

# Process for Managing Service Transition Efficiently

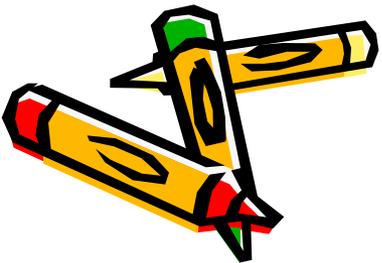
By  
Ravinder Singh Zandu



# Project Pain points

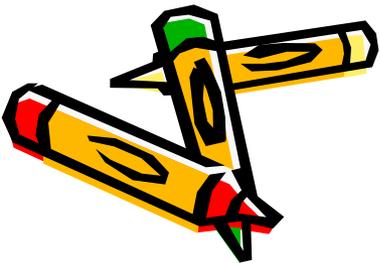


- Typical budget over-runs 30%; 1 in 6 projects going more than 50 % over budget; 10 out of 29 projects on the go at one time will come in over budget
- Inaccurate scoping and forecasting is blamed for budget over-runs in half of cases (50%). With scope creep responsible in 4 out of 10 cases.
- Only a 3<sup>rd</sup> (35%) of businesses check that initiatives are aligned with business objectives with only 1 in 8 companies basing this decision on real time, accurate information.
- 74% struggle to access critical skills
- 39% of IT Directors don't have complete visibility over all IT initiatives in progress
- 42% of IT directors know within a day if an initiative is off-course



# Challenges for IT

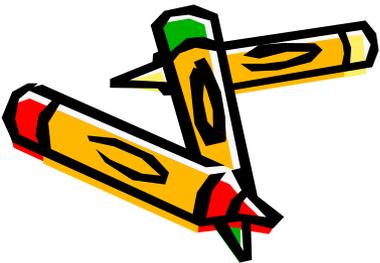
- Respond to increased service demand - reduced budgets:  
Doing More for Less
- Predictable and Repeatable
- Perform it with more discipline
- Provide On-Demand Services
- Build effective Enterprise-wide service delivery structures and accountabilities
- Demonstrate Business Value and impact of IT
- Enhance reliability, integrity of IT



# Management by objectives

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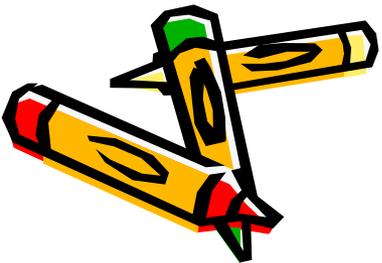
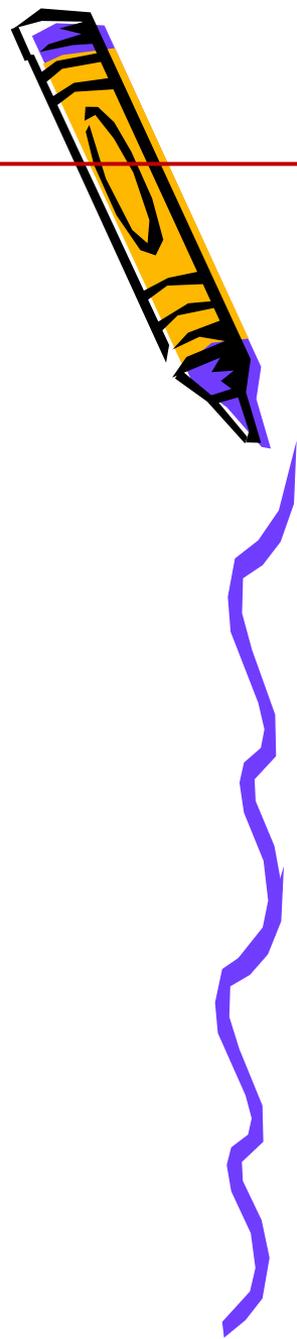
- Establish unambiguous and realistic objectives
- Periodically evaluate if objectives are being met.
- Implement corrective action.



# Constraints

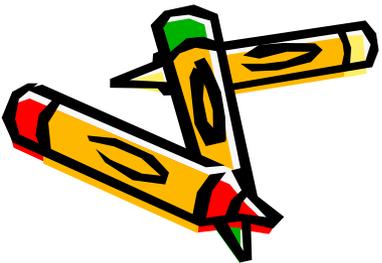
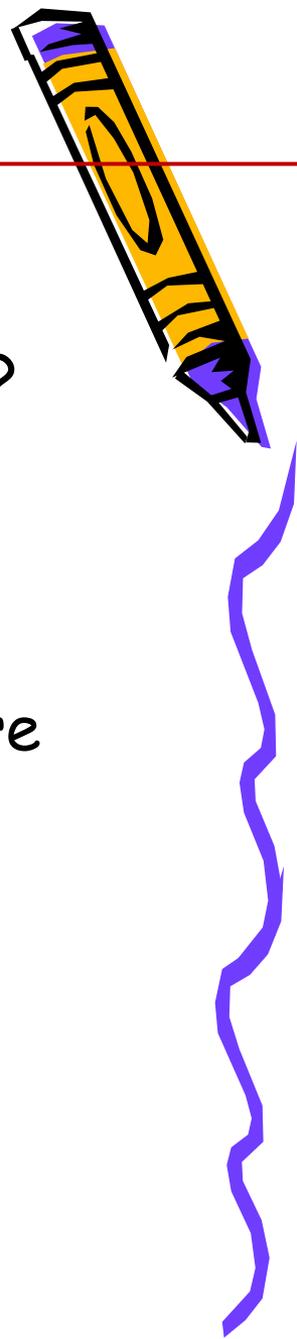
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- **Triple constraints**
  - COST
  - TIME
  - SCOPE
- **Other constraints are:**
  - Quality
  - Risk
  - Customer satisfaction

