

Innovating Services

How Siemens Business Services Innovates to Better Manage Service Performance, Quality and Billing through an SLA Management Business Application

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The Business Intelligence Group at Siemens Business Services, Inc. recently launched a project to develop a platform to automate business processes around each customer's service level agreement (SLA) and to track and allocate the cost of customized SLA reporting across customers. The overall goal of the project is to enhance the customer experience, reduce cost to serve, improve quality, and rapidly support new customer requirements.

This article will discuss how this project will become an important component of managing IT and business process

outsourcing agreements for customers of Siemens Business Services, helping manage service quality and provide early insight into service consumption and delivery. Moreover, this article will address other expected benefits, such as the capability to offer more innovative pricing approaches, for example usage-based pricing.

Identifying and Addressing the Business Need

Siemens' challenge is to manage IT and business process outsourcing agreements for greater visibility and control while reducing its cost to serve. Increased visibility

and control is important across the Siemens teams to help prevent issues from developing and to deliver success to the customer and to Siemens itself. Additionally, visibility and control allow customer to build and maintain trust over the life of the service relationship.

The Business Intelligence Group realized that Siemens Business Services needed a more efficient and cost-effective way to manage and automate business processes that support the delivery of services to its customers. The service delivery team faced daily challenges to provide detailed visibility into service performance metrics in response

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to customer demands. The Group found that many of its information delivery processes were redundant across customers, thus impacting the overall cost and schedule of delivering services. Moreover, developing and executing customized business processes in accordance with each customer's SLA increases the scope of work cost for the service delivery and operating teams. The Business Intelligence Group established as a goal a significant reduction of time and cost to configure business services and minimizing the need for manual intervention to make sure that service delivery activity could be tracked, monitored and benchmarked at the end of the month.

To address these challenges, the group looked at a variety of different tools, conducting analysis, testing and pilot projects to determine how quickly business processes around customers' service level agreements could be standardized and automated, and how much of the business logic could be reused by leveraging commonalities in business processes to create standard SLA templates that could be repurposed across customers. A thorough analysis of alternative vendors and internal tools development was

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also conducted. Siemens selected Digital Fuel's ServiceFlow™ because it offered the

most comprehensive solution to solve our immediate needs as well as deliver additional capabilities we knew would be important to continue improvements in our business in the future.

Leverage Across Our Business

ServiceFlow is a business application that will provide Siemens with an effective organization of service management methodologies for standardization and re-use across many customers. ServiceFlow will allow us to quickly incorporate our requirements into templates, re-use service measures/metrics, and tailor them for each customer relationship. The Business Intelligence Group quickly found that it could reuse the SLA templates across customer accounts and help many Siemens Business Services activities. For instance, ServiceFlow allows rapid response to support new business bids that will help us win new business. Moreover, Digital Fuel automates SLA management processes that are currently done manually, such as preparing various report packages for different groups at pre-set intervals. In other cases, it will enhance our processes with the ability to be much more proactive: identify

potential issues, perform root cause analysis, and manage a collaborative fix plan to

resolve the issue before it becomes a customer problem. Siemens also found that Service Flow will be able to automate other call center business processes such as those supporting switch and customer relationship management (CRM).

Minimizing Custom Development Work and Uncovering a New Application for Innovative Billing

As a result of implementing this new platform for managing and automating business processes around customer SLAs, the Business Intelligence Group will be able to eliminate development work for a wide variety of customized SLAs in addition to greatly reducing the need for the development of custom business processes to support new customers. With the new system in place, business service parameters can be added to the system within minutes instead of days. Furthermore, Siemens Business Services is saving on internal resources because much of the development process is now automated, whereas before, the process was manual. How was this accomplished?

The design of the platform takes advantage of commonalities in business logic across various SLAs. To underscore this point, the process of initiating a new SLA is now called “SLA Configuration” instead of “SLA Development.” The team will be able to configure a wide variety of SLA categories using table-driven parameters, which means that managing SLA configurations will no longer require extensive technical expertise. Instead, the online interface will take an administrator through possible options that could effect the calculations and the qualification of tickets. The administrator is then able to configure the SLA for an individual customer and activate it. Once the SLAs are activated, the standard reporting

templates will be chosen from the catalog by the customer and are available to be viewed on the dashboard.

ServiceFlow will allow Siemens Business Services’ new customers to get up and running effectively, receiving services in accordance with the SLA, much faster than before. Whereas it used to take up to a week to get a new customer up and running, with the new system it can be done in minutes. Moreover, the company only planned to use Digital Fuel for SLA management and real-time ticketing, but later discovered it had the tools to manage service costs more effectively, e.g., support of billing customers based on their actual consumption of services, etc.

