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Deliver a great user experience

Adopt a service broker role to make IT the provider of choice

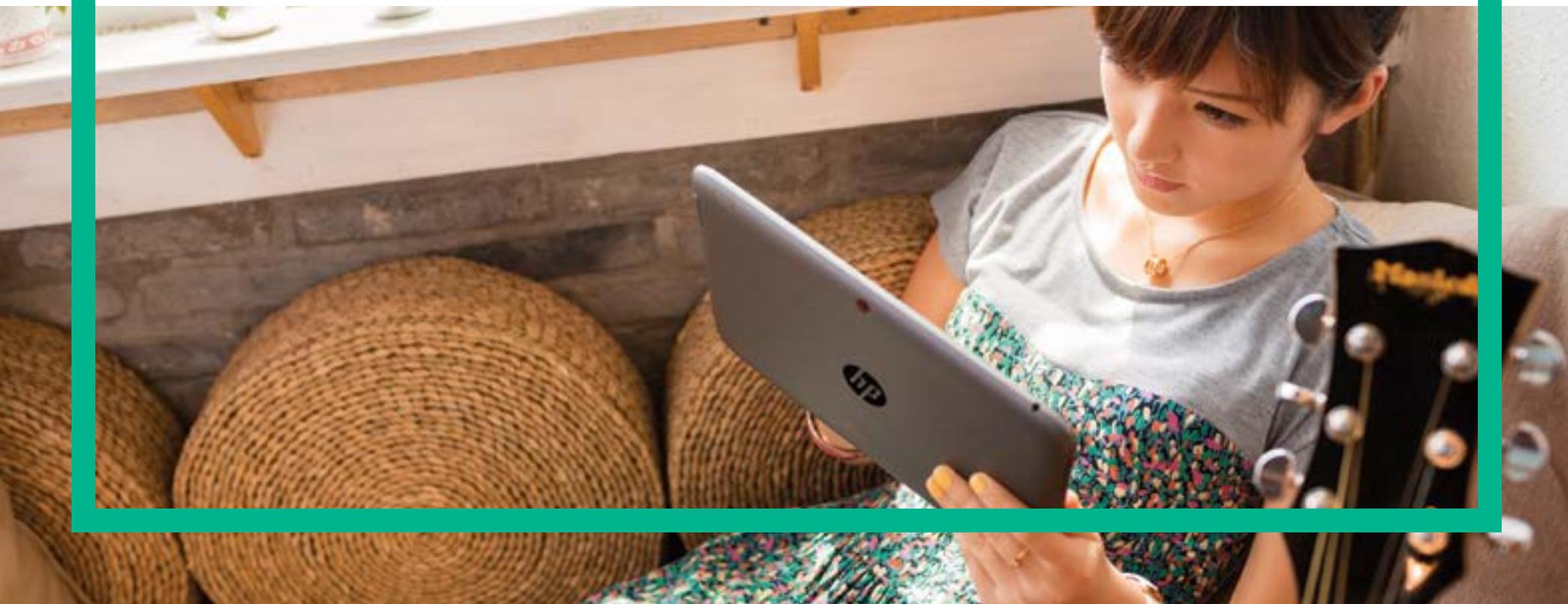




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Outlook

The digital transformation of the enterprise and increasing competitive pressure have caused the demand for services to skyrocket, outpacing IT's traditional service-delivery capabilities. As a result many lines of business (LOBs) are going around IT to commission services themselves, a practice that introduces issues around risk, regulatory compliance, and cost control. According to a 2015 Gartner report, "Worldwide, organizations say 42 percent of IT spending is funded outside of the IT budget."¹

