



SIAM ADVISORY

OCTOBER 2015

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1. SERVICE OVERVIEW

Coeus offers a broad range of IT advisory and consultancy services across a variety of technology capabilities, from short strategic assessments through to transformation and benefits delivery.

Within the SIAM capability Coeus support clients to maintain fit for purpose, predictable and seamless IT services, maximising value for money and meeting business needs.

1.1 Business Challenges regarding SIAM

The awareness and presence of Service Integration and Management (SIAM) has grown in recent years, with many large UK companies, global organisations and government departments all implementing dedicated functions to manage multiple vendors in a multi-sourced environment.

An effective SIAM capability should bridge the gap between the multiple internal and external suppliers delivering technology services, and present those as end to end services which are relevant to the business organisation. These business services need to deliver the key IT requirements the business need to answer key questions, that include;

- I spend too much on running my existing IT operations, how do I free up money to reduce costs and invest in strategic solutions?
- How do I ensure we are compliant and making the right decisions against our risk and regulatory obligations?
- How do I improve the quality and reputation of IT within the business?
- How do I show the value the business gets from IT?
- Why can IT not deliver more rapidly against business needs?

1.2 Coeus SIAM Service Offerings

Coeus offers a number of different Service Integration and Management (SIAM) services to enable their clients to effectively deliver IT services to the meet the needs of the business.

- Service Strategy & Design – best practice (ITIL) service management process design and implementation, service management toolset selection and deployment, business service catalogue and service portfolio design, alignment of IT service portfolio with business strategy, IT strategy and projects portfolio, IT performance dashboards development
- SIAM Advisory & Implementation – whether insourced or outsourced, development of a robust service integration function capable of managing multiple internal and external suppliers, delivering a single set of IT Services to the business by coordinating people, processes and tools, defining relevant operational level agreements (OLA's) and service level agreements (SLA's)
- Service Assessment & Optimisation – benchmarking, maturity assessment, continuous improvement and optimisation of the IT services, identification of service and process cost reduction opportunities

2. METHODOLOGY & APPROACH

2.1 Methodology

Coeus' Service Integration and Management (SIAM) methodology has been developed through the combined experience of our service and strategy consultants over the last 20 years working with a large number of global and national organisations across multiple engagements. It provides a flexible blueprint for the design, development and implementation of SIAM services which can be specifically tailored to the requirements of each of our clients, the high-level methodology is illustrated below.

SIAM is the coordination of people, processes, tools and technology across multiple towers, internal or external, to ensure the effective and efficient operation of the end-to-end service delivery to the business.

The SIAM function drives a common operating model and ensures seamless end-to-end service delivery across all towers. The role of SIAM should include:

Governance

- Providing independent coordination and management to ensure all service towers meet service requirements and business demand
- Monitoring the performance of the service towers against agreed KPIs and metrics, e.g. Service Level Agreements (SLAs)
- Providing reporting against the metrics to both the IT organisation and the business, highlighting the performance of both internal and external towers

Process

- Driving process standardisation and deploying industry best practice (such as ITIL processes that are clearly defined and implemented consistently across all service towers)
- Ensuring roles, responsibilities, interdependencies, and interfaces are clearly defined between the service towers and the SIAM team as part of a single operating model

