

WHITEPAPER

# Enterprise Service Management – The Enterprise Service Value Chain Enabler



# Contents

---

<b>Abstract</b>	<b>3</b>
<b>COVID-19 situation and uncertainties</b>	<b>3</b>
<b>What is Enterprise Service Management?</b>	<b>4</b>
Evolution of ESM	4
<b>Knowing about “Moments that matter”</b>	<b>8</b>
<b>Benefits of ESM</b>	<b>9</b>
<b>Core components of ESM</b>	<b>10</b>
Enterprise Service Catalogue	10
Case / Issue Management	10
Enterprise Service Portal	11
Enterprise Knowledge Management	12
<b>ESM Ecosystem Representation</b>	<b>13</b>
<b>Governing ESM Services</b>	<b>14</b>
<b>Things to be considered for ESM solution and the implementation approach</b>	<b>16</b>
Core business functional capabilities	16
Devil in the simplicity	16
Finding what’s the limit for customization	16
Be innovative in solutions	17
Build a culture of innovation	17
<b>How LTIMindtree can help</b>	<b>18</b>
<b>About the Authors</b>	<b>19</b>

## Abstract

“Enterprise service management” (ESM) has undergone huge transformation in the last decade. The evolution of “IT Service Management” (ITSM) and its maturity has brought significant attention within non-IT business functions to adopt Service Management practices for enabling digital transformation, which in turn, can result into increased customer value.

This White Paper looks at exactly what Enterprise Service Management is, and how it evolved from IT Service Management. We will also look at some of the important aspects of ESM:

- Insights of core ESM components
- Benefits and value of ESM
- Reference governance structure
- ESM technology ecosystem
- Key aspects that should be considered during ESM implementations

## COVID-19 Situation and Uncertainties

With the COVID-19 pandemic crisis and its resulting uncertainties, responsive business services support has become even more critical. To ensure a motivated workforce, it is common for organisations today to reconsider the employee’s personal preferences and circumstances to provide flexible options to Work from Anywhere (WFA) based on their roles and necessity. For ensuring uninterrupted availability of vital functions of the organization to meet business needs, Enterprise Service Management has become the need of the hour, through digitization and collaboration of services with cross functional units. The current situation is enforcing organizations to include ESM as part of larger digital transformation investments.

# What is Enterprise Service Management?

Many organisations have seen the value of using Service Management principles such as ITSM and ITIL® to drive operational excellence programs within the IT department. Enterprise Service Management takes the same service management concepts and applies to non-IT business functions. ESM applies a holistic approach, which is not limited to a typical IT organization specific role (e.g., IT head, Incident Manager, Change Manager). It brings in more collaboration of cross functional roles to meet the business requirements and enables customer focused services for better service experience.

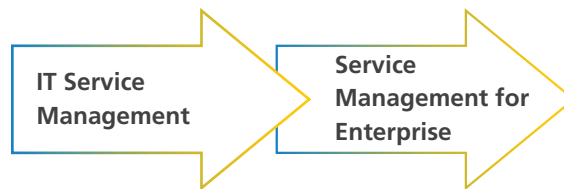


Figure 1: ESM adoption from ITSM

## Evolution of ESM

As the enterprise becomes more complex (due to various sourcing models like outsourced, insourced, hybrid, or multi-sourced), time-to-market sensitive, service quality focused, and cost efficiency driven, they look towards achieving value driven operational excellence to meet these goals.

