

Effective Service Management – critical now more than ever Pharmaceutical Company – Case Study

Company profile:

A large pharmaceutical company with over 600 employees and 8 operating divisions geographically spread around Ireland and the UK. The company focuses primarily on healthcare and the Pharmacy sector with each division concentrating on a specific business. Group turnover is valued at around €700 million.

Requirement

While the company had a complex IT infrastructure the high cost of operating IT was a source of concern to the business. They engaged the services of ESMI, a leader in the area of IT Service Management, to review the situation. ESMI identified a number of issues contributing to problems of inefficiency within the department. There was no Service Desk in place to deal with issue tracking, escalation and resolution and there was a lack of business alignment within IT. ESMI recognised that these issues had to be addressed to avoid serious problems in the short and medium terms and committed to addressing these issues and assisting the company in building a culture of best practice service management.

The Objective

ESMI recognised the need for effective alignment of IT services to the business as a whole and that service management, based on ITIL principles, would provide immediate and continual benefits. They immediately set about optimising the service desk by clarifying its objectives and establishing the controls and processes required to consistently meet those objectives. One of the objectives of a service desk is to act as a single point of contact for all IT users, and the objective of its associated incident management process is to restore service as quickly as possible. ESMI focused on delivering this within the new service desk along with the following:

- establish service metrics to gauge the effectiveness of the service desk;
- improve the alignment and quality of IT services to business objectives
- measure and increase customer satisfaction with IT service
- ensure the availability and consistency of IT services

These objectives served as a helpful guide through the various phases of implementation including policy-making, scope, integration and tool selection.

The Policies

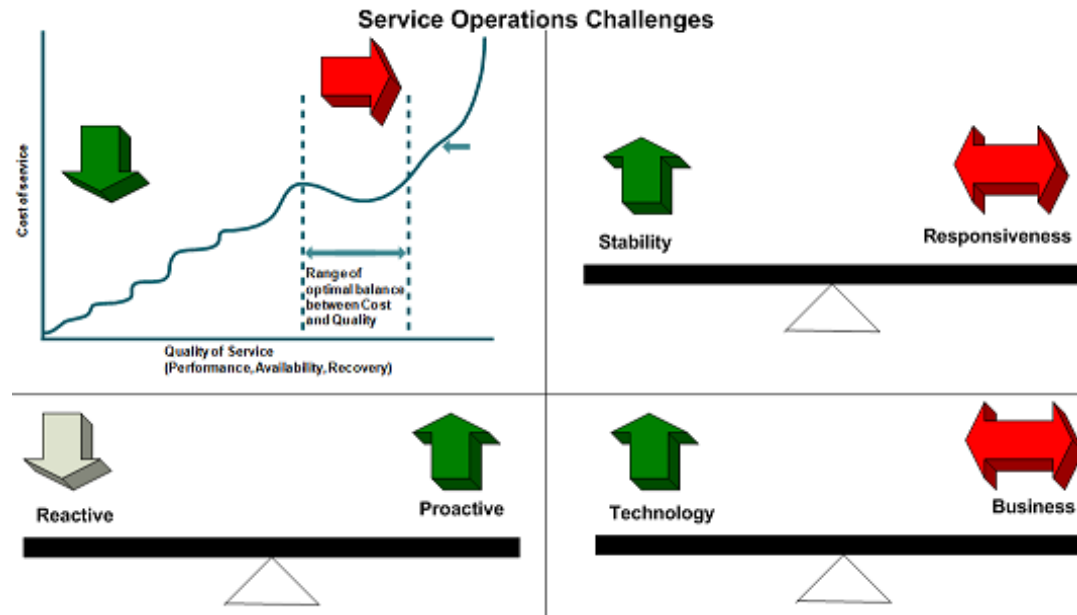
The Management was involved in the process of optimizing the running of IT right from the beginning. They helped generate, and more importantly enforce, a number of policies in support of this service desk initiative. Some of the more significant changes implemented were:

- all IT calls, incidents and service requests are now directed to and centralized at the service desk
- incident resolution adheres to the escalation procedures described in the appropriate service level agreement (SLA)
- operating level agreements (OLAs) have been established between the service desk and the various support groups that contribute to incident resolution
- management reports are now produced weekly and used to measure the adherence of service desk performance to agreed upon service levels

There were several aspects of these policies that are noteworthy. First and foremost was the fact that the executives were so involved in the development of the policies. This demonstrates the commitment and buy-in of the senior-level sponsors and sends a strong message to the staff. Second, the policies bring in other infrastructure processes such as service level management and incident management. Finally, the weekly management reports ensure ongoing management involvement and improvement.

The Challenges

ESMI and the company faced challenges in a number of areas. Service had to remain responsive while retaining quality and the cost of operation needed to be reduced without having a detrimental impact on quality.



Integration

One of the most important characteristics of good Service Management is the integration of the various infrastructure processes. Examples of these processes would be:

- service level management
- incident management
- problem management
- Supplier Manager

ESMI and the Pharmaceutical Company went to great lengths to ensure key infrastructure processes would not only be involved with their service desk improvements, but would also be tightly integrated with each other.

Service Level Management

Service level management involves developing service level agreements (SLAs) with key customers of IT services. ESMI not only helped the company to develop these but also to develop escalation procedures to be included in the SLA's incidents. These tie the document directly to the service desk because it uses such procedures to resolve incidents more quickly. Other documents developed in support of these processes include:

- a service catalogue that lists all the current IT offerings

- operating level agreements (OLAs) with all the various support groups to ensure rapid resolution on incidents
- underpinning contracts with external 3rd party vendors.

The Pharmaceutical Company also integrated the processes of incident and problem management into their service desk. For incident management the project team performed extensive due diligence evaluating and selecting an appropriate service desk and incident management tool. In order to tackle problem management, the team developed a number of OLAs between the service desk and the various support groups that would be charged with determining the root cause, workaround procedures and permanent fixes of unresolved incidents.

The Outcome

During the economic downturn business is looking for ways to reduce costs and recourses. ESMI helped the company to reduce by over 30% the cost of IT to the business, while at the same time increasing it's effectiveness through more efficient use of resources and establishment of processes aligned to the business – the company CIO stated that without ESMI they could not have realised the benefits that they should have been getting from their existing resources in IT, let alone the benefits that he can show management from using service management to run IT!

Other benefits noted as a result of optimising the company's IT department include:

- faster turnaround of customer requests (78%) leading to improved customer perception and satisfaction
- better alignment of IT with business needs and goals and increased capital for investment in value-added activity
- better management of infrastructure and increased staff productivity – 100% controls, SLA & 68% increase in productivity