Tools

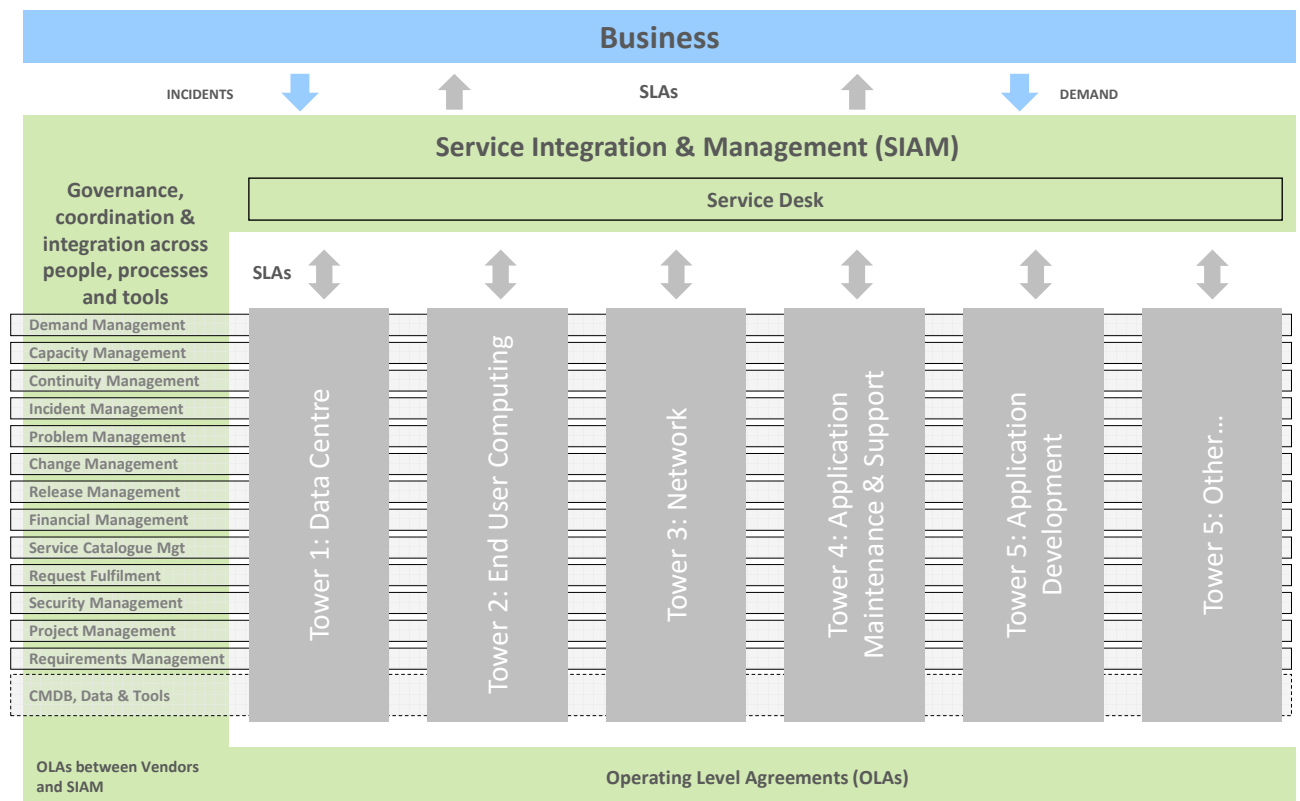
- Driving tool standardisation across all service towers, implementing and interfacing a single tool across all providers, internal and external, and ensuring consistency of use and data

Service Availability and Reliability

- Driving higher availability and improving service reliability through:
- Ensuring issues are fixed before they become incidents through effective monitoring and alerting
- Fixing issues that have become incidents through successfully managing the incident process, particularly where cross-tower coordination is required
- Ensuring incidents do not reoccur through effective problem management processes, again particularly where cross-tower coordination is required.

In summary, the SIAM function coordinates all of the different contracts, SLAs, processes, people, tools and towers on behalf of the IT organisation to reduce the management overhead involved in the day-to-day running of a multi-vendor environment.

