

# VeriSM™

## UNWRAPPED AND APPLIED

CLAIRE AGUTTER. JOHANN BOTHA,  
SUZANNE D. VAN HOVE

## VeriSM™: Unwrapped and Applied

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**VeriSM**  
Service Management  
for the digital age

# VeriSM™

## Unwrapped and applied

Claire Agutter  
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# Colophon

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# Preface

The world we live in today is changing more quickly than most of us still realize. New and very disruptive technologies, such as Artificial Intelligence and advanced robotics, are developing at an accelerated pace. These and other (also already existing) digital technologies have the potential to transform not only the business world and the global economy, but society as a whole and the very way in which we live our daily lives.

We know this well in Estonia, where we have been building up a digital government and society for the last 20 years. Sometimes our country is even called e-Estonia to mark the high level to which digital tech penetrates and eases the life of Estonians (and these days also our global e-Residents!).

Technology-driven solutions are already everywhere we look, right from the way our city is being redesigned and the car we drive, to the way we make individual purchases and communicate with those close to us. The best of governments are embracing technology to digitize services to citizens, companies are embracing technology to digitize services to customers. Technology is used to cut down on costs, create new value offerings, literally improve lives.

So what are the implications of this new world? Well, from a management perspective it's quite simple. The ability of both public and private sector to adapt to this new reality and embrace the possibilities of new technologies in a timely way is no longer a nice-to-have. It is essential if they are to stay relevant and so ultimately, it is a question of pure relevance or even survival.

There are enough examples around of organizations which have not adapted to the digital age and have paid the ultimate price. However, what makes this reality even more complex is that it's not just technology which is changing. The digital age has resulted in new demands on organizations and professionals which stretch much further than understanding the implications of and how to apply the new

technologies. To thrive in this new world requires changed behaviors, different organization structures, new ways of collaborating, and fresh attitudes towards those we are serving: the end consumers. In short, we need to develop the right *mindset*.

This is why a new approach to service management is essential. An approach which recognizes the challenges and opportunities of the digital age we are living in; which acknowledges that the IT department can no longer operate outside of the business as a separate entity; and which focuses on the behaviors and attitudes to make a successful digital transformation.

VeriSM™ is an attempt to embrace all these elements, which is why I hope you find this practical guide a useful source of aid to start or continue your organization's digital journey – be it in government, business or beyond.

Siim Sikkut  
Government CIO, Republic of Estonia

# Authors' Preface

What would you do if someone told you that you could change your organization for the better by adopting just one simple new behavior? Or one amazing new technology? You'd do it, wouldn't you?

But what if that person came back the next day with another quick tip, and then another and another; and some of the tips started to contradict each other?

This is the situation for most of us in today's business environment. We are overwhelmed by new ways of working, technological changes and an onslaught of information. So how do we respond? How do we deliver value through products and services in the digital age?

Suzanne, Johann and I were all contributors to the first VeriSM publication in 2018. Sponsored by the IFDC and working in collaboration with a large global author group, we proposed a service management approach for the digital age. The feedback we received was positive, but we got one question over and over again: "how can I 'do' VeriSM in my organization?"

In this book, we've worked hard to bring you the equipment to answer that question. You'll find much more detail about applying the VeriSM model, inspirational case studies, stories, interviews and examples from VeriSM early adopters around the world. We know there isn't a perfect answer that will work for every organization, so what we've done here is give you the tools to help you find the answer that's right for you. The stories we share aren't meant to be copied without question or without the application of critical thinking, but we hope that they give you some examples of how you could do things differently.

Enjoy the book; we wish you success on your digital journey.

*Claire Agutter*

*Suzanne Van Hove*

*Johann Botha*





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# 1

## Using this Book

*VeriSM™: Unwrapped and Applied* develops and builds on the content in the first VeriSM book, *VeriSM™: A Service Management Approach for the Digital Age*. To use this publication effectively, concepts from the initial book should be understood. While repeating the concepts is not the intent of this volume, Section 1.1 provides a brief summary for those who are new to the approach.