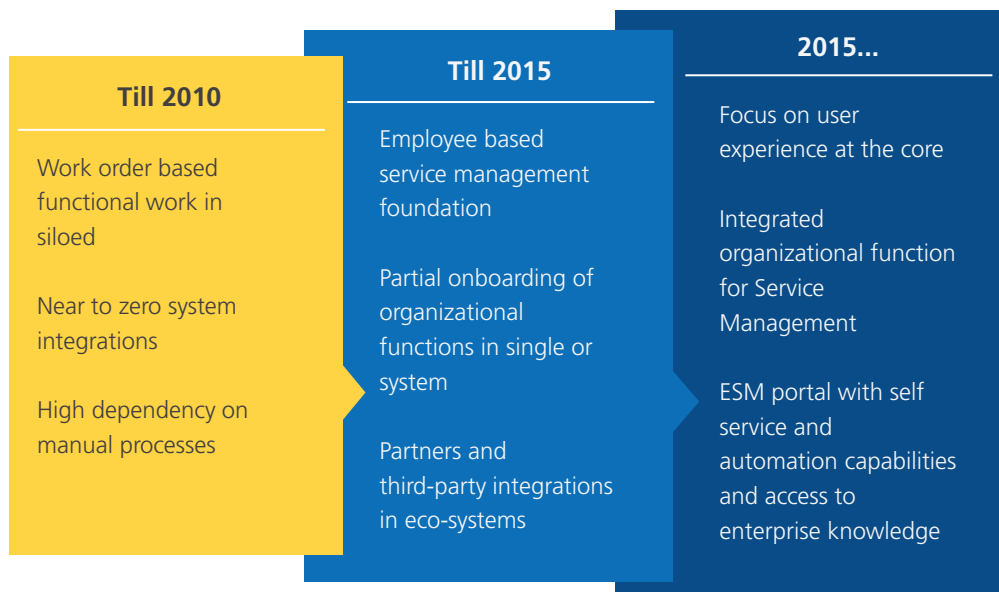


Figure 2: ESM Evolution

A decade ago, it was difficult to reach the HR function for any queries. It was a similar experience with the finance department. The dependency on a physical help desk and limited or non-existent ways to directly communicate with the actual departments kept employees/partners disconnected from the organization. This was especially true for midsized and large organizations. This led to lower employee satisfaction which resulted in low productivity. While efforts have been made by organizations to push for digitization of departmental work as well as support for services towards employees/partners, the technological limitations coupled with an organization's internal bureaucracy hindered those efforts.

With innovations in technology (such as personalized chatbots), automation, and improvements in cloud-based service management systems, there are several opportunities that are possible for organizations today to focus on a service value driven approach towards internal business functions irrespective of their industry domain.

In most instances, the enterprise is setup into three layers:

- Customer engagement functions
- Middle offices
- Core functions

All these functions operate and provide services through service and product offerings to their business customers, partners, or employees:

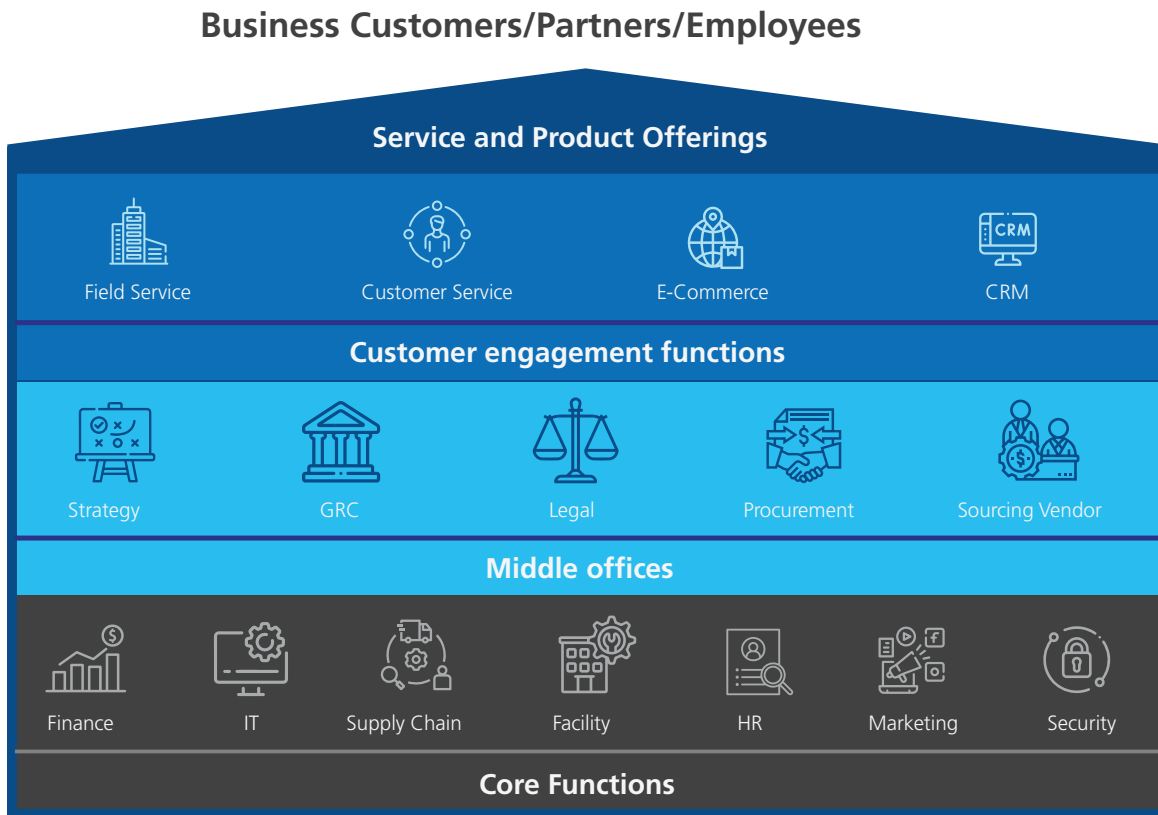


Figure 3: Organization’s Functional Tiers

Managing the service relationships of these three layers has always existed in the enterprise, but most often:

- They are inefficient due to manual processes in place
- They can be expensive to maintain and/or operate
- Response/resolution times do not align with overall business objectives
- They are not adaptive and agile to support changing business needs

Though these challenges can be attributed to process inefficiencies, it is the existing Enterprise Resource Planning (ERP) and line of business applications that cause a lot of issues that the enterprise is currently facing.

