VeriSM™

A SERVICE MANAGEMENT APPROACH FOR THE DIGITAL AGE

CLAIRE AGUTTER, ROB ENGLAND,
SUZANNE D. VAN HOVE, RANDY STEINBERG

Van Haren
PUBLISHING

Cop
For

VeriSM™
Service Management
for the digital age

VeriSM™ - A service management approach for the digital age

Other publications by Van Haren Publishing

Van Haren Publishing (VHP) specializes in titles on Best Practices, methods and standards within four domains:

- IT and IT Management
- Architecture (Enterprise and IT)
- Business Management and
- Project Management

Van Haren Publishing offers a wide collection of whitepapers, templates, free e-books, trainer materials etc. in the **Van Haren Publishing Knowledge Base**: www.vanharen.net for more details.

Van Haren Publishing is also publishing on behalf of leading organizations and companies: ASLBiSL Foundation, BRMI, CA, Centre Henri Tudor, Gaming Works, IACCM, IAOP, Innovation Value Institute, IPMA-NL, ITSqc, NAF, KNVI, PMI-NL, PON, The Open Group, The SOX Institute.

Topics are (per domain):

IT and IT Management

ABC of ICT
ASL®
CATS CM®
CMMI®
COBIT®
e-CF
ISO/IEC 20000
ISO/IEC 27001/27002
ISPL
IT4IT®
IT-CMF™
IT Service CMM
ITIL®
MOF
MSF
SABSA
SAF
SIAM

Enterprise Architecture

ArchiMate®
GEA®
Novius Architectuur Methode
TOGAF®

Business Management

BABOK® Guide
BiSL® and BiSL® Next
BRMBOK™
BTF
EFQM
eSCM
IACCM
ISA-95
ISO 9000/9001
OPBOK
SixSigma
SOX
SqEME®

Project Management

A4-Projectmanagement
DSDM/Atern
ICB / NCB
ISO 21500
MINCE®
M_o_R®
MSP®
P3O®
PMBOK® Guide
PRINCE2®

For the latest information on VHP publications, visit our website: www.vanharen.net.

VeriSM™

A service management approach for the digital age

A Publication of IFDC (International Foundation for Digital Competences)

Van Haren
PUBLISHING

IFDC
International Foundation for Digital Competences

Colophon

Title:	VeriSM™ - A service management approach for the digital age
A publication of:	IFDC (International Foundation for Digital Competences)
Lead Authors:	Claire Agutter Suzanne van Hove Randy Steinberg Rob England
Contributing authors:	See overview on page vii
Content editor:	Claire Agutter
Cover illustration:	Frank van Driel, www.frankvandriel.com
Publisher:	Van Haren Publishing, Zaltbommel, www.vanharen.net
Design and Layout:	Coco Bookmedia, Amersfoort – NL
NUR code:	981 / 123
ISBN Hard copy:	978 94 018 0240 6
ISBN eBook:	978 94 018 0241 3
Edition:	First edition, first impression, December 2017

Copyright:	© Van Haren Publishing, 2017

All rights reserved. No part of this publication may be reproduced in any form by print, photo print, microfilm or any other means without written permission by the publisher.
Although this publication has been composed with much care, neither author, nor editor, nor publisher can accept any liability for damage caused by possible errors and/or incompleteness in this publication.

Trademark notices:
BiSL® is a registered trademark of ASL BiSL Foundation.
CMMI/SVC is a registered trademark of Software Engineering Institute
COBIT® is a registered trademark of ISACA.
Emotional Intelligence Appraisal® is a registered trademark of TalentSmart
ISO/IEC 20000® and ISO/IEC 27000® are a registered trademark of ISO.
ITIL® is a registered trademark of AXELOS Limited.
IT4IT® is a registered trademark of The Open Group.
NPS® is a registered trademark of Net Promoter Network
PMBOK® is a registered trademark of PMI Inc.
PRINCE2® is a registered trademark of AXELOS Limited.
SAFe® is a registered trademark of Scaled Agile Inc.
SIAM® is a registered trademark of EXIN.

