Opportunity-driven IT service management

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Abstract Information Technology (IT) service management is increasingly opportunity-driven. IT Infrastructure Library (ITIL) version 3 and the Service Portfolio apply service lifecycle and portfolio management techniques. Business service development and service innovation is a vital path to the future. Marketing techniques are relevant and applicable to IT professionals. Such techniques include: service catalogue, professional services automation, project portfolio management, customer relationship management, service pipeline and the task marketplace.

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Information Technology (IT) managers wear many hats to administer IT operations. How did applying marketing principles and seizing opportunities across the service lifecycle become essential?

Sure, we hear a lot about IT professionals needing to acquire more business skills. But relatively few people with a deep IT background are also experts at marketing. This may be due to background, mindset, comfort level or simply specialization due to limits on human bandwidth.

Marketing is a fluffy and creative activity better left to marketers. Marketing principles and techniques are certainly outside the core mandate of IT professionals. Or are they?

Historically, IT professionals prefer to:

- limit expectations;
- avoid over-promising;
- control scope creep;
- refrain from premature celebrations that could bite back later.

Contractual and Statement of Work targets are difficult enough already. So why bother striving to offer more than the minimum necessary to sustain IT operations?

We have seen some hardware become increasingly commoditized. Web and application platforms are also increasingly commoditized, out-sourced or offshored. With open

architecture, unified standards and common data models, IT professionals are arguably becoming less about technology and more about innovation, business development and go-to-market initiatives.

If the “buy versus build” decision increasingly shifts to “buy”, then what roles are left for IT professionals to perform to continue to be invaluable to the organization? The answer exists upstream in the value chain: business services manager, pipeline manager, relationship manager and transformation agent.

Increasingly, IT professionals are expected to cater to business requirements and understand the scorecards, metrics and tools of business such as budgets, P&L, forecasting, cash flow, ROI, process modeling, etc.

In response, many feel the need for continual transformation. An “adapt or be out-sourced” mantra is more widespread with the growing reliance on lower-cost out-sourcers based in India, Russia, China, Singapore and elsewhere. Employees with traditionally secure roles can feel vulnerable to down-sizing, demotion and layoff.

MARKET PRESSURES

Important trends are changing the way we think about IT responsibilities and internal marketing.

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A cultural shift is underway and IT professionals need to adapt.

Moreover, business managers are increasingly IT savvy. A recent InformationWeek CIO Effectiveness study of senior professionals found that 46 per cent of business managers are taking on more responsibility for IT projects compared to the prior year (Figure 1).

It may be true that IT savvy business managers will collaborate better and improve cross-enterprise communication. Correspondingly, IT professionals need to become more business savvy to maintain their credibility and influence.

In view of the complexities and interdependencies across IT, an understandable aversion has evolved against scope creep, over-promising and missed budget/timeline targets.

When project aspirations and contract milestones are already difficult to attain, IT professionals historically were reluctant to strive to offer more than the minimum thresholds of existing service-level agreements (SLAs).

Nevertheless, these dis-incentives and cultural inhibitors need to be overcome to achieve improvements in:

- customer satisfaction;
- customer loyalty/retention;
- worker morale and human capital development;
- innovativeness.

Typically, IT professionals focus on operations and efficiency. So we ask, “Do they really need to profile and segment their users and be prepared to pitch follow-on services?” Yes, IT needs to consistently demonstrate value-add and communicate these successes to guard against losing demand for their services.

This paper’s purpose is to point out trends and shifts in IT professionals as innovators with marketing and service/product responsibilities. This paper will also:

- review important factors in the service provisioning eco-system;
- outline new techniques and developments that are now available;
- recommend specific improvements and tools for short-term and intermediate-term gains.

Figure 1: Forty-six per cent of business managers surveyed plan to take more IT responsibility

IT PROFESSIONALS AND THEIR MARKETING CHALLENGES

In the past, Tom Seibel and other customer relationship management (CRM) leaders provided techniques for building customer intimacy that enabled performance gains for customer-centric offerings that delight customers. Today, IT professionals are being assessed by a similar lens.

When users contact an internal help desk for simple or complex requests, their customer experiences, satisfaction metrics and low-cost sourcing are being compared to those of world-class service centers available, such as Sears or Visa.

IT professionals may refer to their constituents as “users”. But these users are increasingly less captive. Users need to be recognized and treated as customers who have many choices and options in their suppliers.

For example, customers today can subscribe to application service providers that host the servers, perform upgrades and pledge high availability. Many organizations choose to focus on their core strengths, and purchase blanket out-sourcing contracts to gain reliability, expertise, efficiencies and to reduce distractions from core competencies.

SaaS (Software as a Service) and utility computing are gaining proponents. IT professionals increasingly need to demonstrate business value and flexibility in order to retain influence over IT and business operations. Unless value-add opportunities are seized, IT managers might resign themselves to being viewed as procurement managers.

