



# 7 Key Success Factors for SIAM Transformation

# Today, IT is facing a perfect storm.

Increasing technical complexity, continuing cost pressure, and ever-increasing business demands are driving IT to adopt radical new approaches. Social, mobile, and cloud technologies are driving part of this, but there's a much broader trend—increasingly, IT organizations are sourcing from third parties to fill an insatiable business appetite for innovative new services targeting both customers and employees.

For IT, delivering fragmented third-party services isn't an option. IT is still responsible for service quality and for providing a seamless end-user experience, no matter what the service. That's where service integration and management (SIAM) comes in. At one level, SIAM creates a consistent process framework for interacting with suppliers, giving end-users a single point of access to IT services and delivering the metrics needed to manage supplier and service performance. At another level, SIAM is actually a new way of doing business—a transformed operating model, tying the entire service delivery value chain together into one cohesive ecosystem.

Because of this, implementing a SIAM organization isn't easy. It involves many different business functions as well as suppliers, making it a multi-year endeavor. To succeed, you need to adopt best practices and ensure that critical success factors are in place—before you begin and throughout the program.

Let's look at some of the most important success factors in any SIAM transformation.



# 1 Support from the C-Suite

At its heart, SIAM is about organizational change. Driving this change requires executive support, and that's not something you can take for granted. Without support, you probably won't get a SIAM initiative off the ground—and you shouldn't try. If you do manage to get started, you'll face constant questions and objections, and you'll lack the critical resources needed to succeed.

Identify all of the key executive stakeholders upfront and understand what motivates them. Don't assume all come from the same place. For example, most CFOs will want to understand the financial benefits of SIAM and the time it will take to realize these benefits. Your COO will probably ask how SIAM can help them to execute on operational strategies—both in the short term and in the long term. And your CIO will need to know how adopting a SIAM approach will improve service delivery, drive innovation, and help IT respond more effectively to business needs. Keep in mind, though, that these motivators will change based on your organizational dynamics and individual executive drivers.





## 2 Executive Sponsorship and Leadership

Simply getting C-level support isn't enough. Even if an executive understands and supports your SIAM initiative, they aren't automatically qualified to help you. Highly focused executive sponsorship and leadership is needed throughout—you need someone who has both the mandate and ability to drive change across your organization and beyond. Depending on your own role, you may be that person. However, don't underestimate the scale of this task—or the size of the responsibility.

Keep in mind that you will need both internal and outward-looking executive leadership. SIAM touches numerous individual business functions—such as IT, procurement, and legal. But it also fundamentally changes the way that you work with suppliers making it necessary to transform your existing supplier engagements—not just contractually, but also at a relationship and process level.



# 3 Willingness to Change

Adopting a SIAM framework changes the way your business works, and all parties need to embrace that change. There are organizational, technological, and process changes—but equally important, IT needs to change its mindset. Outsourcing is often seen as a threat by IT staff who are used to running everything by themselves.

With a SIAM approach, the IT department now becomes a true service provider, focused on responding to business needs. By moving selected operational capabilities and previous business-as-usual (BAU) roles and functions to a third party, IT drives down the overall cost of delivering IT services—one of the key goals of the new SIAM operational model. This gives IT a great opportunity to become a service broker, delivering value by sourcing innovative, cost-effective solutions and integrating these into a consistent, high-quality service delivery framework.

Your SIAM program needs to drive this cultural shift—and it may be one of the biggest challenges that you face. According to Strategy& (formerly Booz & Company), when employees are asked about why they resist change, 44% say they don't understand the change they are being asked to make and another 38% say that they don't agree with it. To succeed, your SIAM program needs to include extensive education to create understanding and actively involve employees to create buy-in and a willingness to change.





# 4 Proven Enabling Technology

The name says it all. SIAM is about service integration and management—and for that, you need a proven, easily implemented integration solution that:

- Provides a consistent and easy way for your end-users to access services from multiple suppliers. It has to deliver a seamless user experience, using the latest technologies to engage and collaborate with customers, employees, and suppliers alike.
- Automates a wide variety of back-end fulfillment processes and other activities. It must be able to orchestrate processes that span multiple suppliers, executing seamless end-to-end workflows with clear demarcation of individual supplier responsibilities.
- Easily integrates with both external supplier and internal organizational systems, extending automation throughout the entire service delivery chain.
- Fully orchestrates the entire service delivery process, providing extensive key performance metrics in real-time.

