



White Paper

Challenges in IT Service Management and Application Management

This white paper summarizes the results of 7 international workshops in which representatives of IT Service Management and Application Management communities have expressed their views about the challenges that they are facing.

**Speed of business change
Immature demand management
Relationship between business and IT**

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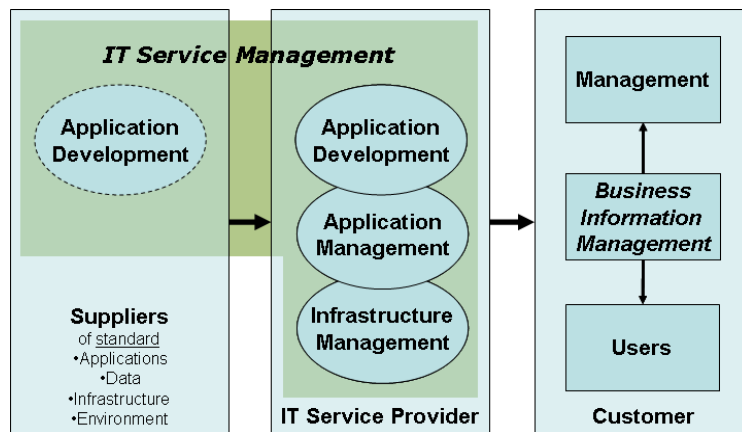


Introduction

This white paper provides insight into the results of workshops on how the challenges are being experienced in the IT Service Management and in particular the Application Management domains. After each workshop the white paper is updated with the new insights.

Context

The workshop takes the perspective of the IT Service Provider and in particular the organization that is responsible for maintaining and managing applications. This is typically called application management, although maintenance is often provided by application development.



This domain can also be demarcated by listing the perspectives that are excluded:

- Supply of standard applications and other components
- Development of new applications
- Infrastructure management
- Business Information Management.

A familiar dilemma

Good, cheap, fast - you can pick any two. We're all faced with this dilemma from time to time. We really want everything at once but that's not realistic – we have to prioritize.

These three aspects are used to qualify and structure the outcomes of the session. Each challenge is analysed and, where possible, the problem area or areas is indicated. These qualifications can be found in the detailed report of the outcomes.





Summary

25 November 2010 – Solvay Brussels School, Belgium

A guest lecture about ASL, BiSL & ITIL including an exploration of trends such as cloud computing was given to a group of part-time students following the Executive Master in IT Management at the Solvay Brussels School of Economics & Management, after which the workshop was conducted.

They split up into two groups and discussed the challenges they were experiencing in their work situation. The author summarizes these challenges as follows:

1. Develop a better relationship between business and IT, enabling better utilization of IT resources and creating more value for the business.
2. Find a way to deliver new or changed functionality quickly while not compromising long-term quality aspects (documentation etc) while dealing with the constraint that information systems should always be available (no/small maintenance windows).
3. Find a way to compare and justify IT costs that are made for seemingly similar services across countries with different (culturally determined) expectations and requirements.
4. Improve the way of contracting and managing suppliers' services.
5. Take measures to retain ownership of data when stored in the 'cloud' and ensure that the data can be recovered when migrating to another application.

The author references some publications for further reference:

- ASL & BiSL Management Guides (free in pdf format)
- White paper ITIL V3 and ASL
- White paper IT is from Flatland, Business is from Spaceland
- White paper Cloudy Application Management and the Commoditization Escalator

These publications are available at www.aslbislfoundation.org or via mark.smalley@aslbislfoundation.org.



Details of workshop 7

25 November 2010 – Solvay Brussels School, Belgium

| | Drivers | | |
|--|---------|-------|------|
| | Good | Cheap | Fast |
| Group 1 | | | |
| Lack of understanding between business and IT. Business requirements don't take IT constraints into consideration and vice versa. Difficult communication. No trust in IT. Business tries to bypass the IT department. This misunderstanding leads to ineffective utilization of IT resources. | x | | |
| Speed of business change compromises quality of IT services, e.g. documentation. <i>Comment author: This is a short-term versus long-term challenge and in these cases it's usually the short-term that wins the battle.</i> | | | x |
| Referring back to the first point, business and IT are not communicating on the value axis and IT is missing opportunities to create business value with IT. | x | | |
| Group 2 | | | |
| Justifying IT costs is a problem in an international organization where different countries and cultures impose different requirements. For instance, a given IT service is more expensive in one country than another because the first country has higher expectations and requirements. | | x | |
| Managing suppliers is experienced as difficult – particularly contracting services that fulfill the underlying users' requirements. | x | | |
| Regulatory constraints with respect to data ownership particularly in a cloud computing context are a headache. The main challenge is ensuring that you retain ownership of the data, including the data-relationships that a cloud application has added – do you get these when you download you data when migrating to another application? | x | | |
| User organizations have increasingly high demands with respect to availability that it's difficult to create windows for maintenance. | x | | |

Note: in this workshop the mapping to Good/Cheap/Fast was not explicitly addressed and is therefore merely an indication of the main drivers.





