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Enterprise Service Management

A framework for the digital organisation

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1 Summary: A framework for the Digital Organisation

1.1 What is Enterprise Service Management (ESM)?

ESM seeks to describe how organisations operate, with a goal of maximising value creation; in line with the organisation's mission.

It provides a common framework to help structure and unify good practice across the organisation, and achieve objectives. Most importantly ESM shows **how this good practice is related** and **why it is there**, to help organisations prioritise what is important, and work to deliver maximum value.

It provides a source of elegance and structure, at a time when the world is becoming more chaotic; with new techniques and technology vying for our attention.

FIGURE 1: ESM PROVIDES A MODEL FOR THE ORGANISATION (SEE §3.2, §10.2.1)

Enterprise Service Management is not simply theoretical. It also provides a framework for turning theory into action and a blueprint for any CEO (incumbent or aspiring) to shape their organisation and realise their vision.

1.2 Background

We are supposed to be in the ***fourth industrial revolution***. So why is productivity growth barely registering like it did in the last three revolutions?

Complexity and chaos surrounds us, requiring an ever-increasing rate of change to remain current. Change comes at a cost, including the risk of making the wrong decisions, and organisations are struggling to adapt and keep up.

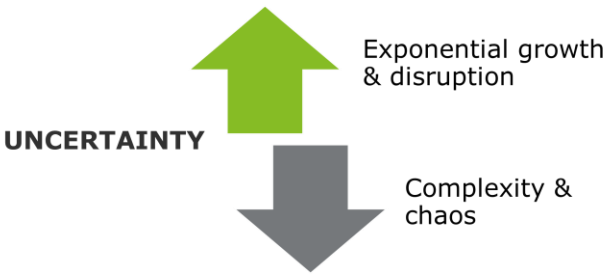

FIGURE 2: COMPLEXITY ACTS AS A DRAG ON PROGRESS, PREVENTING US FROM SEEING EXPONENTIAL GROWTH

IT has overcome complexity in the past through the discovery of 'Service Management', which has given it the structures to cope. A similar advance is now needed across the business, taking the learnings from IT and applying them across the enterprise.

It makes sense that this would be a framework for enterprise service management, that takes IT Service Management (ITSM) back to its roots and understands 'why' service management works as well as it does for IT, and therefore how we can future-proof the whole enterprise to ride the digital disruption wave and experience real productivity growth.

1.3 Benefits of ESM

Disruption affects every aspect of an organisation: its mission, relationships, culture, vendor ecosystem, market, innovation and agility. It is reasonable to assume that by understanding why our organisation is responding the way it does we will be able to see how to reverse the existential threats posed by disruption, and turn them into powerful opportunities.

Hence, having a common framework such as ESM can help us to:

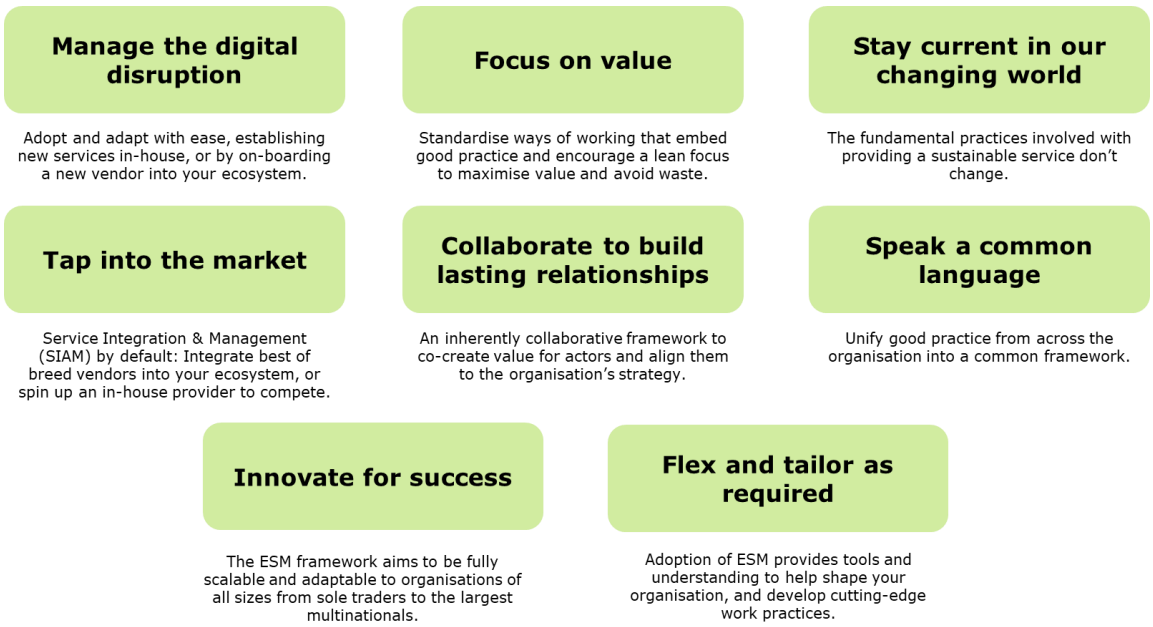

FIGURE 3: SOME OF THE BENEFITS OF ESM

1.4 Who is it for?

This document outlines an industry framework. It sits between academic research and commercial methodologies, so it is generic, foundational and sometimes technical in nature. **This publication is designed for the thinkers within an organisation, hands-on leaders, and those curious to learn more about the nature of the organisation.**