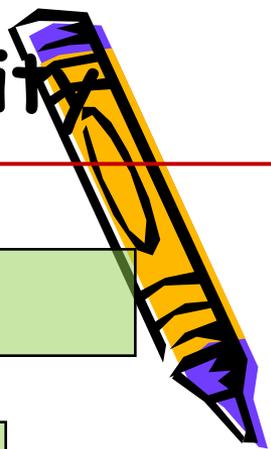
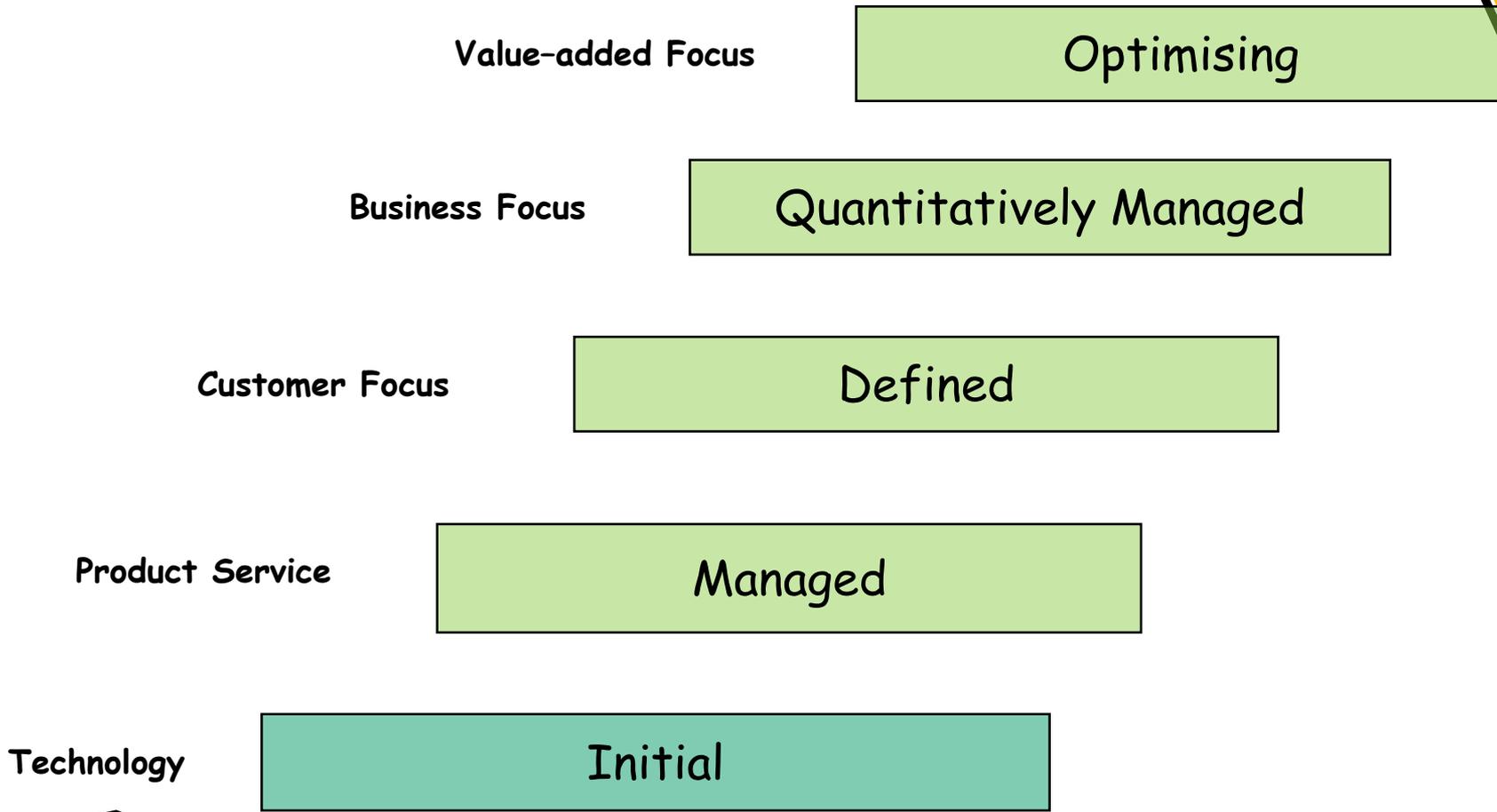


# Project questions

- Are you doing the right things?
- Are people matched appropriately to projects?
- Do you have complete visibility over all IT initiatives?
- Are your projects coming on budget?
- Do you have tools in place to see if projects are on course?
- Are you measuring projects in the right way?



# Organizational Maturity



# Common Features



**Common Features are used to group the generic goals in a process area.**

**Ability to Perform**

Ensures the process is ready for execution (planned, resourced, skills available)

**Commitment to Perform**

Ensures policies are in place and sponsorship secured

**Directing Implementation**

Ensures process is managed (monitoring performance, managing work product integrity, involving stakeholders)

**Verifying Implementation**

Ensures review by senior management and objective evaluation of conformance to standards



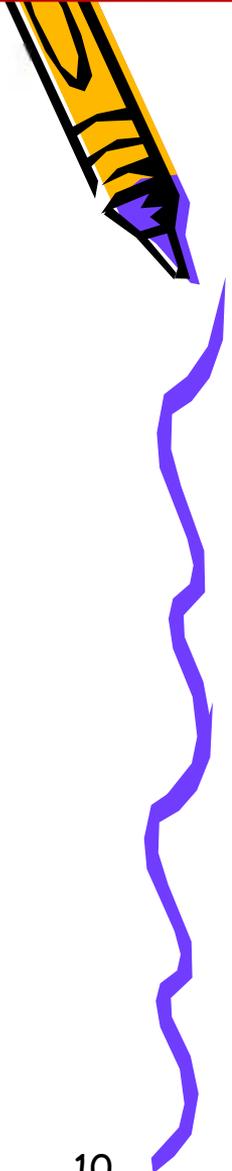
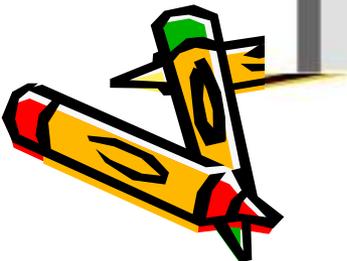
# Enhancing Service Level Agreement



- ✓ Ease of use so that even a layman can understand
- ✓ Metrics for end-to-end service
- ✓ Select customer desired key performance indicators
- ✓ Varied service level and customer choice
- ✓ Real time monitoring for real time 'action'
- ✓ Real time report card with 'service' metrics (volume & performance) - easy to understand & customer friendly

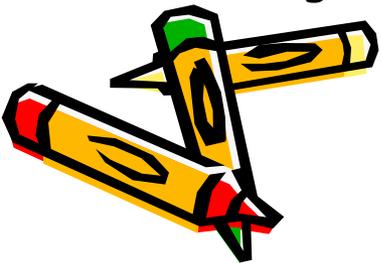


# Transition Management

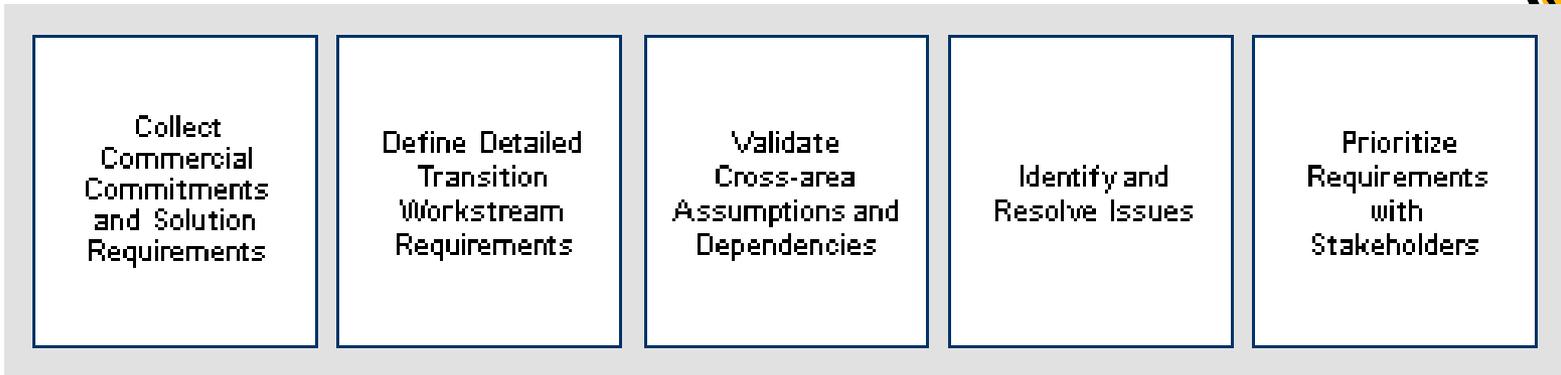


# Manage Transition Program

- ✓ Create a realistic and achievable plan that meets stakeholder expectations.
- ✓ Monitor and control actual progress against the plan.
- ✓ Balance scope, quality, effort, schedule, budget, and risk at all times.
- ✓ Provide visible and consistent program leadership, direction, and focus.
- ✓ Ensure program activities align with overall program objectives and quality expectations.
- ✓ Track program resources, finances, and vendor relationships.
- ✓ Manage program-wide functions to ensure compliance with financial, contractual, and legal requirements.
- ✓ Manage the transition program's relationships with all stakeholders and their expectations.
- ✓ Coordinate the execution of the transition effort with concurrent programs and projects.
- ✓ Transfer responsibility to the appropriate management group.
- ✓ Manage cross-workstream transition dependencies