Some IT managers have difficulty effectively explaining, negotiating and promoting their IT services in a way that their customers can relate to and respond to in view of customers' knowledge, needs and hot buttons. Going forward, this difficulty needs to be overcome. The recommendations below outline methods for IT professionals to better communicate, promote and market IT offerings to their key stakeholders.

ESTABLISHED AND NEW TECHNIQUES COME TOGETHER

New innovations are now possible as established and new techniques converge. CRM and professional services automation (PSA) originated several years ago.

The gains provided by ERP in a manufacturing factory setting are similar to the gains provided by systems management in an information factory. Exciting improvements in systems management (including service desk, release management, configuration management, etc) are combining with advances such as IT Infrastructure Library (ITIL) and PPM (project portfolio management) to opportunistically affect the way that tasks and projects are brokered and fulfilled in the IT marketplace.

In addition to design and support of various business systems, IT contributes input and uses multiple systems that affect new business development, new service offerings, CRM and opportunity management. Depending on the

situation and the actors involved, the touchpoints can be direct or indirect (Figure 2).

An IT service desk does not compete with an existing CRM system *per se*, because the CRM tends to look at external, revenue-generating customers. However, what characterizes a customer or a provider can vary at different times, or in different situations. The boundaries of business versus IT stakeholders are more fluid.

In CRM, an opportunity is typically matched to a contact, organization and product catalogue and then managed through the pipeline. The selling opportunity lifecycle has stages such as

- identify lead;
- qualify;
- contact;
- prospect;
- needs analysis;
- presentation;
- proposal;
- negotiate;
- close/contract/fulfill;
- extend.

Indeed, tools such as BMC Remedy ARS and Atrium are used successfully in both outward-facing CRM or as inward-facing service desk solutions. Increasingly such IT solutions span and overlap customer service, CRM, supply management, service desk, systems management

Figure 2: IT touchpoints for innovation and opportunity management

and PPM. Project Portfolio management includes managing projects, new application development initiatives or updating core business systems.

Service portfolio

During the 1970s, the Boston Consulting Group established principles of portfolio management for managing growth of stars, cash cows and dogs. Similarly, CA Clarity and IBM Tivoli offer examples of PPM used for IT project planning as well as product lifecycle management (PLM, sometimes known as pipeline management).

Increasingly, IT professionals are building a service portfolio comprised of service pipeline and service catalogue to manage risks and costs. Is this catalogue comparable to a Sears merchandising catalogue? Yes, in some respects.

IT management typically will configure and bundle offerings, and understand the amounts of labor/hardware/network ingredients required. Armed with cost, competitor and company information, IT can better manage pricing, margins, inventories and demand during peaks and valleys, and replacement cycles.

With a well-defined catalogue of standard IT capabilities established, agreements regarding level of service are possible. These SLAs define terms and conditions for how business needs are satisfied by IT. A business manager will usually seek to attain no greater caliber of service than needed, at lowest reasonable price.

Figure 3 shows the evolved approach that exhibits similarities to PLM, CRM pipeline management, product portfolio management and project portfolio management (PPM).

In service product development, the innovation pipeline manages opportunities through stages that include exploration, plan, design, transition, operation and retirement. The pipeline illustrates stages such as market space, concept, analysis, approval and charter, for which an innovative new service concept can progress. Influenced by overall business strategy, market research and customer input, new services or changes are formally conceptualized and managed.

As new service offerings are formulated and analyzed, the concept progresses through the service pipeline for approval, rejection or re-work. As the status of a new service idea matures through the portfolio from design to transition to operation (and ultimately retirement), appropriate resources are engaged and released.

Figure 4 depicts how, once chartered, offerings progress from pipeline into catalogue. The offerings become visible to customers in the service catalogue.

A catalogue of IT services is a useful vehicle for achieving standardization, consistency, cost transparency and SLA. Some firms may lack well-developed transfer pricing, charge back or activity-based costing methods. Service processes

Figure 3: Service portfolio

Figure 4: Service pipeline and service catalogue

will usually involve terms such as project, vendor, problem, provision, change, consult, capacity, etc. A service is more than just a technical component view. Examples of a service include on-boarding a new employee, hosting a new application or provisioning a new server.

Suppose IT offers desktop provisioning when on-boarding new employees. The requesting line-of-business approver does not care to know about conforming to prescribed device standards, install applications, security and patches and gain network access. It is the service capability (not merely the components) that is needed when the new employee arrives to begin work.

In Figure 5, it is Services A, B, C, ..., G, which are central to service-level management.

ITIL Version 3 provides a framework for process coordination and optimization. Service catalogue and service level management are central to a service lifecycle. This lifecycle is explained in ITIL v3: Service Design — Book 2, Chapter 4.

A catalogue is an important foundation for showing what IT provides to the organization. The

catalogue contributes by proactively displaying the offerings. An IT manager may report that “90 per cent of applications outages are restored within 7 minutes.” But is that significant to the business managers’ priorities? What was the dollar and business impact? How are service levels tracking and trending? Did the service fulfill a need and satisfy expectations? What adjustments or quality assurance measures need to be taken?