### ■ 1.1 OVERVIEW OF THE VERISM APPROACH

VeriSM provides a value-driven, evolving, responsive and integrated approach for service management in the digital age. Key concepts for VeriSM begin with the idea that the entire organization is a service provider, not a single department such as the IT department. Expanding service management beyond one department (typically IT) to include the rest of the organization is important for the digital organization. Doing this means that all of an organization's resources and capabilities are engaged in delivering value to the consumer through products or services.

This supports the next VeriSM key concept: whatever is delivered by the service provider, products or services, does not really matter. What matters is that the needs of the consumer (a much broader and more inclusive term than customer) drive what the service provider delivers. Consumer is used as a term throughout the book, except where 'customer' is the normally accepted term (for example, when talking about customer service). VeriSM also requires products and services to be aligned with enterprise governance and supporting Service Management Principles.

VeriSM focuses on the people and culture aspects of service management including leadership and organizational culture as well as the need for continued professional development. These concepts are interwoven throughout the next chapters. An organization's leaders set the tone for success, so their role is essential and covered in detail.

The VeriSM model is a service management operating model for an organization, which includes:

- Governance;
- Service Management Principles;
- The Management Mesh, which allows for flexibility and an integrated application of multiple management practices;
- Four stages (Define, Produce, Provide, Respond) supporting the products or services delivered to the consumer;
- The consumer, who drives what the service provider does and provides feedback on what is delivered.

There is a two-way relationship between the organization's strategy and the service management operating model. In one direction, design of the operating model is derived from the strategy. In the other direction, the organization's strategy may be influenced by operating model improvements and changes, or by signals from consumer feedback that resonate with the leadership, causing changes to the overall operating model (shown in Figure 1).

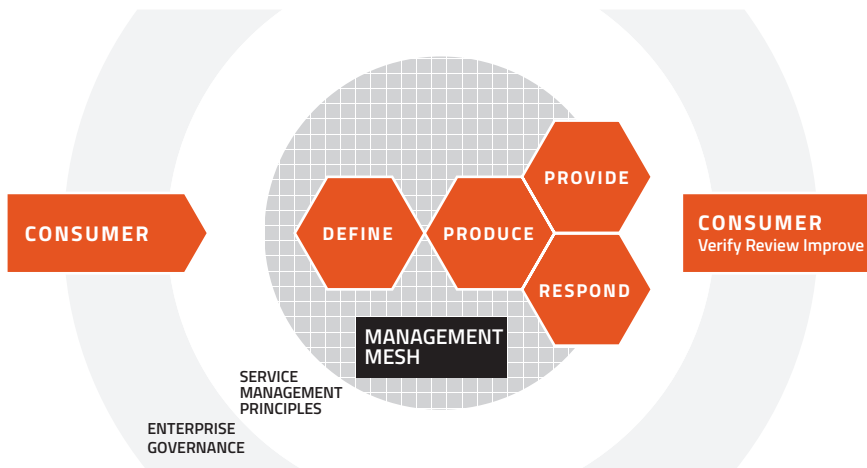


Figure 1 The VeriSM model

Full descriptions of these are found in *VeriSM™: A Service Management Approach for the Digital Age*. Briefly, each area is defined as follows:

- **Governance** – the underpinning system of directing and controlling the activities of an organization;
- **Consumer** – provides the requirements for products and services, receives products and services, gives feedback, and participates in verify/review/improve activities;
- **Service Management Principles** – based on the organizational governing principles, the 'guardrails' for the products and services delivered, addressing areas such as quality and risk;

- **Management Mesh** – how an organization combines its resources, environment and emerging technologies with different management practices to create and deliver products and services;
- **Define** – design of a solution (product or service) using agreed requirements;
- **Produce** – the creation of the solution (build, test, deploy) ensuring the outcome meets the needs of the consumer;
- **Provide** – the new/changed solution is available for use;
- **Respond** – support the consumer during performance issues, unexpected occurrences, questions or any other requests; read the consumer's signals and act accordingly.

