

WHITE PAPER

Governing the IT Ecosystem

Leveraging Insight from IT Business Management (ITBM)



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The Service Integration and Management (SIAM) model addresses bimodal complexity, establishing an operating model supported by a commercial framework that enables a seamless end-to-end delivery model leveraging a disaggregated IT supply chain. As a service element within SIAM, ITBM provides financial and performance data integrity and transparency within a dynamic and rapidly evolving ecosystem of services and suppliers, facilitating a fact-based approach to IT governance in a world of fast moving parts.

Summary

Like corporate governance, IT governance is built on a framework designed to establish and evolve the strategic vision and provide decision-making forums to advance progress in the achievement of desired outcomes while addressing risk and change in the environment. As IT becomes an increasingly important element of the business strategy and the acceleration of technology innovation unfolds at unprecedented rates, effective IT governance is a critical success factor in every organization. The key enabler that provides IT governance with the confidence to make strategic decisions is accurate and timely information. The Service Integration and Management (SIAM) operating model provides the foundation for the IT governance framework, with IT Business Management (ITBM) as the core discipline ensuring quality data driving analytics and insight.

The Symbio 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 agility and equip their sourcing management and governance teams with actionable information and insight.

ITBM, one of four domains within SIAM, provides the people, process, and tools to effectively deliver IT financial management, performance management, and supplier management. ITBM is highly-automated for efficiency and timeliness and is established on a common data model that is the single source of truth for accuracy and trust. The operational intelligence generated from ITBM is presented in consumable and accessible dashboard formats. IT governance, including the operational-focused Sourcing Management layer, relies heavily on the information provided by ITBM to make sound decisions based on high-quality data and analytics.

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Governance Enablers: SIAM and ITBM

Multisourcing and the rapid adoption of cloud services and hybrid operating models that leverage retained, outsourced, and cloud services adds integration complexity but also repositions the CIO to become much more responsive and agile. The SIAM model addresses service integration complexity by establishing an operating model supported by a commercial framework that enables a seamless end-to-end delivery model. As a service element within SIAM, ITBM provides financial and performance data integrity and transparency within a dynamic and rapidly evolving ecosystem of services and suppliers, facilitating a fact-based approach to IT governance in a world of fast moving parts.

As illustrated in Diagram 1, the Sourcing Management organization leverages the operational intelligence provided by ITBM for insights to more effectively manage operations. Sourcing Management is the connector between Governance and the IT services ecosystem - analyzing outputs from ITBM, facilitating day-to-day management of the services, and informing Governance of high-impact issues. In this role, Sourcing Management has a core focus in four domains: Relationship, Strategy and Performance, Financial, and Contractual.