The catalogue enables better management of stakeholder expectations, communications and pricing mechanisms with definitions and terminology that customers can understand. Many of us agree that an important element of any customer-centric focus is for customers to easily know how to conduct business with the providing organization.

The important service elements captured by a service catalogue include:

- service name, description, identifier, key users, key support requirements;
- ownership, authority, accounting, change impact, service-level information;

Figure 5: IT services, business processes and the role of service catalogue
Source: ITIL version 3.

- customer expectations regarding performance, pricing, deliverables;
- resources for delivering business services to customers;
- requests and resources to align IT with business imperatives.

Table 1 provides an example of information managed within an organization's service catalogue.

In addition to the example above, the following attributes are also commonly found in a service catalogue containing details for each service offering:

- target audience;
- service pre-requisites;
- service restrictions;
- instructions for requesting service.

A service catalogue plays a critical role in communicating service offerings and in managing an organization's service management capabilities.

A detailed framework is provided by the OGC (UK-based Office of Government Commerce), which publishes the ITIL framework. With growing acceptance in the IT community, ITIL offers standardized vocabulary, process definition consistency and management standards within service management and across the service lifecycle.

Case example

A global investment bank experienced growth via acquisitions, but a patchwork of entities remained. Consolidation and integration was vital to coordination and cost efficiencies. A service catalogue can help reduce redundant business investments, duplicated efforts and rogue technologies

A well-managed shared services model will improve time-to-market of new financial offerings and enable re-use of application components. In this case, a "United Bank" theme communicated globally helped rally support for rationalization, process streamlining and inter-division consistency

Table 1: Service catalogue example

Service offering	Components	Definition	SKU #	Status	Units of measure	Cross-charge	Corp. uplift (%)	SLA ref #	Fixed, variable or blend
Manage systems	Manage servers	Create new standard server image	MS-01-AM-010-10	Pipeline	(Hrsxratexheadcount)+Lic.+annual Mtce	\$840	15	XPS-214-02	Fixed
		Create new standard server image with installed middleware	MS-01-AM-020-10	Active	(Hrsxrate)+Lic.+annual Mtce	\$1165	15	YPJ-211-03	Fixed
	Database support	Install server to site	MS-01-AM-030-10	Retired	(Hrsxratexheadcount)+Lic.+annual Mtce	\$2,240	15	NPQ-581-02	Fixed
		Secure and lock down server	MS-01-AM-040-10	Active	(Hoursxrate)+Lic.+annual Mtce	\$440	15	RPS-142-02	Fixed
		Install and configure database	MS-02-AM-010-10S	Active	(Hoursxrate)+Lic.+annual Mtce	\$940	20	NPJ-142-02	Fixed
		Add database to server	MS-02-AM-020-10	Active	(Hoursxratexheadcount)+Lic.+annual Mtce	\$770	20	NPK-321-02	Fixed
	Middleware support	Remove database from server	MS-02-AM-030-10	Active	(Hrsxratexheadcount)+Lic.+annual Mtce	\$430	20	NPJ-323-02	Fixed
		Install middleware	MS-03-AM-010-10	Active	(Hrsxratexheadcount)+Lic.+annual Mtce	\$990	18	WPE-311-02	Fixed
		Configure middleware	MS-03-AM-020-10	Active	(Hrsxratexheadcount)+Lic.+annual Mtce	\$840	18	RPQ-381-02	Fixed
Distributed	Move, add, change	Workstation move	D-01-AM-010-10	Active	(Hrsxratexheadcount)+Lic.+annual Mtce	\$620	10	FPI-319-02	Fixed +Variable
Distributed	Move, add, change	Office move	D-01-AM-020-10	Active	(Hrsxratexheadcount)	\$1,240	10	UPD-122-02	Fixed +Variable
		Facility request — add printer	D-01-AM-030-11	Active	(Hrsxratexheadcount)+hardware	\$1,260	10	KPH-214-02	Fixed +Variable

Table 1: Continued

Service offering	Components	Definition	SKU #	Status	Units of measure	Cross-charge	Corp. uplift (%)	SLA ref #	Fixed, variable or blend
Security	Identity and access	Email ID — change password	S-01-AM-010-10	Active	(Hrsxratexheadcount)	\$30	10	PSP-132-02	Fixed
		Email ID — change user ID	S-01-AM-020-10	Active	(Hrsxratexheadcount)	\$40	10	ADS-349-02	Fixed
		Email ID — create account	S-01-AM-030-10	Active	(Hrsxratexheadcount)+Lic. fee	\$60	10	NSR-721-02	Fixed
		Email ID — delete account	S-01-AM-030-10	Active	(Hrsxratexheadcount)+Lic. credit	\$20	10	DXS-361-02	Fixed
	Data network	Firewall service request	S-02-AM-010-10	Active	(Hrsxratexheadcount)	\$770	10	YPO-214-02	Fixed+Variable
Bundled services	Service requests	Minor site improvement	BS-01-PB-010-10	Active	(Hrsxratexheadcount)	\$510	20	XPS-321-02	Fixed
		Network consulting	BS-01-PB-020-10	Active	(Hrsxratexheadcount)+Lic.+annual Mtce	\$880	20	XPS-321-02	Fixed+Variable
		Capacity analysis and diagnosis	BS-01-AM-020-10	Active	(Hrsxratexheadcount)	\$1,240	20	XPS-321-02	Fixed+Variable

Professional services automation

During the late 1990s, PSA, in parallel to CRM, evolved as a better way for law firms, accounting firms, systems consultants and other service providers to offer, deliver and manage their accounts.

