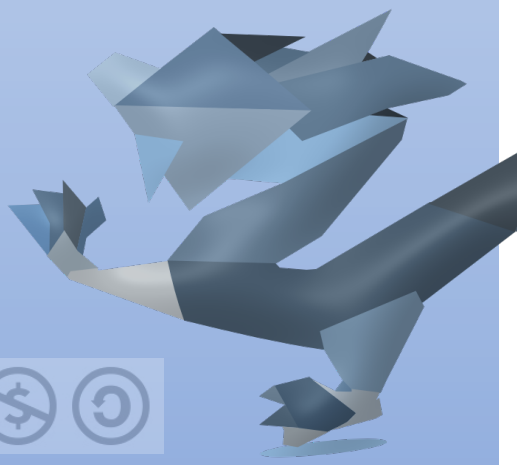
OPSATO

Business Led IT is growing, business functions are procuring IT services. IT and business relation should shift to the partnership model

The Service Operating Model

Why do we need to think about operating models?

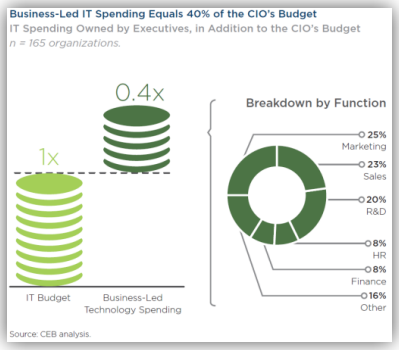
Dimitri Geelen



1 Service Operating Model

1.1 Why do we need to think about operating models?

What is happening: Business Led IT is growing, business functions are procuring IT services and building their own facilities to support these services. Not always without risk. <more about business IT>



Why is this happening: The cause of this bypassing behaviour is that the value that the IT function can add is not always clear and the therefore The IT Function is often not seen as an enabler for achieving business goals.

What is the danger: A Business Functions may not always be aware the control and operate requirements and as a result unwillingly expose our organisation to undesired security and reliability risks.

What can we do: IT and business relation should shift to the partnership model and away from the internal supplier / customer model. IT people can advise the business functions on the operational governance that is needed to be able to provide secure and reliable operations and help design an operating model that covers the service end to end. This nicely fits in with the Gartner Bimodal IT ideas[1]. A service can start as mode 2 and gradually, seamlessly move over to mode 1 as it matures.

1.2 Operating model Variants

The key goal is to manage risk. *Of course risk is acceptable, there is no perfect world but we need to ensure that risks and consequences are well understood, documented and accepted by the relevant stakeholders. The operating models below are there to help set a reference target state to work towards. Each indicates an ambition; they are not intended as a policy dictate.*

Start with formulating an ambition:

- **Aim for IT Operated – End to End Application & Infrastructure** >> If end-to-end IT operations of an application service by the IT Function is desired.
- **Aim for Business Operated –with IT Support for Technical Interfaces**>> If IT support is desired for the technical interfaces of an application that has integration with the organisations other systems and where the Service Provider contract is Business Owned.

[1] https://research.gartner.com/definition-whatis-bimodal?resId=3216217&srcId=1-8163325102

- **Aim for IT and Business Operated - Customized operate model (mix & match)**
  >> If a tailor-made operate model is required

Reference Model A	Reference Model B	Reference Model C
IT Operated – End to End Application & Infrastructure	**Business Operated – with IT Support for Technical Interfaces**	**IT and Business Operated - Customized operate model (mix & match)**
➢ **Suitable** for all Business Critical Services ➢ IT OPS is **fully accountable** for the operations of the service as per agreed service level objectives ➢ Only applicable when the Support Contract Holder can reside with IT OPS ➢ Selection Guidelines: choose this option if your application is business critical or has a high CIA rating.	➢ **Suitable** If you want support for an application that has **integration with other systems** and where the vendor contract is Business Held ➢ IT OPS is **not responsible** for **application** performance and support ➢ IT OPS is **responsible** for **supporting interfaces** that facilitate the integration into the organisations landscape ➢ Selection Guidelines, choose this option if there are Integration needs but IT Operations cannot be the contract holder or in case of BPO with Integration needs	➢ **Suitable** for applications where support performance needs to be tailored to a vendor contract or best effort is sufficient. Service delivered will be according to vendor contract terms and conditions. ➢ **Not suitable** for **Business Critical** applications ➢ Details of service scope, service performance and costs will need to be worked out during the project Phase. ➢ A customized support model can lead to (significantly) higher transition and Operational Expenditures. ➢ Selection Guidelines, choose this option if IT Operations cannot be the contract holder.

