



# **Digital Service Management (DSM) For The Digital Enterprise**

**A Best Practice Approach for Managing, Securing and  
Improving an Enterprise Digital Service Portfolio**

**By**

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## Digital Service Management (DSM)

### Adopting and Adapting Digital Service Management Best Practices

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Three things are certain: first, **digital services** are now at the center of most businesses; second, business is a moving target, third organizations are under attack from those trying to steal the critical information companies rely on for daily business operations. The demand for coordination across supply chains, functions, markets, and geographies will continue to accelerate, and it will be impossible to respond to this challenge without driving new ways of thinking through corporate ranks.

Digital services are fundamental to corporate success, and digital service decisions, like all other business decisions, must consider both the value and risk the service will contribute to the customer experience. In light of this, a solid, sound business case for digital investments requires mature business, and risk judgment. Unfortunately, there are no shortcuts to developing maturity or to developing judgment – both take time and experience. There is only one way to gain traction in these circumstances and that is to apply the collective experience of all stakeholders in the pursuit and execution of a single customer experience strategy. In this case the integrated whole is definitely much greater than the sum of the individual parts.

In order to support this new digital service business model, enterprises must adopt and adapt a best practice approach to **Digital Service Management (DSM)**. The DSM program must be designed to deliver a proactive, collaborative and balanced approach for adopting and adapting the incremental improvements necessary to manage & improve the quality, risk and security of an enterprise digital service portfolio

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#### *Shaping the Future – Digital Service Management (DSM)*

Before an enterprise can adopt and adapt a DSM program, it must demonstrate three main characteristics; an unambiguous understanding of their customer's need, repeatable processes to ensure consistency of execution, and the ability to innovate in a structured manner.

In order to achieve an unambiguous understanding of the customer's needs, enterprises must, in a structured repeatable manner, define and categorize the enterprise process, technology and capability requirements. The next step is to compare these requirements to the existing environment to understand what it will take to achieve and manage the required capability. The provider must do this in the context of governance based on enterprise goals and achievement measured against expected outcomes.

Repeatable processes are required to ensure consistency of execution. This is critical because day-to-day business processes rely so much on embedded technology that failure to execute consistently directly impacts the enterprise's ability to deliver its products or services.

Finally, the enterprise must develop a utility grade delivery platform and process management model that is capable of supporting emerging utility based architectures and applications such as Real Time Infrastructure (RTI), Service Oriented Architecture (SOA) and Software as a Service (SaaS). The delivery platform provides the portal through which the enterprise receives its business enabling technology. The enterprise brokers those services irrespective of their source, internal or external. Therefore, the enterprise can deliver utility grade, business-aligned services as needed, and manage technology investments and innovation in a structured manner.

Underpinning all of this is the need for a model that helps identify what services need to be sourced internally and what services can be sourced

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externally. This model will provide the guidance the enterprise needs to classify the services and processes that are critical to quality service delivery and differentiation in the marketplace (See Figure 1). The internally sourced services are prime candidates for investment, as they are critical to the success of the business. The business may source other activities according to the capability of the enterprise using established sourcing policies and guidelines such as Carnegie-Mellon's eSCM capability model.