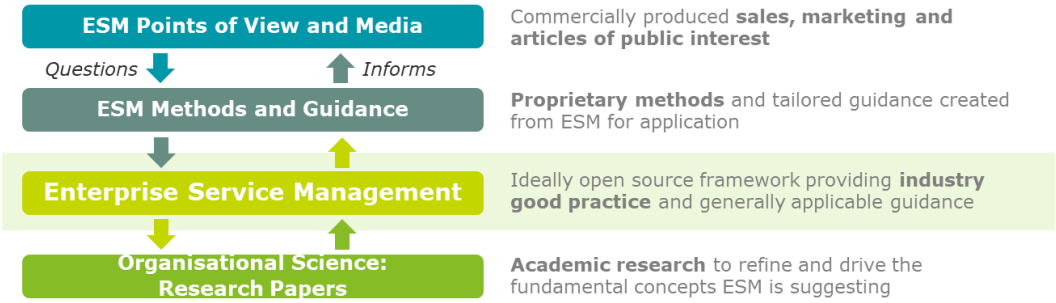

FIGURE 4: ESM PUBLICATION ECOSYSTEM

If you are part of this audience: let's start that journey and see what ESM has to offer.

Note: Words and phrases in this document are defined in the glossary (§10), or the Oxford English Dictionary. Other "industry definitions" do not apply unless stated. See §2.6.

1.5 ESM in a nutshell

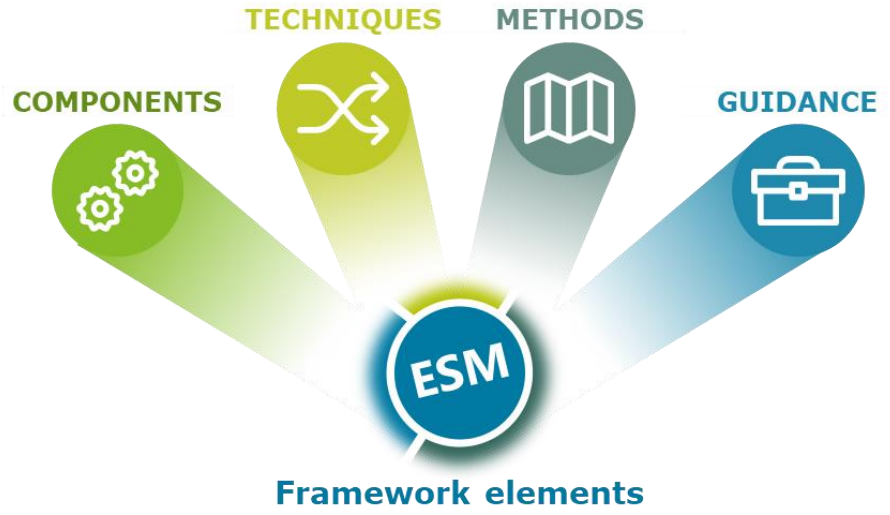

FIGURE 5: ELEMENTS OF ESM

The organisation is complex. But by looking for structure and patterns, we can understand it.

It is not enough to simply understand the organisation – we need to be able to use that understanding to move our organisation towards its vision: to undertake an ***enterprise***.

ESM provides a holistic framework of components, techniques, methods and guidance that can be used to understand the framework and turn it into practice, within a given context:

- **Components** – allow us to *define* the building blocks of our organisation and how they relate
- **Techniques** – allow us to *describe* our organisation by piecing together the building blocks
- **Methods** – allow us to *design* our organisation based on a target state
- **Guidance** – support us to *deliver* the method and target state by providing context and good practice to ask the right questions across different aspects of the organisation

1.5.1 Framework components

The components are the building blocks of our framework and help provide a holistic model and understanding of an organisation.

FIGURE 6: COMPONENTS OF ESM

The components help us think through four:

- **Dimensions** that reflect the essential building blocks of an organisation
- **Considerations** that provide the means of travel for the organisation
- **Forces** acting on our organisation as it travels
- **Spheres** that define the bounds of our organisation's control, influence, potential and visibility at any point in time

As the last two components show: our organisation doesn't exist in isolation, it is part of a complex interconnected system of other organisations, government, individuals and communities. Each of these exert forces on our organisation that can help or hinder it achieving its mission and potential.

