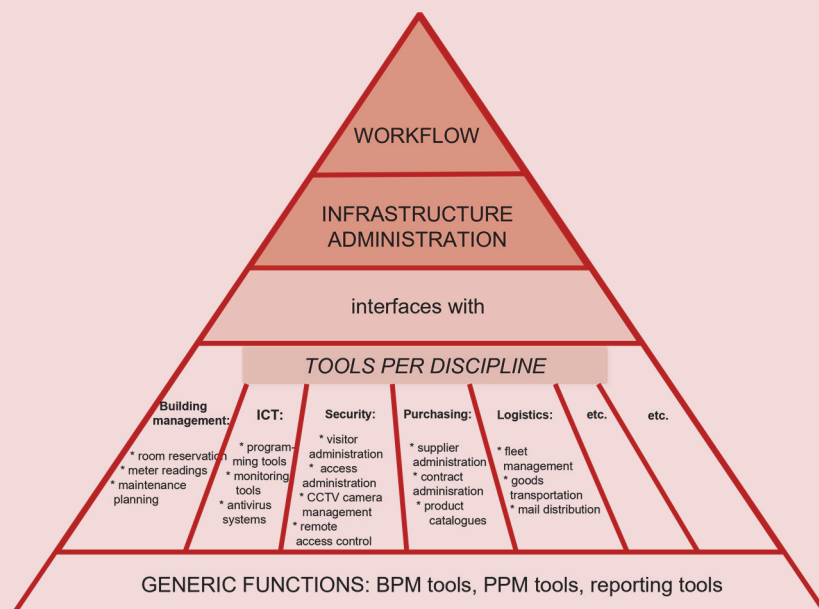


Enterprise Service Management (ESM): the tool provider's new cash cow:



A white paper of the SURVUZ Foundation

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Note: most links refer to resources in Dutch, so you may need Google translate or a similar facility



Meet the tool provider's new cash cow: Enterprise Service Management (ESM)

Software suppliers are discovering a new cash cow hand-over-hand: label your tool as an ESM tool, and your sales will be booming.

Don't fall for it... especially if you have not set up a service management architecture and an associated management system. The SURVUZ Foundation provides a free tool set for an ESM device that does work.

In the 1990s - with the emergence of ITIL - we suddenly saw vendors of helpdesk software calling out that they provided "ITIL tools". There was even a competition to the extent that they could demonstrate their ITIL compliance (think of [PinkVERIFY](#) and other certifications). The fact that these suppliers only proved that they delivered "hard coded complexity" and inefficient products, went largely unnoticed.

Suppliers tend to package their proposition in a term that is hype-sensitive, and they respond to the emotion in the market, with the aim of increasing their sales. Currently we see the same with the tools for **ESM - Enterprise Service Management**.

Don't fall for it You are about to become a victim of the revenue model of the major tool suppliers, while simple and cheap solutions are for the taking.

A fool with a tool is still a fool

What is ESM?

Enterprise Service Management is an approach for managing services outside of IT or across multiple disciplines of which IT is one. The pretension then is that this provides an **integrated approach**. This is encouraged by suppliers of software that is originally used within IT. *Take the test with a search for "Enterprise Service Management" on [Google](#) and see the hits on the first pages: almost all of them are tool suppliers.*

At the same time, ESM is boosted by the internal need of organizations for more **integration and coherence**, and there too IT is often the origin of that approach. This makes ESM a promising label in the market of tool suppliers.

What is an ESM tool?

The characteristics of the tools that are presented under the ESM label basically come down to what we call an **FMIS - a Facility Management Information System**. The main characteristic of such an FMIS is the support of a large number of [facility disciplines](#) (service domains). This broad coverage is the hallmark of an FMIS, with the less positive "side effect" that these tools do not really excel in the integration of the *workflows* that run through these disciplines.

ESM tools suffer from exactly the same risk: by focusing on broad coverage, the essential, **integrated** workflow support will be the victim. In fact, tool suppliers mainly use a module-based revenue model, which makes integration very difficult in practice. Being a user organization, that is exactly what you do not want.



What should an 'ESM tool' do?

[Forrester Wave](#) (September 2019) signals a market with a lot of competition: each and every tool supplier wants a piece of the "new" cake, creating a *red ocean*. Forrester emphasizes the following characteristics for "ESM tools":

1. Support for **disciplines outside IT** (finance, legal, human resources, building management, etc.)
2. **Intelligent facilities**, as in machine learning, BI, knowledge bases, natural language querying, self-service facilities, chatbots, etc.
3. Support for **modern techniques** such as Kanban, swarming, DevOps, etc.

What these "intelligent facilities" and modern techniques have to do with ESM, however, is not clear upfront: these are features that fit just as well with "traditional" helpdesk tools.

Forrester goes along with the hype, by attributing those features to ESM.

Furthermore, Forrester obviously lacks some insight in the tooling market: they do not see that the first requirement is actually the core functionality of an FMIS. With such an advisor you no longer need enemies.

But how then?

ESM should support the integration of "**enterprise service management**". For an integrated approach, the organization must first align and standardize its **workflow policies** in the involved disciplines, and *then* set up a tool to support those policies in full. After all, the *what* always comes before the *who* (Figure 1).