Comparison to outcomes of previous workshops

| Challenge | workshop: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|-----------|---|---|---|---|---|---|---|---|---|----|
| Business Organization – IT Organization | | | | | | | | | | | |
| Communication & relationship (trust, understanding) with business | | | X | | X | X | X | X | | | |
| Speed of business change requires IT to be agile | | | X | X | | X | X | X | | | |
| Business (demand management) immaturity | | | X | X | X | X | X | | | | |
| Lower budgets | | X | | | | | | | | | |
| Organizational politics – IT people are often inadequately equipped in this area and are therefore easy targets | | | | | X | | | | | | |
| IT not delivering enough business value | | | | | | | | X | | | |
| Justifying IT costs across different countries and cultures | | | | | | | | X | | | |
| High availability of information systems | | | | | | | | X | | | |
| IT Organization – Information Systems | | | | | | | | | | | |
| Complexity of application landscapes | | | X | X | | X | | | | | |
| Knowledge management and organization of AM / ITSM | | | | X | | X | X | | | | |
| Fuzzy application portfolio | | X | | | | | | | | | |
| Not enough visibility of the AM department | | X | | | | | | | | | |
| Poor quality of releases | | X | | | | | | | | | |
| Call by call approach (instead of a lifecycle approach to maintaining applications) | | | X | | | | | | | | |
| Contracting and managing suppliers | | | | | | | | X | | | |
| Retaining data ownership in the cloud | | | | | | | | X | | | |
| Information Systems – Business Organization | | | | | | | | | | | |

Conclusions

Although the last workshop introduced new challenges, the previously established common denominator seem to still be valid. Viewed from an IT perspective, the main challenges are:

- **Speed of business change**
- **Relationship between business and IT**
- **Immature demand management**



Details of previous workshops (6)

3 May 2010 – itSMF, Hong Kong

| | Drivers | | |
|--|---------|-------|------|
| | Good | Cheap | Fast |
| Group 1 | | | |
| Due to rapid turn-over of business staff, IT people often have more knowledge of business processes than the business itself (so business has lost control in this respect) | x | x | x |
| Speed of business change is hard to keep up with | | | x |
| Business is not aware of its own responsibilities and gives these to IT to deal with | x | | |
| Group 2 | | | |
| Poor communication/interaction between Business and IT; unrealistic mutual expectations | x | | |
| Limited resources | | x | |
| Poor prioritizing (IT works hard on wrong results) | x | | |
| Difficult transfer of knowledge to maintenance organization | x | x | x |
| As expectations rise, so does need for continual improvement | x | | |
| Group 3 | | | |
| Business often provides unrealistic requirements, has no understanding of what IT can deliver and doesn't trust IT (millennium project, Dot Com bubble) and isn't utilizing possibilities of IT | x | | |
| IT is too busy with operational stuff to invest in business knowledge and improve understanding of business | x | | |
| (Recommendations: <ul style="list-style-type: none"> - better and longer planning (compare 'normal' projects); - more (CEO) top-down endorsement - reposition IT by utilizing business analysts) | | | |

Note: in this workshop the mapping to Good/Cheap/Fast was not explicitly addressed and is therefore merely an indication of the main drivers.



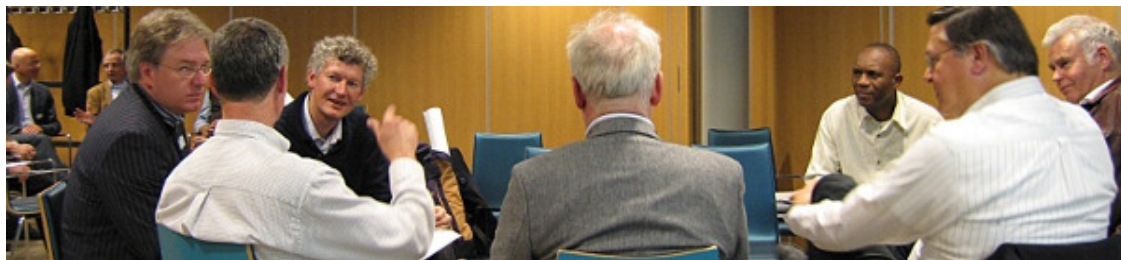


Details of previous workshops (5)

13 April 2010 – NGI, Netherlands

| | Group 1 | Drivers | | |
|--|----------------|---------|-------|------|
| | | Good | Cheap | Fast |
| Complex business environment | | x | | |
| Demanding customers | | x | | x |
| Rapidly changing business environment (incl external regulations) | | | | x |
| Collaborating with other AM organizations | | x | | |
| | Group 2 | | | |
| Governance (how to organize large groups of users) | | x | | |
| Keeping pace with changing infrastructure (incl innovation) | | | | x |
| Maintainability of legacy applications | | x | | x |
| Organizing IT Management | | x | | |
| | Group 3 | | | |
| Business IT relationship (lack of understanding on various levels: knowledge, emotional) | | x | | |

Note: in this workshop the mapping to Good/Cheap/Fast was not explicitly addressed and is therefore merely an indication of the main drivers.