When such firms put a service capacity in place (like a seat on an airplane during a flight or a lawyer’s time), the service resource is perishable. Once a plane takes off, any new passenger revenue opportunity is not realizable. Hence, professional service automation is motivated to better match resource availability, revenue opportunities and supply costs for professional service providers. In contrast to product-only offerings, a service catalogue offering often contains hardware, software, labor and post-purchase support and warranty elements. These elements comprise the “total solution.”

While CRM and marketing management are opportunistic, IT management in contrast is traditionally constrained by obligations to reliability, availability, compliance, efficiency and security. But the ability to seize opportunities is still quite valuable to IT professionals.

Such solutions often contained a product catalogue and a pricing catalogue. Hence, service catalogues and PSA solutions are intertwined as important contributors to overall service management. Anyone acquainted with ERP software may wish to view PSA as an ERP system for a services organization. That is, integrated components for managing demand, supply, fulfillment and reporting.

How can IT professionals become more market driven and market aware? The service lifecycle can help by allowing for more of the customer-centric opportunity management, and still preserve a framework for segregation of duties, actor coordination and operational reliability.

With on-demand teaming, remote/virtual contributors (resources) and a plugged-in service center handling requests/incidents, what is increasingly constructed is a task marketplace or clearinghouse.

Opportunity-driven IT service management

The concept of “internal customers” and the recognized need for customer-centric services gained wide acceptance in recent years. Today, most employees understand the importance of

Table 2: Match resource need to pool of available candidate profiles

Project name
Project start/end dates
Urgency
Project duration
Project location
Compensation rate/day and hierarchy level
Role sought
Skills required
Position details
Quantity of people
Languages needed
Primary skill emphasis
Secondary skill emphasis
Comments
Approved for government clearance
Technical certifications sought
Relevant discipline: University/College
Relevant discipline: technical certifications
Candidate profiles provided via application for consideration
When available date
Base geographic location
Work history
Languages
Credentials
Past assignments
References, testimonials
Scheduled vacation, training or other absences
Other requirements (wheelchair, Braille terminal, etc)

being responsive to internal or external customer needs. However, with the advent of virtual teams, just-in-time projects and skill sets that can atrophy or lose market value, a significant portion of current assignments are consumed by planning for the next assignment.

To avoid layoffs and ensure their skills stay current, the resource has one eye on customer fulfillment and the other eye on positioning themselves for the next assignment. Improving their personal market value as an employee is like building a personal brand. The worker seeks to build loyalty, repeat business and their reputation as a go-to person. The prevalence of internal and external job board postings enables projects of all types to post requirements to a clearinghouse where task, talent and price are established.

Fewer jobs in the workplace are static. Job descriptions themselves are less constrained and

Table 3: Opportunity-driven marketing compared to typical IT management

<i>Customer relationship management (opportunity focus)</i>		<i>IT management (efficiency focus)</i>	
<i>Customer intimacy-driven</i>	<i>Characteristics</i>	<i>Technology functionality-driven</i>	<i>Characteristics</i>
<i>Contact management</i> 1 to 1 Marketing Lead generation and direct marketing Contact center FAQs	Customer centric	Customer satisfaction surveys and user directories	Surveys are sporadic, subjective. Directories and profiles tend to lack accuracy and professionalism.
	Seeking, uncovering and managing new leads	Users often deemed captive. Vaguely defined customer decision-makers	Directories and profiles tend to lack accuracy and professionalism.
	Scripting, CTI, pipeline management, direct marketing databases, automatic call distribution; interactive voice response, CTI, screen pops	Help desk	Goal is typically to minimize effort and costs and support change management, configuration management, tech compatibilities (not customer satisfaction or business-oriented). ACD less robust.
	Product configurations, compatibilities, warranties, etc.	Knowledge base	Known resolutions, known workarounds, approved configurations. Some self-healing and automatic resolutions (self-managing resources) bypass customer feedback mechanisms.
<i>Sales and business development</i>			
Sales rep incentives and rewards	Variable-based compensation. Incentives including commissions and other recognition, awards	Help-desk technician disincentives	Get to work longer hours, and weekends to handle increased workload. The result is de-motivating.
Account plan	What else can we sell them? "Let me show you our roadmap as you mature." And "How can customer be a showcase of our value proposition across our offerings?"	Generally non-existent	SLAs indicate a negotiated level of service. When business relationship managers are in place as an interface, the trade-offs can be managed and balanced. Otherwise, a mindset can result such as: "What is the least we can perform and not violate our SLA commitment, and avoid issuing credits for missed objectives?"
Individual account rep — activity plan	Plans for building productivity, effectiveness, close, follow-on, etc	Technician workload management based on specialty and capabilities	Tickets for a service tech, projects for a project mgr, initiatives for a business relationship manager. "We may consider that in a future release/generation."
Activity management	Tracking of contacts, meetings, sales kits, proposals, win-loss, etc	Workforce management, workload management, business process engineering	Increasing use of service pipeline and service knowledge management system.