Within the VeriSM model, governance and Service Management Principles are relatively stable elements, only changing when the organization's needs or consumer requirements change. The Management Mesh is flexible and is adjusted as required for products and services, for example to integrate a new management practice or a new technology. The four stages reflect the defined organizational management practices.

## ■ 1.2 PART A: CHAPTERS 1 – 18

This book is divided into two sections. Part A discusses the impact of digital transformation on organizations and people. It provides practical guidance on how to respond, including techniques, approaches and applying the VeriSM model.

## ■ 1.3 PART B: CHAPTERS 19 – 29

Part B builds on Part A with practical examples, case studies, interviews and industry perspectives. It includes a wide range of material from around the world that will be a source of inspiration and advice for your own digital journey.

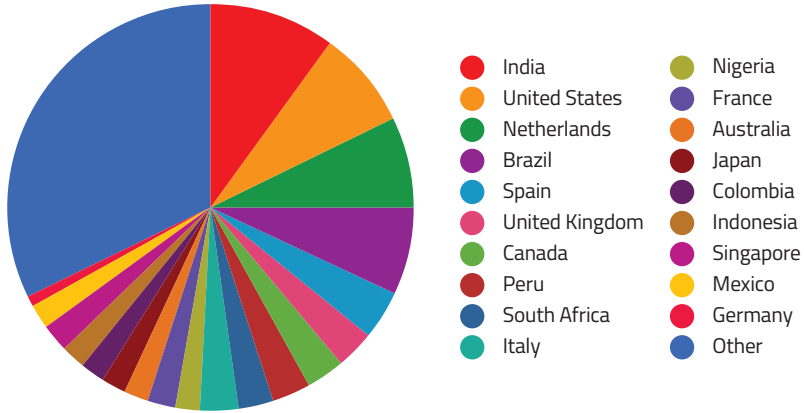
## ■ 1.4 THE 2018 DIGITAL TRANSFORMATION SURVEY

Whilst preparing the content in this book, IFDC conducted a survey in 2018 of more than 1,200 people to ask for their views on digital transformation and how it is affecting their workplace. Throughout the book survey extracts are used to develop concepts where they are relevant.

**The 2018 Digital Transformation Survey**

There were responses from many countries; the top 8 are shown in Figure 2.

**Which country are you located in?**



Which country are you located in?					
1	India	10%	11	Nigeria	2%
2	United States	8%	12	France	2%
3	Netherlands	7%	13	Australia	2%
4	Brazil	7%	14	Japan	2%
5	Spain	4%	15	Colombia	2%
6	United Kingdom	3%	16	Indonesia	2%
7	Canada	3%	17	Singapore	2%
8	Peru	3%	18	Mexico	2%
9	South Africa	3%	19	Germany	1%
10	Italy	3%	20	Other	32%

Figure 2 Location of survey respondents of the 2018 Survey

Industry types and organization sizes are shown in Figures 3 and 4.

