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# The Business Service Management Imperative

## Making BSM tangible in enterprise organisations

By Jon Collins, April 2009

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### Key points:

- Business Service Management is not new – but to the uninitiated it can come across as yet another initiative. It's important to separate the true value of BSM from the hype.
  - BSM is as much about delivering efficient services, as it is about ensuring they effectively support the needs of the business.
  - Services, and therefore BSM, should start and end in a dialogue with business stakeholders at all levels.
  - BSM is not 'yet another something to manage' – it's the right way of managing – so to be effective, BSM should itself deliver sustainably, and on a continuous basis.
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### What is Business Service Management, anyway?

Business Service Management (BSM) has been around for a while. We have previously used the following definition for BSM [1]:

*“BSM is a strategy and approach for linking IT components to the goals of the business. It promotes understanding and prediction of how technology impacts the business and how business impacts the IT infrastructure.”*

But is BSM just some made-up term invented by the analysts, or if not, what exactly does it mean? Is it a synonym for a bunch of products, or does it refer to something coming from the end-user organisations? Is it a carrot, something to work towards; or, like the SLA's of old, is it more of a stick? If it has value – how should such value be attained, and what are the challenges to be faced in attempting to do so? These are some of the questions we will answer in this Inside Track.

First then, let's cut to the chase. BSM is a made-up term, but (unlike many terms in this industry), it is surviving the test of time. The reasons are simple: at its heart, BSM is about service management, which is not “made-up”; second of course, it encourages us to think about ‘service’ from a business, rather than an IT perspective. While this is not an unfamiliar concept, it can be difficult to achieve.

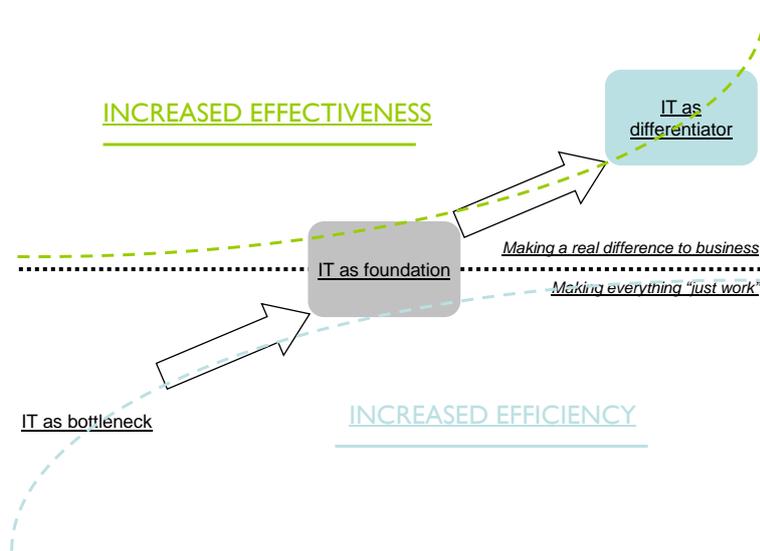
In simplistic terms, BSM is about determining what services the business needs from IT, defining them, measuring and monitoring how well these services are being delivered, and feeding that information back to enable the services to be adapted and improved.

It means talking about business outcomes rather than IT capabilities. Uptime is no criterion on which to judge the value of IT – particularly if the occasional downtime happens at business-critical moments. Business service management is all about mapping IT performance to concrete business requirements, and using this to direct and drive current and future IT activities.

Service is such an obvious concept, so straightforward in principle, and yet it can be so hard in practice: it can be hard for newer IT managers to “get” that the computer users are their purpose, not their challenge. To link this to BSM, it is important to stress the importance of having a ‘service culture’. In previous research [1], one of the more interesting correlations was how organisations that could already profess such a service culture were better at delivering services than their peers. In particular, certain verticals with more customer-facing roles such as financial services – were more successful than others.

## The rationale for BSM

Given this as a starting point, where exactly can BSM help, and what differentiates BSM from “traditional” IT management? To help understand this, consider the following graphic.