Table 3: Continued

Customer relationship management (opportunity focus)		IT management (efficiency focus)	
Customer intimacy-driven	Characteristics	Technology functionality-driven	Characteristics
Opportunity	<p>Opportunities are managed using a sales pipeline. Opportunities progress through stages of:</p> <ul style="list-style-type: none"> • Identify • Lead • Qualify • Contact • Prospect • Needs Analysis • Presentation • Proposal • Negotiate • Close/Contract/Fulfill • Extend 	Some incidents are aged and tracked. Usually not future- or revenue-oriented. Occasional use of business intelligence	In some cases, the work order is a ticket for responding to an identified and logged deficiency. "Business leads" are not generally captured systematically, tracked or followed up on. Some firms capture opportunities in their service pipeline. CIO dashboard and PPM help manage service and support lifecycle.
Sales order forecasting	<p>Track Win-loss results and close ratios</p> <p>Enables resource allocation, cash flow management and business optimization</p>	Development of new customers is often <i>ad-hoc</i> and reactive	Contributes to disorder, inefficiencies and fire-fighting.
Cross-sell and predictive analytics	"If customer bought X recently, the likelihood of closing a sale on complementary Y offering is greatly enhanced."	Limited	Business intelligence for event predictions occurs only in the most mature organizations. BI dashboards are useful for proactive worker effectiveness tracking, outage risk management, etc. Consolidation of orders, and services can also be aligned with consolidation of hardware/software/virtualization.
Bill of materials	Configuration engines exist to help ensure proposed solutions are legitimate, up to date and optimal	Configuration management system	Trade-off exists between standards that are easier to manage, and tailored customization. Lack of standards can lead to numerous configurations entering environment.
Product/service catalogue	Strong with proposal — generators, configurators and attaching components for a "complete solution."	Service catalogue	In addition to budgets and resource plans, service catalogue is becoming more prevalent. A menu enables standards on offerings, bundles, configurations, components and versions. A catalogue promotes repeatability, consistency, volume buying, etc.
Proposal generation	Automated in many cases based on customer characteristics, solution components, timelines, etc	Statement of work	Fixed price or time and materials; project-change requests. Typically not a well-defined quote-to-order process.

Table 3: Continued

<i>Customer relationship management (opportunity focus)</i>		<i>IT management (efficiency focus)</i>	
<i>Customer intimacy-driven</i>	<i>Characteristics</i>	<i>Technology functionality-driven</i>	<i>Characteristics</i>
Pilot launch/new product development (PLM)/roll-out	Mature processes in place for introducing and tracking new products	Prototypes, deployment, skunkworks	Typically less rigorous. Increasing use of service pipeline, service portfolio and service knowledge management system.
<i>Marketing management and communications</i>			
Strategic marketing plan	Mature techniques available from firms such as Oracle, Siebel, Unica as well as Bearing Point	Budgets and operational plans	Increasing attention to service portfolio planning will leverage service pipeline and service catalogue.
Segmentation, differentiation and needs analysis	In-depth.	User profiles	Different configurations by role, need, expertise. Some obsolescence planning occurs by user profile. Better use of customer input needed.
Product lifecycle management and product portfolio management	Systematic formulation of new product introductions. Brand and Marcom refreshes. New model releases. Obsolescence mgmt within product life cycle	Service portfolio management. Technical and business service obsolescence management	New techniques are evolving to manage the pipeline of service product introductions: plan, analyze, approve and charter. New introductions are conceptualized with customer input. Stakeholders view the catalogue to understand product status such as active, retired or under development.
Campaign management and marketing communications		Evangelize, communicate	Varies by organization. Some IT departments create themes and campaigns to build awareness.
Alliances and co-marketing campaigns		Outsourcing contracts, service-level agreements, operating-level agreements, underpinning contracts	Supply capabilities sometimes augmented with third parties or off-shore cost structures.
Brand management	Shorthand for a promise of quality and performance	Theme and awareness campaigns	If done well, can communicate a common vision that rallies unified direction and goals (eg One Bank, Six Sigma, BPM, etc).
Affinity programs, frequent flyer programs	Customer intimacy and customer rewards for loyalty	Requests to IT are sometimes discouraged or deflected to frustrating mechanisms	Some success with self-service such as automated password reset, automated single-sign-on. Some success with satisfaction surveys. More focus on relationship building where practical can prove beneficial.
Promotional discounts	To reflect obsolescence, seasonality or off-peak demand	SLA violation credit for missed targets	Limited instances of "specials" or promotions. Demand management is becoming more prevalent.

