



Enterprise Service Management (ESM)

Adopting and Adapting the Best Practices Programs to Survive and Thrive in the Global Digital Economy

An itSM Solutions® LLC White Paper™

This paper describes a five phase approach to adopting and adapting the most widely used best practice frameworks, methodologies and standards to manage and continually improve the Cost, Quality, Compliance, Security, Risk and Business Continuity of an organizations cyber service portfolio.

By

David Nichols & Rick Lemieux

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itSM Solutions LLC
31 South Talbert Blvd #295
Lexington, NC 27292
Phone (336) 499-7016
Fax (336) (336) 499-1172
Web <http://www.itSMSolutions.com>

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Three things are certain: first, **Cyber 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.

Cyber services are fundamental to corporate success, and cyber service decisions, like all other business decisions, must consider both the value and the risk the new service will deliver to the business. In light of this, a solid, sound business case for cyber investments requires mature business, and cyber 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 corporate strategy. In this case the integrated whole is definitely much greater than the sum of the individual parts.

In order to support this new cyber services business model, enterprises need to adopt and adapt enterprise service management (ESM) model focused around managing the cost, quality, compliance, security, risk and business continuity of an organizations cyber services portfolio. The following attributes depict the transformation organizations must complete in order to support a cyber services business model.

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| Technology Focused Services | <i>becomes</i> | Business Focused Services |
|------------------------------------|----------------|----------------------------------|
| Technology Focus | → | Process Focus |
| "Fire-Fighting" | → | Preventative |
| Reactive | → | Proactive |
| Users | → | Customers |
| Centralized, Done In-House | → | Multi-Sourced |
| Isolated, Silos | → | Integrated, Enterprise-Wide |
| "One Off", Ad Hoc | → | Repeatable, Accountable |
| Informal Processes | → | Formal Best Practices |
| IT Internal Perspective | → | Business & Risk Perspective |
| Operational Specific | → | Service Orientation |

Table 1

Shaping the Future – Enterprise Service Management (ESM)

Before an enterprise can adopt and adapt an ESM 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

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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 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.

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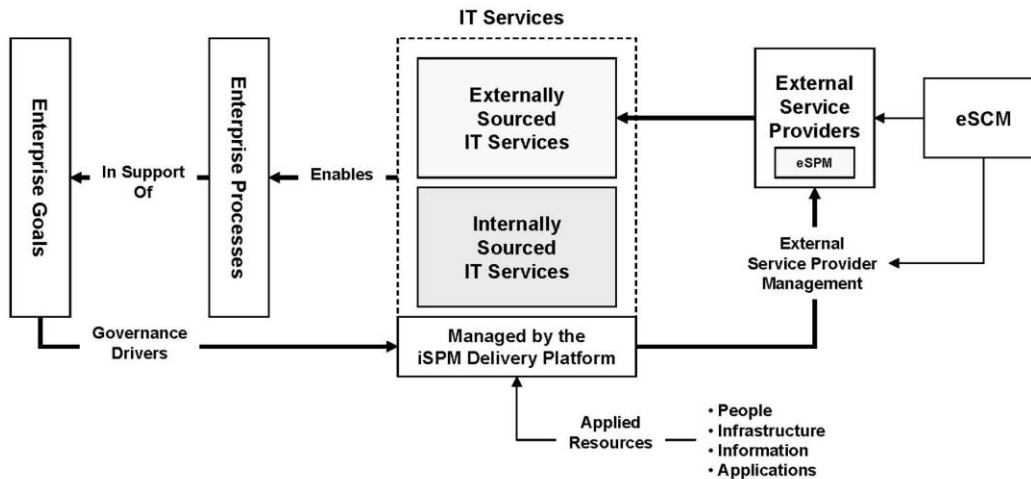


Figure 1

Frameworks, Methods & Standards

In order to support this new ESM model, enterprises need to transform the traditional Business – IT paradigm from one focused on technological value to one focused on service value. This service provider paradigm encompasses widely accepted IT best practice frameworks, methodologies and standards focused around managing the cost, quality, compliance, security, risk and business continuity of the organizations cyber services portfolio.

ESM as we know it is more than just the processes described within the IT Infrastructure Library (ITIL). ESM requires the coordinated design and management of several widely accepted frameworks, standards and methods as part of an enterprise service management system..

Today, enterprises are presented with a wide variety of service management options (See Figure 2) each being promoted as the “silver bullet”

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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, ISO 20000, 27001, 31000 and 38500 as the solutions to the problems facing modern enterprises.

Why are there so many frameworks, methods and models? Good question; and the only answer that makes sense is that each addresses a particular set of problems from the viewpoint of its creator. In other words, each of these is a nail to someone's hammer.

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, models and standards designed to support the end game of an ESM organization delivering digital solutions aligned with the needs of the enterprise.

itSM Solutions Enterprise Service Management (ESM) Model

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

| <u>ESM Capability</u> | <u>Framework, Method or Standard</u> |
|------------------------------|---|
| Governance | Cobit Framework, ISO 31000 |
| Service Management | ITIL® Framework |
| Project Management | PMI Framework, Prince 2 Method |
| Security Management | NIST Cyber Security Framework |
| Risk Management | RESILIA™ Cyber Risk Framework |
| Quality Management | Lean Six Sigma Methodology |