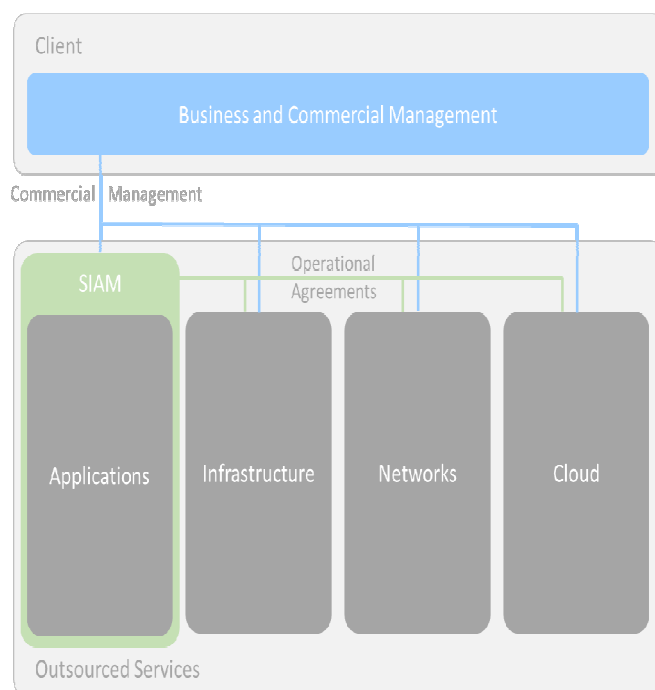
Service Integration and Management Operating Model



There are a number of ways that the SIAM operating model can be provided within an organisation; provided by lead tower, provided by prime contractor, SIAM provided by 3rd party specialist, or SIAM provided internally. These model are briefly described below;

SIAM provided by Lead Tower

One of the IT multi-sourcing partners, usually the partner with the largest service scope, is given the responsibility of the SIAM function. Typically this would be limited to operational management, with governance, commercial and contractual management of the other suppliers being retained by the client.



Benefits:

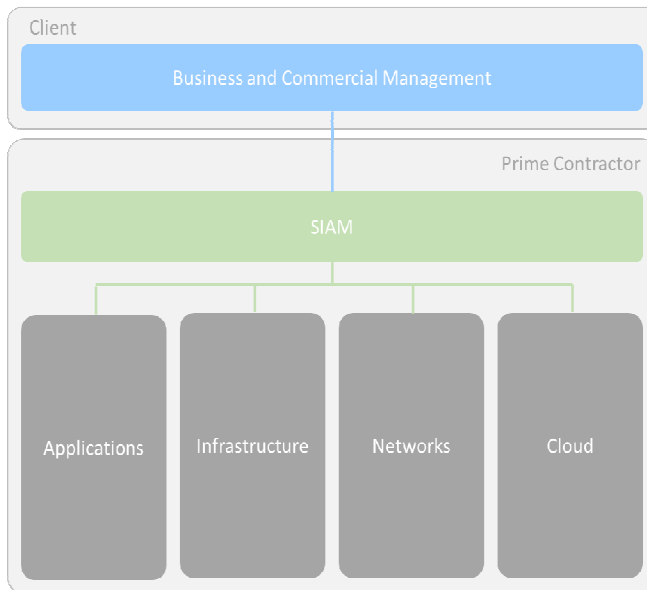
- Utilisation of a trusted known supplier can avoid some of the risks
- Potential leverage of suppliers existing tooling and processes already deployed
- Economies of scale for the supplier supports a better price for the service
- Commonality between the largest component and the SIAM team

Concerns:

- External organisations typically struggle to manage other 3rd party vendors on behalf of the client as they are not seen as having the authority to coordinate and manage
- The independence of the MI is often questioned as the SIAM provider will be 'marking their own homework' on their respective towers
- External SIAM functions typically fail to have sufficient authority for budgeting and financial management
- Reliance on an existing tower supplier increases complexity in the event the supplier is changed
- Operational issues often become clouded by commercial issues, with the client getting drawn into operational issues and becoming the de-facto SIAM function

SIAM provided by Prime Contractor

Single organisation responsible for both the operational and commercial governance of sub-contractors.



