Why Customer Focus is NOT Service Management

By Janet Kuhn

Many IT Service Management practitioners preach that an IT department achieves IT Service Management (ITSM) by building Customer Focus into the culture of the groups who support the IT infrastructure. After all, isn't Customer Focus and Business Alignment what IT Service Management is all about?

As almost everyone now understands, IT exists to support the business in which it resides. However, while Customer Focus may be the key to IT Service Management, it stands hand-in-hand with two other elements – Process Orientation and Cost Optimization. The diagram below illustrates that the convergence of any two elements without the third leads to a 'danger zone,' or void in the capability to provide IT Service Management. To avoid these gaps, take a close look at the balance between these areas in your organization.

Can you unequivocally point to the ability to accurately capture costs, relate it to value to the business, and communicate it to the business? Do you not only have repeatable processes, but are you monitoring, measuring and remediating them to ensure they continue to deliver value? Finally, have you established strong ties with the business, so that there is a two-way conversation about the business' IT requirements and IT's capability to fulfill these requirements.

This DITY describes the signs that indicate deficiencies in these convergent points that inhibit your ability to fully practice IT Service Management. Repair these gaps, and you will be well on your way to successful IT Service Management.

Customer Focus without Process Orientation – Friendly People but No Results.

Some acquaintances have relayed stories to me about their encounters with various Help and Service Desks. The stories are usually the same. They navigated through a Service Desk maze in an unsuccessful attempt to restore some disrupted service.

They almost inevitably comment, though, "The Service Desk guy was really friendly." But their service was still disrupted, and they were still seeking the advice of friendly guys who were not all that helpful.

People skills are entry stakes for a career in a Service Desk. But all the friendly people in the world cannot overcome a lack of process.

Customer Focus without Cost Optimization – Failing to Relate to the Customer.

Consider a not-atypical Technical Manager. His heart is in the right place, but he fails to understand the difference between cost and value. He counters every complaint from the business with the words "they wouldn't let us spend the money to fix that problem."

Disregarding his petulant "they," let's look at what really happened. The Technical Services unit determined that a change in technology could improve a faltering IT service. They diligently gathered facts, interviewed vendors and

suppliers, and put together a technically sound proposal.
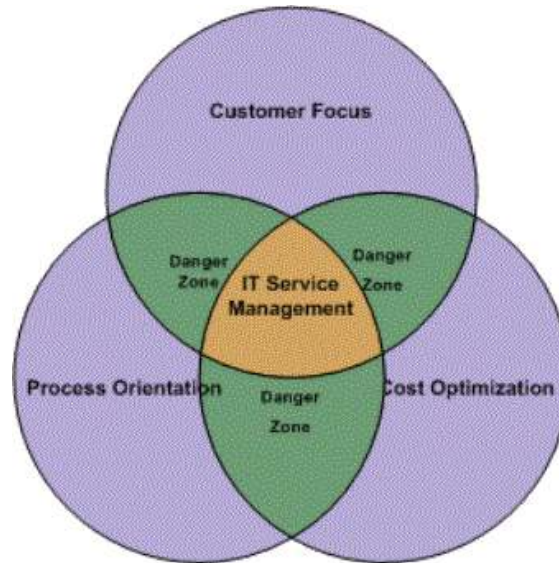
Convergent Elements of IT
Service Management

However, in no case does the proposal build a business case, or present the findings from the business' point of view. It focuses entirely on the acquisition of new technology, and completely fails to relate it to the value it would provide to the business. The budget approval team sees only the dollars and cents expenditure for the new technology – and no clear mandate for its contribution to the business.

Instead of a check, the Technical Manager receives the admonition to "work smarter with what you have."

Process Orientation without Customer Focus – Creating a 'Rules-Is-Rules' Environment.

In its quest to improve its service, there is a danger that an IT group can turn inward, focusing so much on fine-tuning its processes that it forgets to include the customer viewpoint. Often it is well meaning, such as pre-defining a Service Level Agreement in order to jump-start a fledgling Service Level Management process. It comes across, however, as a didactic, top-down directive from IT with no understanding of the customer environment.

In addition to perpetuating the perception that IT cares little about the business or customer experience, it expends resources to create and monitor Service Level Agreements that may provide little real value to the business.

Process Orientation without Cost-Optimization – Failure to Follow Through on Process Benefits.

Those organizations who create process with no regard to optimizing cost are cutting the benefits of a process orientation off at the knees by sliding past the processes that can define IT's value to the organization.

By failing to build processes and associated metrics that define value to the business, IT adds yet another stone in the fence separating it and the business and misses yet another opportunity to understand and act upon the value it adds to the business.

Cost-Optimization without Customer Focus – Failure to Look at Value.

Cost without customer focus moves IT ever closer to the sinkhole known as a "cost center." Until IT can relate its costs directly to business solutions, it remains strictly another cost that must be burdened by the business. Adding the

customer to the mix creates the ability to reform the cost into a value proposition.

For example, a service business managed an extremely successful enterprise whose underlying model depended on the number of repeat services performed – more services meant more revenue and more profits. Service counts, however, contributed very little to the IT infrastructure cost, which was driven largely by the number of physical sites operated by the business.

To forestall attempts by competitors who were actively luring nearby clients with more convenient service sites, the business decided to open an additional site in a section of town that was geographically closer to some of its clients. The number of services, and thus the revenue generated, did not increase, but the IT infrastructure cost did.

In fact, the increased IT cost represented only a small portion of the costs required to sustain a new site, but the business value of maintaining the client relationships far outweighed these additional costs. Earlier iterations of IT management had short-sightedly attempted to constrain these costs without turning their attention to the business value the additional investment was creating for the business.

Cost-Optimization without Process Orientation – Limits to Ability to Manage.

Attempting to manage costs without the benefit of underlying processes presents an almost Sisyphean task to IT. In a familiar, and often painful, scenario in all IT shops, it is budget time, and one of the technical managers is preparing his budget. There is a line item for hardware support, and his response is to request an Expenditures-To-Date report from the Finance department, extend it to encompass the remaining months in the current fiscal year, add 5% (or any other convenient factor), and, presto, he has completed his budgeting responsibilities.

The only problem is that his budgeted bottom line bears very little direct relationship to the business' plans for the forthcoming year. Moreover, in a further disconnect, the lack of understanding of the composition of the elements within the budget leads to an inability to react quickly should business' requirements change mid-year, or should there be a change in the vendor catalog or pricelist.

It Takes Three for Success.

There are no shortcuts to success in Service Management. It takes all three – Customer Focus, Process-Orientation, and Cost-Optimization – to provide Service Management. Look at your IT shop. Do the numbers add up? If not, bring the shortfalls up to the same level of quality as your stronger components. Then, and only then, will you be able to say, "Yes, I am customer-focused, process-oriented and cost-optimized, and I can offer IT Service Management to my business."