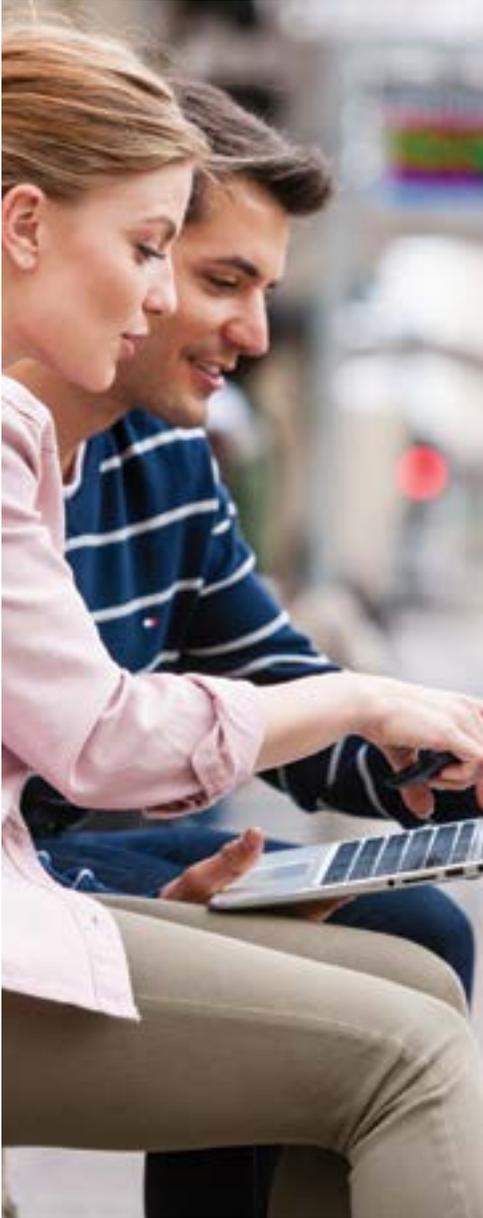
To reduce the risk of shadow IT, IT needs to be able to deliver services quickly and reliably, and ensure those services align with business goals. That means fast, accessible service with a user-friendly interface. Millennials in particular expect a consumer-like customer experience.

But managing and delivering services isn't easy. Catalog sprawl is a critical hurdle. "Businesses are relying on more third-party providers for more workloads, and more of those workloads involve disparate components from different vendors," reports Lynda Stadtmueller, program director for cloud computing at Frost & Sullivan.

IT must contend with multiple management platforms, difficulty in monitoring multiple solutions, varying service level agreements (SLAs), and an inefficient use of resources. "Without a consistent, centralized way to evaluate, manage, and deliver services, the business will struggle to align IT investments with business objectives," says Stadtmueller.

Becoming a service broker is the only way IT can succeed in a hybrid world, as cloud is not going away.

¹ Gartner, "Cloud Service Providers Must Understand Deployment, Adoption and Buyer Complexity to Leverage Cloud Revenue Opportunities," January 13, 2015



Service broker success hinges on governance

As a service broker, IT provides on-demand access to any number of services and applications, for both end users and IT. IT can also more quickly and easily administer suppliers, onboarding and off-boarding services as needed. Standardized business management tools streamline the process of assessing business needs, evaluating vendor capabilities, procuring services, and managing vendor performance.

To succeed, IT needs to incorporate governance that includes key LOB and IT stakeholders. “It’s really important that both the supplier and the client understand what it is they’re trying to achieve and are able to work in that governance. There’s got to be a level of partnership and trust, and there’s also got to be a level of risk on both sides, so that IT can move quickly and deliver the business outcomes,” says Michael Garrett, worldwide VP and general manager, [HPE Software Professional Services](#).

There is a maturity curve to the process of adopting a service broker role, with flexible entry points, Garrett adds.

Here are some best practices to keep in mind:

- Choose suppliers who are compliant, secure, and have a good track record
- Govern and manage contracts and service level agreements, offboarding services that no longer meet business requirements
- Determine if current suppliers are still the best financial choice, or do increased prices make another supplier a better choice?

A catalog of catalogs integrates services

To mimic the consumer experience, you need to present business users with a seamless, unified entry point to all the services IT delivers. This can be daunting when IT manages as many as 50 catalogs or more. When you're managing that many different catalogs, you're diverting resources and talent that could be better spent on innovation or focused on delivering the value-added services that make you different. You also create overhead from a reporting and analytics perspective. There are significant benefits, financial and otherwise, to consolidating catalogs.

"By aggregating multiple service catalogs into one catalog such as [HPE Propel](#), IT provides users with a self-service, single pane of glass to all IT services," says Felix Fernandez, CTO, worldwide strategy and solutions, Hewlett Packard Enterprise Software Professional Services. A role-based interface displays the services relevant to users' needs and provisions multiple products into role-specific bundles.