Benefits:

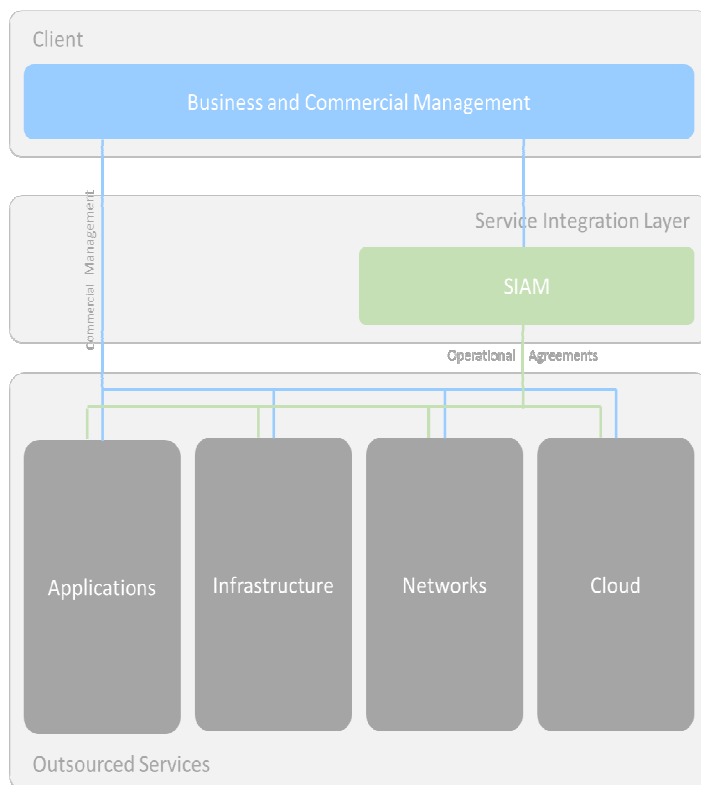
- Economies of scale for the supplier
- Commonality between the largest component and the SIAM team

Concerns:

- Too similar to 'first' generation monolithic outsourcing deals
- Can be addressed through a number of innovative contractual arrangements, where the client can have the ability to select and / or change sub-contractors. However, this isn't without its challenges and can cause friction between the client, the prime contractor and the sub-contractors
- Pace of change and service improvement can be a challenge due to full dependency on the prime contractor
- Lacks competitive tension to support prime contractor leading change through their thought leadership

SIAM provided by 3rd Party Specialist

Utilises an independent third party to provide the SIAM function, bringing in their expertise in processes, governance and tools. The SIAM partner is not able complete / provide other services, which keeps the level of 'friction' to a minimum.



Benefits:

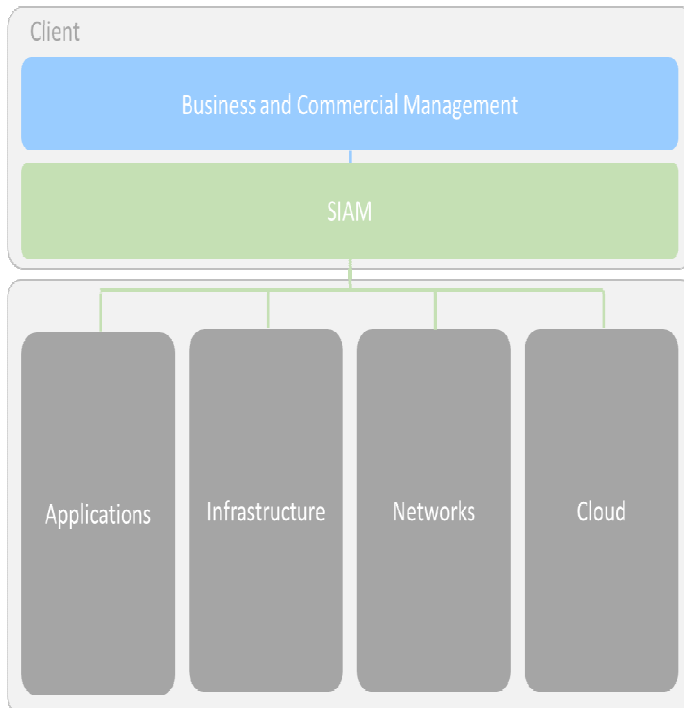
- Opportunity for an independent 3rd party separate from other suppliers
- Benefit of partner experience where capability and experience exists
- Provides additional flexibility around retained organisation and capability mix