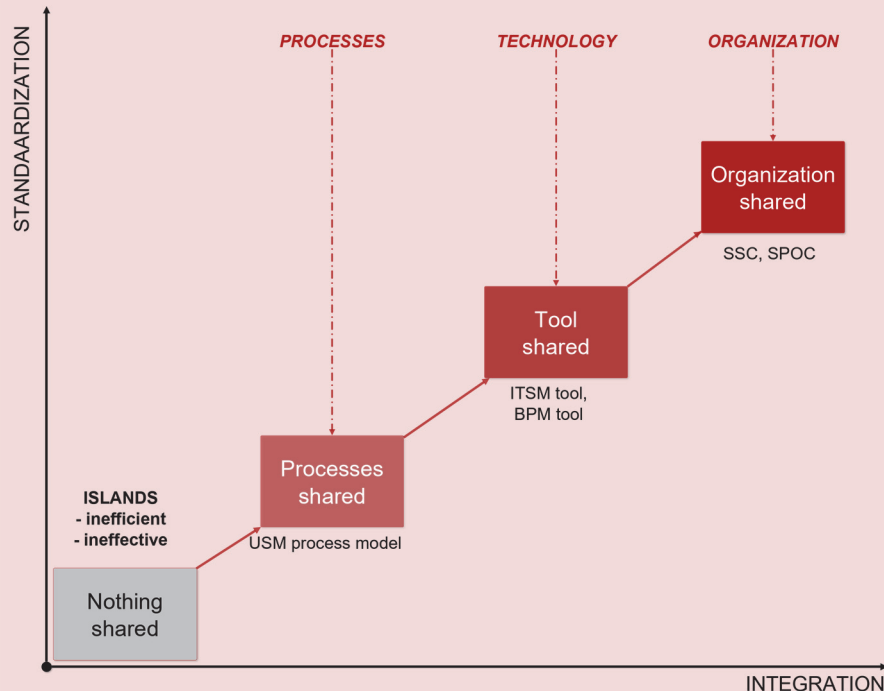


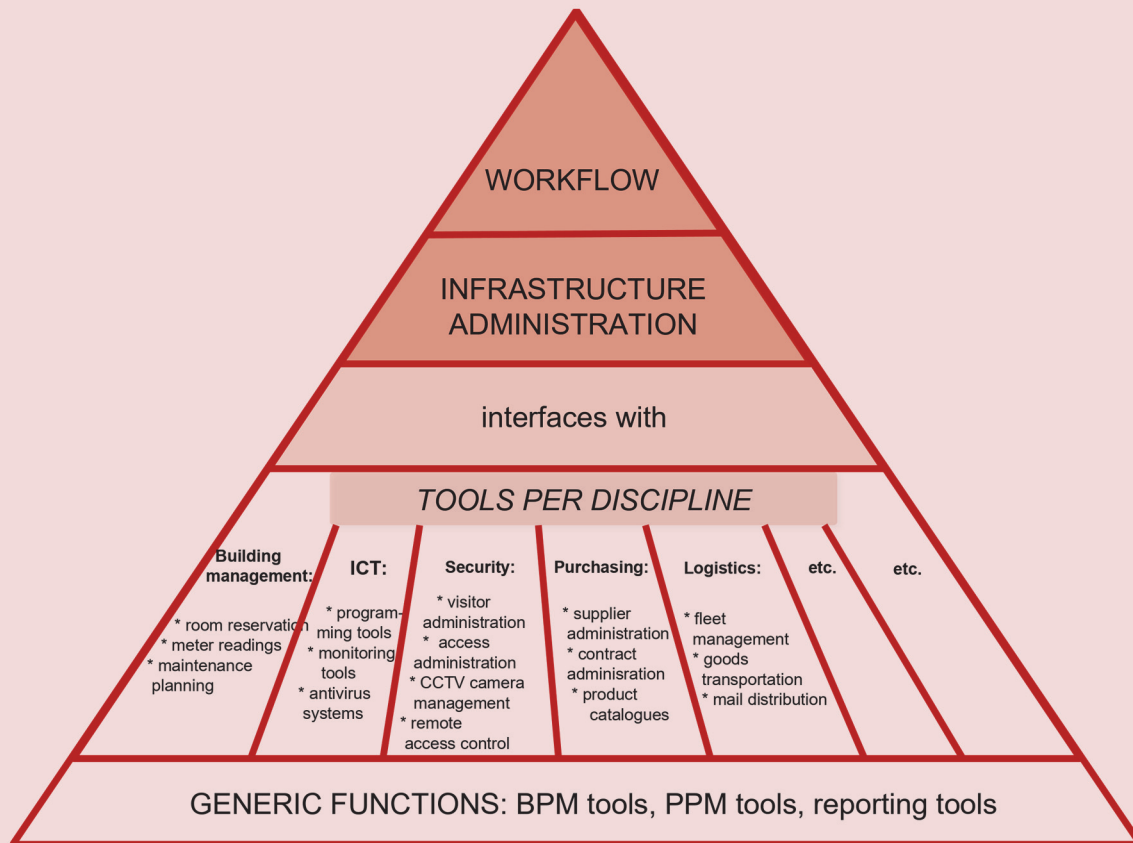
Figure 1. The sequence of configuring organizational resources

In practice, organizations mostly take the opposite approach, starting with a reorganization, then selecting a tool (or even the other way around), and in the end, they hardly ever find the time to align the workflows... With that approach, organizations can be sure they have to redo the whole project within 2-3 years.