A one stop platform that can cater to complete enterprise service requirements of the organization has been missing. To bridge that gap, ESM platforms were introduced to meet the cross functional service management requirements.

Few examples of functional use case of service management practices that can be applied to ESM include:

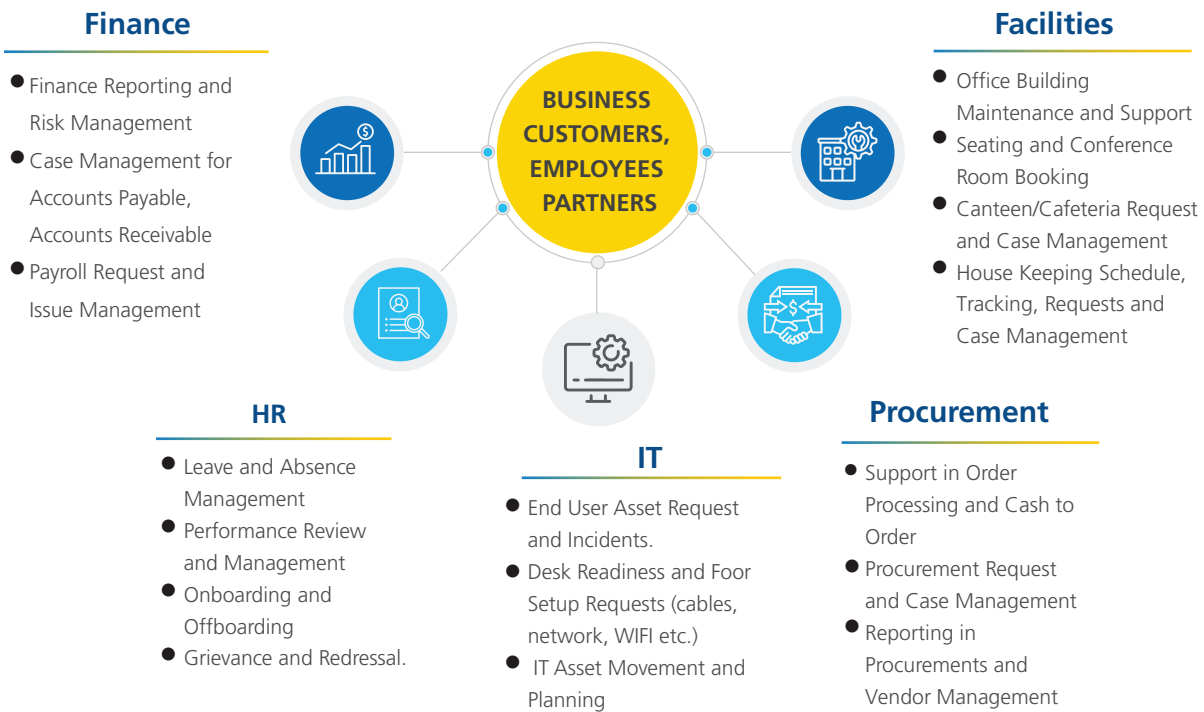


Figure 4: ESM use case examples

## Knowing about “Moments that Matter”

“Moments that Matter” refer to those little and significant things in the service value chain which are usually taken for granted but are not accounted in the organizational strategy and planning for employees’ as well as customers’ experience.

“Moments that Matter” are the moments that impact an employee’s organizational experience most significantly throughout their journey with the organization.

“Moments That Matter” (MTM) based approach to draft the business case for Enterprise Service Management can assist organizations in clearly articulating the value and to easily get the business buy-in.

A case in point is the new hire onboarding process, which is illustrated below:

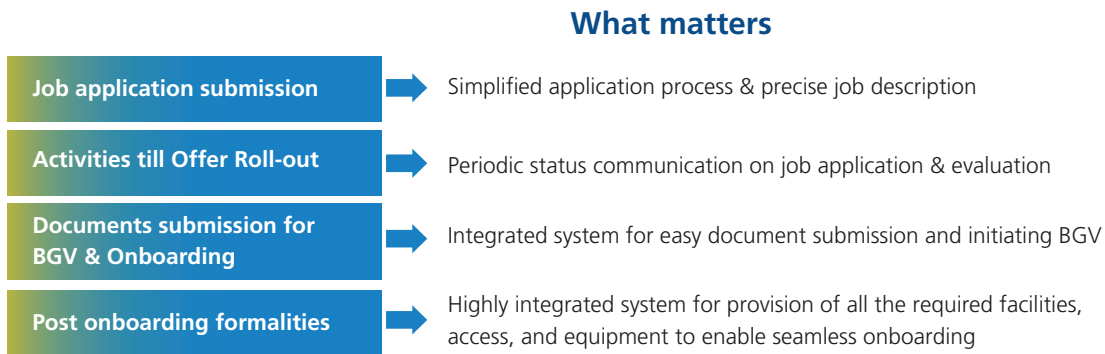


Figure 5: Moments That Matter example



## Benefits of ESM

As we look at services that an organization provides to its external and internal customers, capturing the voice of these customer groups holds the key to its success. Major challenges that the customer/user groups face today regarding the organizational services consumed either internally or externally are depicted as below:

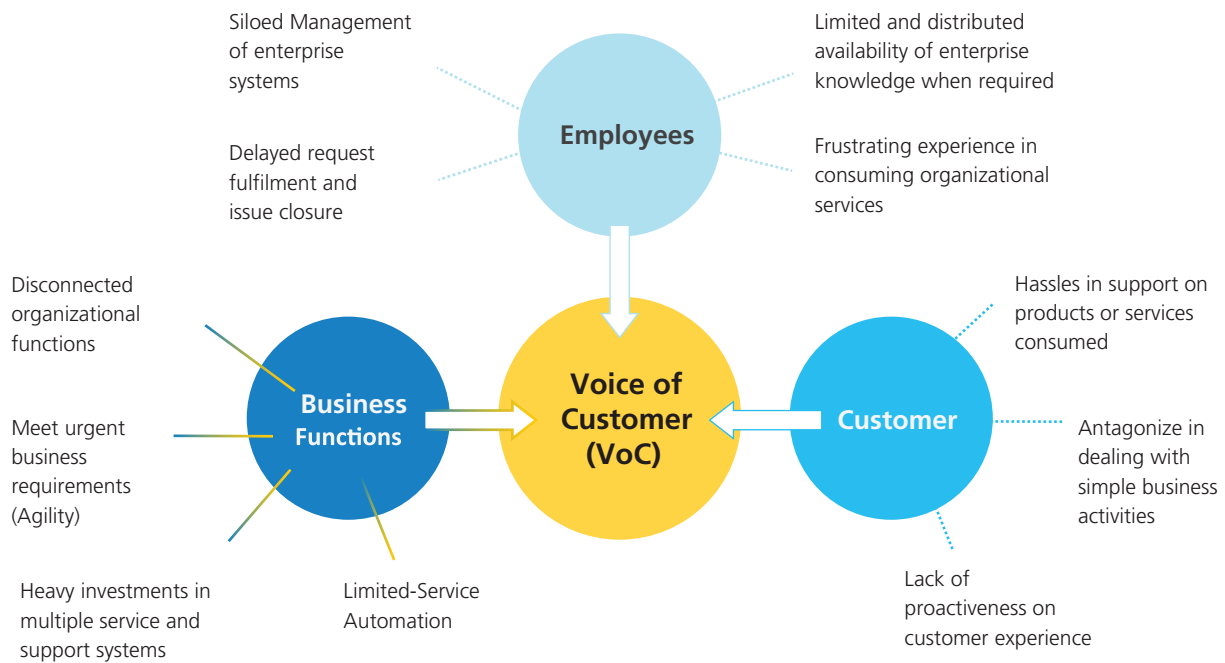


Figure 6: Voice of customer

Based on recent surveys and case studies, it has been observed that employee productivity has grown exponentially beyond 20% and employee satisfaction has grown more than 50% because of effective implementation of ESM within organizations.

In addition, below are the benefits of ESM that can be realized during its implementation and maturity journey:

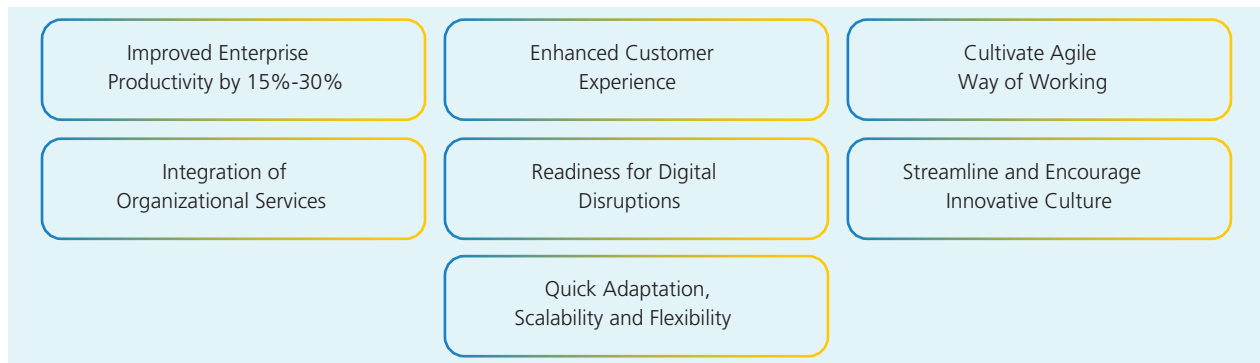


Figure 7: ESM Benefits

## Core Components of ESM

Following are the core technical components which are utilized as part of the ESM architecture:

- Enterprise Service Catalogue
- Case/Issue Management
- Enterprise Service Portal
- Knowledge Management

### Enterprise Service Catalogue

Service Catalog consists of all active/live services that an organization provides to its customers/employees. Each service in the Service Catalogue has the corresponding workflow or the service value chain associated, which helps in fulfillment of the associated requests. Service Catalogue is integrated with Knowledge Management, Case Management, SLAs, Reports & Analytics, which helps in bringing value in the business offering and governance.

### Case/Issue Management

Case Management is a way of interaction where customers, employees, or partners can provide feedback, report an issue, or log a complaint against the services they are consuming. This plays an important role in the overall enterprise service ecosystem and in improving customer/employee experience.

Case management within ESM is beyond Incident Management of IT service management.

### **Enterprise Service Portal**

This provides consumer grade customer/user experience by providing necessary service management capabilities which extends to below listed functionalities:

1. Organization wide news feeds
2. Urgent announcements (regional and global)
3. Division wise sub portals (like mini websites for each business function and their capability showcase)
4. Employee notifications
5. Social feeds (connects to corporate LinkedIn and other platforms)
6. Chatbot or virtual assistant
7. Service catalogue
8. Knowledge articles and documents vault
9. Unified and consistent service/brand experience

Service portal is provided by most service management tools which can be customized based on the requirements. We reproduce below a reference representation of a service portal that captures the above mentioned elements:

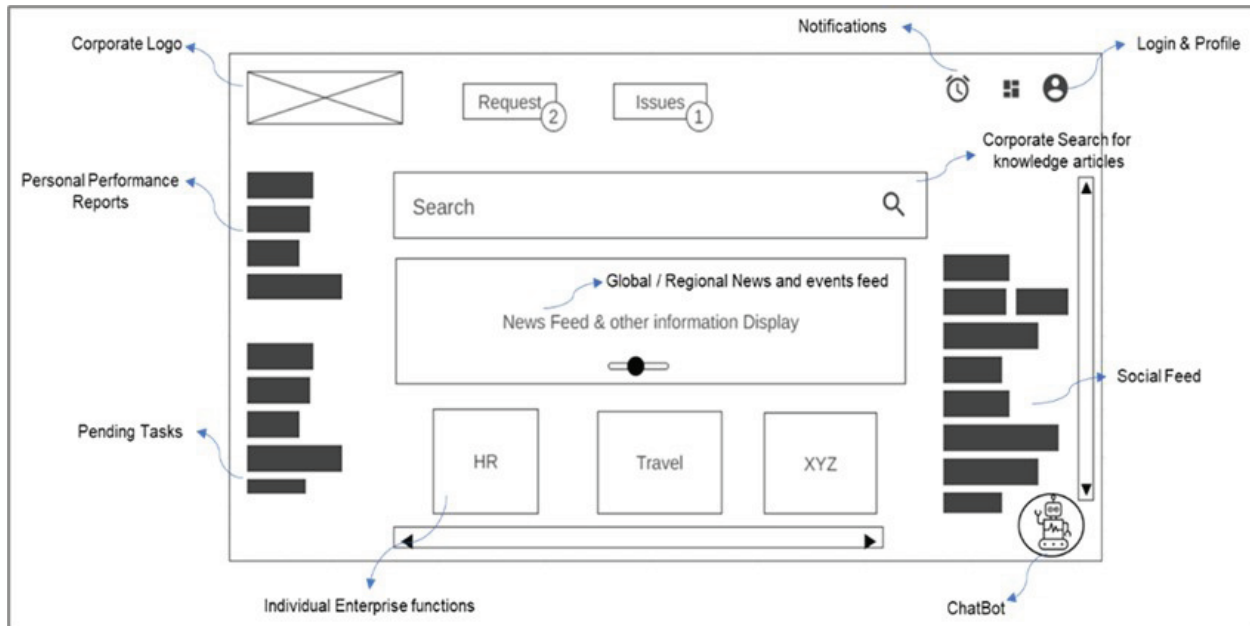


Figure 8: Reference ESM Portal Representation

As the portal is the front face for end users/customer, this becomes very critical to deliver best possible organizational persona based experience for its employees/partners/customers. So the service portal becomes a critical part of overall employee or customer experience programs as it enables “service from anywhere” capabilities.