Concerns:

- Clear boundaries for accountability and responsibility must be established between the retained organisation, the SIAM function and other external suppliers
- Operational issues become clouded with commercial issues and the client ends up interjecting far more than expected
- Given the need for independence of the SIAM function in this model, the SIAM provider is not allowed to bid for one of the delivery towers. This often deters some suppliers from bidding, as SIAM on its own is not commercially attractive enough
- Limited expertise in the marketplace of truly independent SIAM providers
- The 'typical' outsourcing providers also lack the experience, tools and processes of managing true SIAM on behalf of a client across multiple vendors which leads to heavier engagement from the client to ensure success

SIAM provided Internally

One of the IT multi-sourcing partners, usually the partner with the largest service scope, is given the responsibility of the SIAM function. Typically this would be limited to operational management, with governance, commercial and contractual management of the other suppliers being retained by the client



Benefits:

- The IT organisation remains in direct control of the SIAM function, one of the main levers to drive service delivery performance as well as the transparency of the SLA
- The internal organisation will understand the real impact of an outage and will have sense of urgency
- Service management data and tool owned internally, with external organisations interfacing into it, helping to drive standardisation and consistency
- Supports IT having the direct relationship with the business
- Critical knowledge, 'service intelligence', kept internally

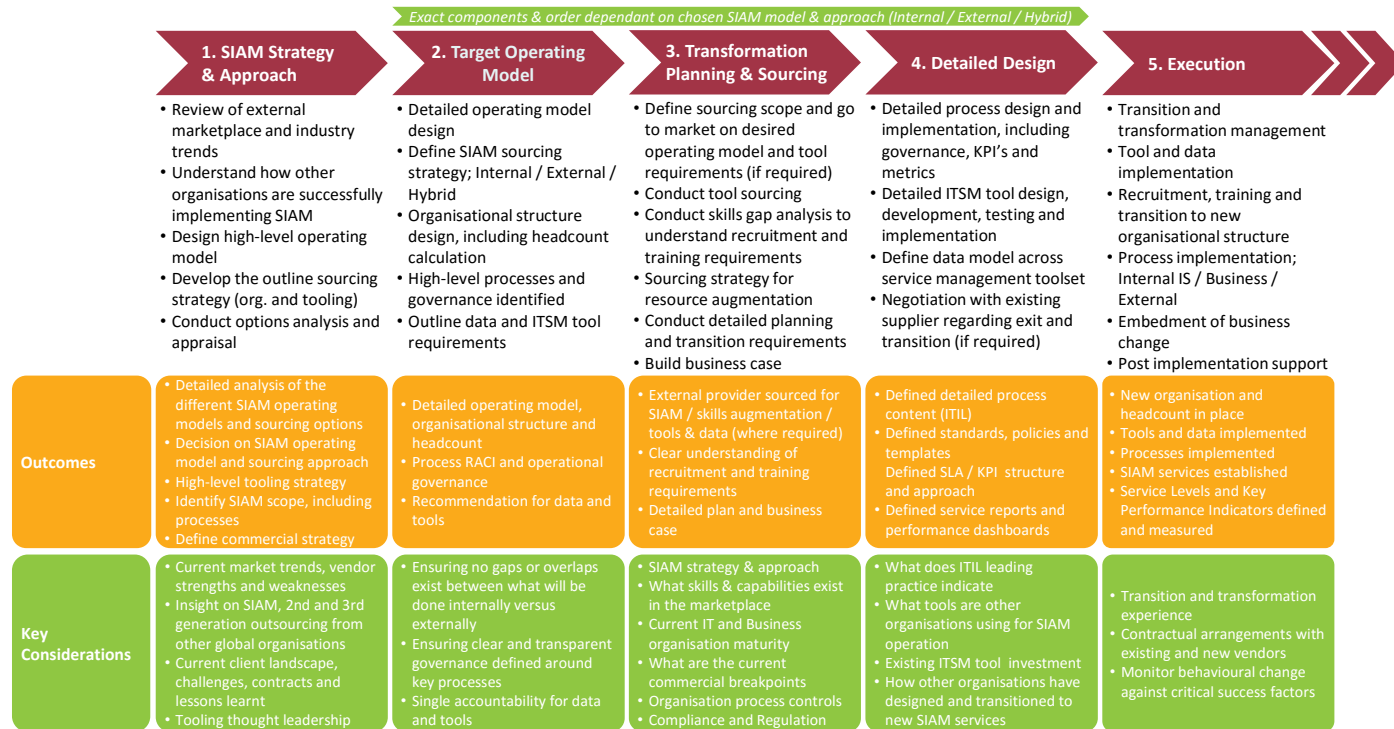
Concerns:

- The associated time, risk and investment required to build the internal capability and skills and to design and implement a service management toolset and processes is significant
- Many organisations still have downward pressure on headcount and will not want to go through the effort of designing and implementing a new IT organisation, particularly one that is going to significantly increase headcount
- Whilst most organisations have experience of outsourcing and managing vendors many do not have the skills to manage multiple vendors and coordinate activities across multiple providers and towers

Approach

Coeus' have a comprehensive approach for the design, development and implementation of SIAM which is tailored to each individual clients requirements. Our high-level approach is outlined below;

SIAM Strategy and Implementation Approach



3. EXPERIENCE

Coeus' services and skills are tailored to address the complex challenges of today's CIO organisation. Our strengths lie in advising clients on strategic and operational change to enable the identification, sourcing and delivery of optimal technological solutions and services.

We believe that Coeus is ideally placed for the following key reasons:

- We have undertaken similar projects for our clients and our level of knowledge in these areas is second to none
- We provide trusted independent advice at all times critical to this type of engagement
- We have skilled mature staff with directly relevant recent market experience, covering both IT strategy development and commercial reviews in an outsourced environment
- Appropriate methodologies developed through experience of conducting this type of engagement for other similar organisations
- Deep knowledge and understanding of how other similar organisations are currently defining their IT organisations and the mix of internal and external resources

The two Case Studies below provide additional detail of some of the projects Coeus has recently worked on. All of these engagements were conducted on a joint team approach whereby the Coeus team worked directly with or alongside the client team. The resource split is typically 50/50 but can be tailored to meet the specific needs of the project or any client resource challenges.

3.1 Service Integration and Management (SIAM) for Global Pharmaceutical

Background to the project

Due to the poor performance and lack of flexibility of the 'first generation', single source, IT outsource provider the organisation decided to move to a new multi-source environment. As part of the sourcing strategy the decision was taken to insource key components to bring the control and management back in house, which included the service integration and management (SIAM) function.

Approach

Using its past experience Coeus was asked to support the SIAM design and implementation activity to ensure a successful transition back in-house, including:

- SIAM operating model and organisation structure design, including FTE numbers, processes, governance and implementation plan
- Design of new service management processes e.g. incident, problem & change management to effectively coordinate activities across the towers in a multi-source environment
- Detailed transition planning, role mapping, recruitment activity and a sharp focus on risk mitigation
- Significant business change activity to support the transition and to secure the new ways of working and culture

Outcomes and deliverables

Within the short timescales required the Coeus team rapidly delivered:

- SIAM operating model and organisational structure
- Service management processes defined and implemented
- Transition and risk mitigation plans

Benefits

The benefits of working with the Coeus team were:

- The new operating model and successful execution of the plans supported the transition of SIAM from the current vendor back in house
- 110 people transitioned from the vendor back, or were new recruits into the client global IS organisation
- 23 staff transferred and 29 new staff members recruited and embedded in the new organisation
- 15 service management process defined, implemented and the ways of working operationalised
- New service focused culture effected

3.2 IT Services Strategic Plan for Global Pharmaceutical

Background to the project

The client wanted to put in place a strategic plan for all of its IT infrastructure services covering the evolution of the services over the next five years