Table 3: Continued

Customer relationship management (opportunity focus)		IT management (efficiency focus)	
Customer intimacy-driven	Characteristics	Technology functionality-driven	Characteristics
<i>Fulfillment, support and satisfaction management</i>			
Service representative	Workload balancing and workforce management.	Help-desk technician	Usually motivated to close ticket or deflect incoming service request from ACD to online self-help or autonomic-healing. Customer frustration can lead to lost opportunities. Metrics such as MTTR and MTBF ignore foregone revenue opportunities. Typically more cost conscious, less innovative, more apt to say: "No" to customer.
Customer support/field support	Many channels to enable customer to be supported in a way customer chooses	Technical support	
Focus groups	Product research, product lifecycle management	User groups	Prototypes and pilot roll-outs, service lifecycle management.
Forums, professional networks	American Marketing Association, CRM Today	User groups, ITIL, OGC, COBIT, ISO, ITSMF	Less focus on business development.
<i>Financial management</i>			
Procurement, supply chain management, enterprise asset management, etc	ERP, logistics and inventory optimization	Software delivery, provisioning, IT asset management, automated inventory, virtualization, etc	Improvements are evolving with IT systems management and enterprise asset tools.
Revenue forecasting	Strong emphasis on funnel, pipeline and win-loss	Chargebacks, transfer pricing, shared services, forecasting, plans, budgets, capacity planning	Emphasis is usually more cost-driven and resource availability oriented than revenue- or opportunity-driven.
Workload forecasting	Enables resource allocation, cash flow management and business optimization	Usually <i>ad-hoc</i> and reactive	Contributes to disorder, inefficiencies and fire-fighting.
Product line profit margin monitoring	Well-established with numerous tools including ERP, BI, PLM, etc	Cost minimization	TCO, return on assets employed. Profitability of service products can be challenging to systematically measure.

Figure 6: Catalogue example

more fluid these days. Organizational needs shift, and worker duties often need to shift. Despite some unionized encumbrances, what has evolved is a dynamic marketplace of projects and resource assignments. These assignments can feature internal and external competition, cosourcing and that mirrors the marketplace at large for revenue opportunities.

A service or product “goes to market” in increasingly varying teaming arrangements, compositions and formats. What can result is an e-Bay style clearing house as resources available align on-demand with work needing to be performed. If the market is robust, then the most qualified and most cost-effective resource is engaged and released with a minimum of friction, idle time or miscues (Table 2).

Due to the project/task marketplace that exists internally and externally, and due to several dynamics at work, IT professionals need to become better marketers. A range of prospective tools now exist for consideration. Table 3 shows similarities and differences of CRM compared to typical IT management in support of opportunity-driven service management practices.

RECOMMENDATIONS

In response to the question: “How can IT professionals be better marketers?”, the overall suggestions are to:

- be more opportunity driven and market aware;
- listen and record leads more systematically;
- refresh and renew continually solutions that the market will value;
- build morale and skills dynamically to earn current market-based rewards.

When managing the IT service lifecycle, it is beneficial to accommodate more of the customer-centric opportunities and still preserve a framework for segregating duties, actor coordination and operational reliability. Indeed, it is not surprising to see more vendors as well as IT managers integrate more aspects of PSA, systems management, CRM and ITIL in their go-to-market IT offerings.

1. Critically assess the current situation

Determine if CRM, PPM, PSA and systems management solutions are at the proper levels of maturity within the organization. Do not attempt to accomplish too much, too early. An initial assessment of your current state and target state is a useful first step. A baseline inventory will tell you what is already in place, and identify potential for rationalizing, de-duping and streamlining, and the relative priorities.

2. Build a service catalogue and communicate a menu of offerings

Table 1 showed examples of offerings that can be communicated to consumers. The catalogue

simplifies pricing, configuration, standard setting and change management. In conjunction with a change review board, obsolete offerings can be deleted, heterogeneity is controlled and support costs are reduced. The service pipeline leverages customer input to develop offerings for analysis, potential approval and charter. A service catalogue example is illustrated in Figure 6 to demonstrate a typical menu and functionality.

3. Apply PSA

Understand what PSA is, and why and where it could help. If PSA already exists, what potential exists to better integrate with service management and IT operations? Matching resources with requests can be simplified and useful techniques for better understanding users, consumers and suppliers can be continually improved.

4. Build and manage the task marketplace as a clearing house for resources available and work to be performed.

- The Opportunity Director is responsible for obtaining resources (from the pool of internal or external candidates).
- The Resource Coordinator administers and acts to fulfill requests from the staffing database (pool) to fulfill needs and deploy IT resources.
- The client representative, engagement leader, project manager(s), process consultants, product consultants and architect(s) are engaged to fulfill tasks and are released back to the resource pool upon completion.

Note that tools and techniques exist for managing tasks, opportunities, resumes, staff deployment, social networking including Linked-in, Facebook, online employee organizational directories, etc.