Preface

Our world is changing fast. Organizations have to adapt quickly and transform digitally. The era of companies knowing better than customers is over. Users know best and can choose what they want and source it from all over the globe. Good service management can be a powerful approach to serve customers in the best way possible. But what is good service management? And is a new framework needed? The market response was very clear on this point: do not try and re-write existing service management guidance, or come up with yet another framework - but instead provide us with the 'glue' needed to make best use of all of the different practices out there, and how they can be integrated to add value.

To develop a brand new approach for service management, a team of over 70 contributors and reviewers all over the globe, led by Chief Architect Claire Agutter and Lead Authors Suzanne van Hove, Randy Steinberg and Rob England, combined their expertise in writing this introduction to VeriSM™. The approach described in VeriSM™ will not only help you to improve your business, but also to improve the business of your customers and their users. VeriSM™ has been commissioned bythe International Foundation for Digital Competences (IFDC). This not-for-profit foundation will ensure that VeriSM™ is developed in an open, community-based model.

VeriSM™ is a service management approach from the organizational level, looking at the end-to-end view rather than focusing on a single department. Based around the VeriSM™ model, it shows organizations how they can adopt a range of management practices in a flexible way to deliver the right product or service at the right time to their users.

VeriSM™ allows for a tailored approach depending upon the type of business you are in, the size of your organization, your business priorities, your organizational culture – and even the nature of the individual project or service you are working on. Rather than focusing on one prescriptive way of working, VeriSM™ helps organizations to respond to their consumers and deliver value with integrated service management practices.

The VeriSM™ approach helps you see the bigger picture, by providing an overview of all of the building blocks - the different practices - which can be used to add value to your business. Specific existing ITSM methodologies can be one of these building blocks, together with more progressive practices such as Agile, Scrum, DevOps and Lean.

VeriSM™ respects the past and embraces the future, and as such it is an evolution and not a revolution. Any investment made in tools and processes based on existing ITSM methodologies will help you when you start to improve and customize your approach based upon VeriSM™. VeriSM™ acknowledges that existing ITSM methodologies add value, but also recognizes that these alone are not enough anymore to stay ahead of the competition and take full advantage of the opportunities offered by the digital transformation. It needs to be combined with other best practices – and VeriSM™ helps you understand the full spectrum of what's out there, and how you can establish a model with the mix of practices that best suits your organization.

I want to thank the global team of contributors and reviewers for leading the way in taking service management to the next stage of evolution, by developing a responsive service management approach for the digital age. Bring on the digital transformation – we're ready!

Bernd Taselaar
Chairman IFDC

Contributing authors

Adam Stewart	QA
Alison Cartlidge	Sopra Steria UK
Andrea Kis	ISG (Information Services Group)
Andy Humphrey	Auto Trader
Aureo Antunes	Citsmart Corporation
Barry Corless	Global Knowledge UK
Chris Littlewood	CJL-JORVIK Ltd
Chris Pope	ServiceNow
Chris Taylor-Cutter	CTC Management Services (UK) Ltd
Claire Agutter	Scopism Limited
Clare McAleese	VocaLink MasterCard
Craig Johnson	NHS Digital
Daniel Breston	Qriosity Ltd.
Dave van Herpen	Sogeti Netherlands
David Bentley	Cranford Group
David Johnston	Two Rivers Meet Ltd
David Wright	SDI
Doug Tedder	Tedder Consulting LLC
Gary Hibberd	Agenci Ltd
Helen Morris	Helix Service Management Services Ltd
Helen Yu	Atlassian
Hirosh Kusuhara	Fujitsu
Jaime Spector	SunView Software, Inc.
Jan Oberg	ØBERG Partners
Jarod Greene	Cherwell
Johann Botha	Get IT Right
Jon Hall	BMC Software
Karen Ferris	Macanta Consulting
Krzysztof Politowicz	Krzysztof Politowicz i Partnerzy
Kylie Fowler	ITAM Intelligence