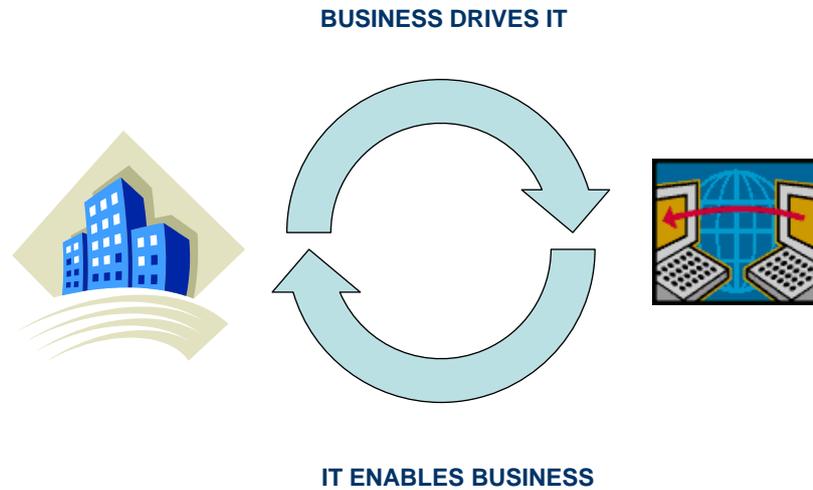
The first imperative we have in IT is to save money. We’ve all heard the pie-chart story – that IT is about 70% maintenance, and 30% innovation – and of course the vendors want us to change that round the other way, as innovation means product sales. From the end-user perspective however we have heard this told in a subtly different way: that there’s not going to be any new money. In other words, if you want to work on any of those new projects, you’re going to have to free up some cash from elsewhere.

This is the kind of pressure that drives IT to needing to become more efficient. Efficiency is about saving money – doing the same with less. Which is fine, but it’s not ever going to be complete – nor can it be. The law of diminishing returns tells us there are only so many costs we can squeeze out of a closed system, and we’ve seen this time and again in IT consolidation and rationalisation projects.

The other downside of course, is precisely that it is about saving money, and not making it. Saving money has a positive impact on margins, but business growth is about making money, so we also need something to help us align with that. That’s where business service management kicks in.

There are two sides to this. First we need to consider what IT brings to the party. IT can either automate tasks that needed to happen anyway, or enable new things to happen that otherwise

would be outside the reach of the business. We could draw this like a wheel: business drives IT, and IT enables business.



From this perspective, BSM seeks to measure how well this cycle is working, and enable IT services to be delivered appropriately. But how exactly can this be achieved?

### **Starting down the road to BSM**

To be most effective, the journey to BSM needs to start with the business: this is for a whole raft of reasons, most of them obvious in hindsight. IT has a history of trying to second guess what the business wants, how it operates or what its priorities are; but there is a way to short circuit all of that. It's called: "Going along and asking – and being ready, able and willing to listen to the answers." This may sound glib but it's amazing how often this can be forgotten, not just in IT/business interactions, but between.

The goal is to gain an understanding of the business. Armed with this, it's possible for IT to respond in kind, with clearly defined services that the business will find the most beneficial. As an aside, a great spin-off benefit of speaking to business people about how they work and what they need, is that this can often bring together different business departments in conversation.

We could talk here in terms of business processes, collaborative working practices and the like – these give us the hooks to which we can attach our IT services. Given such services, we then want to monitor how well we are achieving them; and, of course, know what throat to choke if something goes wrong. These days of course it's not just about whether it's Sun or Oracle that needs to be called – there are many ways in which an IT service can be constructed and delivered, from offshoring to software as a service and (so we are told) cloud computing, so we need to take all of them into account when we consider how to keep tabs on what services we have.

So far we've talked very little about technology, and rightly so. BSM is about service delivery, and while IT is indeed a very important service delivery mechanism, it is not the only one. We are seeing many IT departments morphing into service delivery organisations, not so they can in some way dispense with their technological roots ("we're not geeks, we're business people...") but embrace them and use them to enhance the performance of the business.

To whit, BSM is about delivering services effectively, in a way that is relevant and of value to the business. To achieve this we should probably throw in the word 'portfolio', as services need to be

managed both individually and as a unified whole. There may be tools involved – but to support, not define the activities of BSM. The tools have to follow the technique.

