

Service Integration

Making business sense of a complex and evolving IT landscape

Businesses have recognized the value of IT Outsourcing for years. Moving the operational responsibility for IT provision to specialist organizations can drive significant cost savings. However, as businesses seek to gain maximum value from their outsourced services, the challenges of managing sophisticated IT supplier frameworks increase.

“Simply put, successful multisourcing requires establishing end-to-end visibility, reporting and accountability for services that are delivered by multiple suppliers.”

Forrester Research Inc, “Building the Service Integration Layer in Multisourcing”, Bill Martorelli, 28 September 2011.

The key to a successful outsource strategy is a well integrated and managed service, governed by mutually agreed business objectives and industry-defined standards, and managed by a team typically consisting of business and service integrator representatives. Service integration is the implementation of processes, tools and SLAs to ensure the commercial and operational interoperability of multiple IT service providers to one organization.

Typically, services are delivered as discrete service elements or “towers” that each function as a single service. Increasingly, businesses are using service integration to create

a best-of-breed set of capabilities within a multi-sourcing environment, for transparency of services and for increased control over suppliers.

Value to your business

Service Integration is the glue that enables the successful management of the IT enterprise. It is the critical component that can unify the delivery of consistent, quality IT service in today’s globalized outsourcing model. Capgemini service integration capability provides direction and value.

People matter, results count.

The Benefits of Service Integration

The service integrator provides a service “hub” to which the individual service providers connect.

The “hub” reduces overall costs thanks to:

- Centralized coordination and monitoring of ‘best-of-breed’ suppliers for greater overall service quality and control
- Centralized continuous improvement for institutionalizing innovation
- Benefits of a modular solution for the business to invest or divest with less complex IT implications.

Why does Service Integration matter?

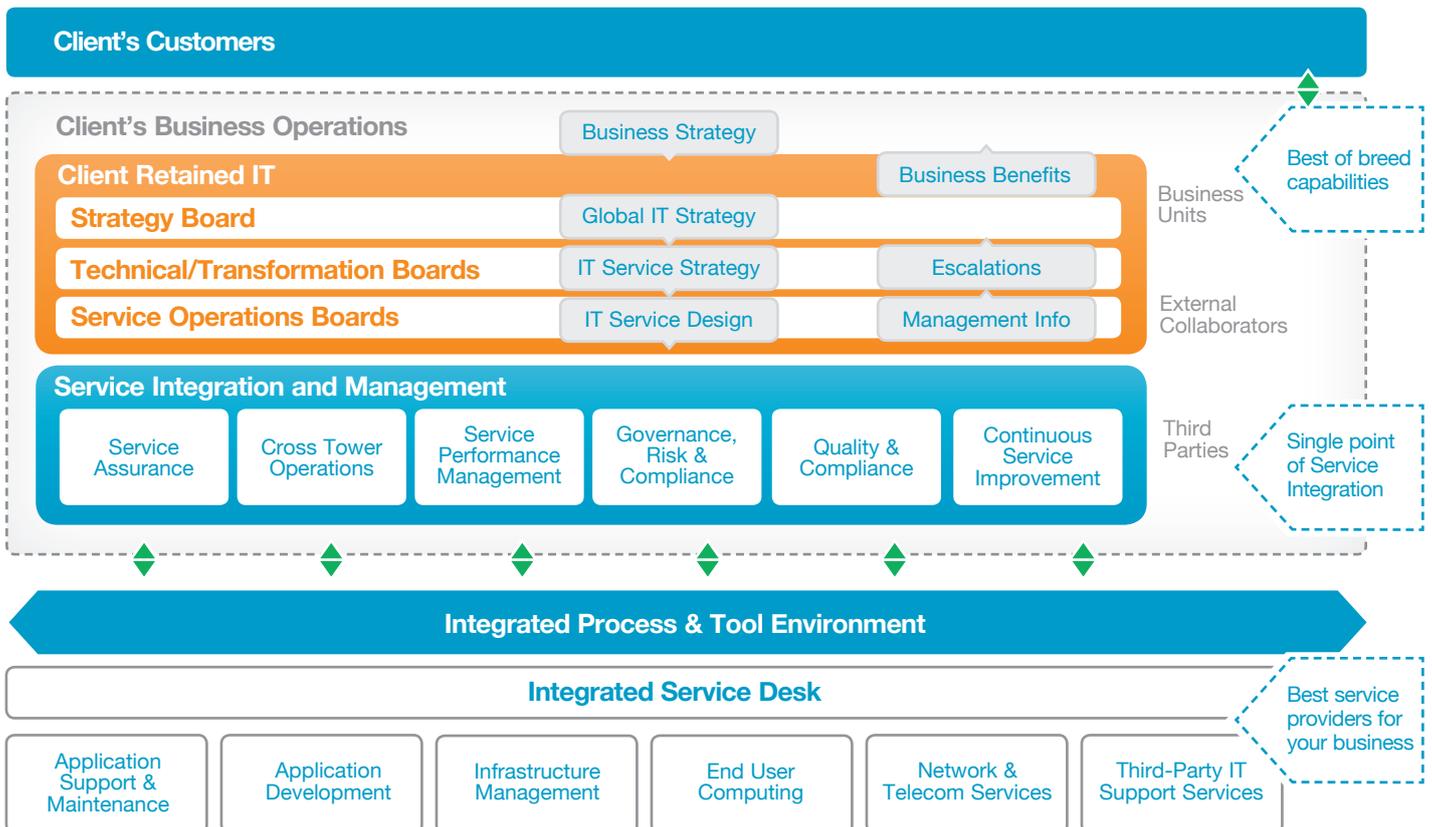
Service management has been a pertinent topic for years but historically only as a component of single-source outsourcing contracts. However, a ‘perfect storm’ of (1) a trend towards multi-sourcing and distributed services, (2) the broadening of the ITIL framework, (3) cloud and pay-as-you-go (PAYG) utility services, and (4) the redefinition of the CIO role in a business context has introduced greater strategic choice and a more complex IT service environment in need of a new governance model.