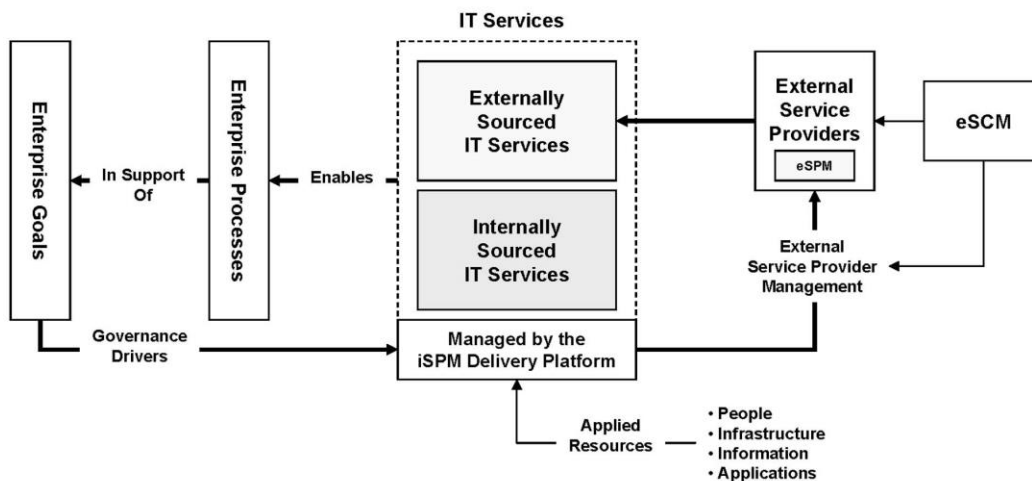


Figure 1

### *Frameworks, Methods & Standards*

In order to support this new DSM model, enterprises need to transform the traditional Business – IT paradigm from one focused on technological value to one focused on value delivered to the customer. This service provider paradigm encompasses widely accepted best practice frameworks, methodologies and standards focused around managing the cost, quality,

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compliance, security, risk and business continuity of the organizations digital services portfolio.

Today, enterprises are presented with a wide variety of service management options (See Figure 2) each being promoted as the “silver bullet” to enabling the secure agile enterprise. Over the years, frameworks such as ITIL®, CobiT, PMI Body of Knowledge (PMBOK), and most recently the NIST and RESILIA™ frameworks for cyber security have been combined with methodologies like Prince 2 and standards like ISO 20000, 27001 etc. as the solutions to the problems facing modern enterprises in terms of DSM.

When examined carefully, one discovers that there is significant overlap between these frameworks, models and standards. So, while created from different viewpoints, they all address a similar set of enterprise business problems. The end result is a mish-mash of framework’s, methods and standards designed to support the end game of a delivering a proactive, collaborative and balanced approach for managing, improving and securing an enterprise digital service portfolio.

#### *itSM Solutions DSM Model*

The itSM Solutions DSM model integrates six best practice areas in support of enabling a DSM program (See Figure 2).

<b><u>DSM Capability</u></b>	<b><u>Framework, Method or Standard</u></b>
Service Management	ITIL® Framework
Governance	Cobit Framework, ISO 38500
Security Management	NIST Framework, ISO 27001

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Risk & Resiliency Management	RESILIA™ Framework, ISO 31000
Quality Management	Lean Six Sigma Methodology
Project Management	PMI Framework, Prince2 Method

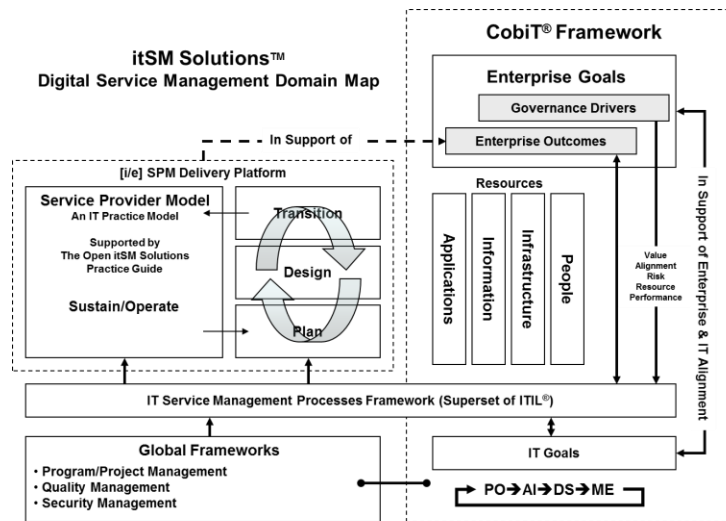


Figure 2

ITIL's® **Service Management framework** provides guidance and certification trainings on what enterprises should be doing to proactively manage and improve its digital service portfolio in terms of **cost, quality and continuity**.

itSM's **Apollo 13 simulation** and **Grab@Pizza** simulation help translate ITIL theory into practice. The Apollo 13 game focuses on operational processes (Service Desk, Incident, Problem, Change, and Configuration Management) while Grab@Pizza focuses more on aligning IT with the business strategic, tactical and operational processes.