Details of previous workshops (4)

3 March 2010 – Sogeti, Belgium

| | Group 1 | Drivers | | |
|---|----------------|---------|-------|------|
| | | Good | Cheap | Fast |
| Regaining lost trust – the business had lost trust in IT and the challenge was to regain it | | x | | |
| Mission impossible – in a project with a tight deadline, poor communication lead to wrong perceptions and unrealistic expectations and politics was played to shift the responsibility to a contractor, resulting in a scapegoat for a mission impossible | | | | x |
| | Group 2 | | | |
| Business perspective | | | | |
| - IT doesn't understand us | | x | | |
| - IT talks from a different context | | x | | |
| - IT doesn't understand what an entrepreneur needs | | x | | |
| - IT is reluctant to learn about the business | | x | | |
| IT perspective | | | | |
| - Business is reluctant to learn about IT | | x | | |
| - Business doesn't know what it wants | | x | | |
| - Business finds it hard to formulate specifications (often caused by loss of business knowledge due to staff attrition – nobody has an overview of the whole organization, they only think about their own silo and have often been reduced to 'monkeys' who unwittingly press buttons) | | x | | |
| - Business doesn't recognize the value of IT | | | x | |
| Summing up, most of these problems are caused by " digital solutions for an analogue world ". | | | | |

Note: in this workshop the mapping to Good/Cheap/Fast was not explicitly addressed and is therefore merely an indication of the main drivers.





Details of previous workshops (3)

26 November 2009 – Solvay Brussels School, Belgium

| | Group 1 | Drivers | | |
|--|---------|----------------|--------------|-------------|
| | | Good (quality) | Cheap (cost) | Fast (time) |
| Too many projects at the same time versus limited resources / people to do them | | | | x |
| Client-organization is not mature enough to manage outsourcing | | x | | |
| Small companies with organisational problem: no procedures, no processes, no framework | | x | | |
| Group 2 | | | | |
| Hybrid application landscape with both corporate business applications and 'home user' environments (Skype, MSN etc) | | x | | |
| Interoperability between applications (e.g. SAP and a logistics application); → lots of work to transfer data, nor standards for interfaces | | | x | |
| Not enough flexibility to deal quickly with changes to applications (once developed, business starts to ask for changes) | | x | | x |
| Group 3 | | | | |
| Pace of change: world going very fast, complexity increasing → users of application, lack of knowledge about application, not aware of potential: compare fast car, inexperienced driver | | x | | x |
| Integration : reorganisations between sectors, mergers → discrepancies not managed → change not managed; lack of project management skills | | x | | |
| Enterprise architecture: not recognized as important | | x | | |
| Note: In general no existing, inherited knowledge about best practices and hard to implement after the fact; no correct perception of what are best practices, seen as marketing argument from consulting companies as opposed to something with value. | | | | |
| Group 4 | | | | |
| Business requirements not clear enough : they want "something" and they want it very fast. First PoC usually "this is not what we wanted" → more communication, exchanges needed before development starts; technical best solution is rarely best business solution. Business domain knowledge is a must but you also need people who can write clear specs – a separate job. | | | | x |
| Handover of the application/service from development to IT management. There's often no organisation to receive the application or service and the development people with knowledge have left, so the knowledge evaporates... | | x | x | |
| Existence of several versions of the same application at different stages (development, staging, production) due to constant business pressure for new functionality. "IT has to understand the business but the business doesn't understand IT". | | | | x |
| Group 5 | | | | |
| Governance level. Lot of problems with accountability & strategic Business-IT alignment. Who's got the most power? | | x | | |
| Management level. Buy-in not at all levels → risks of sabotage. Performance measurement, underestimation of resources needed. Customer satisfaction. Value of IT. | | x | | x |
| Operational level. Change management. Knowledge transfer from development phase. People who arrive after development can't acquire the right knowledge. | | x | x | x |



Details of previous workshops (2)