Following the right approach (process => technology => people), it remains to be seen whether that organization wants to reconfigure the organizational structure *at all*. Reorganizations may be our national hobby, but the need to reorganize is largely eliminated by this "reverse" approach.

The core function of a ESM tool is to support the enterprise *workflows* and to register the applied *resources* (configuration management, with a configuration management database - CMDB). The ESM tool then also includes the support of activities in multiple disciplines (see Figure 2, to get an idea of the options) – perhaps even including the organizations business activities.



Figuur 2. Categorization of tool functions in an ESM setting

So, for an ESM tool, the enterprise-wide workflow and the CMDB must first be set up: this is the top of the pyramid. That requires an enterprise-wide [service management system](#) ... which must be *standardized* for each 'link' (each of the disciplines involved) in order to deliver an *integrated* chain.

You need strong links to create a strong chain.

The technical support for the activities in the involved disciplines – at the bottom of the pyramid of Figure 2 - can be provided by different discipline-specific applications: think of room reservations, maintenance schedules, access administrations, mail distribution, etc. Whether these technical features are covered *in one tool* (the left-hand variant in Figure 3) or coming from a suite of dedicated products (the right-hand variant) is a matter of '**ERP versus Best-of-Breed**'. These discipline-specific functions can also be extended to cover primary business activities like health care, government, telecommunications, etc.



The ERP proposition is supported by the major tool suppliers (and followed by Forrester), but the associated risks of this proposition in terms of vendor lock-in, module push, pseudo-integration, rigidity, etc., are well-known. With advanced application integration options, the Best-of-Breed strategy may well offer a better alternative.

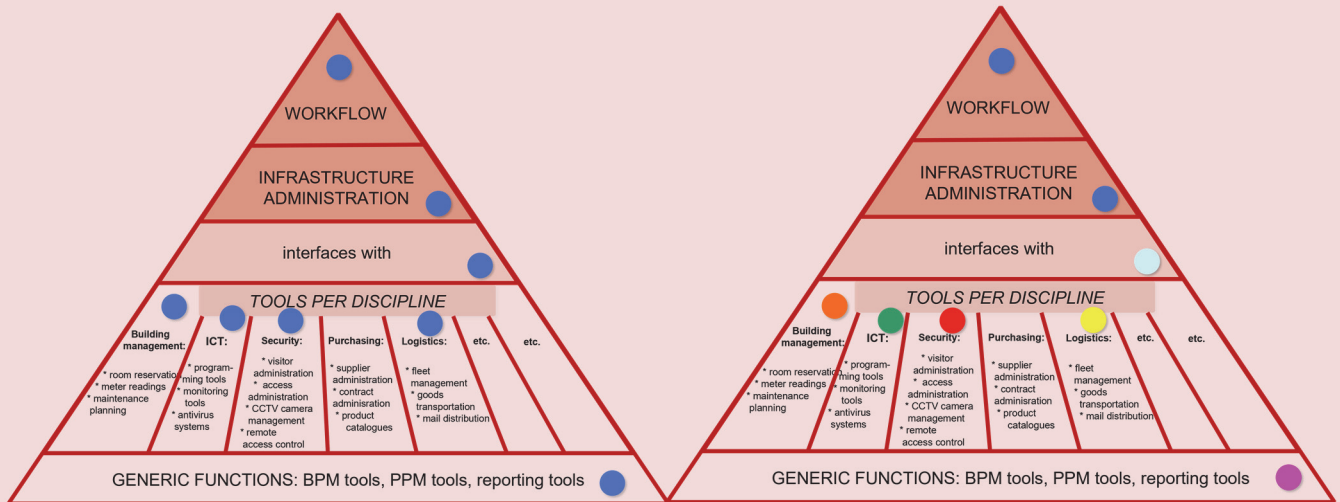


Figure 3. An ERP strategy (left) versus a Best-of-Breed strategy (right)

Which tool should I select for ESM?

Depending on whether you want an ERP or Best-of-Breed approach, you can now select the tool that fits your organization. The key requirement here is the support of integrated workflows, integrated with the configuration management function. So don't be fooled by a vendor advertising more discipline-specific functions than the competitor: that vendor does not understand what you need.

What should I do before purchasing a (new) tool?

Most importantly: if you select and purchase the tool before you have set up your integrated management system, you remain the *fool with a tool*.... An organization that wants to use an ESM approach will have to know very well what ESM is about and how it works, before it sets up a tool to support it.

An ESM tool is not something we tend to build ourselves. However, we cannot leave it to the supplier to just do that for us. If there is *one* thing outsourcing has taught us, then it is that you must be in control of your own business before you outsource it. **If you don't, you'll pay the prize.** This means you must clean up your act first and not trust the supplier will know. In the *red ocean* of ESM, that supplier mainly has his own interest in mind, not the interest of the user.

Garbage in – garbage out

So how to get in control?