Leo van Selm	Vaseom b.v.
Lewis Herbert	Atos
LiJingchun (Fred Lee)	Huawei
Liz Gallacher	Helix Service Management Services Ltd
Maarten Bordewijk	Bordewijk Training
Marcos Weiss, PhD	Independent Consultant
Marcus Robinson	Microsoft
Mark Flynn	Felix Maldo Ltd
Masaya Kobayashi	Tokio Marine & Nichido Systems Co.,Ltd.
Mathias Traugott	Punctdavista AG
Matt Turner	hapus.net
Mauricio Corona	Best Practices Gurus
Michael Imhoff Nielsen	itSMF-international
Michael Orno	Dansk IT
Michelle Major-Goldsmith	Kinetic IT
Neil Bennett	NHS Digital
Penny Emmett	Cranford Group
Peter Brooks	Independent
Randy Steinberg	ITSM Strategies Inc.
Reni Friis	BlueHat
Richard England	independant
Rikke Hvilshoj	Dansk IT
Rob Akershoek	Shell - IT4IT
Rob England	Two Hills Ltd
Robert den Broeder	Trigono BV
Rory Canavan	SAM Charter
Sachin Bhatnagar	Kinetic IT
Sami Kallio	HappySignals Ltd
Sandra Whittleston	University of Northampton
Satya Misra	HCL
Shaun Earey	Freshworks
Simon Dorst	Kinetic IT
Stefan Timmerman	LOI
Stephen Mann	ITSM.tools
Steve Chambers	UK Cloud Pro Consulting Ltd
Steven Matthews	DorLind Solutions
Suzanne D. Van Hove, Ed.D.	SED-IT
Varun Vijaykumar	HCL
Victoria England	NHS England
Victoriano Gomez	Global Knowledge Network Spain
Vinicius A C Luna	TIVIT Tecnologia
Wendie Adams	Leeds City College
Yong Mei Liu	IBM
Yvo Verbeek	Achmea

About IFDC

IFDC - the International Foundation for Digital Competences - has been established in 2017. The goal of IFDC is to develop, own, maintain and promote (open) standards for the development of professionals in the digital era. IFDC is a non-profit organization, whose aim is to develop and evolve Service Management together with the community.

IFDC took the initiative to create the VeriSM™ approach and developed it in cooperation with an international team of experts led by Claire Agutter (Winner ITSMF UK Thought Leadership Award 2017). Partners of IFDC are a.o. APMG, BCS, EXIN, Van Haren Publishing, The Open Group, Innovation Value Institute, ITSM Zone, and itSMF International.

Contents

1 INTRODUCING VERISM 1

1.1 Everything is a service 1
1.2 Consumers consume 2
1.3 Providers provide 2
1.4 The VeriSM approach 3
1.5 Adopting a VeriSM mindset 5
1.6 The VeriSM approach 6

PART 1: SERVICES AND SERVICE MANAGEMENT

2 ORGANIZATIONAL CONTEXT 11

2.1 What is an organization? 11
2.2 Organizational structure 12
2.3 Optimizing organizational interactions 16
2.4 Organizational culture 22
2.5 Organizational governance 26

3 OPERATING IN A WORLD OF DIGITAL TRANSFORMATION 37

3.1 The service provider's world is changing 37
3.2 What is digital transformation? 38
3.3 Digital transformation and organizational strategy 44
3.4 The impact of digital transformation on products and services 45
3.5 The impact of digital transformation on service management 46
3.6 Digital transformation challenges 47
3.7 The impact of emerging technologies 48
3.8 The impact of cloud 49

4 SERVICE CULTURE 51
4.1 What is a service culture? 51
4.2 Why is a service culture important? 54
4.3 What does ‘good’ look like? 55
4.4 How to create a service culture 56
4.5 Cultural enablers 62

5 PEOPLE: ROLES, COMPETENCES AND TEAMS 65
5.1 Generic organizational roles 65
5.2 What is necessary for a service provider? 66
5.3 Emotional intelligence 67
5.4 Generic competences for service management 67
5.5 Learning paths and career development 73
5.6 Professionalism and ethics 78
5.7 Teams 80