User-generated content and open source development (including homegrown wikipedia, social networking, etc.) is increasingly prevalent to enable dynamic updates by users, rather than rely solely on workers and system administrators to keep information up to date. Core IT staff can focus more on business relationship management, opportunity development, trends analysis, training delivery and process optimization when tasks are effectively managed. Connect to external suppliers where feasible or

to economically supplement during demand peaks.

5. Leverage CRM principles and consider borrowing aspects of CRM functionality.

For example, various vendors offer rigorous CRM as well as service desk, asset management and configuration management solutions. Increasingly, internal IT customers can benefit from opportunity-oriented functionality. For example, computer-telephony integration and screen-pop scripts and knowledge bases that are effective in marketing call centers are also effective in IT service centers. Online chat, self-service, lead management and business intelligence techniques used for consumers can be adapted or extended for IT management.

6. Adopt service process optimization and BPM methods.

The ITIL framework is too valuable to ignore. The recent Version 3 updates emphasize the service lifecycle. Require all your vendors to use common standards and speak the language and terminology when addressing your problems, incidents and issues. Process standards that allow for lessons learned elsewhere about incident management, problem and change management, maximizing availability and overall process coordination need not only be authored in-house. Avoid the “not-invented here” syndrome and embrace these published process standards wherever applicable.

7. Update chargeback pricing mechanisms to enable better SLAs and operating-level agreements.

Use more demand management techniques such as off-peak pricing to influence behavior to save on capacity, storage, energy consumption, reuse, etc. The market forces will lead to price reductions to clear orders, or raise prices when demand exceeds supply. As any good marketer knows, the selective bundling of services and solutions when negotiating prices with internal or external customers can drive better profit margins and inelasticity of demand.

8. Enhance the marketing prowess of IT professionals.

Segment desired market spaces and target audiences. Identify, select and prioritize opportunities. “Can we win, do we want to

win? How will it pay off? Is it scalable and repeatable?" Pick battles selectively in determining where resources are engaged and released.

Raise antennae for identifying new or changing needs. Log new opportunities that reflect user type and business circumstances in related or adjacent activities. In some organizations, this type of IT-business development role is known as "business relationship manager." This awareness is healthy and shows that some organizations realize business users often struggle in consuming IT services, and that these users have become less captive and are accessing more choices by various providers.

9. Enhance the marketing prowess and customer awareness of service center staff.

On a recent trip, I booked a low-fare flight with routing: New York–Baltimore–Chicago–Phoenix. Upon initially arriving at the airport, I noticed that a nonstop offering also existed for the same afternoon. I had to repeatedly explain to the ticketing agent my preference to skip the Baltimore and Chicago stops to arrive in Phoenix. The reservation system had generated the routing and the newly hired agent just could not put himself into the shoes of the customer to over-ride the system-generated routing, even though the system-generated offering represented a lower profit margin outcome and unhappy customer. Finally, an experienced agent intervened. Similarly, the mindset of service technicians responding to incidents and user requests is often rote and mechanical.

Faced with many possible scenarios, and sometimes limited training or experience, the diagnosis process can become mechanical, trial-and-error, and can lose sight of the goals. Nevertheless, the brand is on display. The opportunity for the appropriate representative to build valuable customer relationships should not be ignored, in spite of pressures for cost-efficiency.

The service manager can maintain a pipeline of opportunities (and candidate projects) with prioritizations that consider origins of value and include objective metrics for ROI.

IT managers should more often prioritize resource deployments based on revenue, business urgency or other strategic considerations.

Handling requests, incidents and operations can be done with more than just a cost-minimization perspective. Instead, nurture select opportunities for customer touchpoints and satisfaction feedback. IT managers can become better marketers by measuring and rewarding workers for performing approved business development behaviors in addition to standard IT tasks. Capitalize on appropriate relationship building, promote customer-centric principles and apply relevant new service portfolio techniques.

10. Adapt or be out-sourced

Important trends are changing how to think about internal marketing and IT responsibilities. A shift is underway and IT professionals need to adapt.

Augment service desk operations, training and awareness. Adapt internal facing help-desk tools to incorporate inward-facing business development aspects. Which customers may need new services or additional functionality/product? Who needs faster performance? Who needs new equipment faster? What barriers are encountered from the IT standpoint for performing the job better? Do not simply wait for occasional satisfaction surveys to trigger action.

When a desk-side visit occurs, the technician can capture user information that will be relevant to fulfilling future needs. For example, adding new fields to the help-desk functionality may help capture, track and report new insights otherwise overlooked. With new automation tools such as automated inventory and self-healing, the mundane desk-side visits will decrease. Empower IT staff to gain customer awareness and provide input to developing new service concepts.

The best workers are motivated to pre-empt any likelihood of out-sourcing. Whether it is in the form of SaaS, ASP or shifting application development and data center work to an IBM or Cap Gemini to focus on core strengths, an organization's approach to out-sourcing can ebb and flow depending on shifting priorities, market opportunities and strategies. Naturally,

being proactive enables higher value-add work to be instigated and retained by the team members. With a focus that is less task oriented, more analytical and more business development oriented, the team members can influence their destiny and reduce the likelihood of stagnating in yesterday's outmoded approaches.