# Analyse Transition Requirements



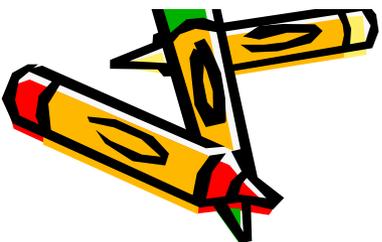
- ✓ Assess the commitments and obligations of the service transition effort.
- ✓ Define the requirements for the transition in sufficient detail for the service workstream leads to effectively define their obligations.
- ✓ Define the requirements for all service workstreams to ensure coordination across workstreams.
- ✓ Define a unified vision for the service.
- ✓ Identify all cross-area dependencies.
- ✓ Determine if the proposed scope of the service can be met as planned.
- ✓ Define priorities from the stakeholders' perspectives.



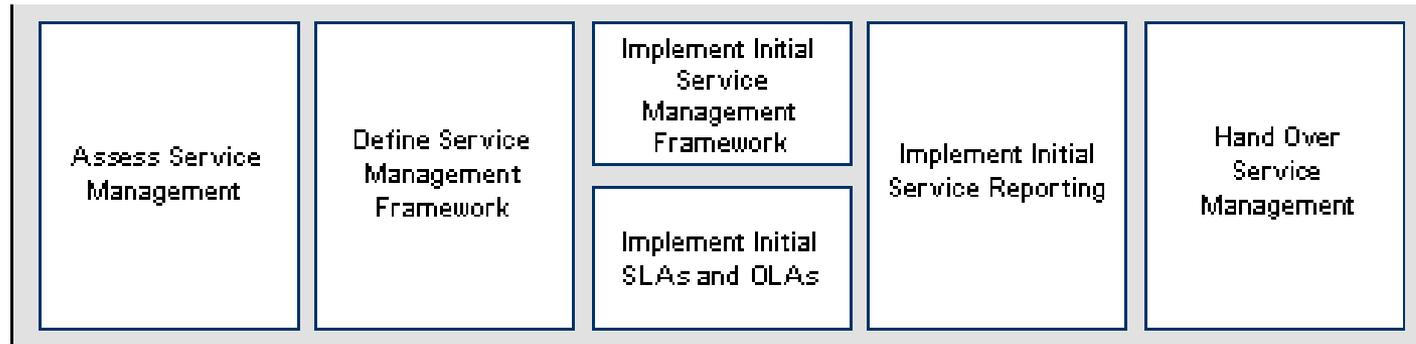
# Manage Communications



- ✓ Develop and distribute timely communications to all stakeholders in an outsourcing arrangement.
- ✓ Develop a detailed plan for all communications, including the audiences, the key messages, and the timing.
- ✓ Provide the right level of communication to the right audience to alleviate any fears or questions regarding the outsourcing arrangement and to minimize business disruption.
- ✓ Create an ongoing environment for open, honest communications with participation from both our organization and key client personnel.



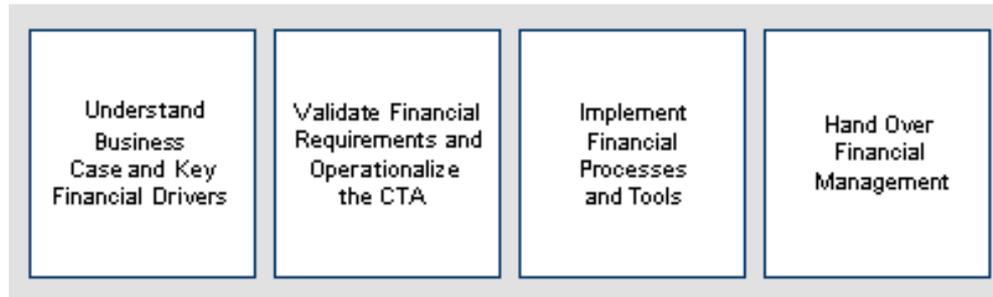
# Implement Service Management



- ✓ Define, approve, and document the services the service operations unit will deliver to the client.
- ✓ Ensure appropriate processes and lines of communication exist between the service operations unit and all service management stakeholders, including the client sponsor, the client businesses, users of service, teaming partners, and our organization to manage services delivery and provide the mechanisms for feedback and responsiveness.
- ✓ Implement the Service Management Framework Design and the requisite processes and governance structure to ensure the initial and long-term capability of the service operations unit to deliver value added services to customers and users.
- ✓ Develop and implement the Service Level Agreements and Operational Level Agreements to accurately and consistently measure the provided services.



# Implement Financial Management



- ✓ Establish the appropriate financial organization, structure, and processes for a service operations unit.
- ✓ Ensure a seamless knowledge transfer of all financial deal drivers to the unit management team, including Client Financial Management (CFM).
- ✓ Implement financial management in conformance with internal policies and procedures.
- ✓ Establish a solid basis for the unit management team to make financial decisions.
- ✓ Understand and help shape the Business Case by assisting with cost baselining (as applicable), financial due diligence, and facilitating knowledge transfer to the unit management team.
- ✓ Validate and operationalize the financial model embodied in the contract, and resolve any outstanding issues that arise during solution planning, due diligence, or transition planning.
- ✓ Execute a financial transition to establish the day-to-day financial management infrastructure of the operating unit, thereby helping achieve the Business Case.

# Implement Contract Management



- ✓ Reconfirm with the unit lead that the contract's "agreements to agree," processes, and specific roles are identified. Delegate responsibility and organize actions to deal with these identified items.
- ✓ Develop and implement contractually compliant contract management processes, as identified in the Contract Management Set-up Assessment.
- ✓ Working with the appropriate workstream, complete any "agreements to agree" with the client.
- ✓ Finalize any major subcontracts required to support the delivery of services to the client.
- ✓ Assist the client in obtaining the rights to use any of their subcontracts or software licenses that will be required by our organization to provide the contracted services.
- ✓ Gather contract compliance information from the contract.
- ✓ Produce the contract management deliverables required to communicate the contract.
- ✓ Agree with the unit lead and commercial director the communication approach in terms of which aspects of the contract to communicate to which group and how.
- ✓ Communicate the contractual obligations.
- ✓ Provide adhoc guidance and interpretation on the contract to the other workstreams.
- ✓ Agree on the requirements for ongoing contract management support.
- ✓ Identify resources to deliver ongoing contract management, and agree on delivery approach.
- ✓ Ensure comprehensive handover of contract management materials and knowledge to the ongoing contract management team.