6 COMMON SERVICE PROVIDER CHALLENGES 87
6.1 Relationship management 87
6.2 Expectation management 92
6.3 Knowledge management 95
6.4 Communication 97
6.5 Managing across the generations 99
6.6 Organizational change management (OCM) 102
6.7 Why do changes fail? 107
6.8 Organizational behavior management (OBM) 109

PART 2: THE VERISM MODEL

7 THE VERISM MODEL. 121
7.1 Start with the consumer 124
7.2 End with the consumer 124

8 THE VERISM MODEL: GOVERNANCE. 127
8.1 ‘Good’ governance 128

9 THE VERISM MODEL: SERVICE MANAGEMENT PRINCIPLES 129

9.1 The history of service management 130
9.2 Benefits of service management 132
9.3 Evolving service management 134
9.4 Service management and the VeriSM model 135

10 THE VERISM MODEL: MANAGEMENT MESH 139

10.1 Resources 142
10.2 Emerging technologies 142
10.3 Management practices 143
10.4 Environment 143
10.5 Building the mesh 158

11 THE VERISM MODEL: DEFINE 161

11.1 Objective 161
11.2 Activities 162
11.3 Consumer need 163
11.4 Requirements gathering 164
11.5 Create a solution 165
11.6 The service blueprint 167

12 THE VERISM MODEL: PRODUCE 169

12.1 Objective 169
12.2 Activities 170
12.3 Change control 170
12.4 Build 172
12.5 Test 173
12.6 Implement and review 174

13 THE VERISM MODEL: PROVIDE 175

13.1 Objective 175
13.2 Activities 176
13.3 Service marketing/promotion 177
13.4 Protect 181
13.5 Maintain 181
13.6 Improve 182

14 THE VERISM MODEL: RESPOND 185
14.1 Objective 185
14.2 Activities 186
14.3 Requests 187
14.4 Issues 188
14.5 Source events 189
14.6 Record 190
14.7 Manage 191

15 ADAPTING THE VERISM MODEL 197
15.1 Selecting management practices 197
15.2 Integrating management practices 198
15.3 Characteristics of successful operating models 199
15.4 Measuring the performance of an operating model 200
15.5 Continual adaptation 202

PART 3: MANAGEMENT PRACTICES AND EMERGING TECHNOLOGIES

16 PROGRESSIVE MANAGEMENT PRACTICES 211
16.1 Common success factors 212

17 AGILE 219
17.1 What is Agile? 219
17.2 Key concepts 220
17.3 Agile benefits 223
17.4 Agile challenges 224
17.5 Selecting Agile as a management practice 224
17.6 Agile and service management 226
17.7 Agile variant practices 227

18 DEVOPS 231
18.1 What is DevOps? 231
18.2 Key concepts 233
18.3 Selecting DevOps as a management practice 236
18.4 DevOps benefits 237
18.5 DevOps challenges 238

18.6 DevOps variant practices 238
18.7 DevOps and service management 240

19 SERVICE INTEGRATION AND MANAGEMENT (SIAM) 243

19.1 What is service integration and management (SIAM)? 243
19.2 Key concepts 245
19.3 Selecting SIAM as a management practice 247
19.4 SIAM benefits 248
19.5 SIAM challenges 248
19.6 SIAM variant practices 248
19.7 SIAM and service management 249

20 LEAN 251

20.1 What is Lean? 251
20.2 Key concepts 252
20.3 Selecting Lean as a management practice 255
20.4 Lean benefits 255
20.5 Lean challenges 256
20.6 Lean variant practices 256
20.7 Lean and service management 258

21 SHIFT LEFT 261

21.1 What is Shift Left? 261
21.2 Key concepts 263
21.3 Selecting Shift Left as a management practice 266
21.4 Shift Left benefits 267
21.5 Shift Left challenges 267
21.6 Shift Left variant practices 268
21.7 Shift Left and service management 270