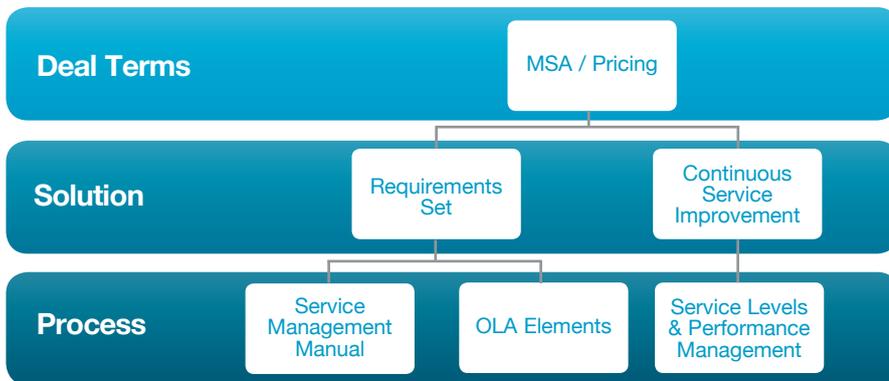
A well-integrated service is now an absolute must for any business wanting to maximize the value of contracted IT services. Organizations with mature governance and management models demonstrate better returns on IT spend. Large, multi-national corporations operating in reasonably mature markets with strong barriers to entry are more likely to have many IT service providers and will typically benefit from a well integrated service.

But any business that has outsourced IT service provision to more than one vendor could benefit from service integration, whether from its capacity as integrator or as advisor to build and coach an internal service integration capability.

How we do it?

Service Integration Framework





How can you know if your IT service providers are delivering the optimum service?

Do the following statements ring true for your organization?

- You have achieved some of the benefits of outsourcing, you have seen a reduction in the cost of these services but the quality of your service delivery is inconsistent.
- You have followed industry guidelines and contracted services from a range of suppliers, each one best in class in their field; but your suppliers are not working as a team.
- Your suppliers are in place, delivering to their SLAs, but your business is not realizing the flexibility and responsiveness you had anticipated.
- You have no sight of the end-to-end services your user base receives nor can you anticipate or prevent problems.
- You do not have information available to help you make timely and effective decisions.
- You cannot proactively identify areas that require improvement or capacity investment.
- Although your suppliers fix problems within SLAs, you have no sense of effective measures being taken to prevent recurrence and no sense of any root cause analysis being undertaken.
- Managing your suppliers seems uncontrolled, intensive and laborious; worse still, initial savings have been superseded by escalating costs.

If one or more of above statements rings true, it is likely that your IT service needs to be tuned to improve the value it brings to the business.