Control first of all requires insight into the way you organize your work. Unfortunately, we have been following a reverse approach for decades: we first *reorganize*, then we purchase a tool (or even vice versa), and then we are so busy fighting all consequences that we hardly ever are able to standardize our workflow policies any more. Ironically, the latter is precisely where the assumed profit of ESM lies: in the integration of enterprise-wide services. So we do it exactly the other way around as indicated in figure



1. Admittedly - we have not learned at school or in our training efforts how to deal with that, *but does that relieve you of the obligation to use common sense?*

To make ESM a success, you will first have to establish a [service management architecture](#), and then set up an enterprise-wide [service management system](#). Next comes the selection of the tool that should support that management system - and not the other way around. So whoever has not established that architecture and associated management system before embarking on the ESM journey, fails to lay the foundation for success. And without that foundation you build on quicksand.

Free resources come in handy here. For both the architecture and the associated management system, a standard is available: [USM - Unified Service Management](#). USM is designed to serve as a LEGO building block in an ESM approach, and can therefore support any combination of disciplines. Appendix 1 briefly describes the features of USM.

Which tools qualify as ESM tools?

If we can believe Forrester, and also [Gartner](#), ESM tools are the products of the major suppliers that follow the ERP strategy. These are the same products that these suppliers recently recommended as an "ITIL tool" or as an ITSM tool. The specific ESM qualities that Forrester promotes are in fact nothing but the normal developments in the ITSM tool market: features such as BI, machine learning, natural language querying, chat bots etc. *have nothing to do with ESM.*

ESM tools should especially support the top of the pyramid (see Figure 2) in an enterprise-wide, integrated application. Instead, the suppliers listed by Forrester focus on the specific discipline functions at the bottom of the pyramid. They advertise their broad coverage as if that would be the core of ESM.

Of course this approach makes sense for the suppliers' revenue model that is characterized by a high degree of **complexity** and by a **modular** approach: the more complexity and the more modules, the more turnover and the longer the cash flow lasts.

If you think twice, you will see that the interests of the supplier are at odds with the interests of the user.

As a user organization you are interested in an effective *solution*, and in particular in a *sustainable* solution at a decent price. An adequate ESM tool is therefore characterized by a few simple but crucial features:

- standardizable workflow support with a *single database*
- solid CMDB functionality
- powerful *integration* of workflows with that CMDB
- a flexible *interface* with specific applications for the supported disciplines.

No doubt, there are dozens of tools that match this profile: there are hundreds of [ITSM tools](#) to choose from, but you might start with first looking at the tools known as [FMIS](#).

The SURVUZ Foundation has drawn up a list of **131 requirements** for a service management tool that is used in an integrated workflow approach. By the end of 2019, [two tools](#) successfully passed the test, but there are undoubtedly more tools that can also qualify and subsequently be used for ESM goals. Most importantly, if you set up such a tool according to the recommendations of the supplier, without an enterprise-wide and therefore unified management system, you could save yourself the trouble: that project will have to be carried out again in the foreseeable future, and then again... and again... ..



Are there any open source ESM-tools?

Of course there are. Several open source tools meet the profile. One of the most widely used tools in this sector is OTRS: a powerful and versatile tool that undoubtedly supports an attractive ESM application. One of the assessed tools that passed [the USM test](#) is a product built in OTRS. Based on the USM service management architecture and the standard USM management system, any product that meets the profile could be used to provide an ESM tool. Such a tool should provide the **eight default USM workflow templates** to provide the automated support for any enterprise-wide workflow.

Conclusion

Do not let them get to you. ESM tools are mainly traditional ticketing tools that are rigged with FMIS features. True integration of service management policies is certainly not a spearhead for these tools - in fact: that would kill the revenue model of most suppliers. *Don't fall for it....*

There are "plenty" of capable tools that can support ESM without being advertised under that label. ESM is primarily a matter of an enterprise-wide management system of a service provider that understands what ESM is all about, and that is not misled by the sales-oriented pitch of a supplier. The **enterprise-wide management system** comes first. And that often starts with the IT department. Those who do not already have a robust management system for this IT department should preferably not even *think* of an ESM application for *multiple* disciplines.

At an information meeting of a major government organization with interested tool vendors, for an ESM tender in 2018, the CIO was asked which service management architecture the organization used to realize an optimal set-up of the desired tool.

The response: "Err ..., errr ..., I refer you to the project manager."

The response of the project manager: "Errr ..., errr, we hope to find a solution for this during the implementation of the tool And if you have any suggestion, we will of course love to hear it."



Appendix A. Introduction to USM

The USM method is a universal, methodical approach for managing service organizations. It defines a service management architecture and describes a standardized management system for setting up the service organization, the workflow policies and the technology resources of a service provider.

USM offers an easily learned method based on business principles in an explicit service **management architecture**.

Service management architecture: *a set of rules and guidelines for organizing and managing a service organization that enable consistent decisions in the future.*

The method is suitable for service organizations that want to be in control of their workflow policies, their management, and their performance, creating order and tranquility, and room for exploiting the creative potential of employees.

With USM, selected practices from frameworks can be realized as required, in a step-by-step approach. USM can be deployed at service organizations in all conceivable disciplines: healthcare, government, finance, IT, education, telco's, etc.

What is the origin of USM?

USM (Unified Service Management) was developed in 2015 as the next step in the evolution of service management methods that started out around 1990. The method is based on **Systems Thinking** - the theory that tells you that a system consists of coherent components, none of which are capable of reproducing the functions of the integral system on their own.

A system is a whole that consists of parts, each of which can affect its properties. Each part of the system, when it affects the system, is dependent on the other parts for its effect.