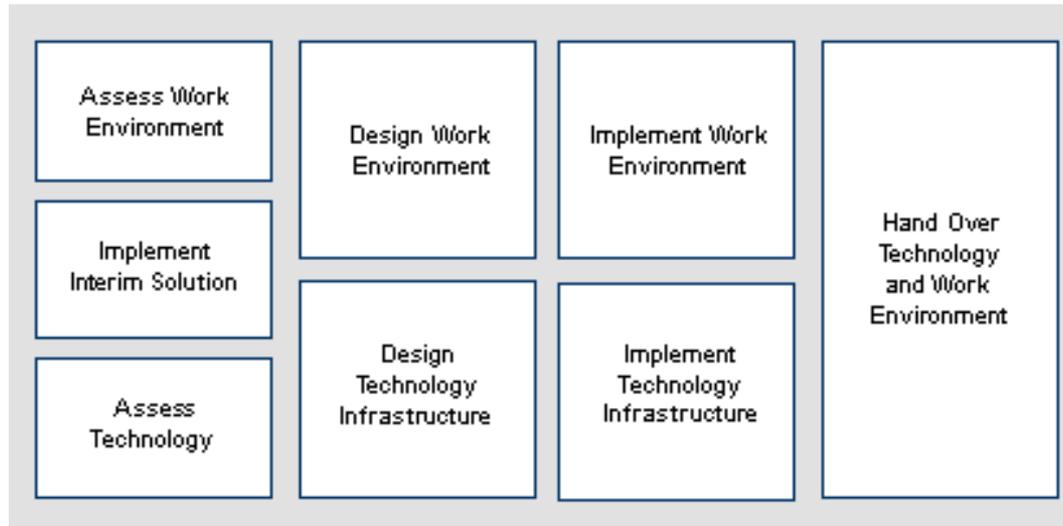


# Implement Unit Operations

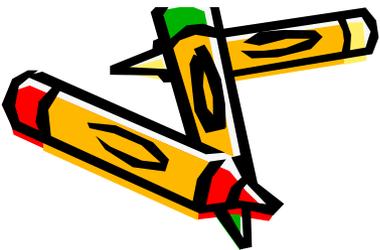


- ✓ Develop a framework to support the ongoing operation of the service operations unit.
- ✓ Design the key changes to the Day One organization structure and to the supporting roles and responsibilities.
- ✓ Develop the ongoing strategy, and plan for delivering the agreed goals of the service operations unit.
- ✓ Develop and implement a framework for measuring and reporting on the service operations unit.
- ✓ Develop the basic processes required to effectively run a service operations unit, including security and time reporting.
- ✓ Establish a quality framework based on selected standards for unit processes.
- ✓ Develop and implement a model for ongoing improvement of the unit.

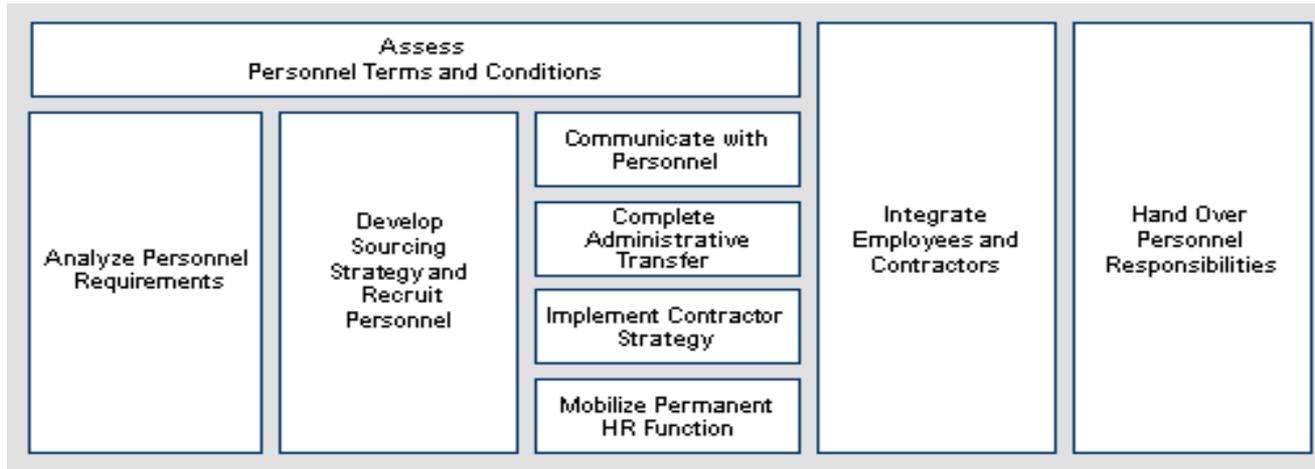
# Implement Technology and Work Environment



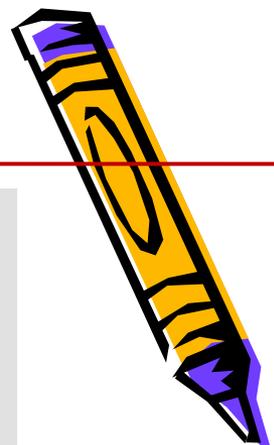
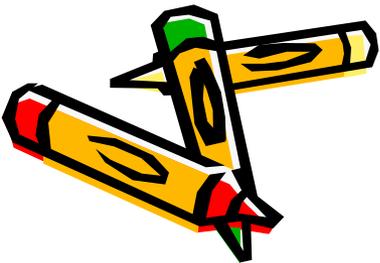
- ✓ Review Solution Plan and Requirements.
- ✓ Assess the current technology and work environment and design.
- ✓ Implement a new technical infrastructure and work environment where necessary.
- ✓ Ensure the transitioned technology and work environment meets the client's expectations.



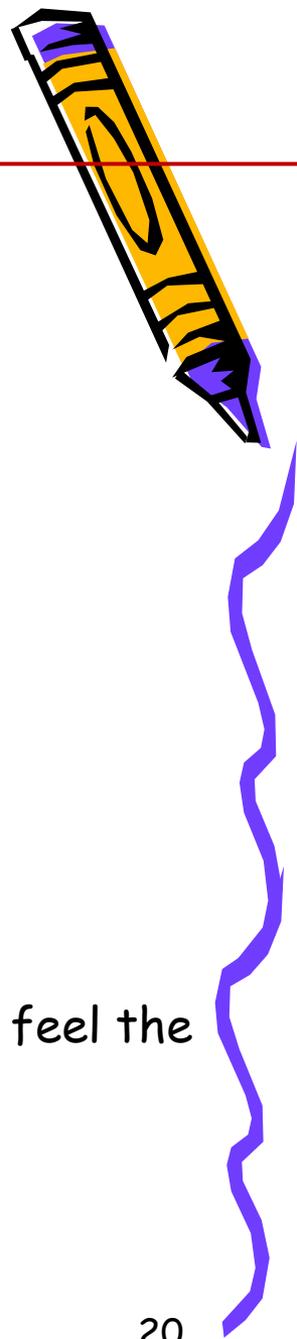
# Enable People



- ✓ Establish required resources for service operations unit.
- ✓ Establish new employer/contractor/employee relationships.
- ✓ Train and orient the workforce.
- ✓ Prepare resources for success.
- ✓ Establish required operational human resource (HR) systems and processes.
- ✓ Identify and contain risks.