22 CUSTOMER AND USER EXPERIENCE 273

22.1 What is customer experience? 273
22.2 Key concepts 277
22.3 Selecting CX/UX as a management practice 283
22.4 CX/UX benefits 284
22.5 CX/UX challenges 284
22.6 CX/UX variant practices 284
22.7 CX/UX and service management 287

23 CONTINUOUS DELIVERY 291

23.1 What is continuous delivery? 291
23.2 Key concepts 293
23.3 Selecting continuous delivery as a management practice 295
23.4 Continuous delivery benefits 295
23.5 Continuous delivery challenges 296
23.6 Continuous delivery variant practices 296
23.7 Continuous delivery and service management 297

24 OTHER PRACTICES AND TECHNIQUES 299

24.1 Kanban 299
24.2 Theory of Constraints 300
24.3 Improvement Kata/Kaizen 302
24.4 SWOT Analysis 303

25 EMERGING TECHNOLOGIES AND SERVICE MANAGEMENT 305

25.1 Service management implications 305
25.2 Cloud 307
25.3 Virtualization 313
25.4 Automation 316
25.5 Big Data 317
25.6 Internet of Things 319
25.7 Machine Learning 321
25.8 Robotic Process Automation 324
25.9 Mobile computing technologies 325
25.10 Bring Your Own. 326
25.11 Containerization 329
25.12 Serverless computing 331
25.13 Artificial Intelligence 332

26 GETTING STARTED 335

26.1 Going from reactive to proactive 336
26.2 Plan for the long term 338

APPENDIX A – SAMPLE POLICY STRUCTURE AND EXAMPLE 339

APPENDIX B – THE AUTO TRADER WAY. 345

APPENDIX C – SECURITY BY DESIGN. 347

C.1 Outcome-based objectives 347

APPENDIX D – FINANCIAL MANAGEMENT OVERVIEW 353

D.1 Basic principles 353
D.2 Reporting and forecasting 355
D.3 Financial governance 356
D.4 Application of financial management to Agile working 357

APPENDIX E – COMMON MANAGEMENT PRACTICES 359

APPENDIX F – ASSET MANAGEMENT 361

F.1 Asset management and configuration management 361
F.2 IT asset management (ITAM) 362
F.3 Configuration management 368
F.4 Data validation and audits... 369

APPENDIX G – DEFINITIONS 371

APPENDIX H – ENDNOTES 377

INDEX. 381

Table of Figures

Figure 1 Consumers and Providers 2
Figure 2 The Organization is a Service Provider 15
Figure 3 Interactions between Business Capabilities 16
Figure 4 Governance: Evaluate, Direct and Monitor 27
Figure 5 Governance Directs the Organization 30
Figure 7 Values, Mission, Vision 33
Figure 6 Governance Flows 33
Figure 8 Service Culture Drives Growth 55
Figure 9 Motivated Staff and Satisfied Consumers 58
Figure 10 An Alternative Organizational View 60
Figure 11 The Relationship of Leadership and Management 66
Figure 12 Towards Competence-Based Development (source CEN) 71
Figure 13 Keys to Success at Achmea 72
Figure 14 The T-Shaped Professional 74
Figure 15 Stakeholder Analysis 106
Figure 16 Performance is Comprised of Results and Behavior 112
Figure 17 The ABC Model 113
Figure 18 The VeriSM Model 123
Figure 19 The VeriSM Model: Governance 127
Figure 20 The VeriSM Model: Service Management 129
Figure 22 The VeriSM Model: Management Mesh 139
Figure 23 The Management Mesh 140
Figure 24 Possible Elements of the Management Mesh 141
Figure 25 Simple Process Model 146
Figure 26 Services Deliver Results 151
Figure 27 Measure Value for the Consumer and the Service Provider 152
Figure 28 Building the Mesh 158
Figure 29 The VeriSM Model: Define 162
Figure 30 Define: Activities 162
Figure 31 The VeriSM Model: Produce 169