No part of the system, or any combination of parts, has an independent effect on the system.

Therefore a system is a whole that cannot be divided into independent parts.

A system is not the sum of the behavior of its parts, it's the product of their interactions.

[Prof. Russel Ackoff]

Applied on IT:

- An IT service organization can make software available, but without the associated hardware, that software cannot do anything...
- And even if the software runs on suitable hardware, without a network it does nothing...
- And even if the software runs on that hardware in a network, without administrators, nothing happens ...
- And although there are competent administrators for that software on that hardware in that network, without the right policies it does not produce the intended results...
- *A function of a system cannot be produced by parts of that system, but only through the cooperation between the components of that system.*

This way, USM positions business principles in a coherent, methodical approach, with which a service organization can organize its management system.

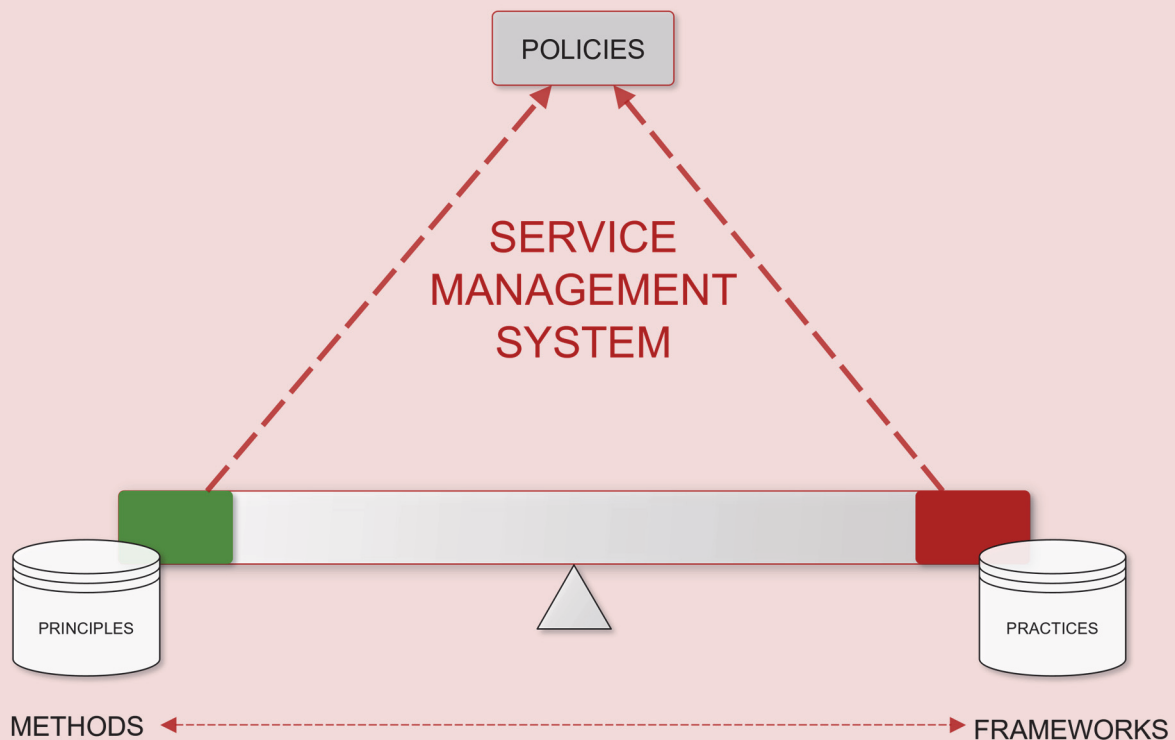


Figure A1. In practice, methods are a combination of principles and practices

Why USM?

It is not the daily job of a manager to develop such a structured approach - a **service management system** - himself. USM is the standard for that.

In general, the USM method can be used for three purposes:

1. **improving** the internal workflow policies and performance of a service provider (a service organization or a support team)
2. **assessing** the workflow policies of a service provider (here USM is the reference framework of an adult *service provider*)
3. **outsourcing** tasks (here USM is the reference framework of an adult *supplier*)

Who can use USM?

USM can be deployed in **all service organizations and teams**, in **all disciplines**, ranging from IT to healthcare, from building management to security, from telecom to government. After all, every service organization benefits from a *service management architecture* and a *service management system* that can be produced with it.

Even though the organization, tooling and services differ for each service organization, the *management* of services is universal. In all situations it consists of the application of no more than *five processes* and *eight workflows* in an integral and integrated process model, with which the service organization sets up an effective and efficient management system.

The processes and the associated workflows are the same for all service providers.