# Work Environment

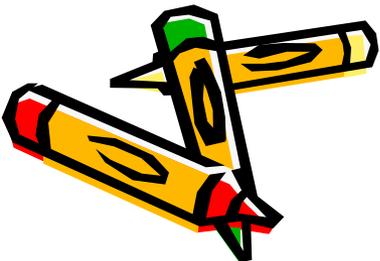


What is the kind of environment people desire?

Responses include words such as:

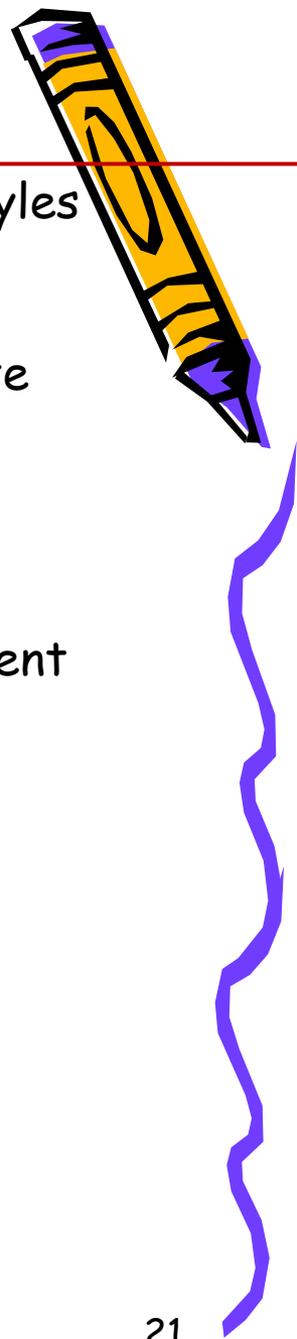
- High trust
- Collaborative
- Accountable
- Feeling connected
- Effective problem solving
- Feeling valued

Trying to create an environment in which complex work groups feel the same way about these matters is not easy

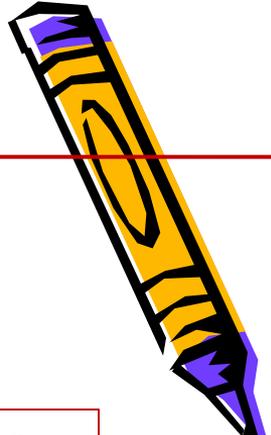


# Cultural Influence

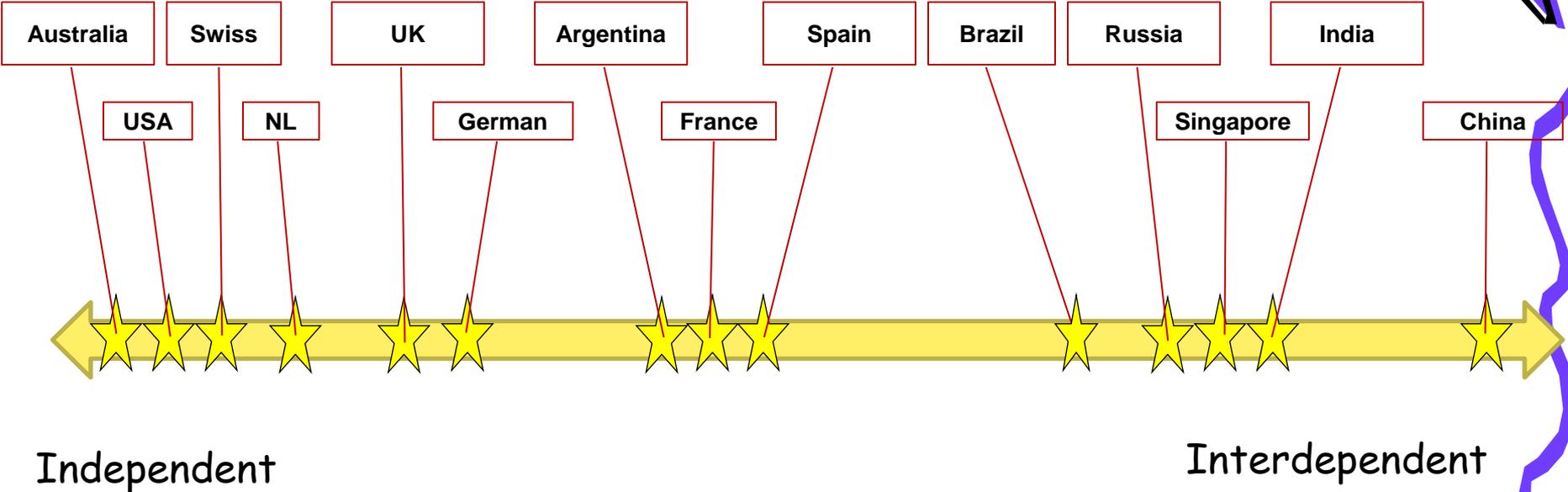
- Effective managers can recognize and adapt to different work styles and cultures
- Getting work done through others requires a free flow of accurate information and open, productive relationships with employees
- Culture is behind our behaviour on the job
- Many cultural norms influence a manager's behaviour and subsequent reactions
- **Six particularly important ones are:**
  - Groups vs. individual orientation
  - Hierarchy and status
  - Risk taking ability
  - Communication Style - Direct/ Indirect
  - Task vs. relationship
  - Short term vs. long term