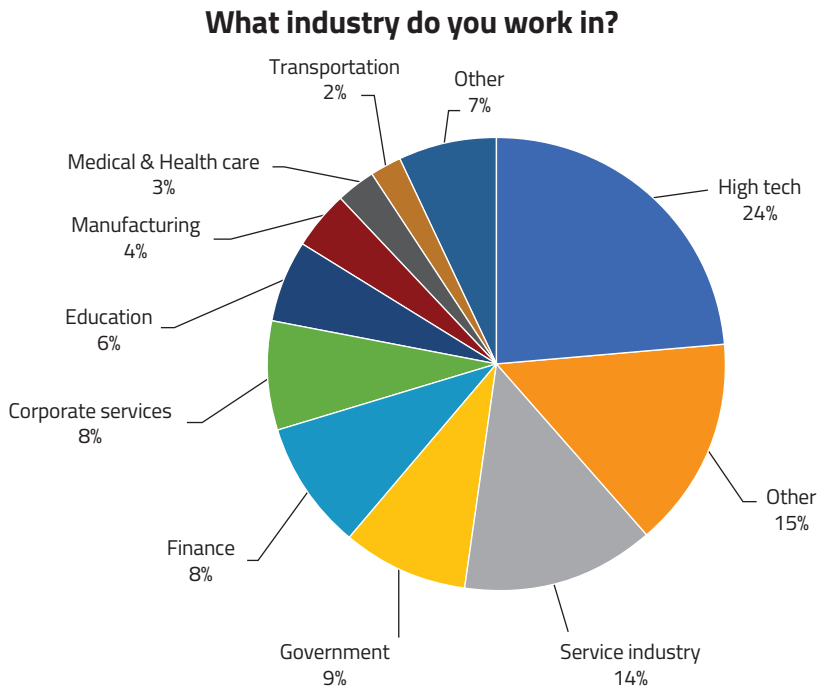


Figure 3 Respondent industries of the 2018 Survey

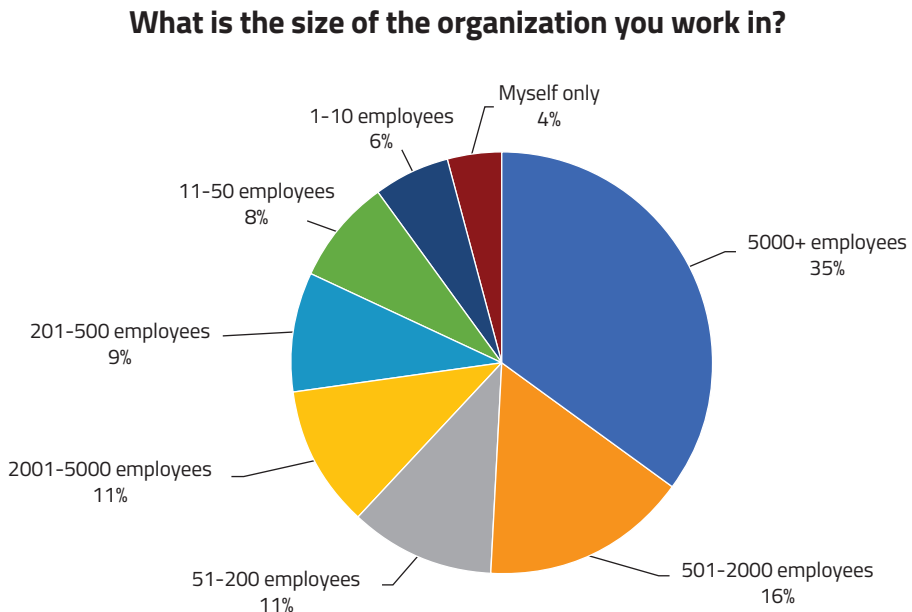


Figure 4 Respondent size of organization of the 2018 Survey

The survey shows that the trajectory of digital transformation has increased significantly over the last few years with 91% of respondents claiming they have heard the term digital transformation before; 81% of the respondents claimed their organizations have included



digital transformation as part of their strategy and 61% of respondents indicated that their organizations frequently evaluate emerging technologies for their impact on products and services. It comes as no surprise that organizations are taking digital transformation more seriously when 85% of the respondents claimed that their competitors/peer organizations are embracing technology to improve their products and services. Digital transformation is no longer 'nice to have', but something organizations need to pursue to remain competitive. Further to these results, respondents claimed multiple benefits their organizations were trying to achieve through these digital transformation efforts. These are illustrated in Figure 5.

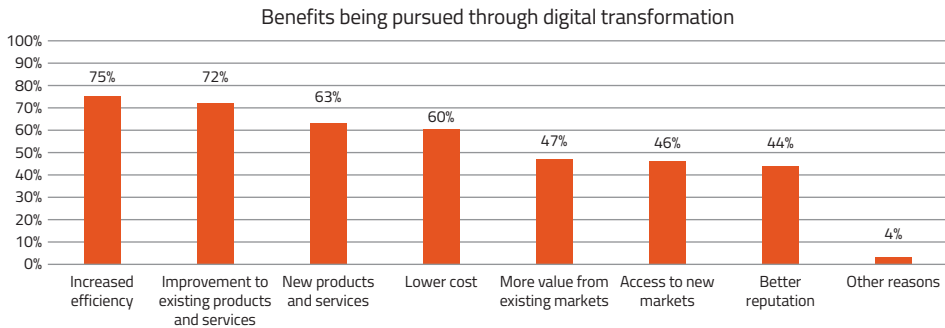


Figure 5 Benefits being pursued through digital transformation in the 2018 Survey