Figure 32 Produce: Activities 170
Figure 33 The VeriSM Model: Provide 175
Figure 34 Provide: Activities 176
Figure 35 Steps in Promotional Development 179
Figure 36 The VeriSM Model: Respond 185
Figure 37 Respond: Activities 186
Figure 38 Adapting the VeriSM Model 197
Figure 39 The Management Mesh 202
Figure 40 Original Service Management at NHS Digital 204
Figure 41 Communication was Complex and Confusing 204
Figure 42 Horizontals Support Cells 205
Figure 43 Communication Became More Streamlined 205
Figure 44 The Agile Manifesto 220
Figure 45 Agile Values and Principles 221
Figure 46 The VeriSM Model: Agile 226
Figure 47 Traditional Support Tiers2 229
Figure 48 The VeriSM Model: DevOps 232
Figure 49 DevOps Unites Dev, Ops and QA1 233
Figure 50 The VeriSM Model: DevOps 240
Figure 51 A SIAM Ecosystem 244
Figure 52 Lean Principles 253
Table 27 Types of Waste 259
Figure 53 How Shift Left works 262
Figure 54 Shift Left for Support 263
Figure 55 Customer Experience and User Experience 274
Figure 56 Net Promoter Score 281
Figure 57 Building Journey Maps 285
Figure 58 ServiceXchange Implementation at HCL 289
Figure 59 Continuous Release, Testing and Deployment2 298
Figure 60 Example of a Kanban Board 300
Figure 61 The Five Focusing Steps1 301
Figure 62 Worked Example of SWOT2 304
Figure 63 Cloud Delivery Models1 310
Figure 64 Virtualization Example2 315
Figure 65 Containers versus Virtualized Machine Solutions 330
Figure 66 Breaking out of Fire-fighting Mode1 337
Figure 67 The Auto Trader Way 345
Figure 68 Auto Trader Lean Canvas 346
Figure 69 Auto Trader Hypothesis Flashcard 346
Figure 70 IT Asset Management and Configuration Management 361
Figure 71 The Hardware Asset Management Lifecycle 363

1

Introducing VeriSM

Real World Example
Think about this: in 2015, there were 10 billion devices connected to the internet. These devices support anything from personal entertainment and home automation to different business functionalities. Their use is only limited by one's imagination. By 2020, forecasters are predicting 34 billion devices, including 24 billion IoT (Internet of Things) devices and 10 billion traditional computing devices. It's also predicted that $6 trillion will be spent on IoT solutions, with organizations being the top adopters. The growth is exponential and will continue, especially when organizations see the IoT improving their bottom line through lower operating costs, increased productivity and access to expanding markets.[1]

1.1 EVERYTHING IS A SERVICE

Today's society is surrounded by products and services. Across the globe, people consume services, products and functionality at an astonishing rate. In the last few decades, products and services have become more connected to deliver ever-increasing functionality and intelligence. Services become an ever-more important part of the required and expected solution.

What's the impact of all this? Put simply, consumer demand for useful solutions is increasing exponentially and organizations need to be ready to supply those solutions. Solutions include services that provide assistance, advice, help and support. Many of these services and products are enabled by, or only possible because of advances in technology. These are digital services.

1.2 CONSUMERS CONSUME

So, let's be perfectly clear: consumers consume. They provide the need (or demand) for products and services. There is a need to be fulfilled, which is articulated as requirements, and the consumer is willing to invest in and pay for that functionality, directly or indirectly. Consider public services such as education, health and safety or utilities; these are all necessary and all supported by the consumer, either indirectly via a tax system or by a direct purchase. Additionally, consumers receiving services from a service provider might also be service providers to other consumers, as part of a broader network.