# Personality

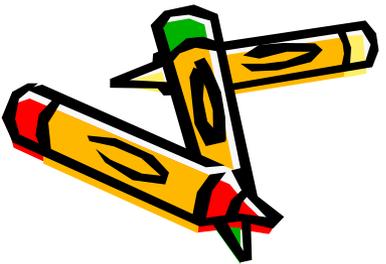


## Independent vs. Interdependent

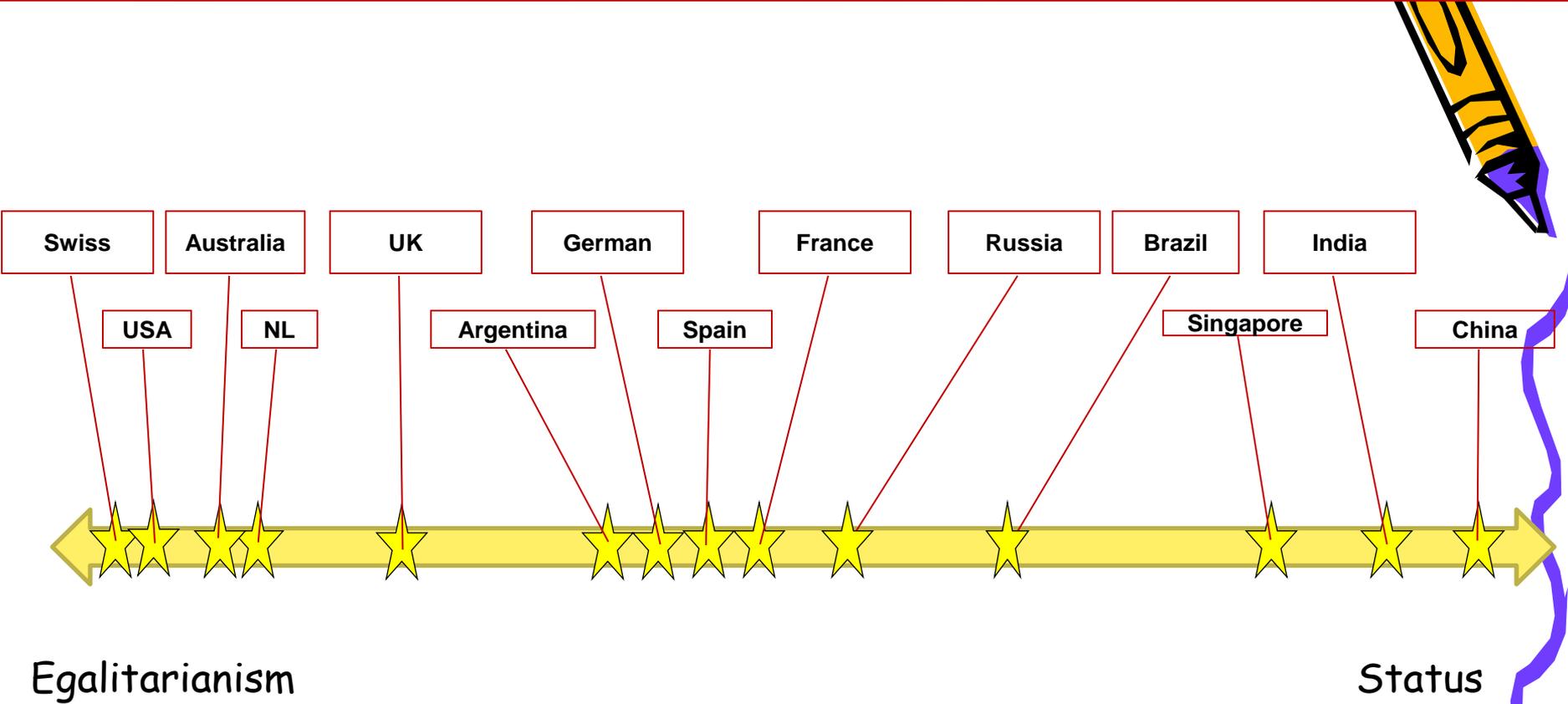


Independent

Interdependent

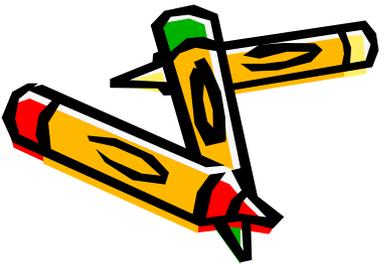


# Egalitarianism vs. Status

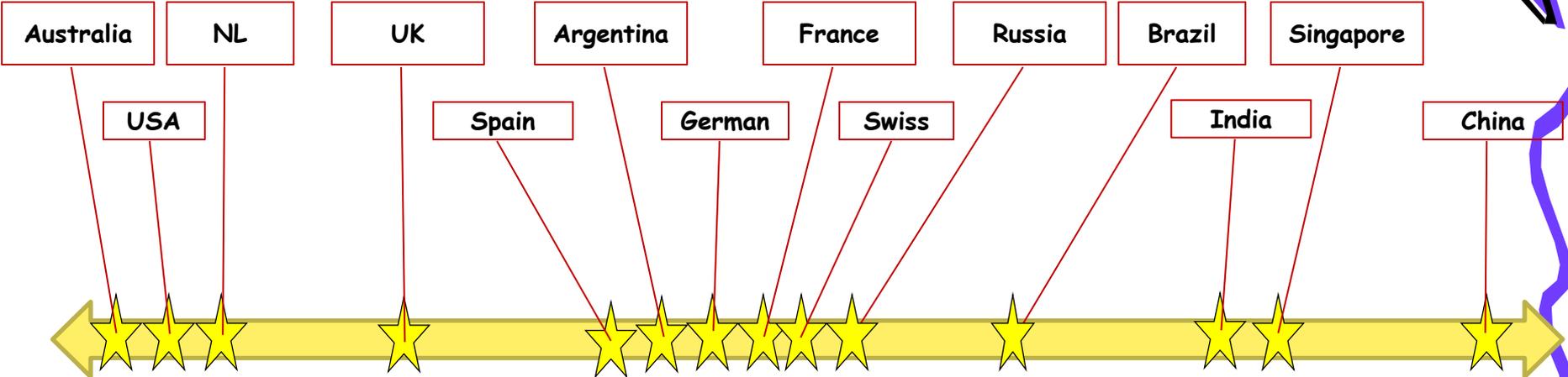
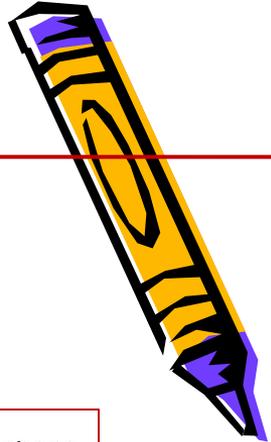


Egalitarianism

Status

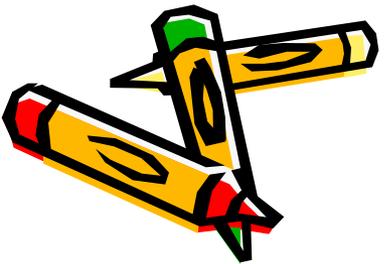


# Risk vs. Restraint

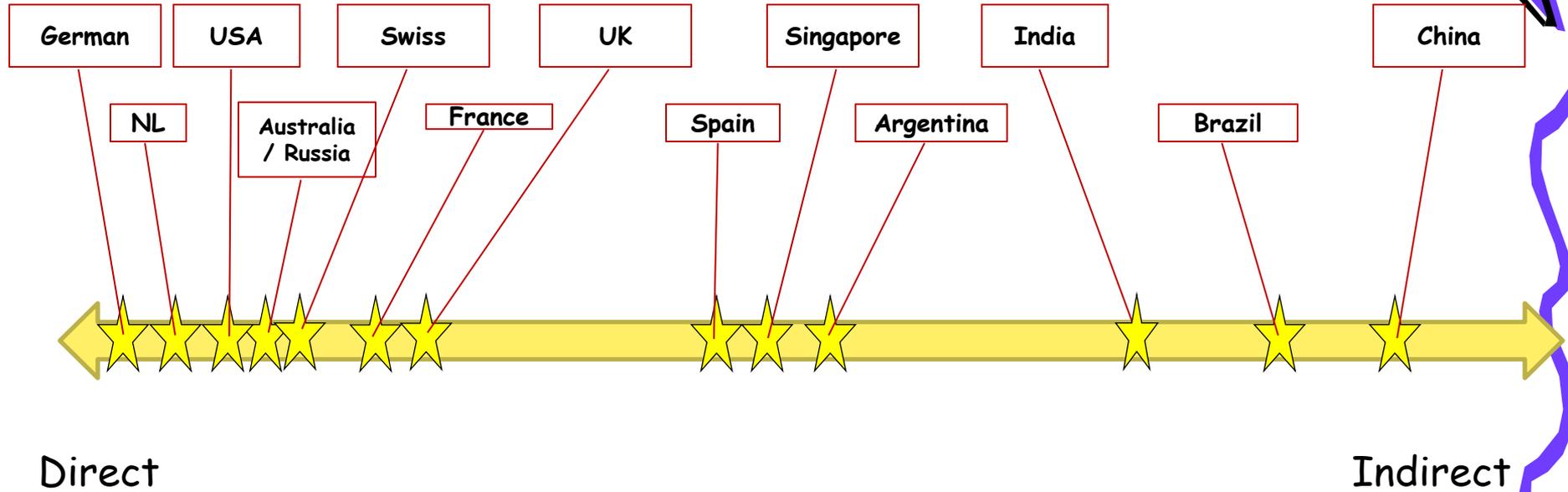
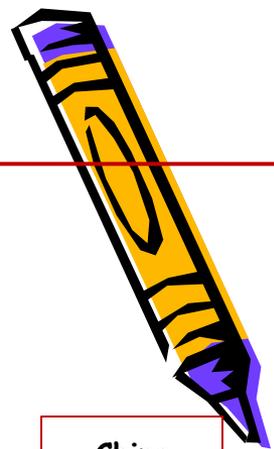