11. Design rewards that reinforce desired behavior.

Interviews at a major corporation recently revealed the following conflict: "People here don't use self-service for automated password resets. We don't remind them about it, because we're compensated on quantity of incident tickets we process." The incentives and rewards systems must be regularly reviewed to ensure that IT and business objectives are aligned.

Rewards systems must be straightforward enough for employees to understand the goal congruence. Eliminate incentives that discourage good behavior or encourage bad behavior. Workers have job descriptions with defined responsibilities that encourage adherence to foster coordination and efficiency. But regularly look at role profiles and update job descriptions regularly. As more roles such as Business Relationship Manager are approved in an organization, the ability to apply a business-development and marketing mindset for IT managers will improve.

CONCLUSION

How CIOs spend their time

23%	Relationship management with business
16%	Strategy
13%	Relationship management with IT
9%	IT governance
8%	Operations
8%	Architecture
8%	HR
7%	Non-IT
6%	Software development

Data: Society for information management survey of 130 CIOs and senior IT executives. Information-Week.

In a survey of 130 CIOs and senior IT executives, 23 per cent of their time was reported as spent on relationship management with business and 8 per cent on operations.

IT managers and staff reporting up to CIOs are often burdened by operational, architectural and managerial duties. Hence, it can be challenging to additionally accept marketing, innovation and pipeline management responsibilities. Nevertheless, opportunities for business development and retaining customer loyalty should be embraced.

Opportunity-driven service management brings together new and established methods. Go-to-market results are more timely, more efficient and less risky. The service pipeline, service catalogue, PSA and CRM techniques will help IT professionals seize more opportunities with greater market impact.

GLOSSARY

Term	Explanation
Change	A deviation from status quo that may need to be managed depending on the nature of the proposed change. Risk mitigation techniques can include rigorous policies, change control procedures or use of a Change Advisory Board.
CI	Configuration items are characteristics recorded in a database (CCMDB) to capture attributes and relationships such as hardware model, serial number, software version, documentation manual, work product, etc.
CMS	Configuration management system manages CIs and may contain multiple configuration Mgmt databases.
Contract	Negotiated agreement in writing with obligations for provider and consumer.
CRM	Customer relationship management offers solutions and techniques for managing revenue opportunities, contacts, organizations and leads evolved in the late 1990s. Since then, firms such as Siebel, Oracle, Epiphany and Unica have implemented large-scale deployments.
CTI	Computer Telephony Integration enables more seamless data and knowledge sharing among devices and interfaces.

<i>Term</i>	<i>Explanation</i>
ERP	Enterprise resource planning integrates several components of manufacturing, pricing, fulfillment, inventory management, distribution, reporting, etc.
Incident	An event of non-routine significance needing attention from IT.
ITIL v3	IT Infrastructure Library Version 3 is published by OGC in the United Kingdom; these process optimization books describe the service cycle. The components include service strategy, service design, service transition, service operation and continual service improvement.
MTBF	Mean time between fixes measures reliability, outages and service management effectiveness.
MTTR	Mean time to resolution measures downtime and service management effectiveness
OGC	Office of Government Commerce, United Kingdom.
OLA	Operational-level agreement can exist between IT service provider and a different department of the same organization that assists with the provision of services (e.g. Facilities team maintains air conditioning, or network support team that supports the network service.).
Opportunity	Used by sales, marketing or fulfillment workers to represent the chance to generate revenue by providing a proposed product or service.
Pipeline	Service products conceptualized and under development pending approval and charter.
PLM	Product lifecycle management solutions help companies improve product development, product introduction processes and use of product-related information across lines of business.
PSA	Professional services automation manages delivery of client projects, and the resources required, such as skilled people and assets. Functions may include project management, documentation, time records, billing, reporting, etc.
Request	A user or customer takes the initiative to request an action or task be addressed by the support provider.
SCM	Supply chain management solutions help companies improve supplier relations and supply logistics.
Service catalogue	A catalogue of services and capabilities offered by the provider organization to the consumer organization. The catalogue is the section of the service portfolio viewable by customers. The products that are retired or under development are generally not displayed in the customer view of the catalogue.
Service portfolio	The service portfolio is comprised of the service pipeline and the service portfolio
SKMS	Service knowledge management system.
SLA	Service-level agreement negotiated between provider and business consumer. An understanding about priorities, warranty and level of service.
Systems management	The evolving set of solutions such as automated inventory, software delivery, change and configuration management systems, asset management, etc. The vision is for a suite analogous to ERP that will provide a CIO dashboard with business intelligence capabilities.
T&Cs	Terms and conditions of an agreement set out the rights and obligations of the parties
UC	Underpinning contracts negotiated between external supplier and organization provider of delivery services.

Further Reading

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- Soat, J. (2007) 'IBM's CIO: A conversation with Mark Hennessy', Information Week, 19 December 2007.
- ITIL. (2007) 'Information technology infrastructure library books', Office of Government Commerce, May 2007.