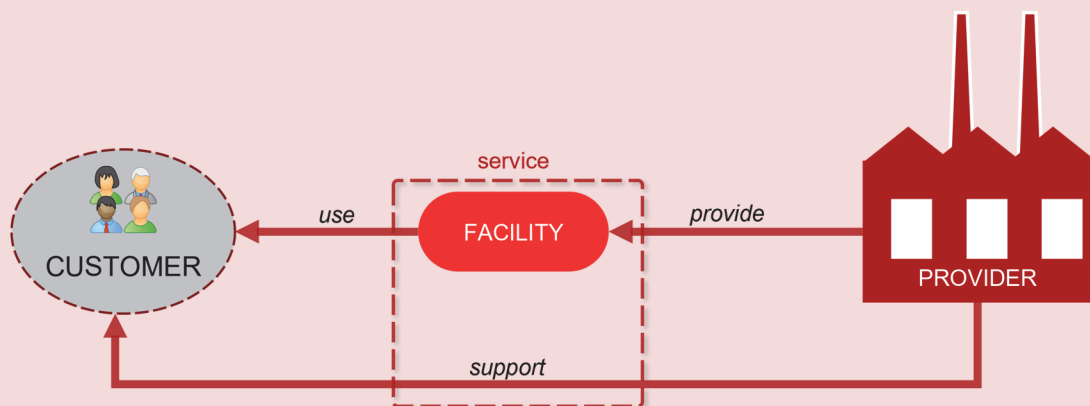


What makes USM special?

The USM method does not work from **practices** (examples of others' practices), but starts with clear **principles** (see Figure A1). From there, an organization applies USM in a step by step approach towards the desired practices. This makes USM learnable and offers essential benefits:

- USM is *methodical* and therefore **universally applicable**.
- USM is *holistic*, it covers all aspects of managing a service organization. That makes USM **integral** and **comprehensive**.
- USM is (super) *simple*. This means that the application of USM has **low costs**, and anyone can afford it.

In USM's view, the customer is central to the service. The service provider makes a **facility** available, to be used by the customer (Figure A4). This facility consists of a mix of goods and activities.



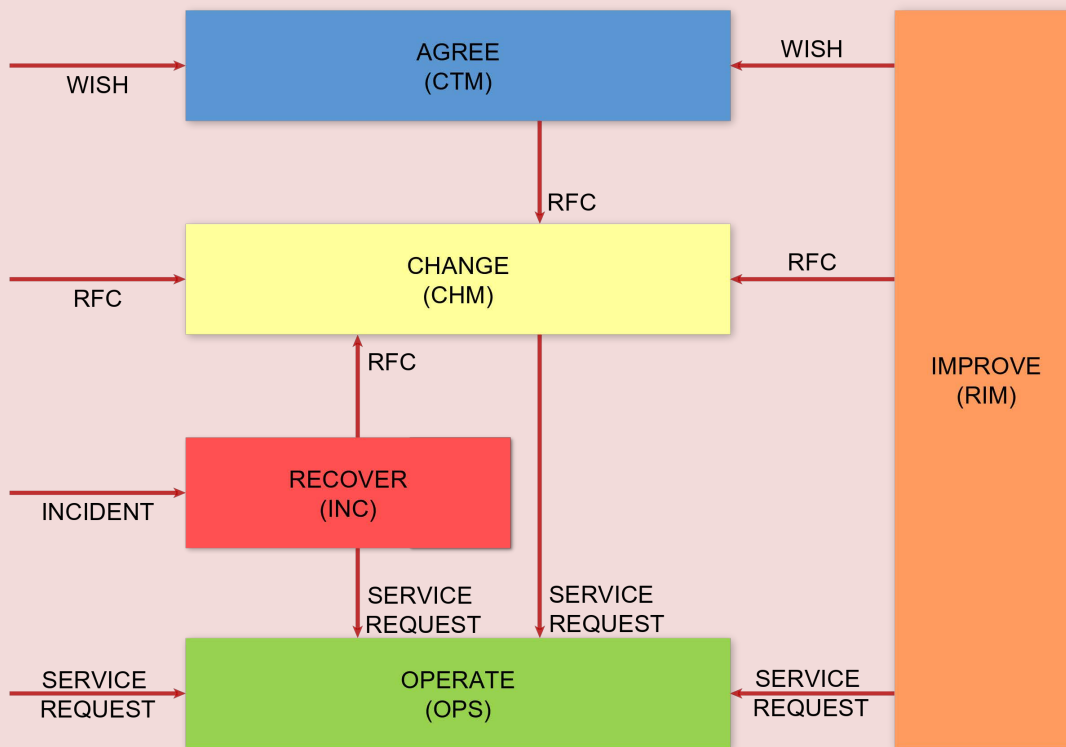
Figuur A4. A service is a supported facility

The service provider **supports** the customer in the use of the facility, in accordance with agreements made, otherwise there is no service. USM describes the management system of the service organization (the provider) in the context of that service.

The *policies* in USM are structured in a workflow based management system that covers all activities in a service organization. This workflow system is based on an **integral** and **integrated** process model (Figure A5), consisting of only five non-redundant processes. These **five processes** include all activities of the service organization, insofar as they are relevant to the management of the service:

- agree
- change
- recover
- execute
- improve

Because this process model is integrated and integral, there are only **eight workflows** the service organization can use for all its service management activities. With this clear and simple starting point, any service provider can get in control of its service provision and configure its tools in an efficient way. That opens the door to service and customer excellence, and to sustainable innovation.