## Enterprise Knowledge Management

Knowledge management provides a vast field of opportunities within digital transformation initiatives. The majority of organizations are still struggling to find how to manage the ocean of documentations and knowledge bases across organizations. Before we go further, we must look in to why knowledge management is so important in the first place.

At least more than **70%** of companies anticipate that they can increase organizational productivity by at least **20%**

- Technology Services Industry Association

Some of the key benefits of effective Enterprise Knowledge Management include:

- Ease of issue resolution
- Faster decision-making based on available knowledge
- Easy access and improved customer satisfaction
- Quicker employee transition through active learning
- Lower cost

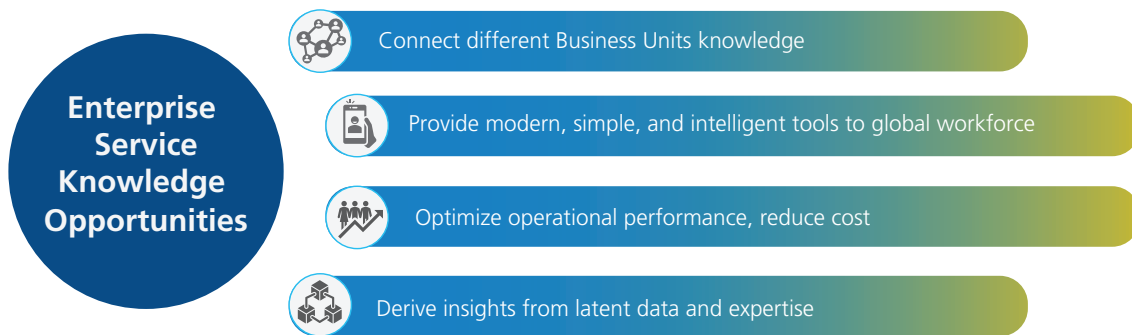


Figure 9: Enterprise Knowledge benefits

## ESM Ecosystem Representation

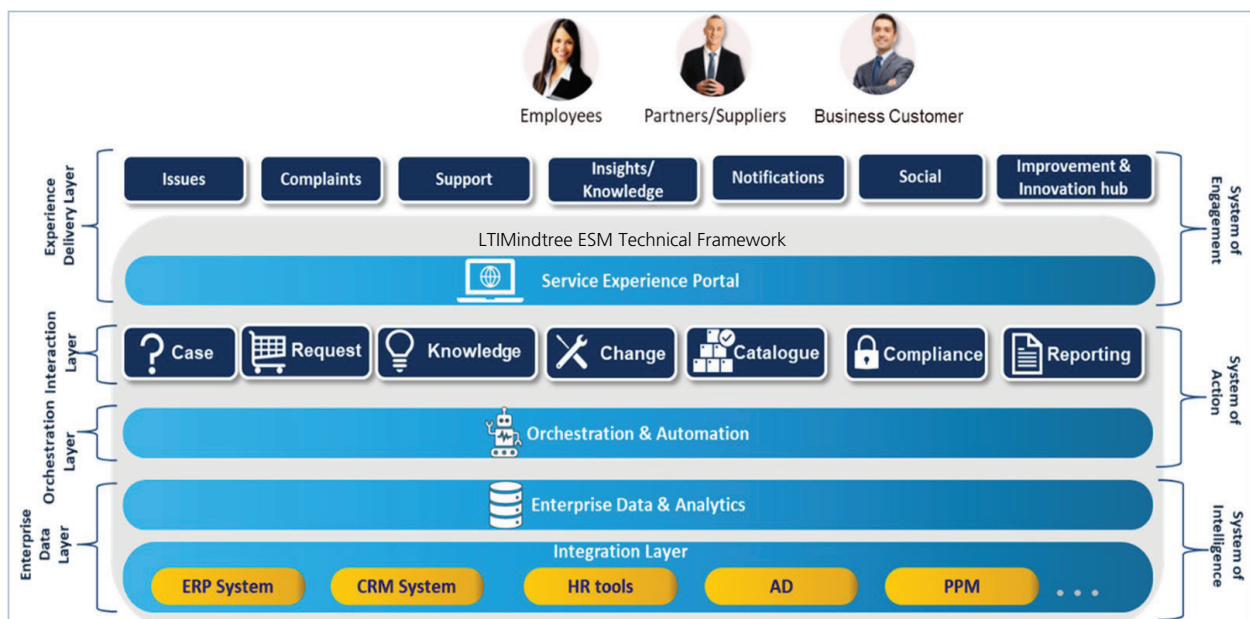
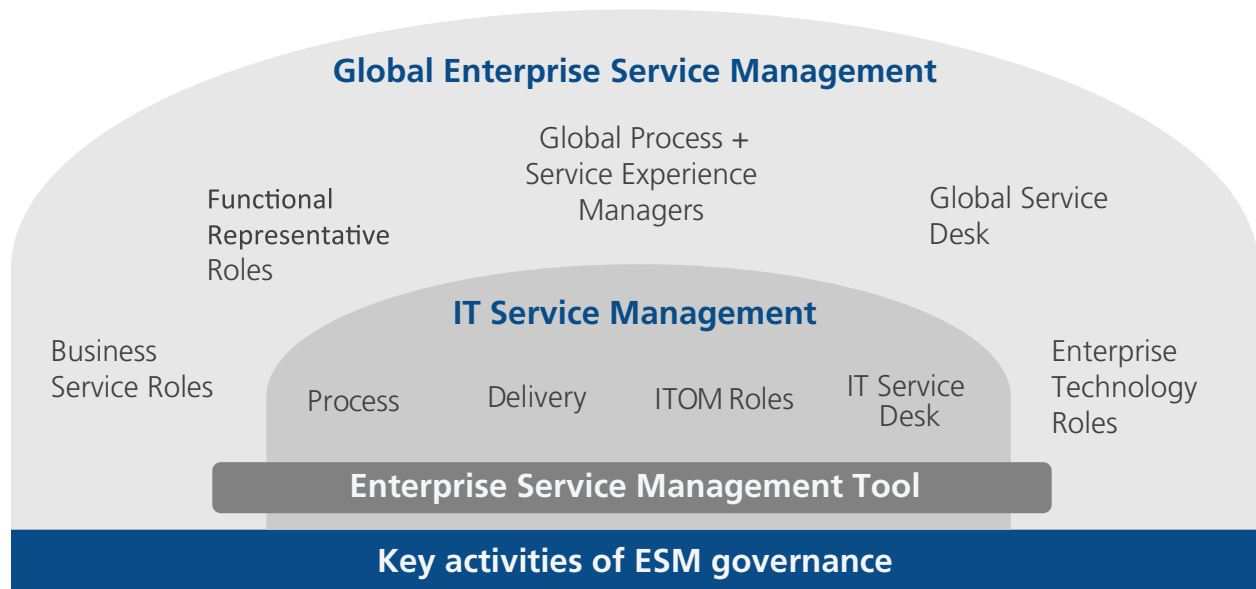