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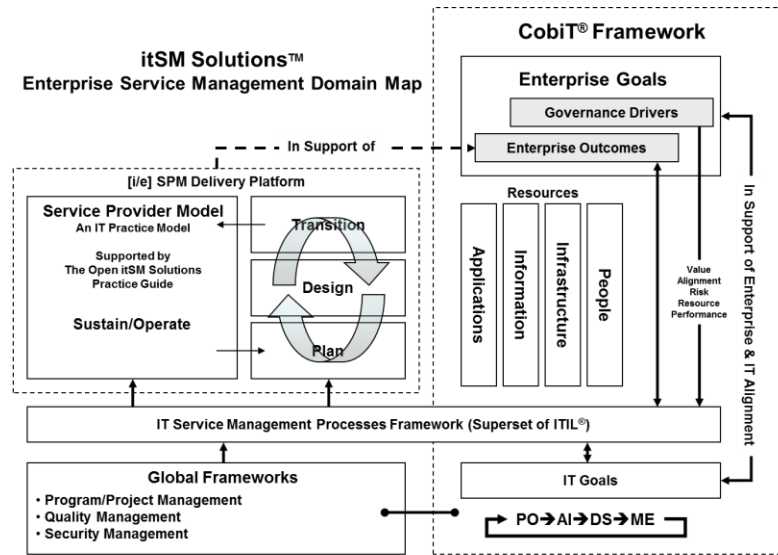


Figure 2

CobiT provides the context for the reference model integration. Its 34 processes provide the high-level framework to govern the planning and organization of IT resources in support of organizational business goals.

ITIL® provides a lower level framework describing the process controls and monitoring capabilities required to enable an enterprise service management program.

When combined, CobiT and ITIL should be viewed as descriptive frameworks that address what an enterprise should be doing to enable the organizational capability of ESM. CobiT and ITIL also provide guidance on other frameworks, methodologies and standards that fill out the remaining pieces of an effective enterprise service management program.

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itSM Solutions ESM Lifelong Training and Mentoring Services

itSM's approach to ESM teaches organizations how to manage and continually improve its digital service portfolio in terms of service cost, quality, compliance, security, risk and continuity.

itSM ESM training and mentoring programs deliver a systemic structure for thinking and planning along with the knowledge, skills and guidance to:

- **Secure** management commitment and funding for the program
- **Select** a core leadership team that will create actionable ESM plans using well accepted frameworks methods and standards
- **Condition** the enterprise for the adoption of this new organizational capability
- **Empower** the organization for the adaption of this new capability the organizations multi-source operational environment.
- **Institutionalize** the program with Human Resources to ensure its success into the future.

Phase 1 focuses on securing the funding for the program by educating the executive team on the value ESM brings to an organization in terms of managing service cost, quality, compliance, security, risk and continuity. Target audience, objectives and training programs include:

| Organization Role | Objectives | Training Programs |
|---|---|---|
| CEO, CFO, CIO, CISO CRO, CCO, PMO Director, SMO Director, Governance Director | This set of programs will help the executive team better understand the benefits and value of adopting an ESM best practice program | IT Best Practice Executive Overview IT Best Practice Executive Simulations |

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Phase 2 focuses on selecting and training through a series online, advanced blended learning trainings and mentoring workshops the ESM leadership team that will participate in the organization assessment and creation of the ESM plan. Target audience, objectives and training programs include:

| Organization Role | Objectives | Training Programs |
|--|--|--|
| Process Owners, Service Owners, Change Mgrs. Operation Mgrs. CSI Mgrs. Business Analysts | This program will train and certify at the Expert level the leadership team of the ESM best practice program. These key contributors will assist in developing the roadmap plus become the primary thought leaders and evangelists for the ESM best practice program | ITIL® Training RESILIA Training Prince 2 Training NIST Training Cyber Security Training Planning to Change Workshop Assessment Workshop Simulations |

Phase 3 focuses on conditioning the organization for ESM change via a series of online training and mentoring solutions. Target audience, objectives and training programs include:

| Organization Role | Objectives | Training Program |
|---|--|--|
| All IT staff, senior leadership, stakeholders and supply chain partners | This program will provide basic training and certification for those who will play passive and active roles in an ESM program. This certification will also provide a portion of the student population the base certification they need to advance to phase 4 specialist training | Passive Roles ITIL Awareness RESILIA Awareness Active Roles ITIL Foundation ITIL Simulation RESILIA Foundation RESILIA Simulation |

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Phase 4 focuses on empowering the organization for ESM change via a series of online, advanced blended learning training and mentoring workshops. Target audience, objectives and training programs include:

| Organization Role | Objectives | 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 | Gain hands on specialist capabilities in ESM best practices | ITIL Foundation & Practitioner ITIL Intermediate RESILIA Foundation RESILIA Practitioner Prince 2 Foundation Prince 2 Practitioner IIBA Business Analysis ISO 27001, ISO 31000 Security User Awareness Cyber Security Training Mentoring Workshops Simulations |

Phase 5 focuses on institutionalizing the ESM program with Human Resources so the organization has a program to train new hires and to promote those practicing ESM. Target audience, objectives and training programs include:

| Organization Role | Objectives | Activities |
|-------------------|---|--|
| HR Manager | Establish new HR Policies in the areas of recognition, rewards hiring, promotions & role based career development | Setup both eLearning and role-based Blended Learning ESM best practice training solutions for new and existing employees |

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. The demand for coordination across supply chains,

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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.

The itSM Solutions five phase approach to ESM enables enterprises to too acquire the knowledge and skills to adopt and adapt the global best practice frameworks, methodologies and standards to manage and improve the Cost, Quality, Compliance, Security, Risk and Continuity of its digital service portfolio.

itSM Solutions lifelong learning and mentoring programs deliver a systemic structure for thinking and planning along with the knowledge, skills and guidance to:

- **Secure** management commitment and funding for an ESM program
- **Select** and develop the leadership team that will drive the ESM program
- **Condition** stakeholders for the adoption of the ESM program
- **Empower** stakeholders with the skills to adapt the ESM program across the enterprise
- **Institutionalize** the program with Human Resources to ensure the ESM program's success well into the future

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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.