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**COBIT Governance framework** provides guidance and certification trainings on what enterprises should be doing to proactively manage and improve its digital service portfolio in terms of **compliance with organizational risk controls**.

itSM's **Grab@Pizza** simulation can be used to demonstrate the value of using COBIT to align business and IT decision making. This simulation can be played with both business & IT decision makers. Delegates can use COBIT as an assessment and improvement instrument between simulation rounds.

**NIST Cyber Security framework** and the **RESILIA™ Cyber Risk framework** provides guidance and certification trainings on what enterprises should be doing to proactively manage and improve its digital service portfolio in terms of **information security, risk management and business resiliency**

itSM's **Oceans99** simulation can be used to create board room decision making awareness, as well as broad awareness with both IT and non-IT staff on the importance of 'behavior' and 'discipline' as well as how to translate security and risk theory into practice.

**Lean Six Sigma methodology** provides guidance and certification trainings on what enterprises should be doing to proactively manage and improve its digital services portfolio in terms **quality**.



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itSM's **Carworks** simulation can be used to understand how applying lean practices can improve service quality that is focused around the voice-of-the customer.

**PMI's PMP and Prince 2 Project Management framework and methodology** provide guidance and certification trainings on how enterprises can improve the success of its digital service projects by using knowledge and techniques that tie project results to business outcomes.

itSM's **Challenge of Egypt** simulation can be used to help translate theory into practice in a project environment. The teams apply practices to manage the building of a pyramid, as well as deal with project risks and scope changes. This simulation can also be played to support and enable 'agile' project management ways of thinking and working.

#### ***itSM Solutions – DSM Training & Mentoring Program***

Listed below is a five phase approach to acquiring the best practice certification trainings and skills to adopt and adapt an enterprise DSM program. As part of our program we use a series of interactive **business simulation games** to help management and stakeholders visualize how these best practices deliver value to an organizations day-to-day business planning and operational activities.

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#### *Phase 1 – Securing Executive Commitment DSM Executive Training Services*

Organization Role	Objective	Training Programs
CEO, CFO, CIO, CISO CRO, CCO, PMO Director, SMO Director, Governance Director	To help the executive team understand the benefits associated with adopting and adapting a DSM program	DSM Executive Overview DSM Executive Simulations

itSM's DSM executive training and simulation services are designed to help the executive team to:

- **Understand** the benefits of adopting an DSM program
- **Secure** funding for the DSM program
- **Select** a leadership team to drive the DSM program

#### *Phase 2 – Selecting the Leadership Team DSM Leadership Training Services*

Organization Role	Objective	Training Programs
Process Owners, Service Owners, Change Mgrs. Operation Mgrs. CSI Mgrs. Business Analysts	To help the leadership team acquire the knowledge and skills to develop an actionable DSM plan	ITIL® Training RESILIA Training Prince 2 Training NIST Training Cyber Security Training Planning to Change Workshop Assessment Workshop Simulations

itSM's DSM leadership training and simulation services are designed to help the leadership team acquire a systemic structure for thinking and planning and the skills to:

- **Become** thought leaders for the DSM program
- **Identify** and document DSM GAPS
- **Organize and Condition** the enterprise for DSM

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#### ***Phase 3 – Conditioning the Enterprise DSM Awareness Training Services***

Organization Role	Objective	Training Program
All IT staff, senior leadership, stakeholders and supply chain partners	To help condition the enterprise for DSM change through a series of online awareness and simulation trainings	DSM Awareness DSM Simulations

itSM's DSM enterprise training and simulation services enable the enterprise business stakeholders and supply chain partners to:

- **Understand** the DSM program and its value to the organization in terms of improving the quality, risk and security of an enterprise digital service portfolio