22 September 2009 – itSMF Brussels, Belgium

| | Group 1 | Drivers | | |
|---|---------|---------|-------|------|
| | | Good | Cheap | Fast |
| Continuous cycle of change – AM operations aren't always equipped to deal with a lifecycle approach | x | | | |
| Communication on the right level – business is confronted with different people each time they call the service desk; they have different perspectives; they can't empathize with the client "you're wrong - the server's performing OK"; disconcerting techno-babble "I'm going to kill your session" | x | | | |
| Versioning – difficult to keep complex environments under control when new versions of components are regularly introduced | x | | | |
| Integration (testing, impact on changes) – complex landscapes with many interfaces give serious challenges for impact analysis and testing | x | x | x | x |
| Costs | | x | | |
| End of life support of systems – often difficult to find skills for old systems | x | x | x | x |
| Multilingual – a local problem in Brussels | x | | | |
| Performance – how's the system performing in remote locations and on mobile devices? | x | | | |
| Group 2 | | | | |
| Missing focus on application lifecycle | x | | | |
| Business is unable to explain their requirements | x | | | x |
| Difficult to balance agility and stability | x | | | x |
| Underestimated cost of development – limited experience with new technologies; complex and interconnected systems | | x | | |
| Missing sourcing strategy – difficult to know how to approach sourcing | x | x | x | x |
| Balance overhead versus efficiency – with limited budget you can't afford to go for 100% solutions: good is good enough | x | x | | |
| Balance quality versus costs | x | x | | |
| Group 3 | | | | |
| Fixing the correct scope , no more, no less | x | x | x | x |
| Managing changing requirements | x | | | x |
| Time to market | | | | x |
| Handover from development/maintenance to support/operations – projects for new systems get planned properly but management is still a neglected area | x | x | | |
| Visibility of business on the roadmap – poor alignment of business strategies and plans with IT | x | x | x | x |
| Variations in demand from the business | x | x | x | x |
| Group 4 | | | | |
| Time to market - the business need IT to respond quickly; changes on changes | | | | x |
| Maintainability of both (ancient and hybrid) applications and infrastructure | | x | | x |
| Rogue development – the business can't wait for IT and therefore makes a quick and dirty solution itself; "there's a hidden Access database or Excel sheet for each two employees"; "50% of corporate reporting relies on informal 'applications'"; is IT 'over-servicing' the business? | x | | | x |



Details of previous workshops (1)

19 May 2009 - Focus on Supply, ASL BiSL Foundation, Bussum, The Netherlands

| SCORE | CHALLENGE |
|-------|--|
| 28% | BUDGET <ul style="list-style-type: none"> • More work from the business but less staff and budget (C1) • More functionality = more fixed costs to keep up-and-running and therefore budget less for innovation. (D1) • Must reduce costs by 20% immediately (D2) |
| 28% | QUALITY OF RELEASES <ul style="list-style-type: none"> • Business deadlines don't leave enough time for rigorous testing (A3) • Quality of releases; not enough attention paid to testing (B3) |
| 14% | VISIBILITY <ul style="list-style-type: none"> • Application Management isn't involved in business decisions (C2) • Can't justify costs of AM to business (D3) |
| 14% | APPLICATION PORTFOLIO <ul style="list-style-type: none"> • Fuzzy Application Portfolio; who is responsible for what? (B1) |
| 10% | TRANSITION AD TO AM <ul style="list-style-type: none"> • Poor transition from between Application Development to Application Management; no acceptance criteria for AM (B2) |
| 6% | BUSINESS PRIORITIES <ul style="list-style-type: none"> • Business can't prioritize changes (C3) |
| 0% | PROCEDURES <ul style="list-style-type: none"> • Changes don't following formal procedure (this degrades quality of application, which then takes more time to maintain) (A1) |
| 0% | EXTERNAL SUPPLIERS <ul style="list-style-type: none"> • AM organization depends too much on external suppliers (A2) |

Note: Related challenges have been grouped together. Codes in parenthesis refer to group (A, B, C or D) and their top 3.





ASL BiSL Foundation

The goal of the vendor-independent, non-profit ASL BiSL Foundation is to professionalize information management, from both a business and an IT perspective. The Foundation offers

- Process frameworks for business information management (BiSL) and application management (ASL)
- Best practices that the members of the Foundation have contributed
- Training and formal individual certification for professionals
- (Self) assessment and formal certification for process maturity
- Publications
- Knowledge sharing sessions

Facilitator and author

With more than 30 years of experience in the field of Application Management, Mark Smalley has trained 800 professionals to ASL Foundation certification level and frequently writes and speaks on the subject. Recent speaking engagements in the Netherlands, Belgium, India, UK, Hong Kong, Sydney, Melbourne, Singapore and China. He works as an IT Management Consultant for Capgemini in the Netherlands and has been an active participant of the vendor-independent ASL BiSL Foundation for many years, currently representing the Foundation as director of international affairs. He is a member of the EXIN Professional Group and contributes to ASL and BiSL examination material. He lectures in Rotterdam, Brussels and Hangzhou.



Further details, publications and speaking engagements at <http://www.linkedin.com/in/marksmalley>.