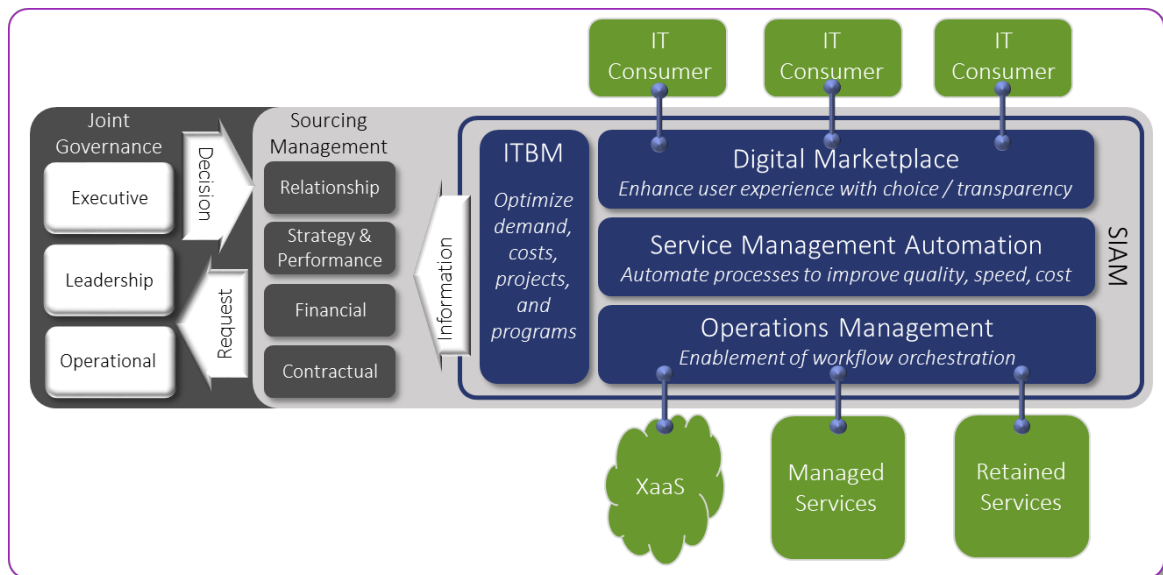


Diagram 1: Governance Leveraging ITBM within a SIAM Operating Model

As the daily governance stewards, Sourcing Management frames the discussion and solicits decision-making from the Joint Governance team, comprised of participants from IT, business units, and service providers. The Joint Governance body consists of three teams, each serving a unique role with clear decision-making responsibilities. The Executive Group is the highest governing body with overall responsibility for IT governance and strategy. The Leadership Group defines enterprise technology strategic goals and promotes their achievement. Operational Groups are the front line for addressing most enterprise issues that are not initially resolved between Sourcing Management and IT consumers and suppliers. The goal is to resolve enterprise issues and escalated consumer-specific issues at this level through consensus-based solution building efforts.

ITBM: Serving up Information

ITBM is a framework and discipline that enables organizations to run IT as a business, with decision-making based on reliable financial and performance data. Through a combination of people, process, and technology, ITBM equips the IT organization with total cost and consumption insights that better serve customers and corporate governance.

ITBM addresses the following challenges within IT organizations:

Data Quality: Capture, validate, and update IT resource data on a continuous basis to ensure real-time confidence in service consumption and cost.

Financial Integrity: Framework and tools to manage the IT portfolio, assess investment allocation options, and provide consumers with transparency and choice.

Service Clarity: Clearly define and publish IT products and services with service performance commitments and unit cost certainty.

Performance Insights: Service level management that establishes, measures, and reports meaningful performance indicators.

Consumption Management: A consolidated view of total IT consumption by business unit by service with supporting drill-down operational data creates actionable consumption choice and budget management tools.

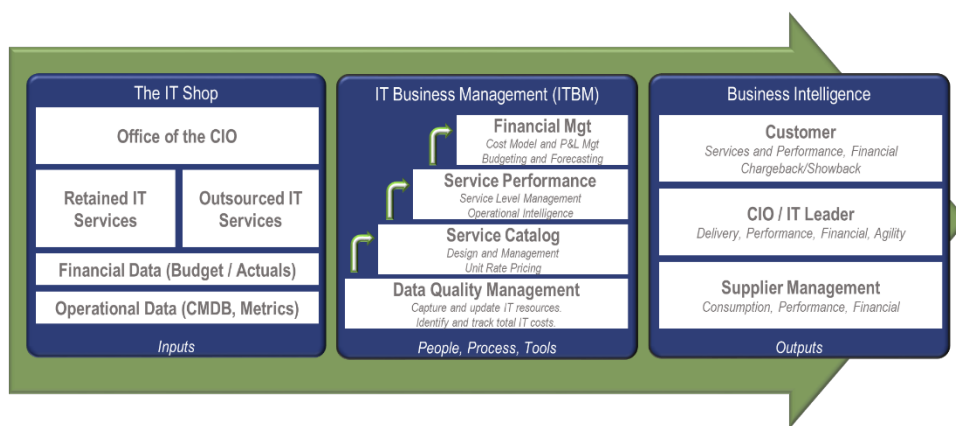


Diagram 2: The ITBM Framework

ITBM enables the CIO to run IT like a business, built on a core of data quality management that provides confidence in managing and reporting financial and operational performance to stakeholders. The service captures outputs from the IT shop and manages and presents the data as actionable business intelligence, as illustrated in Diagram 2.