47% of respondents have indicated that over the last five years, the volume of the organization's products and services that depend on technology has increased significantly. Figure 6 illustrates that majority of organizations running digital initiatives fall between 10 or more initiatives or three to five initiatives:

### Digital initiatives currently being undertaken based on respondents

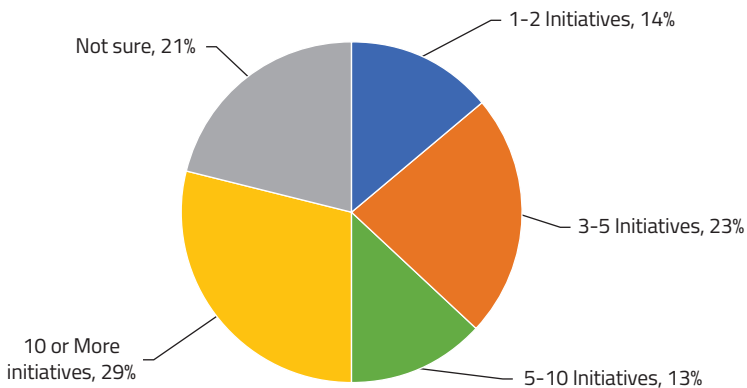


Figure 6 Number of digital initiatives in the 2018 Survey

This understandably has resulted in 73% of respondents claiming that the time spent interacting with technology within their role has increased. 90% of respondents felt that senior managers need new skills to take advantage of digital technology, with respondents indicating their organizations carry out activities relating to the emergent technologies described in Figure 7.

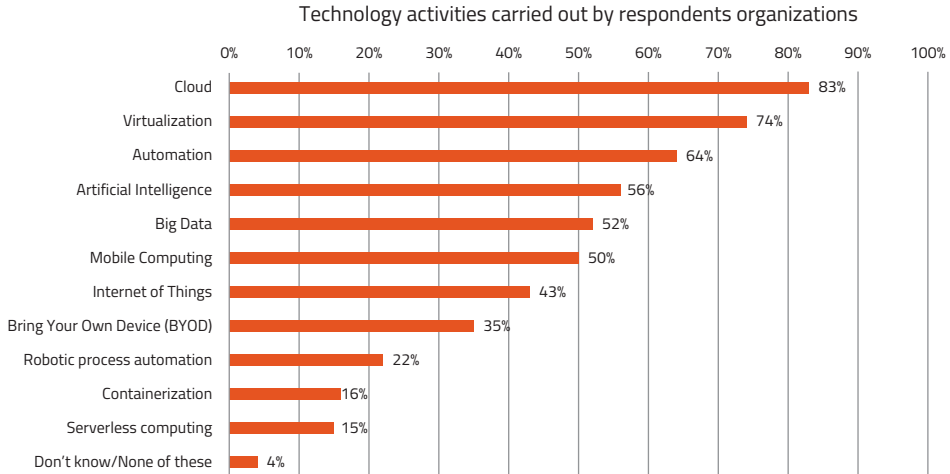


Figure 7 Technology activities carried out by respondent's organization in the 2018 Survey

Only 49% of respondents indicated that their organizations frequently evaluated new and or changed management practices, standards and frameworks amidst their digital transformation efforts. This is interesting, because emergent technologies require new management practices, standards and baselines to be effective in delivering, managing or supporting services. Organizations that are not evaluating new management practices, standards and frameworks to complement their digital transformation initiatives are likely to have difficulty in achieving the benefits they intended. These include increased efficiency, the ability to create or improve products rapidly and effectively and improving services while lowering costs.