

Getting better all the time

Siemens IT Solutions & Services

Business Challenges

- Win a €2.7 billion euro outsourcing deal
- Provide service performance and financial metrics on demand
- Automate data collection and service performance tracking
- Proactively detect potential performance problems before they trigger financial penalties
- Continuously identify and implement service improvements

Solution

- Digital Fuel's ServiceFlow solution
- Digital Fuel Professional Services

Results

- Won BBC as major new customer
- Designed and automated management of over 450 metrics
- Improved service profitability
- Minimized financial penalties
- Boosted overall service performance

Siemens IT Solutions and Services (SIS), a leading provider of outsourced IT solutions, is using Digital Fuel's SLA management application to continuously improve a €2.7 billion customer relationship.

Organization

Siemens IT Solutions and Services

Siemens IT Solutions and Services (SIS) is an internationally leading provider of IT solutions and services. It covers the entire IT service chain from a single source, from consulting to system integration, right through to the management of IT infrastructures. In addition, Siemens IT Solutions and Services extends the range of offerings of the other Siemens Groups to include software developments and IT solutions.

Challenge: Managing a complex outsourcing contract

The BBC, owned by the British people strives to enrich people's lives with great programs and services that inform, educate and entertain. The BBC takes pride in delivering quality and value for the money, and expects the same commitment from its trusted business partners. As a result, the BBC was seeking a service provider that could provide a single source of validated performance and financial data to track compliance with the service agreements that would be easily accessible to SIS' governance team through secure, customizable web dashboard. To win this new deal, SIS had to offer complex service guarantees incorporating complex performance measures, and provide easy access to performance

Case Study 1

"By choosing Digital Fuel's ServiceFlow application, we've been able to win one of our largest outsourcing contracts and build a strong relationship with this valued customer. ServiceFlow also helps us to reduce account management costs, boost service performance, and continuously improve the profitability of this deal."

—Director of Business Development,
Siemens

and financial data. SIS chose Digital Fuel's ServiceFlow application to provide integrated SLA and financial management. With the assistance of Digital Fuel's professional services team, SIS defined more than 450 performance and financial metrics, and deployed ServiceFlow to track these metrics and make them transparent to their customer. Since then, SIS has used ServiceFlow to continuously improve this relationship, thereby boosting performance, profitability, and customer satisfaction.

According to Vince Pearce, a service manager for SIS, "In 2004, we had the opportunity to close a multi-billion dollar deal with BBC. The challenge was that the BBC was asking for a complex portfolio of services, including a substantial staffing transfer, as well as service guarantees and complete transparency." He explained that SIS needed help defining meaningful performance and financial metrics, as well as a system to track these measures, map them to service level

agreements (SLAs), and provide business intelligence for optimizing pricing, costs, and profitability.

At first, SIS considered a "do-it-yourself" approach, in which account management staff would manually track performance measures and SIS' compliance with service guarantees. However, initial projections indicated that an automated solution would be both faster and more cost effective over the long term. At this point, SIS compared building their own SLA management application with buying a packaged solution from a trusted provider.

Solution: Expert consulting plus a flexible application

"We chose Digital Fuel, because they offer the only proven application that delivers both SLA management and service financial management," said Vincent Pearce. "We also needed and expe-



Figure 1: Sample ServiceFlow Customer Overview Dashboard

rienced professional services team that could help us build a flexible framework for managing our new customer relationship and for growing it over time.” The first phase of creating this framework was translating broad contractual language from multiple agreements between SIS and its customer into quantifiable performance and financial metrics.

SIS and Digital Fuel worked to develop over 450 performance and business measures, identify data sources necessary to calculate them, design customer service reports, and model the potential financial effects of failing to meet selected performance guarantees. Using this information, the deployment team configured ServiceFlow to provide a digital representation of all SIS’ obligations to BBC, including thresholds for penalties and bonuses, audit requirements, and escalation workflows. They also set up flexible web dashboards for different constituencies, so that account representatives, service managers, and the customers themselves could access service information on demand.

To keep focused on the right performance measures, SIS and Digital Fuel created high-level dashboards that present the top 30 performance indicators with the ability to drill down into the 450 supporting performance measures.

Result: A better—and more profitable—customer relationship

When SIS rolled out ServiceFlow, it had an immediate impact on customer satisfaction. “BBC was pleased to be able to view performance indicators on demand. Having a common set of data made it easier for us to address and resolve performance issues,” explained Vince Pearce. He added that ServiceFlow has proved so successful that SIS is now using it to manage additional clients.

Deeper, stronger service relationships. ServiceFlow has allowed SIS to better manage business processes and track compliance with service agreements. It provides a single source of validated performance, financial, and compliance data accessible to SIS’ governance team and customers through secure, customizable web dashboards. Because SIS and its customers see the same data, there are fewer conflicts surrounding metrics and data validity. Likewise, increased performance transparency gives customers greater confidence in SIS and helps demonstrate the business benefits of superior service levels.

Automated performance tracking—and lower administration costs. ServiceFlow uses data from many different sources to calculate performance metrics. These sources include a customer relationship management (CRM) solution, a telephony system, specialized monitoring tools from the production environment, change management software, financial and human resources applications, and a project management tool. By automating performance measurement and some data collection, ServiceFlow helps SIS keep account administration costs low.

Improved profitability and financial predictability. Using ServiceFlow helped SIS win a €2.7 billion outsourcing deal and then boost profit margins by lowering account management costs. In addition, ServiceFlow provides an early-warning system for performance issues that could result in financial penalties, leading to fewer penalties and greater profits. And it lets service managers accurately forecast the financial cost of performance problems (or benefit of performance bonuses), ensuring greater financial predictability.

Higher service delivery quality. ServiceFlow helps SIS continuously improve overall service delivery. Unlike monitoring tools that provide information on a single

aspect of service, ServiceFlow can aggregate data from multiple sources and track complex performance indicators that correlate closely to customer satisfaction. By providing early notification of changes in key performance indicators, ServiceFlow helps SIS keep service quality and customer satisfaction high.

Comprehensive audit and compliance activities.

ServiceFlow also lets SIS assess service delivery and related financial processes for compliance with best practice standards. Today, SIS uses ServiceFlow to track service performance according to standards such

as ISO 7799 for security, BS15000 and ISO 20000 for ITIL service management, ISO 9001 for process quality, and Sarbanes-Oxley requirements for finance and accounting. A \$100 million dollar deal with BBC. The challenge was that the BBC was asking for a complex portfolio of services, including a substantial staffing transfer, as well as service guarantees and complete transparency." He explained that SIS needed help defining meaningful performance and financial metrics, as well as a system to track these measures, map them to service level agreements (SLAs), and provide business intelligence for optimizing pricing, costs, and profitability.

Case Study 4

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