Sourcing Management: Facilitate and Inform

The Sourcing Management function is responsible for designing, implementing, and managing the relationships with the suppliers of IT goods and services. Sourcing Management relies heavily on the insights provided by ITBM, leveraging the information to facilitate decision-making and ensure value is created on an ongoing basis. The core dimensions of Sourcing Management and primary responsibilities of each dimension are:

Strategy

- Service portfolio management
- Project portfolio management
- Sourcing strategy and lifecycle management
- Technology policy and standards
- Security policy and standards

Contract

- Contract compliance and deliverables
- Contract change requests and amendments
- Contract interpretations
- Document management and repository
- Supplier audit

Relationship

- Customer satisfaction
- IT consumer liaison
- Communications and forums
- Escalation management
- Issue tracking

Performance

- Service tower ownership and accountability
- Service level management
- Ensure technology standards compliance
- Project management, review, and approval
- Service consumption management
- Work prioritization

Financial

- Invoice verification
- Chargeback and dispute management
- Service consumption analysis
- Demand/affordability management
- Budget and forecast



Sourcing Management is the connector between Governance and the IT services ecosystem - analyzing outputs from ITBM, facilitating day-to-day management of the services, and informing Governance of high-impact issues.

Joint Governance: Strategy and Decision Alignment

A joint governance model involves the office of the CIO and IT consumers and suppliers at all levels in governance decision making, including as representatives on governance committees. The model focuses on resolving issues at the lowest possible level and driving for consensus-based solutions involving IT services, with an escalation process when consensus cannot be reached.

The joint governance model is a set of defined interactions, expectations, decisions, roles, and processes that guide the governance of IT. The model is designed to facilitate effective resolution of issues and enable strategic decision making, with active participation from all stakeholders as full members of solution groups.

The model is governed by the following key tenets:

- Establish business unit executives as leaders in guiding the IT services strategy
- Implement a decision-making model with business unit authority and accountability
- Resolve issues at the lowest possible organizational level
- Establish representative groups to resolve issues
- Formalize roles and responsibilities for strategy and issue management among stakeholders.

Central features of the joint governance model include the following:

- Business units engage directly with IT delivery personnel on operational issues and local governance functions and decisions
- Governance Operational Groups address exceptions, enterprise matters, and escalations from consumers and are decision-makers that serve a key communication role across the enterprise
- Sourcing Management assesses and route issues to the correct group

Executive, Leadership, and Operational Groups



The Executive Group is the highest governing body with overall responsibility for IT governance and strategy. The Leadership Group defines enterprise technology strategic goals and promotes their achievement. The Leadership Group also resolves enterprise IT issues escalated from the Operational Groups and makes critical enterprise IT decisions.

Operational Groups are the front line for addressing most issues that are not initially resolved between

Sourcing Management, delivery management and IT consumers and suppliers. The goal is to resolve enterprise issues and escalated consumer-specific issues at this level through consensus-based solution building efforts. Supplier representatives are fully participating members of the Operational Groups, excluding the Commercial Group and the Executive Group where they participate by invitation.

In addition, each group has responsibility for strategic decisions in their area of expertise, as described below.

Executive Group

- Define the strategic business direction of IT services
- Resolve business critical issues escalated from other groups
- Monitor implications of results for business performance
- Approve global business decisions governing the IT supplier ecosystem

Leadership Group

- Ensure strategic IT goals are achieved
- Approve the addition or deletion of services
- Approve critical IT-related decisions
- Approve and prioritize enterprise projects
- Resolve appeals from Operational Group decisions

Technology Operational Group

- Act as the technology steering committee for IT
- Approve technology standards (architecture/platform)
- Own the technology roadmap
- Resolve enterprise technology issues
- Identify, evaluate and recommend new and emerging technologies that may benefit IT

Transformation Operational Group

- Monitor transformation plans, milestones, and accomplishments
- Address and resolve escalated enterprise transformation issues
- Review lessons learned from completed transformation initiatives
- Drive collaboration and transparency between all parties

Service Delivery Operational Group

- Monitor trends in performance and problem management
- Oversee request and project prioritization methodology and process
- Consult on analysis of Customer Satisfaction Survey results and action plans
- Monitor SLA defaults and related Root Cause Analysis and corrective actions.
- Recommend service delivery and performance improvements
- Review and recommend changes to services, SLAs, and performance reporting to align with business requirements

Commercial Operational Group

- Review and solicit consumer perspectives on vendor contractual or financial matters
- Review and solicit consumer perspectives on proposed contract amendments
- Review financial trends and impacts associated with ongoing contract deliverables
- Review financial results realized from IT program and projects

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

Shaun Daly: 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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George Assenheimer: 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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