"The underlying Propel Service Exchange technology integrates traditional IT and cloud services and provides support for multiple suppliers in a plug and play fashion, making it easy to onboard and offboard service providers," adds Fernandez.

Enabling IT as a Service Broker with HPE technology

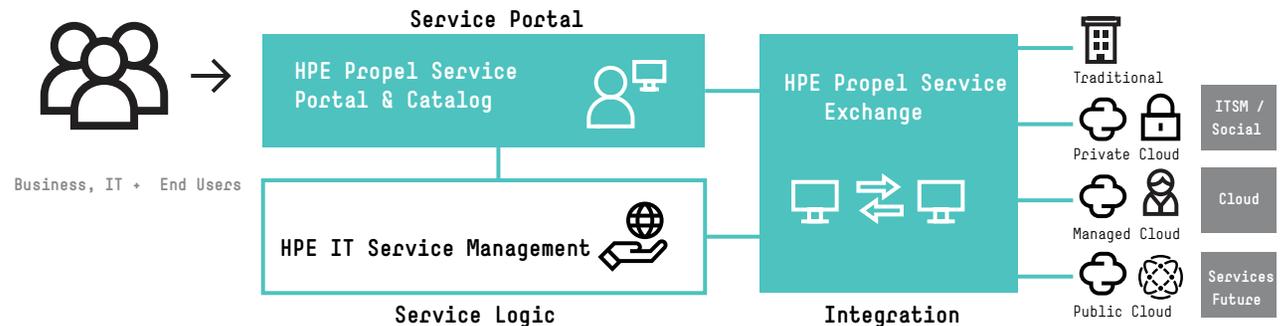


Figure 1. HPE delivers a single user experience, easy integrations, and quick onboarding of multiple service providers for Service Brokers

Adopting a service broker role calls for a cultural change

Currently many IT organizations are still internally focused on siloed competencies that will fix internal issues that do not have a huge impact on business outcomes, like incident management, problem management, and service management. But that focus is no longer required to the degree it was before.

Instead, Brusse recommends focusing on IT value chains, and their inherent competencies that will support business outcomes such as agility, competitiveness, and value. For instance, a company should want to look at portfolio management and ask, “How do I do that?” Or, look at business engagement management and ask, “How do I acquire or improve this competency?”

A critical step to becoming a service broker is to create relationships and engagement throughout the organization. “Make sure people are talking to each other, know each other, understand each other, and have empathy for each other,” advises Brusse.

Shift to a market-based approach

According to a 2014 Forrester report, including prices in your service catalog is a key step to providing transparency so that LOB and IT users can understand the cost of services.² Competition from the public cloud is driving the recent explosion of interest in market economics and service pricing.

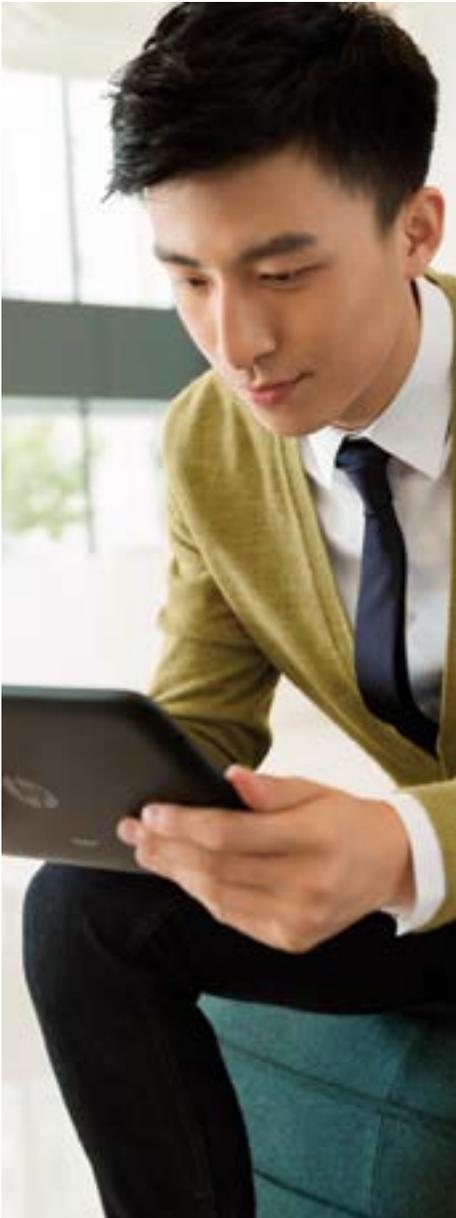
Your service catalog should include the capability for consistent billing that generates reports that address unique concerns of both LOB and IT stakeholders, in a framework that drives IT and LOB collaboration. You need to be able to understand your delivery costs and offer competitive financial models. As well, you should to be able to measure your financial performance.