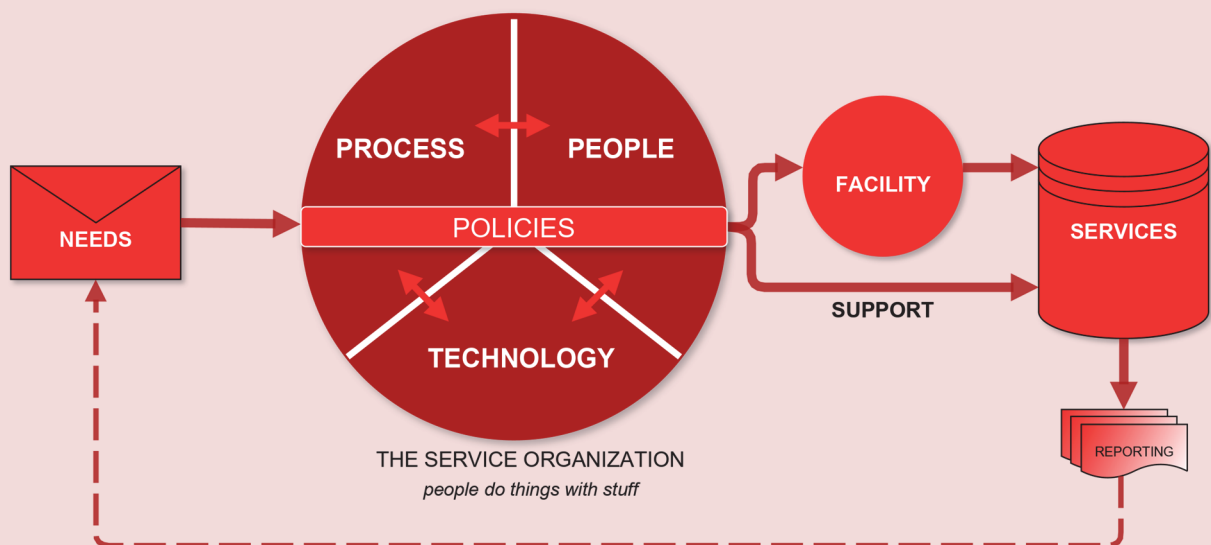


Figuur A5. The USM process model: integral and integrated

What will USM provide?

The USM method provides a **standardized management system** for a service provider, for managing its people, its technology resources, its workflow policies, and its services, based on a **service management architecture**.

USM thereby not only supplies the *building blocks* that play a role in the management system of every service organization, but also the standard workflow policies for the improvement of services *with* those building blocks (Figure A6).



Figuur A6. The service organization systematically converts all its customers' needs into predictable performance



How much does USM cost?

There is no such thing as 'free'. All organizational improvement efforts come at a cost. There are three different scenarios for applying USM:

- **Scenario 1: do-it-yourself.** Read a [USM book](#) and apply what you have learned. This scenario comes at the price of a book.
- **Scenario 2: "training".** A USM training usually costs several hundred euros per participant. In that training the participants will do exercises with the material, and through discussions they learn how to apply the USM method to practical situations. A selected group of change leaders can pass the acquired knowledge and understanding on to the rest of the staff.
- **Scenario 3: "coaching".** Organizations that do not have an internal change leader can hire a certified USM expert. As a consequence, this scenario will have the most out-of-pocket costs.

What are USM products?

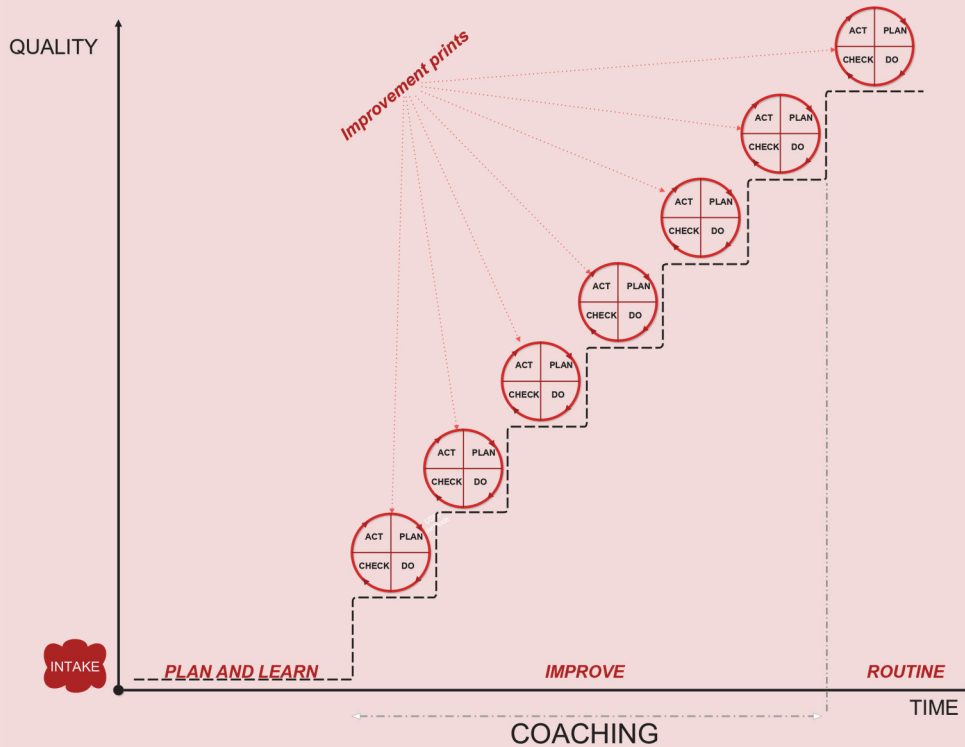
The SURVUZ Foundation certifies USM products that support the application of USM, after an audit against the USM service management architecture. With such products, organizations grow faster, improve more efficiently, and improve further.