1.3 PROVIDERS PROVIDE

If there is a consumer, there is also a provider. Providers provide. Whether they provide (or supply) services or products, it really doesn't matter – it is the principle *behind* the provision that will be our focus in this publication. The principle of providing relies on understanding the consumer. Providing something that the consumer doesn't want does not create any value for the provider or consumer. In fact, it's just waste. Unless you are in the waste business, this isn't a good plan! For products and services to be successful, there must be a benefit for both the provider and consumer. The provider only invests in products and services if they see on-going demand, while the consumer wants to receive value by having their needs met and feel they are getting a return on investment. The value proposition for both parties must be defined and understood.

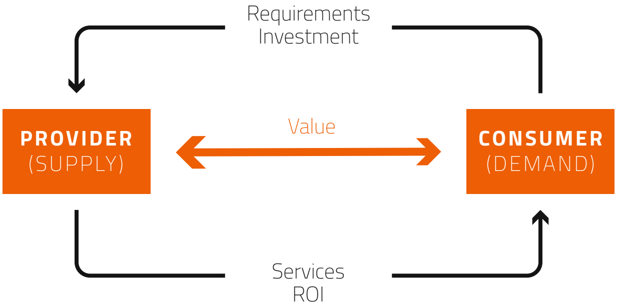

Figure 1 Consumers and Providers

The service provider needs to monitor this cycle between consumer and provider. Over time, the needs of the consumer and the capabilities of the service provider will change. Service providers must be able to adapt to these changes. The on-going interaction between the consumer (who confirms their requirements) and the service provider (who confirms their capability to provide) are the dynamics of service provision. Value is the outcome – if nothing of value is achieved by either the provider or consumer, the relationship is over. Managing those dynamics within a 'consume-provide' environment drives the development of service management and a service culture.

1.4 THE VERISM APPROACH

Every organization is now a service provider. Public or private sector, small or large – everyone is now in the service market. Even organizations that focus on selling products (e.g. retailers) need to provide services attached to those products to be successful (for instance customer service, shipping and returns). In a crowded marketplace, reputation is essential for differentiation and commercial success. Think about the last time you used a comparison site to choose a hotel. Would you choose a hotel with a poor reputation?

It's not only private sector or profit-seeking organizations that need to focus on services. Services are just as important in public sector environments, where good service can deliver a better experience for consumers or citizens. Value still needs to be delivered, whether financial or non-financial. To be successful, all organizations need to adopt an overall service management approach that delivers what their consumers need.

Definition: Service management

Service management is "the management approach adopted by an organization to deliver value to consumers though quality products and services."

To be an effective service provider organization, service management can no longer be confined to a single department like the IT department or customer services; it touches every element of the organization. The VeriSM approach is specifically tailored to support an organization – the *entire* organization – to help them succeed in the world of digital services. When the focus changes to look at service management from the organizational perspective, service providers can start to use ***all*** of their organizational capabilities, from IT to marketing, finance to customer service, to deliver value.

The VeriSM approach has been developed in partnership with the global service management community to respond to the changing demands on service management and the impact of digital transformation. In this publication, we are starting a conversation with the service management community and the wider community of service consumers. VeriSM will grow and develop with the community and the VeriSM content will grow and develop in response to feedback. In this first publication, we introduce VeriSM concepts.

Definition: VeriSM

VeriSM is:

- **V**alue-driven: focuses on providing value;
- **E**volving: an up-to-date approach which will continually evolve;
- **R**esponsive: facilitates a tailored approach depending on the business situation;
- **I**ntegrated: helps you fit all the different practices together;
- **S**ervice;
- **M**anagement.

VeriSM helps organizations to define their service management principles. These principles are relevant to all products and services and include areas like security, quality, cost and risk. Service management principles are defined at the organizational level and communicated throughout the organization, acting as ‘guardrails’ or guides for all product and service development and operation. Product and service teams can work with a variety of management practices, but still need to meet the requirements of the service management principles.

VeriSM also helps organizations to evolve their operating model, based on an integrated selection of management practices. VeriSM provides flexibility and responsiveness as opposed to a ‘one size fits all’ approach. This is necessary because all organizations are different, in terms of their size, the types of customers they serve and their culture. VeriSM doesn’t tie organizations to a single management product and it allows the operating model to change when required.

