5 Steps to Achieve Successful Service Management

~Service Management Implementation Approach - the Drucker Way~

I  Introduction

Have you ever felt that ITIL® Service Management approach and Peter F. Drucker’s management approach have something in common?

In his book, "Management: Tasks, Responsibilities, Practices (Essential Version)", Drucker states that the purpose of a business is to create a customer, so a business must start out with the values, the needs, the expectations, the realities, the conditions, and the actions of the customer. This matches exactly with basic concept of ITIL® Service Management.

There are many other points in common between Drucker and ITIL®. To introduce service management in KVH, we took an integrated approach by combining these two management concepts, and implemented, not as just a framework for “administration,” but as fundamental principles for issues / problems and decision makings for “top management.”

Then finally, we decided to implement service management as a part of the corporate governance, taking 5 steps as shown below:

Step 1: Gaining top management’s commitment

Back in ITIL® V2 days, service management was positioned as an activity for improvement at a field level. In ITIL® V3, however, close relationship with business goals was established due to reinforced service strategy. Therefore, top management’s commitment and support are essential for successful implementation of service management.

Prior to the introduction of ITIL® V3 Service Management, we organized ITIL® V3 workshop for KVH management, to discuss how we can utilize ITIL® V3 to achieve our business goals.

As a result, it was decided at the Management Meeting, to incorporate a concept “to provide values to our customer’s business through IT services” into KVH mission and value statement, and to form a project to introduce ITIL® V3 Service Management, as one of the company Enabling Actions.
Step 2: Incorporating milestones necessary for management into a project

As ITIL® V3 Service Management has been incorporated to achieve the company mission and values, and the project has to proceed with management standpoints, we decided to take an approach with Drucker’s management theory.

Based on what Drucker defines, in "Management: Tasks, Responsibilities, Practices (Essential Version)", as the five basic operations in the work of the manager (Table 1), we decided to introduce ITIL® V3 Service Management as a management-driven project.

Table 1. Five basic operations in the work of the management (manager)

1) Setting objectives

In order to achieve KVH mission and values, we set an objective to build up a framework to enable us to objectively evaluate our current ability and to improve it continually.

2) Organizing

The organization change was conducted to ensure ITIL® V3 Service Management.

To be more specific; the organizations were renamed to align with the ITIL® V3 lifecycle stages, e.g., Service Strategy & Design Division, Service Transition Division, Service Operation Division, and so on.

This reorganization naturally clarified each division’s role and responsibilities, activities, and what/where to improve, as the division’s operation was defined based on the ITIL® V3 Core Books.
3) Motivating and communicating

Still, incorporating company mission and values is not enough to motivate employees. It is important for all employees to understand the goals. The CEO and every one of the top management members, full time employees, contracted employees, and temporary employees took a three-hour ITIL® V3 Basic training, which covered ITIL® V3 basic knowledge, the purpose of ITIL® implementation, and how ITIL® Service Management is related to achieving the company mission and values.

Furthermore, we created a term, “Service Element,” to define a concept for all of the touch points our customers recognize as being part of the service or service experience that we deliver to them. The training informed many Service Elements exist; for example, a tool used at an early stage of sales activity, various functions offered by using our core service infrastructure, invoices, reception desk at the office. (See Figure 1)

![Figure 1. Concept of Service Elements](image)

After the training, a comprehension test including the questions in Table 2 was conducted, so that all the employees can recognize their involvement with value provision to our customers through these Service Elements. Each employee was followed up based on his/her comprehension level, to ensure everybody fully understands the ITIL® framework.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>Q1. Why does KVH implement the ITIL® V3 framework?</td>
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<tr>
<td>Q2. How will the ITIL® approach contribute to completing the KVH mission?</td>
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<tr>
<td>Q3. What are the roles and responsibilities of your division / department / group, in terms of the ITIL® framework?</td>
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<tr>
<td>Q4. What is “Service” (Service Elements) in KVH terms?</td>
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<td>Q5. What service (Service Elements) will you provide?</td>
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Table 2. Purpose of ITIL® V3 Basic Training for all employees

To ensure all employees share the same values, this training has been implemented continually to all employees recruited after the training, including newly-hired employees, maintaining the 100% coverage ratio since last year.
4) Measuring

In order to evaluate if ITIL® V3 Service Management processes are operated effectively and efficiently and the process purposes and results are met from the top management’s point of view, we decided to introduce an assessment framework to evaluate process maturity. (Table 3)

Table 3. Top Management's Expectations on Assessment Framework

To fulfill the top management's expectations, we adopted “TIPA for ITIL®,” which is based on ITIL® V3 and the ISO standard of process assessment, ISO/IEC15504.