Approach

- Service Strategies were developed for each Service Line within the Infrastructure division
- A SWOT assessment for each service led to the identification of initiatives to leverage the positive aspects and/or mitigate any weaknesses
- These were aligned with Domain Mapping and Capability Maturity work that was being carried out within the Architecture function

Outcomes and deliverables

Service Strategies for each Service Line comprising:

- SWOT Assessment
- Service Roadmap
- Initiatives to deliver the Roadmap
- Five year view of costs and headcount
- Consolidated into a Financial Strategic Plan and validated with the business
- Governance process to ensure Strategies are reviewed twice a year

Benefits

The benefits of working with the Coeus team were:




- Each Service Line has a clear Roadmap that also shows how it will be delivered
- The business has a clear view of what needs to be invested to deliver the capabilities it requires
- Service Owners have a firm foundation from which to commence the annual budget cycle, and consequences of investment decisions are clear
- The Governance process ensures that subsequent annual planning exercises will be less onerous
- The Infrastructure division is better able to respond to challenges from the business by having a solid platform against which to carry out Risk and Impact Assessment

4. COMPANY OVERVIEW

4.1 Overview

Coeus Consulting is an independent IT management consultancy providing both advisory and consultancy services.

We specialise in the areas of IT strategy, sourcing, technology, transformation and optimisation. Our people have the right blend of skills and experience to deliver trusted advice on commercial, technological and business issues resulting in strategic benefits for our clients. We deliver our services to some of the largest corporates, financial institutions and most recognised brands in the world.

<div style="background-color: #0070C0; color: white; padding: 10px; border-radius: 10px;"> <p>Our people </p> <ul style="list-style-type: none"> • Our people – that’s what makes us different - our consultants have the right blend of knowledge and ‘real world’, hands on operational experience, to deliver the right outcomes for our clients • They have passion and commitment, are adaptable and flexible and deliver with pace and to the highest quality • The breadth and depth of our consultants expertise spans multiple disciplines, organisations, cultures and industries – ensuring their advice always addresses the bigger picture </div>	<div style="background-color: #0070C0; color: white; padding: 10px; border-radius: 10px;"> <p>The way we work </p> <ul style="list-style-type: none"> • We provide advice without bias and in the client’s best interest. • We work ‘true’ client side, we listen, we challenge and we deliver with clarity and creativity • We are transparent and honest - working to your agenda, not our own • We pride ourselves in the input and insight that we give, drawing on our experience, knowledge, methodologies and tools </div>	<div style="background-color: #0070C0; color: white; padding: 10px; border-radius: 10px;"> <p>Our business model </p> <ul style="list-style-type: none"> • We are truly independent – no strategic alliances, no commercial arrangements • Our company structure allows us to be agile, responsive and flexible to your needs • We deliver value for money to our clients and are commercially competitive across all sectors • We work closely with our clients to ensure knowledge transfer is part of every engagement </div>
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4.2 Office

Our registered office is 48 Warwick Street, London, W1B 5AW. However, based on our experience of conducting other similar engagements, in order for engagements to be efficient and effective we would expect a significant amount of the work to be completed on-site at our clients’ offices.

4.3 Contract

A copy of our standard Terms and Conditions have been submitted and are available as a download alongside this service.

4.4 Corporate Affiliations

Coeus is totally independent and does not have any strategic alliance or commercial arrangements with any supplier or software provider, enabling us to carry out commercial, outsourcing and procurement advice with the integrity our clients require.

4.5 Professional Indemnity

Our professional indemnity insurance is provided by AIG and is limited to £1 million per individual claim.

4.6 Organisational Structure

The organisation is led by the three founding Directors, Ben Barry, James Cockroft and Rob Walker. All employees report into one of the Directors.

4.7 Pricing

Coeus Consulting will deliver this service on a time and materials basis to be discussed and agreed prior to the start of any engagement.

4.8 Quality Control

All client deliverables are subject to peer review and every Coeus project is overseen by the accountable Director.

4.9 Integrated G-Cloud Service Delivery

Coeus have a number of G-Cloud service offerings, which can be delivered separately or as part of an integrated programme where required to customer service requirements.