Figure 10: ESM Ecosystem

The basic stack representation of the ESM system in an organization will look similar to the above figure. The configuration looks familiar to ITSM configuration with few changes like case management replacing Incidents and Integrations with much a larger set of enterprise tools like ERP, CRM (Customer Relationship Management), PPM (Project & Portfolio Management), etc. Automation layer is the key here as it defines how much we are willing to go to deliver an extra mile. These elements of the ESM ecosystem constitutes the various aspects of the service value chain.

## Governing ESM Services

The general understanding is that the IT service management function can operate ESM. However, the involvement of core business functions, global service desks, and departmental representation as a part of enterprise service governance will make it difficult for the IT Service Management Office (SMO) to govern non-IT functional business programmes, strategy, and delivery without the right enterprise services knowledge.



- |  |   |
|--|---|
| Monthly Performance reviews                | Technology sponsorship and driving implementation |
| Service quality improvement initiatives    | Project Plan reviews for any Org. Changes         |
| Service experience monitoring & management | Technical platform reviews                        |

Figure 11: ESM reference governance model

As depicted, one of the governance approaches is that the activities of ESM governance is managed at an enterprise level. IT related service management can operate independently the way it currently exists within organizations. For matured service management organizations, there can be an integrated team managing the ITSM as well as ESM activities. It should be noted that ESM drives cohesive culture within the organization which will not only encourage collaboration with IT, but also other key organizational and business functions.

Also, ESM transformation is primarily enforced and sponsored by the corporate office which ultimately becomes part of the organizational change and digital transformation initiatives by the organization. Thus, the ESM transformation will be governed in accordance with the enterprise's program or transformation management and governance framework.



# Things to be Considered for ESM Solution and the Implementation approach

## Core business functional capabilities

It is essential that we replicate service management practices for non IT functions. However, a supplier's enterprise services functional expertise is of utmost importance to engage, solution, design, and deliver ESM services. To achieve this objective, it is important for suppliers to build the capability around a pool of business functional consultants and analysts who can engage with customers/partners with the correct mindset. We have to understand that having ITSM capabilities may not be sufficient to deliver the ESM services that can provide value to the customer.

## Devil in the simplicity

Case management may seem less complicated compared with incident management within ITSM, but here lies the devil in simplicity. If we consider the cases within non-IT functions, they could be simple to implement technologically, but the amount of time and effort that goes in framing, designing, and finalizing the specific case for that non-IT function may consume a major proportion of the time in a project. Hence, it is critical to keep the objectives clear with non-IT functions and reinforce them to ensure that the implementation is time bound.