Leveraging Digital Fuel’s software, Siemens Business Services can now create unique pricing mechanisms attached to call center business parameters – such as incoming and outgoing calls, research time and other back-office activities to create cost and

consumption rules for usage-based billing. We use these parameters to determine billing rates depending on a customer’s contract.

Servicing both Internal and External Customers

There are three different groups of users who currently benefit from the new SLA platform: i) the business unit within Siemens Business Services that interfaces with end users in the call center, ii) the help desk group that manages escalation of tickets for select accounts within the call center, and iii) external customers.

The Siemens Business Services’ Service Desk defines key customer accounts and makes sure that operational service levels are met, thus ensuring compliance with the SLA. Leveraging an open ticket real time dashboard, the Service Desk team monitors service delivery compliance to make sure that potential issues are addressed before they become problems that could result in

TAKEAWAY TIPS BUSINESS INTELLIGENCE

Siemens Business Services, Inc. decided about two years ago to make a multi-million dollar investment to establish the creation, delivery and interpretation of *business information as a core competency*. The company realizes that the ability to produce and use relevant metrics is a critical success factor in achieving service excellence. A required deliverable of every outsourcing engagement, Siemens Business Services acknowledged that service level agreement reporting, and the governance and continuous improvement processes it enables, requires a specialized set of skills, processes and tools. With these concepts in mind, the Business Intelligence Group was formed to bring excellence to the creation, delivery and interpretation of information related to SBS’s services and infrastructure support activities.

business interruptions or poor quality of service. With Digital Fuel, this team benefits from near-real time screens that have a maximum data latency of five minutes.

External customers benefit from an enhanced end-user experience with greater visibility into service performance and usage with benchmarks specific to their business and billing based on services provided. With its SLA platform, Siemens Business Services is able to address service requests from customers much more quickly. For example, Siemens recently received a customer request involving 40 customized SLAs. The customer expected to receive a response in three or four weeks; however, Siemens Business Services was able to deliver within two days.

Planning for the Future

Siemens Business Services plans to leverage ServiceFlow to apply Information Technology Infrastructure Library (ITIL) recommendations within service performance management. In the future, Siemens will continue to expand ITIL's full set of best-practice recommendations with common definitions and terminology. Siemens Business Services will use Digital Fuel's software to automatically manage and archive data to align with ITIL best practices. Moving forward, the company plans to adjust terminology to increase the alignment with ITIL standards (i.e., BSI 15000 and ISO 3000).

We plan to expand the use of ServiceFlow for cost management in ways that will add more value to our customers. We will work with our customers to insure the consumption-based bills make it even easier to charge-back service costs to their business units more accurately. We will explore ways that we can help them

improve their preparation of service budgets and manage their actual service costs against budget by business unit.

ServiceFlow Cost Management can be applied internally at Siemens to expand our capabilities for managing service costs and profitability. With these capabilities, we will be able to leverage ServiceFlow to manage our actual service costs against internal budgets by each service that we provide across all of our customers. We also expect to accomplish the same analysis and management of service costs by each customer. This will provide us with proactive capabilities to better manage the achievement of financial targets we set for each service line and each customer.

Summary

Siemens Business Services has a heritage of continuous improvement in our business to deliver superior quality service to our customers at competitive prices. We enhance our effectiveness through creative use of technology wherever practical. The ServiceFlow business application is an example of technology enablement at our company, providing us with a powerful business service management platform that improves our ability to serve customers and to deliver excellent returns to our stakeholders. With new capabilities implemented over time, we expect continued improvements in effectiveness that will increase financial resources to deliver expanded customer value for our existing customers, as well as differentiate us to continue to win new customers.

About the Authors



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Jimmy has served in a variety of management positions including managing one of the first PC configuration centers and PC support services operations in the country. Most recently, he conceived and formed the Business Intelligence Group to help meet the growing demand for service level based governance of IT outsourcing engagements. Amichai Nahari, Solution Architect at Siemens Business Services, Inc. also contributed to this article.



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Yisrael's expertise is in building and operating flexible, execution-oriented organizations from inception through hyper-growth. He has a wealth of strategic and operational experience and is one of the co-founders of Digital Fuel as well as a co-founder of Coridan Inc, a pioneer in distributed messaging solutions. Digital Fuel is a leading provider of business service management software solutions to enable more effective delivery of services involving IT, business processes, and telecommunications. Digital Fuel's ServiceFlow™ automates processes for SLA management and service cost & billing management that are critical to successful service relationships.