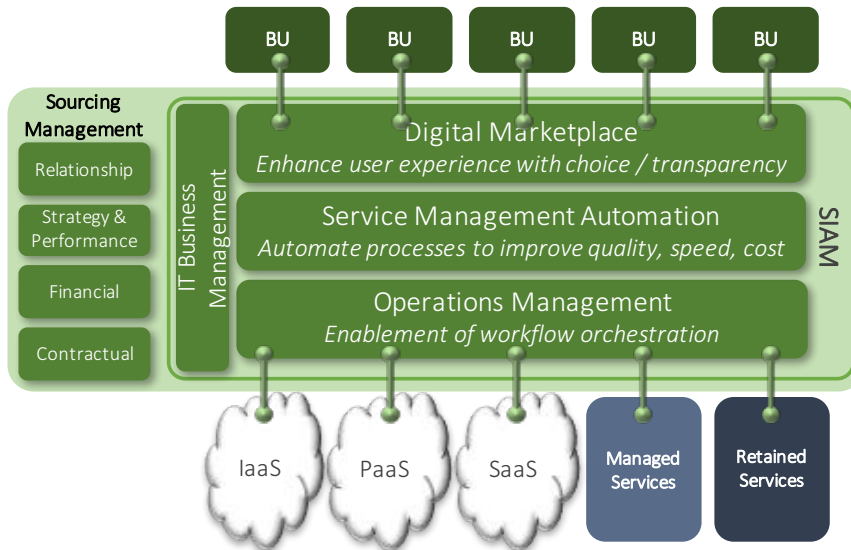
- **Increase Customer Satisfaction** through digitizing how works gets done and enabling transparency of services and data.
- **Leverage SIAM Investment** in a service automation platform to serve more customers and offer more shared service.
- **Increase Service Quality** through a plug-and-play operating model enabled by standardized processes and tools.

Diagram 2: SIAM Operating Model

The Digital SIAM operating model changes how ITIL functions are delivered. The automations of tasks, the consolidation of tools and associated reduction of reconciliation efforts, and the digital transparency of process and work flow enables the SIAM to provide more value within a reduced cost structure. The following capability upgrades highlight this ability to provide more analytics and insight as opposed to simply vendor oversight:

Digital Marketplace
Enhance user experience with choice and transparency

- Accessible service catalog with mobile access to order, approve, and view performance with near real-time analytics.
- Consumerized services experience from order through cash with integrated digital and contact center capabilities.
- Self-provisioning with a comparison of services and pricing by Service Provider and orchestration of direct cloud resource provisioning, including public cloud.
- Advanced service desk platform with automated agent, advanced remote control, and intuitive tools enabling premier IT service desk and constituent help desk operations.

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- Portal enabling customer and supplier digital collaboration, including access to SIAM systems, training, and process documentation

Service Management Automation
Automate processes to improve quality, speed, and cost

- Automated core ITIL functions, centralized communications, and a single system of record to enhance quality and increase speed to value.
- Digitally enabled change management including Digital CABs and the automation of low-risk frequently-executed changes initiated from the service catalog and pre-approved.
- Automated identification and validation of CI's and analytic dashboards to speed investigation and response.
- Responsive and proactive security operations management.
- Reactive and analytics-driven proactive problem management.

Operations Management
Enablement of self-provisioning and workflow orchestration

- Automated data quality management enabling accurate CMDB and more efficient identification of issues and restoration of services.
- Aggregation of events and automated responsive actions to increase service availability and operational agility.
- Enablement of self-provisioning and workflow orchestration.
- Integration of cloud services in the service catalog to initiate and manage cloud resource provisioning through a cloud resource orchestration system and collect and report cloud usage and billing in a dashboard.

IT Business Management
Optimize enterprise demand, costs, projects, and programs

- Cross-functional project management and enterprise program management.
- Performance analytics that improve services and processes with real-time workflow data to provide visibility of projects and tasks.
- Financial consolidation and transparency to generate supplier statements and customer chargeback, gain visibility into spending, connect costs to service usage, and align investment to business goals.
- Enterprise customer relationship management through metrics and data analytics that provide operational intelligence in assisting customers to make more informed consumption management decisions.

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Symbio Ecosystems

Symbio provides CIO advisory services with a focus on the integration and management of technology service ecosystems that create and capture new value.

We design, create, and deliver service integration and management (SIAM) and IT business management (ITBM) solutions that are highly automated to drive speed to value and create free market ecosystems of choice for consumers of IT. Our team is deep in strategy, technology, finance, service management, and change management. We deliver an experience and solution far beyond the contractual focus of a sourcing transaction – we operationalize the vision and deliver outcomes.

Our customers are commercial and public sector CIOs that provide IT shared services, leveraging internal and external service providers. CIOs engage with us to better integrate and manage the disaggregated services through more effective and efficient use of people, process, and tools that provide transparency into actionable, reliable data.

CONTACT US

Management Team

<u>Shaun Daly:</u> With a twenty-five-year foundation in IT finance and expertise in commercial structures that support complex IT service delivery relationships, Shaun has a passion for helping CIOs run IT as a business to ensure IT strategies successfully drive the objectives of the business.

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<u>George Assenheimer:</u> As a former CIO, COO, and CTO, George has spent his twenty-five-year career solving real problems to achieve tangible business outcomes. George is a change agent with expertise in SIAM and ITBM services and has been a linchpin in the evolution of the SIAM operating model.

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