1.3 Operating Models and their process accountability*

Operating Model → ---------- Support Process ↓	IT Operated – End to End Application & Infrastructure	Business Operated – with IT Support for Technical Interfaces		IT and Business Operated - Customized operate model (mix & match)	
	Application & Interface	Application	Interface	Application	Interface
Request Mgmt	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
Incident Mgmt	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
Situation Mgmt	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
Problem Mgmt	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
Change Mgmt	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
Enhancement Mgmt	IT Delivery	IT Delivery	IT Delivery	t.b.d.	t.b.d.
Release Mgmt	IT Delivery	IT Delivery	IT Delivery	t.b.d.	t.b.d.
Service Level Mgmt	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
Configuration Mgmt	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
Supportability & Transition Mgmt	IT OPS	t.b.d.	IT OPS	t.b.d.	t.b.d.
Business Continuity/ Disaster Recovery	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
Software License Mgmt	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
(Vendor) Contract Management	IT OPS	Business	IT OPS	t.b.d.	t.b.d.
IT Control Ownership & Execution	IT OPS	Business	IT OPS	t.b.d.	t.b.d.

*Accountability means that the listed organization is end responsible for the operation and governance of the respective process. This does not per se mean that they are involved in the day to day operation of this process. Take incident management as an example. You can have a support model where this function is provided by a vendor and the Business is accountable. In this instance, we will utilize the support desk of the vendor, however the responsibility for SLA performance remains with the Business. The Businesses responsible for managing performance and escalation, When the contracted vendor does not perform according to expectations the Business is on point to step in and resolve the situation.

1.4 How to start the dialogue

Start with establishing the operate ownership aspiration: IS the application solution to be **operated by the IT Function?** In this scenario:

- the IT function will take end-to-end accountability for the secure and reliable operations of the application service
- the IT function needs to be the contract holder for the IT elements of a service. This is necessary for the IT function to be in a position to effectively manage vendor's contract performance

When the aspiration for the application service is to be **business operated,** make the expected benefits from this approach explicit and explore if these expectations can be validated.

Often a support model design session can help in discovering the areas of operate activities. It will help you gain insight on needed operational governance and identify the areas where the IT function can add value. Opsasto has facilitation material for such a session, look for "The Support Model Design Workshop" reader".

About OPSASTO

Organisations lose value because they have to spend their energy on managing issues long after the introduction of a new IT services. OPSASTO's Operational Readiness can prevent this. The core idea is to look at the individual ability of people to deliver what is expected and at the organisations' capability to support this. We use eight assurance areas to guide our efforts. The assurances areas are our navigation aid. They help us focus our attention where it matters, but they are not a dictate. Common sense prevails in OPSASTO. It is the team that makes it work and not the processes or tools. It is the team that needs to determine if they are capable and ready and not a process or a plan.

The OPSASTO approach is a write-up of good practices from my seven years at Shell as a Supportability and Transition Management Lead (S&TM Lead). S&TM started in Shell around 2008 after the formation of the Global IT Services & Application Management Group. S&TM was the response to the troublesome operation of several new global applications. Our aim was to get ahead of the game and engage early in the project/program to ensure in operational readiness. You could say that Supportability & Transition Management is a holistic blend of the combined Service Design, Transition and Operation ideas.

S&TM has now become a Shell enterprise-wide approach and has taken a prominent role in Shell's Project Delivery Framework. The tooling that I developed in the early years has been the basis for the development of the enterprise-wide toolset.

I'm making these materials available with the intent to help organisations and individuals to build valuable, people friendly services. Please feel encouraged to contact me for questions, suggestions and observations.