Building a service integration tier requires careful consideration across several areas of the business, not least of which is the commercial relationship between the business, the service integrator and multiple service providers. Capgemini’s expertise in both integrating services and delivering IT ‘towers’ means we are ideally positioned to work with our clients to help develop a service integration strategy. We can help to:

- Shift focus from requirements to solution
- Shift solution focus from people and technology to process and integration
- Prioritize process alignment from the outset.

To bring value through:

- **Reduced costs:** By establishing clarity of roles and responsibilities across IT service providers, duplication is eliminated and unwanted services are identified and de-scoped.

- **Reduced risk:** By implementing consistent processes with clear accountability applied across the entire vendor base, new technologies, suppliers and delivery capabilities can be easily adopted.
- **Increased control:** Standard processes and reporting mechanisms improve the ability to measure individual suppliers against operating level agreements and make it easier to engage and disengage IT suppliers.
- **Increased flexibility:** The terms for engagement and operating principles are pre-defined, providing increased flexibility for acquisitions, divestments and changes to business strategy.
- **Easier and informed decision-making capability:** IT services are fully monitored and measured against pre-determined business outcomes and service level agreements.

Integrated Services at Welsh Water

Our task at Welsh Water, a major utilities company, was to improve the quality of service delivery across their supplier base. By implementing the Capgemini Service Integration model and Service Management processes many improvements were made, including two significant achievements:

The number of change requests classified as emergencies was reduced by 60% within four months. This level has been sustained, resulting in a more efficient change control process, without impacting the actual number of changes required. The increased level of stability has had a direct impact on the services delivered to Welsh Water’s consumers.

A service dashboard was implemented that allows the client to easily monitor the quality of their IT services across the region (irrespective of the service supplier). Additionally, it enabled Capgemini’s Service Desk to respond to priority issues and manage the supplier base to ensure a prompt resolution.

A word from analysts

Most industry analysts agree that businesses are unlikely to realize the full benefits of outsourcing without a strong service integration regime in place; many observe that this is even more essential when orchestrated cloud services are included in the IT platform.

Independent research firm Forrester Research Inc notes, "Many sourcing and vendor management (SVM) executives with existing, single-source outsourcing contracts want to recast their agreements with a multisourcing flavor. But clients continue to struggle with the requirements for multi-sourcing, including contractual oversight and service integration"².

Another globally recognized analyst firm, Gartner Inc has said, "Without an MSI role, CIOs often experience many boundary issues among service providers, with the usual 'finger pointing' and siloed behavioral problems in sorting out major or recurrent service issues involving multiple providers"³.

Forrester has also observed that "Some suppliers, including Capgemini, are willing to perform services integration only or even build a services integration layer that the customer itself will operate. But these examples are rare – services integration engagements over-whelming involve cases where a single supplier is providing both services integrator functions as well as other IT service towers"¹.

References

- 1: Forrester Research Inc, "Building the Service Integration Layer in Multisourcing", Bill Martorelli, 28 September 2011.
- 2: Forrester Research Inc, "Should ITO Customers Also Outsource Service Integration?" Bill Martorelli, 3 February 2011
- 3: Gartner Inc, "Outsourcing Trends, 2011-2012: Exploit the Multisourcing Service Integrator Market", Jim Longwood, 20 February 2012

Why Capgemini?

Capgemini has been a leading provider of Infrastructure Services globally for many years with a long-standing reputation for collaboration and delivering on business-focused objectives.

- Capgemini has pioneered service integration and management across single and multi-vendor environments. We were one of the first to develop the concept of supplier eco-systems.
- We have very strong in-house service integration skills and a solid reputation for working collaboratively with other vendors. We are highly experienced in blending on-premise and off-premise services.
- We are highly focused on business-led objectives; we work closely with our clients to define key performance indicators and critical success factors that underpin any integration roadmap. Our automated integration scorecard assesses two key areas: Process Centricity and Business Centricity, modeling the 'as-is' situation against desired strategy for the business.
- Capgemini has a long and worthy reputation for delivering IT services. We understand the service provider's challenges and pitfalls making it more difficult for service aberrations to be masked or diluted.
- In a multi-tower outsource, we are one of the few global service providers to offer stand-alone service integration, without a contractual imperative to deliver additional service towers. We can also design and implement a client-operated service integration layer.



About Capgemini and the Collaborative Business Experience™

With around 120,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2011 global revenues of EUR 9.7 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want.

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