A user organization that joins the USM user community can use a suite of certified, [open USM resources](#) free of charge (all process and workflow specifications and dozens of templates and guidelines). The SURVUZ Foundation also certifies *off-the-shelf* variants of [existing tools](#), which are obviously not free, but which save a lot of energy, time and costs in relation to traditional custom projects.

These certified products serve as service management *building blocks* in a local USM application. In this way every organization can support its own USM application with ready-made tools, as building blocks in a LEGO box.

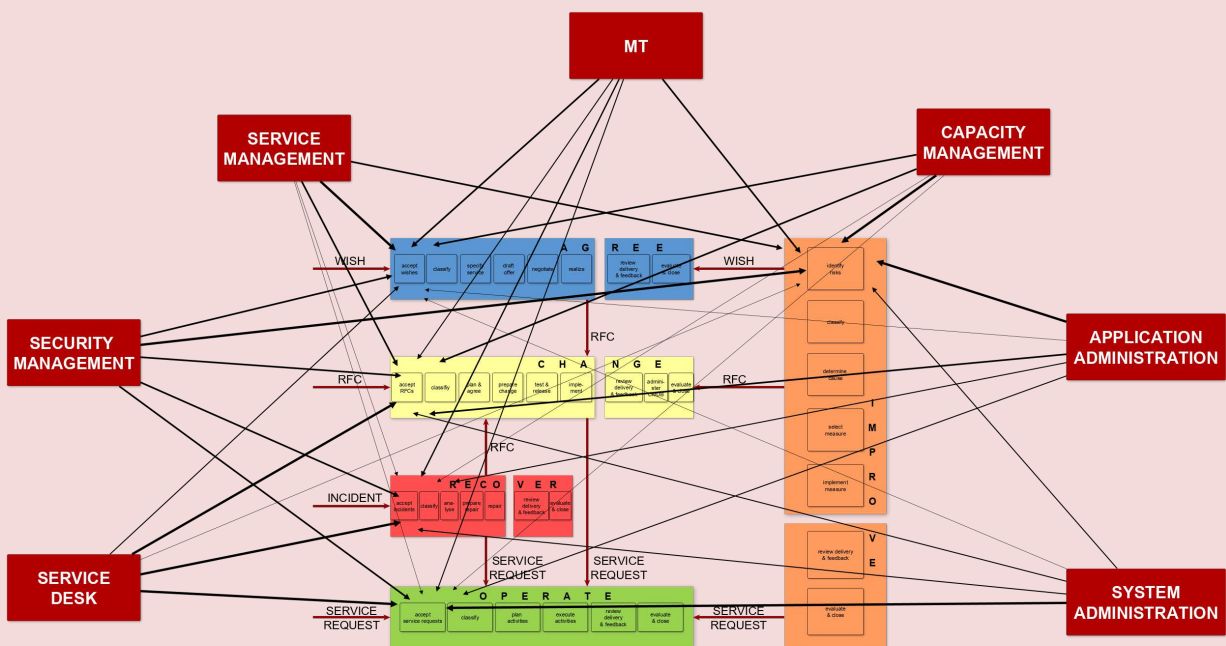
How do you apply USM?

The section "How much does USM cost?" describes three scenarios. A phased approach supports the practical application of USM in the organization (Figure A7). The introduction of USM follows a step by step, continuous improvement approach (as in Lean, agile).



Figur A7. The phased introduction of USM

With USM, every service organization can set up its organizational structure as desired (Figure A8), and also choose and optimize its own tooling: the USM process model applies to *all* service organizations. USM provides a standard for the division of tasks, powers and responsibilities. In that standard USM defines **profiles** for process management and line management (coordination) and for the matrix organization in the line, and recommendations for practice.



Figur A8. All teams and profiles use the same USM processes



USM offers a number of simple guidelines for setting up technology resources, including a set of 131 requirements that a **service management tool** must meet in order to be able to adequately support the USM management system.

USM pays a lot of attention to the adoption of workflow policies in the associated organizational change. A **people-oriented approach** is central. For this purpose, USM integrates methods and techniques from other disciplines, such as Organizational Behavior Management (OBM), and [Text Strategy](#) for effective communication.

IT departments are increasingly integrating with other facility disciplines, such as building management, security, human resources, medical technology, logistics, etc. Modern organizations increasingly demonstrate multidisciplinary service teams. The generic nature of USM brings broad, multidisciplinary organization improvement strategies within reach.

This gives great freedom to an organization to tailor USM to its own local needs, structure and culture, while still reaping the benefits of a uniform, methodical approach.



SURVUZ Foundation develops and manages methods and instruments that can be used by service providers to improve their performance, based on the following principles:

- * Organizational improvement is only **permanently effective** if it is managed and implemented by internal employees.
- * The application of USM is based on the promotion of **self-management**, with learning as the central focus.

The SURVUZ Foundation manages the [USM method](#) (Unified Service Management) with associated instruments and facilities. USM is applicable in all service domains, both the facility domains (building management, human resources, finance, IT, catering, etc.) and the primary domains (governments, telecom companies, etc.).

Contact:

* web: www.usm-portal.com

* mail: info@survuz.com

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