“As in any business, rates must reflect a view of demand, competition, and cost. You should look at this as full cost recovery: per-service, per-unit rates that reflect all the delivery costs that IT faces, not just the marginal cost per unit,” advises Keith Macbeath, senior principal consultant, HPE Software Professional Services. “In other words, delivery costs such as labor and management (of the team that delivers the service), cost of planned capacity (including software and hardware depreciation), and capacity risk must be factored into the rate.”

These assumptions have always been made in IT in the budget process, Macbeath adds. The difference now is that they have to be divided by planned quantity to set a per-unit rate. IT needs to shift to a marketbased world, building and/or supplying to a price, rather than creating a service and then pricing it.

“Leaders in organizations that embrace a service broker role will need to think about its impact on people and how they’re going to lead people through transformation,” says Joshua Brusse, chief architect and CTO, HPE Software Professional Services. “Best practices in the management of organizational change can help encourage adoption.”

² Forrester Research, Inc., “Brief: The Modern Service Catalog Supports Service Brokering,” October 28, 2014



Use KPIs to continuously improve service

To safeguard service availability and performance, you need to monitor your services. By coordinating KPIs across services and vendors, and establishing common tracking and reporting mechanisms, you can verify that service levels are met.

Measuring performance can help you answer questions such as:

- Are my providers performing as expected?
- Are my services and providers well integrated?
- What is the overall quality and value of my services?

You should select KPIs according to your goals, and use the KPI results to make decisions. Each KPI should have an owner. The level of granularity that is reported between cascading layers of your organization should reflect the trust level of the supplier relationship: High trust calls for less granularity; low trust calls for high granularity.

Defining your metrics

You should consider both traditional IT service management metrics and service integration metrics. These include a mix of:

- Provider performance metrics, which assess the individual performance of an internal or external service provider, such as mean time to repair of incidents that are handled solely by a supplier
- End-to-end performance metrics, which assess the end-to-end service delivery performance of an organization, including all internal and/or external providers, such as the percentage of overall SLA achievement
- Shared performance metrics, which assess the end-to-end service delivery performance for specific areas, such as a high-level service delivered by multiple suppliers



How can HPE help you adopt a service broker role?

“HPE Software Professional Services offers a complete set of strategic advisory consulting services to help you transform to a service broker operating model,” says Michael Garrett. As a recognized IT service management (ITSM) expert, HPE possesses extensive experience in providing both software and advisory services. HPE’s flexible, maturitybased approach means you can start at your readiness level. Specific offerings include:

- **Service Broker Transformation Workshop:** A one-day consulting workshop that clarifies the scope of effort needed to build a highlevel service broker roadmap; includes technology and architectural considerations, management of organizational change, and practical advice on how to achieve early wins needed to sustain momentum
- **Service Catalog Assessment:** Designed to help you establish your service portfolio and present business and IT services through a service catalog
- **Governance Definition Service:** Provides best practices for establishing and sustaining an effective supplier governance framework. Designed to reduce the risk and cost of non-compliance related to a lack of transparency into supplier performance and accountability
- **Service Broker Architecture Service:** Provides you with an architectural blueprint that includes sample operating models, service integration and management process models, and a directed architecture definition, based on the Open Group’s IT4IT Reference Architecture
- **Service Broker Roadmap Service:** Takes information gathered from assessment services (ITSM, Service Catalog, Enterprise Architecture) to create the definition, planning, and future decision-making to establish a service broker operating model
- **Service Broker Design and Implementation Services:** Provides a detailed implementation map using HPE Software. Includes packaged integrations, deployment packs, and process flows to expedite the delivery and adoption of Service Broker programs.

By adopting a service broker role, IT can become the provider of choice, regaining control over and visibility into service costs, delivery, and performance. The secret to IT success is to delight your customers so they'll come back for more.

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