Risk

Restraint



# Direct vs. Indirect

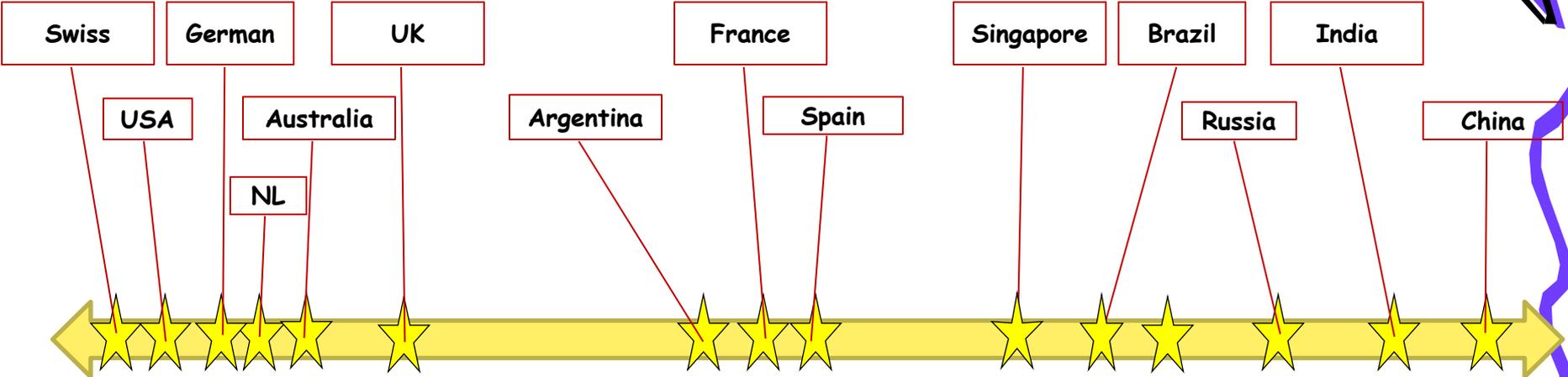
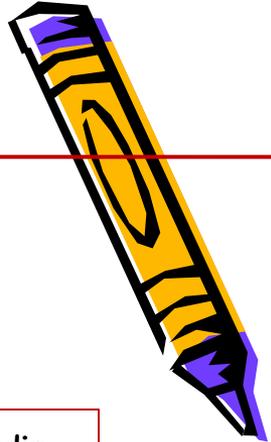


Direct

Indirect

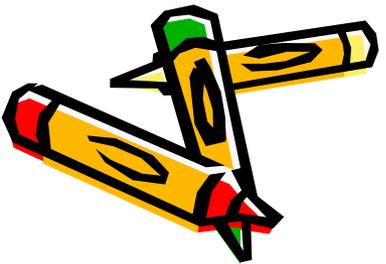


# Task vs. Relationship



Task

Relationship



# Global Differences



## What is different? (Visible Cultural Difference)

1. Communication Styles
2. Attitudes towards conflict
3. Approaches to completing tasks
4. Decision making Styles
5. Attitudes towards disclosure
6. Approaches to knowing

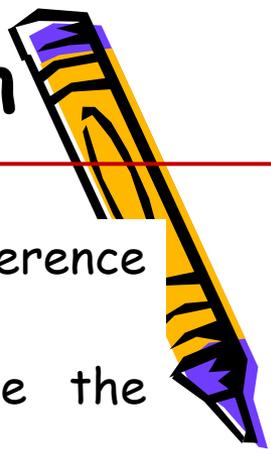
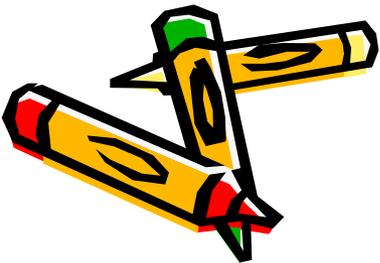
## What is hidden below the surface? (Invisible Cultural Roots)

1. Beliefs
2. Values
3. Perceptions
4. Expectations
5. Attitudes
6. Assumptions

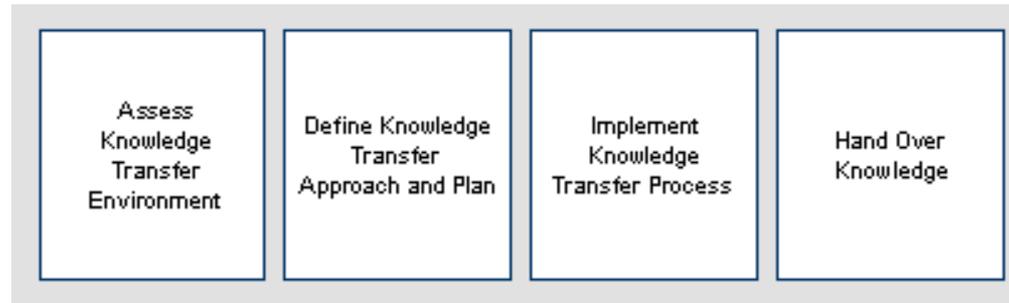
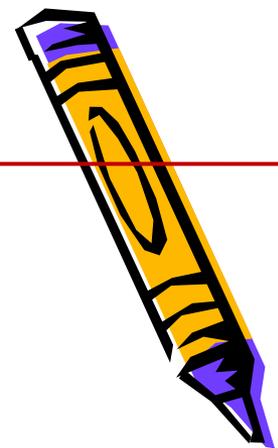


# Virtual Communication

- ✓ Practice good listening skills especially when included in a conference call
- ✓ On conference calls, be attentive and do not dominate the conversation
- ✓ Make sure the agenda, list of attendees, and any supporting material are sent well ahead of the meeting
- ✓ After a meeting, distribute minutes to confirm information, agreements, and responsibilities
- ✓ Be sensitive to correct use of English in all correspondence and presentation materials
- ✓ Avoid typographical errors and inappropriate use of language such as slang or technical jargon
- ✓ Be aware that many idioms, colloquialisms, and everyday terms may vary in usage and meaning from your own variety of English