Above all, this solution has to be scalable and easily extensible so that you can respond to rapidly changing business needs—allowing you to stand up and take down ‘disposable’ services quickly and seamlessly across a growing supplier base.



# 5

## Existing SIAM Experience

A successful SIAM operation requires a unique blend of skills and experience—and many of these skills aren't typically found in today's IT organizations. SIAM requires a mix of technical, process, business, and relationship skills—everything from modeling business processes to creating organizational alignment and renegotiating agreements with suppliers. Above all, it needs people who have already delivered or been involved in a successful SIAM transformation program. There are too many pitfalls and wrong turns to treat SIAM as a learning experience.

If you don't have in-house SIAM skills and experience already, you need to acquire them. If you want to build a core SIAM competency, then one approach is to hire. However, this can be a lengthy and expensive process, since these types of resources are in high demand. Another approach is to engage a partner with a proven SIAM track record. In this case, you can tap into the partner's consulting services, or you may want to outsource your SIAM operation to the partner, either completely or by chosen process or function such as service desk or incident management.





# 6

## Project Accelerators

Accelerators are another reason for engaging a SIAM partner. These accelerators are prepackaged services or intellectual property built using experience from previous SIAM engagements. For instance, a SIAM partner could offer a prebuilt common process model—and might even have an existing implementation of this model on their own SIAM platform. Another example could be a SIAM education package, allowing you to bring your organization up to speed quickly and efficiently.

These accelerators don't just deliver prepackaged knowledge—they can dramatically accelerate and de-risk your SIAM transformation program. Think of them as building blocks you can use and adapt, rather than having to start from scratch.



# 7

## Strong Project and Program Management

Finally, strong project and program management is one of the most critical components of a successful SIAM transformation. Don't underestimate the challenges you will face. Traditional IT projects involve planning and tracking activities, contingency planning, and reporting. However, they tend to have well-defined deliverables and timelines, delivered within a stable organizational framework.

Managing transformation is very different. Yes, you need incredibly strong project management skills to keep individual piece parts moving, but it's much more than that. Program management needs to balance resources across many different projects, help to drive organizational awareness and cultural change, and continuously adapt to evolving priorities. Everything isn't known up front—and managing that uncertainty takes a level of experience, maturity, and adaptability which goes far beyond traditional project management skills.

Again, if you don't have the skills in-house—and most IT organizations don't—then you need to fill the gap, either by hiring or by engaging a SIAM partner with a proven delivery track record.



# Let's Summarize

As with all other major initiatives, a SIAM transformation needs a blend of strong leadership, extensive experience, enabling technologies, and relevant skills to succeed. It's not just another IT project—it fundamentally changes the way you deliver IT services. If you're about to embark on a SIAM transformation, here is a checklist of the key success factors you need to have in place:

- 1 C-level support – to get your SIAM program funded and off the ground.
- 2 Executive sponsorship and leadership – to drive change across your organization and with suppliers.
- 3 Willingness to change – both from a process and a cultural perspective.
- 4 Proven enabling technology – to create a robust, extensible service integration layer across the full service delivery value chain.
- 5 Existing SIAM experience – either acquired in-house or through a SIAM partner.
- 6 Project accelerators – to accelerate and de-risk your SIAM program.
- 7 Strong project & program management – to drive complex technology, process and cultural change.





## Remember, SIAM is a unique opportunity to transform...

...the way that you deliver IT services and to increase the value you provide to your business. It will also put you on a path of increasing maturity, allowing you to grow into a full service broker to the wider business. However, it is also a major challenge—which is why you need to give yourself every possible advantage. Getting these key success factors in place will help you achieve your goals and satisfy your stakeholders more quickly and cost effectively.



# Continue Your Journey to IT Transformation

Learn more about the possibilities of SIAM  
at our SIAM resources page.

[Learn More](#)

© Copyright 2016 ServiceNow, Inc. All rights reserved. ServiceNow, the ServiceNow logo, and other ServiceNow marks are trademarks and /or registered trademarks of ServiceNow, Inc., in the United States and/or other countries. Other company and product names may be trademarks of the respective companies with which they are associated.

SN-EB-SIAMTransformation-092016