This assessment evaluates processes with 6 maturity levels, through interviews with process concerned parties and evidence checking. Also, SWOT analysis can reveal strengths, weaknesses, opportunities, and threats in processes and organizations, and draw what to improve in a tangible way.

“TIPA for ITIL®” provides all the necessary tools required for the assessment’s 6 phases (Definition, Preparation, Assessment, Analysis, Results Presentation, and Closure). Once we customize the tool for our organization, we can repeatedly use the tool for future assessments with minor modifications, and keep the continual service improvement cycles as well efficiently. (Figure 2)
5) Developing people

In addition to the afore-mentioned 3-hour ITIL® V3 Basic training for all employees, we conduct ITIL® V3 Intermediate certification training for employees who are responsible for achieving process purposes and/or objectives, like Process Owner, Process Manager, Service Owner., and ITIL® V3 Foundation certification training for employees who engage in processes. Employees who cannot spend 3 or 5 consecutive days for the training due to their work schedules can also choose an e-Learning training.

Making these essential five basic operations in the work of the manager from 1) to 5), we drew up a plan for a 1-year ITIL® V3 implementation project (Figure 3).

Step 3: Organizing the entire information flow as the 1st step of building processes

Rather than jump-starting to create each process details, we first organized “information flow” throughout the service lifecycle.

Let’s take a human body for example. Our body can maintain health as all the organs work in cooperation with each other. Even though the stomach is healthy and accepts food and drinks as much as possible, if the small and large intestines cannot digest them and absorb nutrition and water sufficiently, our body may actually get damaged by overeating. Similar to this example, service management will not be able to provide values consistently in the whole lifecycle, if each lifecycle stage process does not work in cooperation by understanding each other.

With this in mind, we first of all set an objective to define important information throughout the service lifecycle and make the inputs and the outputs flow smoothly between processes.

Considering managerial efficiency, we did not use all of the ITIL® V3 processes independently, but combined...
processes owned by the same Process Owner as one process. Furthermore, as Service Design phase and Service Transition phase proceed as a service development project in practice, we mapped activities and information required for ITIL® Process Management, on each phase of the project management. (Figure 4)

Figure 4. Interaction between Lifecycle, Processes, and Project Management (KVH version)

**Step 4: Building up employees’ leadership skills with systematic people development program**

As mentioned earlier, we promote building up the ITIL® V3 Service Management framework in order to provide customers values. We have found, it is not only the framework itself, but also human resource capable of providing values to customers is an essential success factor.

Considering a person who is capable of providing values to customers as a person who can show leadership, we created a people development program to build up not only ITIL® V3 and other technical knowledge and skills, but also personality with integrity, responsibility, honesty, consideration for others, to become a person with a balanced right and left brain.
As a training to build up the personality and enhance the right brain, “7 Habits®” training by Franklin Covey Japan Co., Ltd has been selected and will be provided to all employees. (Figure 5)

Each employee’s capability to act based on the “7 Habits®” should lead to continued successful results as expected on a long-term basis, both in his/her personal and business lives. And this success should eventually help the company to achieve its mission and values. (Figure 6)

Step 5: Incorporating into corporate governance
Corporate governance should consider both aspects of compliance and business efficiency. In order to think how we should monitor and control these two aspects, we first listed up two different methods; “audit” and “assessment” (Table 4):
Table 4. Differences between Audit and Assessment

As a result, we found that, audit is suited for “compliance,” and assessment is good for “business efficiency”, and decided to incorporate them into our corporate governance framework. (Figure 7)

![Diagram](image-url)
Document Management System specified in Figure 7 means documents to be continually managed in order to keep our business at which the governance is targeting, as its ideal situation. They consist of not only standards and rules, but also work processes, procedures, and records. Identifying documents to be managed eliminates works dependent on individual skills and guarantees work output quality.

In a top-down internal control by top management in terms of compliance, various audits monitor and control to ensure compliance with laws, internal rules and regulations, company missions and values, and investor policy, and manage risks.

This is an internal control framework to guarantee what must be achieved in business operations. On the other hand, for business efficiency, each of the ITIL® V3-based process manages its effectiveness and efficiency, and assessment monitors and controls quantitatively and qualitatively.