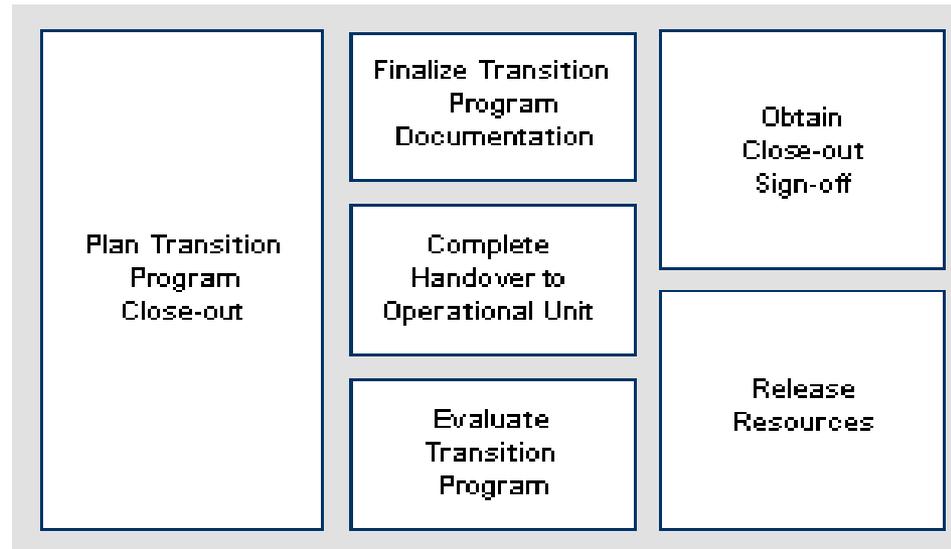
# Transfer Knowledge



- ✓ Provide all people with the appropriate amount of training and knowledge transfer at the appropriate time.
- ✓ Maintain key business process, customer knowledge, policy knowledge, and application knowledge.
- ✓ Maintain service levels, ensuring minimal disruption during this transition period.
- ✓ Ensure people get up to speed in the shortest amount of time and are successful in their new roles.
- ✓ Document key business process and application knowledge.

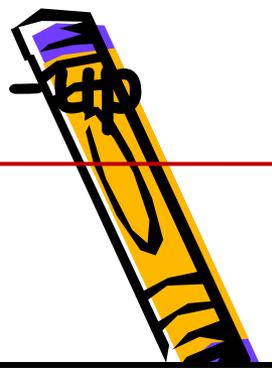


# Close Transition Program

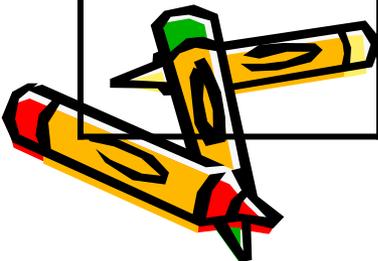


- ✓ Plan and conduct activities to confirm that the service delivered its objectives and can close down.
- ✓ Ensure all service activities are satisfactorily completed and documented.
- ✓ Verify that all workstreams have completed handover of their deliverables and responsibilities to the appropriate parties.
- ✓ Transfer all management responsibilities to operations management.
- ✓ Transfer ownership and deliverables responsibility to new responsible parties.
- ✓ Release program resources.

# Top-down vs. Bottom-up



|              | Top-down Estimating   | Bottom-up Estimating   |
|--------------|---|--|
| Similarities | <ul style="list-style-type: none"><li>• Same scope of tasks</li></ul>   |  |
| Differences  | <ul style="list-style-type: none"><li>• +/- 25% accuracy</li><li>• About 20 factors broken down by Category/Sub Category</li><li>• Extensive use of approximations and rules of thumb</li><li>• Typically used during initial selling stage activities</li><li>• Not used for building your detailed workplan to monitor the progress of your project</li></ul> | <ul style="list-style-type: none"><li>• +/- 10% accuracy</li><li>• 140+ factors broken down by project lifecycle stage and work stream</li><li>• Less use of approximations and rules of thumb</li><li>• Typically used after the initial selling stage activities</li><li>• Can be exported to create a strawman MS Project work plan at the task level</li></ul> |



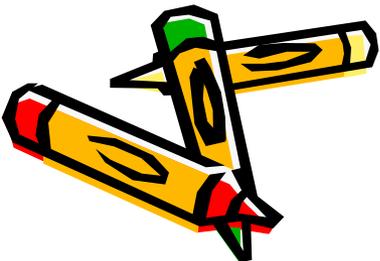
# Earned Value Metrics



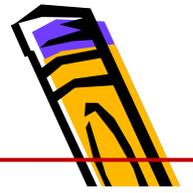
- Provides the basis to calculate all other metrics.
- Used in conjunction with summary and forecast metrics.

- Provide information to assess the current state of the project.
- Based on the Earned Value (EV) base metric.

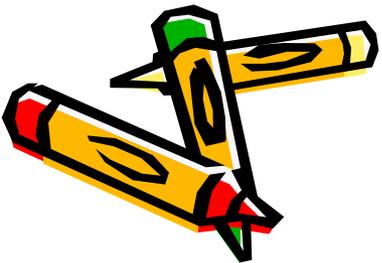
- Forecasts project status at completion.
- Derived from a combination of base and summary metrics.



# Process



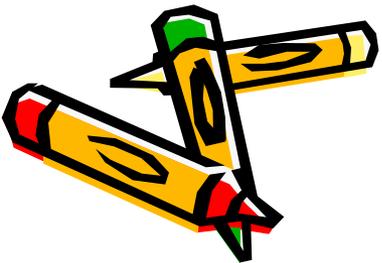
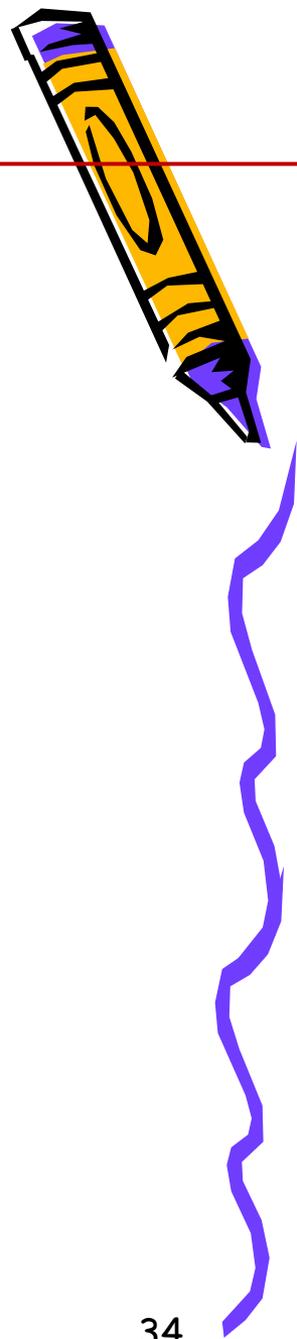
- ✓ Six Sigma is a disciplined, data-driven approach and a methodology for eliminating defects in any process - from manufacturing to transactional and from product to service
- ✓ Recognize, Define, Measure, Analyze, Improve, Control
- ✓ ISO and PMI take this as PDCA cycle



# Summary

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- Know what you are trying to build/ deliver
- Keep focused on the critical path
- Communicate
- React early to issues
- Have a sponsor both Managerial and Technical
- Recognize your team
- Learn from the project



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# Thanks

For any queries/ questions, please contact:

Ravinder Singh Zandu

[ravinder\\_zandu@yahoo.com](mailto:ravinder_zandu@yahoo.com)

Mobile: 0044-7725991038

Home: 0044- 1628-418921

facebook: [ravinder\\_zandu@yahoo.com](https://www.facebook.com/ravinder_zandu@yahoo.com)