#### ***Phase 4A – Empowering the Enterprise DSM Information Technology Training Services***

Organization Role	Objective	Training Programs
1st Line Mgrs. Process & Service Owners Architects & Strategists Operation & System, Analysts Business & Quality Analysts Program & Project Managers Operation & Change Mgrs. Service Level & CSI Mgrs. Tool Administrators	To provide the DSM practitioners the knowledge and skills to plan, design, implement, operate and improve a DSM program.	ITIL Foundation & Practitioner ITIL Intermediate RESILIA Foundation RESILIA Practitioner Prince 2 Foundation Prince 2 Practitioner ISO 27001, ISO 31000 Cyber Security Training Mentoring Workshops Simulations Security User Awareness

itSM's DSM information technology training and simulation services will enable the IT organization to acquire the knowledge and skills to:

- **Plan, Design, Implement, Operate and Improve** a DSM program

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#### ***Phase 4B – Empowering the Enterprise DSM Stakeholder & Supply Chain Training Services***

Organization Role	Objective	Training Programs
Business Stakeholders Supply Chain Partners	To provide basic cyber awareness training to all business stakeholders and supply chain partners	Simulations Security User Awareness

itSM's DSM enterprise training and simulation services enable the enterprise business stakeholders and supply chain partners to:

- **Learn** the techniques cyber criminals are using to break into networks
- **Understand** the results of poor cyber practices

#### ***Phase 5 – Institutionalizing with Human Resources (IHR) Building HR Policies, Procedures and Career Pathway Programs***

Organization Role	Objective	Activities
HR Manager	To establish HR policies and procedures for training new employees in a career pathway for existing employees practicing DSM	Setup both eLearning and role-based Blended Learning DSM best practice training solutions for new and existing employees

itSM's HR DSM trainings help HR departments to:

- **Establish** policies and procedures for training new employees
- **Identify** career pathways for existing DSM practitioners.

#### ***Summary***

Three things are certain: first, IT is now at the center of most businesses; second, business is a moving target, third organizations are under attack from those trying to steal the information companies rely on for daily business operations.

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The itSM Solutions **Digital Service Management (DSM)** model provides a cost effective and manageable way for enterprises to adopt and adapt the incremental improvements that will enable a proactive, collaborative and balanced approach for managing and improving the quality, risk and security of an enterprise digital service portfolio.

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#### *About itSM Solutions LLC*

Founded in 2002, itSM Solutions LLC is the creator of Enterprise Service Management (ESM) model, a unique and effective approach for the integration and operation of well accepted best practice frameworks, methods, and standards as part of the enterprise or mission value chain. The ESM suite of training, certification, mentoring and staffing solutions provide a prescriptive approach for the adoption of ESM best practices by helping organizations adopt a systemic structure for thinking when planning, designing and deploying IT Services and the skills and staffing to operate as an IT service provider integrated into the enterprise value chain.

#### *About the Authors*

**David Nichols** is the President and CEO of itSM Solutions LLC, an ITSM consulting and training company. He has over 25 years experience in Information Technology. As an early adopter of the IT Service Management processes as described in the IT Infrastructure Library (ITIL), he has utilized his hardware and software engineering background as a foundation for implementing sweeping changes in how IT Services are delivered at several fortune 100 companies in the US. Working closely with the executive management teams, David has helped the strategic goals of the IT organization with those of the company and develop a more effective IT Strategy. Strategies that are customer focused, process-oriented and cost/performance optimized, and help business and IT organization establish the value of IT Services. David holds ITSM Service Manager certification.

**Rick Lemieux** is a managing partner and the Vice President of Business Development. He is responsible for overseeing the company's Sales, Marketing & Business Development programs. Rick has been involved in selling IT solutions for the past 33 years. Prior to itSM, Rick, an early proponent of ITSM and ITIL, led the Sales and Business Development teams at software companies focused on automating the best practices guidance outlined in ITIL. Rick holds a Foundation Certificate in IT Service Management and was recently identified as one of the top 5 IT Entrepreneurs in the State of Rhode Island by the TECH 10 awards.