In ITIL® V3, Continual Service Improvement (CSI) manages process effectiveness and efficiency. In KVH, we have established a CSI promotional function, Service Management Office, which monitors and controls the process effectiveness and efficiency by not only assessments but also by regular service reporting.

II Summary

These are what we have implemented ITIL® V3-based service management taking the Drucker way of management approach. And the following is a summary of benefits we have seen and challenges we have faced so far.

1) Benefits and challenges - Assessment

Benefits: TIPA for ITIL® assessment based on ITIL® V3 and ISO/IEC15504 provides the processes’ ToBe model as a process assessment model. Also, ideal situation according to each process maturity level is provided for assessment interviews in a form of concrete question items. Therefore, the interviewees were able to systematically figure out both what they have achieved and not achieved, offered with an opportunity to understand what items must be improved. This led to proactive improvement activities by the interviewees.

Challenges: Some employees showed concerns for the assessment’s possible adverse effects to their performance evaluation, which we assumed could be an obstacle to exposing real issues/problems and making improvements. To get rid of their concerns, we took sufficient time to explain the purpose of the assessment and how we use the assessment results, and also provide an NDA (Non Disclosure Agreement) between the assessor and the assessed, to promise the information sources for the assessments will never be disclosed.

2) Benefits and challenges – Incorporating into Corporate Governance

Benefits: Employees involved with service management had recognized their work as a process activity. However, understanding their positions in the corporate governance framework helped them to take up their work from a long-range perspective of business activity, and gave them more motivations.
Challenges: When establishing a cross-organizational function, Service Management Office (SMO), we found it difficult to gain the top management's understanding about decision making authority the SMO function will own. To overcome the challenge, we consolidated the decision making authority over improvements accompanied by management resource changes to the top management.

3) Benefits and challenges – Systematic people development program

Benefits: After we have implemented the ITIL® V3 Basic training to all employees, a corporate culture has started to penetrate among them, to become more conscious of “values I can offer” and “purpose of my job”. The employees have accustomed to think of their own issues found in their daily work based on the ITIL® framework.

Although the “Seven Habits®” training has been so far taken only by some of the employees, it has already shown some promising signs of benefits to achieve effective organizational service management, by the participants’ comments such as, “The training has given me clues to solve various issues I have faced during communications in my daily work,” and “The training gave me an opportunity to change my behavior when associating with those who have different opinions from myself.”

Challenges: In order to make the awareness gained through the “Seven Habits®” training to become a common practice, we have trained internal trainers for Seven Habits and established a system to support to make the awareness become a common practice after the training.

4) Benefits and challenges – Organization Change to Align with ITIL® V3 Life Cycle

Benefits: If some issues or problems come up, the decision criteria (baseline) is based on ITIL® V3, which has reduced risks of confusion by a specific person’s opinion, or conflict of opinions.

Challenges: Some employees misunderstood ITIL® V3 as something to obey like the Bible and laws. We took an action to educate them that we do not have to blindly adopt all of what ITIL® V3 says, but it is important for us to take an approach to choose among its contents to achieve our own business objectives and customize the ITIL® V3 contents as required.

5) Benefits and challenges – Service Management Case Study Presentation

Benefits: We held a private seminar for KVH clients to introduce our service management implementation approach. We gained favorable feedback from the clients, with a comment that the presentation was informative in the clients’ own internal service management.

Challenges: Our service management implementation approach is merely a best practice in KVH. We found it quite difficult to customize the seminar contents for our clients, so that the presentation is not only a case study in KVH, but also it is made to lead to a certain benefit in our client’s businesses. To try to achieve that, we started with understanding our clients’ businesses and their expected results.
References:

- Stephen R. Covey, *The Seven Habits of Highly Effective People*, Published by Kingbear, 1996
- TIPA (Tudor IT Process Assessment) for ITIL® is a framework for service management process assessment, based on ITIL® V3 and ISO/IEC15504, the ISO standard for process assessment.
- ITIL® is a Registered Trade Mark of the Cabinet Office.
- TIPA® is an initiative of the Centre de Recherche Public Henri Tudor

Junji Obuchi

Senior Specialist
Service Strategy and Design
Systems and Technology
KVH Co., Ltd.

He is responsible for governance reinforcement, including business process re-engineering and compliance, and engaged in promoting ITIL®-based service management implementation.

As a KVH’s chief electrical communication engineer, he is also responsible for compliance issues in KVH regarding Telecommunications Business Law.

He is certified as ITIL® V2 Manager, ITIL® V3 Expert, and TIPA Assessor for ITIL®.