

## SERVICE MANAGEMENT AND DIGITAL TRANSFORMATION

*This is the fourth in a series of six postings looking at the impact of the new realm of service provision on the traditional way of managing services as per the ITIL framework.*

The postings cover:

1. Agile Methodology
2. DevOps and CI/CD
3. Cloud Computing
- 4. Digital Transformation**
5. Lean Thinking
6. Internet of Things (IoT)

### A brief explanation of Digital Transformation (As I understand it)

Digital Transformation is a whole lot more than putting your current processes online, and automating where practical. It is a total rethink about how an enterprise does business. It is first reviewing and simplifying (or even replacing) your existing processes, then automating where it delivers benefit to the organisation and the customer. It is about ALL processes within the organisation, not just the customer facing, service base processes.

Digital Transformation is a whole of the enterprise approach to modernisation, to remain competitive – efficient and effective. It is industry-agnostic, and starts with the business strategy, goals, challenges, customers and context. How can the new technology platform (Cloud, Big Data, Analytics, IoT, Social Media and Mobility) be applied to deliver a quantum improvement in service?

Consider Digital Transformation as

- Modernizing antiquated back-office manual processes (we all have them)
- A Business transformation that affects, and is affected, by the people (engagement and involvement)
- Requiring focus on the Customer, and Employee, journey and experience
- Enabling back-office (the engine that drives the organisation) to be as agile and flexible, as the front-office

I recently heard of a great new metric – Customer Effort Score (CES). How hard, or easy, is it for customers (and employees) to use your services. If your services (end-to-end) are too hard to use, then your competitors' services are 'only a click away'.

It is not good enough for the application entry to be fully automated, online and simple, when the outcome is a form which is processed by back-office the same old way, taking three weeks to get result – think home loan.

For any process, or interface between two areas, think about data sources for your services. Where does the data originate? What needs to be done to process this data? How do we get analytical processing as close as practical to the source?

Think about the processing applied to that data. Is it all required? Can we take some off the critical path? Can we perform some in parallel? What about lag time between steps?  
Getting into Lean Thinking now.

Within the business, develop the core capabilities across the various business areas.  
Consider:

- Business Activities and Functions
- Business Processes
- Business Models
- Business Ecosystems
- Business Assets
- Organisational Culture
- Partnerships and third-party interfaces
- People Empowerment

For an in-depth explanation, see [www.i-scoop-eu/digital-transformation](http://www.i-scoop-eu/digital-transformation).

Because Digital Transformation is enterprise-wide, the term is sometimes interchanged with Enterprise Service Management (ESM). Both are mutually supportive, and overlaps exist, but there are also differences between the two.

Digital Transformation is about improving processes, of all nature, that exist in the enterprise. Such processes may or may not be related to supporting services provided by the enterprise. Whereas, ESM is about applying service management practices to all of the services provided, not just those services of IT. ESM is ITIL beyond IT.

I always advise when implementing such a new approach, always start small, knowing what you want to achieve and how you will measure success. Whether it is Digital Transformation, or ESM, or both, begin with one or two ideal pilot projects.



## What does this mean to Service Management?

Digital Transformation has its biggest impact on Service Management in the Service Strategy and Service Design disciplines.

- What is the service?
- How is it currently being delivered?
- How are customers using the service?
- What are customers saying about it?

**Service Strategy** challenges us to decide if we have a good service. Should we introduce it because we know it will be popular? Modify / optimise the service to improve its value, or replace the service because the market to sustain it is no longer there?

Digital Transformation provides some direction and options regarding modifying and optimising. It also offers a new way of achieving the same service more effectively, leading to the 'replace' option.

**Service Design** looks at ways of achieving a better customer experience. Making the service easy for the customer to use, to provide more benefits in the form of information provided, or activities that can be performed, and to make it more reliable.

Digital Transformation moves to automate services, remove the human intervention, where practical, and have a self-sufficient service that the customer is in control of. Apply the Digital Transformation principles to design a better service.

Digital Transformation, and digital businesses (including organisation structures), are about the focus being on the end-to-end service and not on individuals, skillsets, siloes, etc.

**Service Level Management**, and its supporting disciplines of **Capacity**, **Availability**, **Continuity** and **Financial Management**, must be considered, and allowed for, when measuring and monitoring the performance of a service. This may include monitoring at a process level where an individual service is not directly attributable.

Digital Transformation based revisions of processes must accommodate monitoring capability for these **Service Delivery** disciplines. Does this monitoring add value for the customer? I suggest it does in the form of increased service reliability. If not, then your implementation of these ITIL processes may be missing their mark.

ESM is about applying the Service Management principles, as we have long known them, just applying them to non-IT services. Digital Transformation is about new ways of delivering those services.

Digital Transformation opens up a new way of thinking about how to deliver services. However, it must remain conscious of the Service Management principles, that will always apply, so as to maintain control, and get the greatest benefit from the transformation.