## Finding what's the limit for customization

Non-IT functions work in a very different format and environment. We also know that ITSM tools are customizable. It is always better to provide upfront detailed explanations to customer organizations about how much suppliers can perform customization within tools and where is the boundary. One must keep in mind that prioritization and value realization is key during the initial phase of the ESM engagement.

## Give more focus on Knowledge management

This is a very time consuming activity within ESM. Generally in ITSM projects, knowledge management is mature within organizations because of the way IT departments have matured over a period of time. But this is not the case with business functions.



Enterprises can start with smaller steps to digitize the enterprise knowledge across the organization and focus on reconciliation of digital knowledge assets that can make it easy during the ESM design and implementation phases.

### **Be innovative in solutions**

ESM can create high value addition and enable larger organizational changes. ESM is a driving factor in bringing a change in the working culture and agility within core functions which can result in unimaginable difference for the organization.

Suppliers can create value through:

- Identifying automation opportunities that reduces the workload within business functions
- Bridging the gap between enterprise functions through collaboration, clearly demarcated work distribution, authority, and responsibility
- Reducing bureaucratic processes and SLA based service delivery
- Creating better and transparent visibility for the executive management for monitoring performances of all business functions

### **Build a culture of innovation**

CSI (Continual Service Improvement) is a familiar word in ITIL® and it is not difficult to bring the same to the ESM space. The only difference -- this needs to be driven as an “Ideation program” rather than ITSM roles suggesting service improvement.

Every entity within the ESM gets an opportunity to participate in improvement initiatives. These records of ideas are discussed among the relevant communities and approved from the executive board and implemented. This will push organizations towards innovation and a collaboration based culture.

## How LTIMindtree Can Help

LTIMindtree has wide and in-depth capabilities across digital transformation and consulting.

LTIMindtree has successfully delivered numerous ITSM & ESM consulting assignments with a strong team of Service Management & Tools experts across industries such as manufacturing, banking, and retail. A comprehensive ESM consulting and transformation service across all enterprise portfolios is available under LTIMindtree SIAMNxt.

### Conclusion

It is essential to make Enterprise Service Management an important element in business and enterprise service planning and operations. Plugging Enterprise Service Management in organizational digital transformation initiative can enable a holistic upscale of organizational capabilities and create a huge improvement in areas such as employee/customer experience enhancement. It can also help organizations enable quick service delivery made possible using automation and more agile business operations. Enterprise Service Management is clearly the value chain enabler of Enterprise Services, and must remain one of the priority areas of focus.

### References

1. The Forrester Wave™\_ Enterprise Service Management, Q4 2019 EMA Report 2019
2. Technology Services Industry Association (blogs)
3. ServiceNow CSM knowledge documents
4. BMC – Enterprise Paper 2020
5. Thinking Beyond ITSM – Microfocus webinar

## About the Authors



### Nilesh Walke

Sr. Specialist, Cross Functional Services  
Cloud & Infrastructure Services

Nilesh Walke works as a Sr. Specialist for the Cross Functional Services Technology Office team within LTIMindtree's Cloud and Infrastructure Services (CIS) division. He has more than 16 years of IT experience across IT Service Management, Enterprise Service Management, Service Assurance Management & EUC Processes & Tools Consulting, Pre-Sales, and Implementation. He is currently responsible to help LTIMindtree customers for addressing their service management challenges by evaluating how processes & tools are designed and deployed in service management areas and drive improvements. He also vigorously contributes towards thought leadership, service offerings, and practice development



### Jayant Chauhan

Sr. Specialist, Cross Functional Services  
Cloud & Infrastructure Services

Jayant Chauhan works as a Sr. Specialist for the Cross Functional Services Technology Office team within LTIMindtree's Cloud and Infrastructure Services (CIS) division. He has more than 15 years IT experience across IT Service Management, Consulting, and Implementation. He is currently responsible to help LTIMindtree customers to address their service management challenges by evaluating how processes are designed and deployed in service management and drive improvements. He has been a valuable contributor towards enterprise service management and practice development areas.

**LTIMindtree** is a global technology consulting and digital solutions company that enables enterprises across industries to reimagine business models, accelerate innovation, and maximize growth by harnessing digital technologies. As a digital transformation partner to more than 700 clients, LTIMindtree brings extensive domain and technology expertise to help drive superior competitive differentiation, customer experiences, and business outcomes in a converging world. Powered by 82,000+ talented and entrepreneurial professionals across more than 30 countries, LTIMindtree — a Larsen & Toubro Group company — combines the industry-acclaimed strengths of erstwhile Larsen and Toubro Infotech and Mindtree in solving the most complex business challenges and delivering transformation at scale. For more information, please visit <https://www.ltimindtree.com/>