Real World Example

A large global bank uses a VeriSM-type approach to define the service management principles that apply to its products and services. These include the security principles that will allow it to meet its regulatory and legislative obligations. Service management principles affect all aspects of a service, not just those that are enabled by technology. For example, at the bank, customer data is collected as part of their products and services. Whether that customer data is collected via a web form, over the phone or on a sheet of paper, the security principles still apply.

The bank uses its service management principles as part of the VeriSM approach to flex its operating model. This allows it to develop products and services in the most appropriate way, using a range of different management practices. For example, the customer support system that is used in all branches is developed slowly, with new versions going live every six months, aligned to its on-going staff training program. The mobile app it offers to its customers changes much more rapidly, with new functionality released and tested on a daily basis in response to feedback from staff and customers.

The service management principles the bank has defined act as the 'guardrails' for both services, while giving the teams who manage and develop them the freedom to work in the most suitable way.

1.5 ADOPTING A VERISM MINDSET

So, how does an organization start to work with VeriSM? In this book, we'll walk through the VeriSM approach and show you how you can start to apply the VeriSM model in your organization.

The most important part of the VeriSM approach is accepting that service management is part of everyone's role and an essential organizational capability. There isn't a VeriSM team, or a department locked away behind a closed door. Everyone at every level of the organization has a role to play.

The other key success factor is to accept the impact of technology on products and services. Digital transformation is changing every aspect of how organizations operate, whether they are large or small, private sector or public sector. All employees need to think in terms of technology-enabled services, rather than 'IT projects'. Business projects and processes are enabled by technology.

Real World Example
Consider an example of a business process transformed by technology. When was the last time that you waited in line to get a coffee? At many coffee shops, you can now order online via an app and your coffee will be ready and waiting for you by the time you get to the store.

As a consumer, you benefit from getting more convenient access to coffee and save yourself some time. The coffee store (the service provider), gets data it can use to improve its services. This includes information about peak consumption times, opportunities for personal advertising and promotional marketing and more effective supply chain management - for example, having enough stock, but not being over-supplied.

Finally, we need to accept that as employees of an organization, we are all in this together. It's not solely the responsibility of an IT department to assess how technology can improve services, just as it's not solely the responsibility of the customer service team to interact with customers. Every employee of the organization works together to create products and services that support the organizational goals.

1.6 THE VERISM APPROACH

The chapters of this book will introduce you to VeriSM key concepts and the VeriSM model and help you to understand how they can apply in your organization. It's important to remember that VeriSM doesn't replace any effective ways of working that you might already have in place. Instead, it shows you how to fit these into an overall organizational context and flexibly adopt different management practices to meet different service management situations.

The contents of this book will show you how to establish your service management principles and then adapt your operating models to leverage the management practices that have evolved to support digital services.

- Part 1, chapters 2-6 introduce services, service management and their significance in today's rapidly changing environment;
- Part 2, chapters 7-15 cover the VeriSM model in detail;
- Part 3, chapters 16-25 cover progressive management practices and emerging technologies;
- Chapter 26 then helps you get started.

Throughout the book, you'll find a number of real world examples and vendor reports to help you put VeriSM into context. Remember, VeriSM isn't about blindly following so-called 'best practice' – it's about building an operating model that works for *your* organization.

Quote

"During my time as a Cabinet Minister in the Danish government, I've seen technology start to permeate all aspects of civil life. For instance, in the way a government can offer services to its citizens, and how it can use data to improve the services it offers to citizens. Digital technology is a strand running through every aspect of government, and we can expect adoption to continue to increase rapidly.

Digital services are now a fact of life. The onset of the service economy means that digital technology is also transforming jobs. As such digital skills needs to be part of everyone’s skill set, starting with what is taught in schools as part of the education system.

VeriSM is an approach for service management that reflects the importance of digital services, and as such it will be extremely valuable for organizations going through digital transformation, as well as useful for graduates looking to join the digital economy.”

Rikke Hvilshoj, CEO, Danish Computer Society