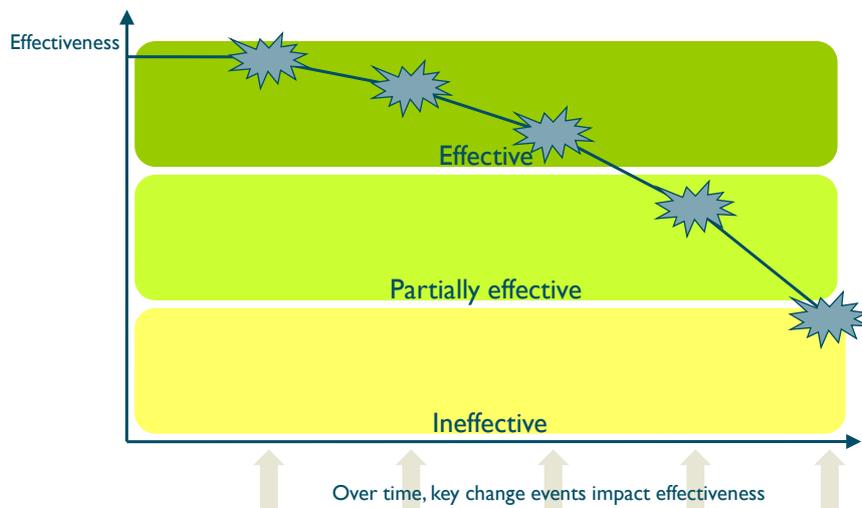
## Overcoming the challenges

Like most things, many things can go wrong when implementing a BSM strategy. Unfortunately BSM is not a quick fix; more of a journey than a destination. It is very much about people and attitudes, about processes and policies, and a bit like the “how many therapists does it take to change a light bulb?” joke, “the light bulb has to want to change.” For BSM to work, the business will have to engage, in a way and at a level where IT can deliver the most benefit. In blunt terms, if the business can’t articulate and prioritise what’s most important to it, it’s going to be difficult to respond.

A journey more than a destination – and a never-ending one no doubt, given that change is the one thing that’s certain in this fast-moving industry. We can think in terms of innovation windows and sustainability curves.

The innovation window is simple enough. Still today, projects can be kicked off with a planned deployment date of two years hence. 20 years ago that might have been fine, but there was a point when it became very clear that two years would miss the boat in terms of innovation. The world would have moved on.

Meanwhile we have the sustainability curve. Specific tools and technologies can have a half life: we all know how quickly things can go out of date. It’s not that things get old – more that over time, they respond less effectively to change events:



The only data we have to support this picture is anecdotal – but it will be familiar to anyone who has seen new technologies become less and less functional, and relevant, over time. To guard against this phenomenon, we need to have some kind of continuous improvement programme in place. Not to make things constantly better – we’ve already looked at diminishing returns – but to ensure at least that we keep on an even keel.

## **Conclusion**

Ultimately, BSM is a key element of delivering IT services to support the agile business. We use the term “agile” guardedly because it has been misused in recent times; consider what one CIO has told us: it’s not about somehow being able to jump through hoops, it’s more like going to the gym. Businesses are looking all the time to beat the competition: it doesn’t have to be by miles, but just keeping a few steps ahead.

With BSM, yes, we can ensure we are running our IT efficiently and in tune with the needs of the business. But more importantly we can keep an eye on how effective we are being, and ensure that we do the things that are going to make the most difference to our organisation.

This is as much about the ‘how’ as the ‘what’. The goals may be simple, but to achieve them may require overcoming organisational baggage – if IT does not already have a good relationship with the business, BSM can be seen as yet another doomed initiative. There are no easy answers to solving this; however the service improvements encouraged by a BSM approach may well be the thing to get the IT-business relationship on track. As an end in itself, this would already be a good thing for many organisations.

## References

[1] "Deploying CMDB Technology – Pragmatism and realism will deliver the benefits", Martin Atherton, June 2007 (<http://www.freeformdynamics.com/fullarticle.asp?aid=113>)

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