ESM helps us identify the key components of our organisation and understand how they relate to each other and to the organisation's mission. Using ESM, we can align our components with the goal of fulfilling our organisation's potential. This is shown in the model below:

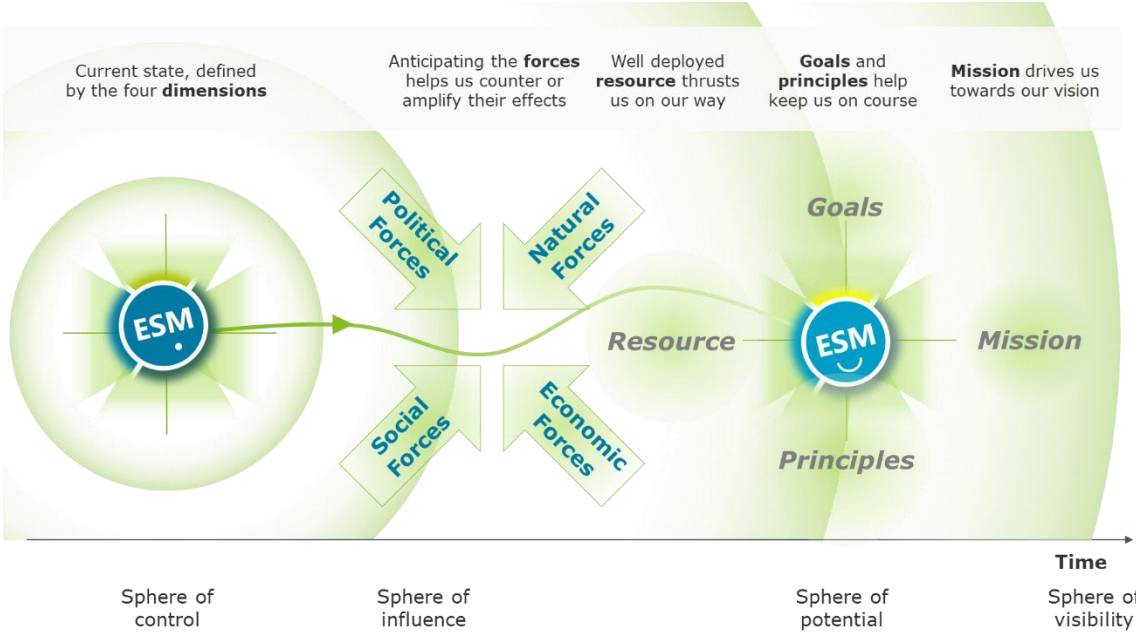

FIGURE 7: AN EXAMPLE JOURNEY FOR AN ESM ORGANISATION MOVING FROM A CURRENT STATE TO A FUTURE 'VISION' STATE

As we delve into the framework, we'll explore each component in more detail.

1.5.2 Framework techniques, methods and guidance

FIGURE 8: THE PURPOSE OF TECHNIQUES, METHODS AND GUIDANCE

The **components** provide us with a good knowledge of the organisation and relationships within. All well and good, but how to use it? Other framework **elements** are able to help.

Techniques provide a way of navigating the framework, and allow **methods** to be produced.

Each **method** seeks to help us answer a specific question, to allow us to move our organisation from one state to another e.g.

- Who are my customers?
- What products will help me win in the market?
- How do I design a component?
- Why am I getting a bottleneck in my process?

Each method details the inputs and outputs expected, the steps to follow (including which technique to apply) and how to validate the method has been successful.

Asking the right question is the key to successfully transitioning between states, and progressing towards our vision.

But methods are only good in the right context. ESM offers **guidance** through the framework itself, and particularly through **ESM Aspects**. These describe **aspects** of how a sustainable organisation operates. Aspects are one of the previously mentioned **dimensions** (a component) of an organisation; showing how the different framework elements align.

1.6 Implementing ESM

The final chapter brings all of the elements together and presents the foundation of a method for implementing ESM in your organisation.

Regardless of an organisations size or industry: from a sole-trader to a large government department or multinational – ESM's guidance aims to be timeless and relevant.

ESM alignment is closer than we think, as it is simply seeking to describe principles behind the work we do every day. Much of the content will seem common sense, presented in a new way. It's not perfect: ESM is an emerging framework and as a society we have barely begun the journey into what service management can offer.

ESM is by no means complete, but it certainly feels a promising place to start and an exciting framework for those wanting to understand the 'why' behind the work we do every day.

1.7 Contact us

We hope that this framework is an informative and thought provoking read. If you'd like more information on the framework or how it could be applied, please contact us. We are also very keen to receive your feedback and discuss the concepts raised further.

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We gratefully acknowledge the input from those who have contributed to the framework (§14.1).

1.8 Reference poster 1: ESM Elements

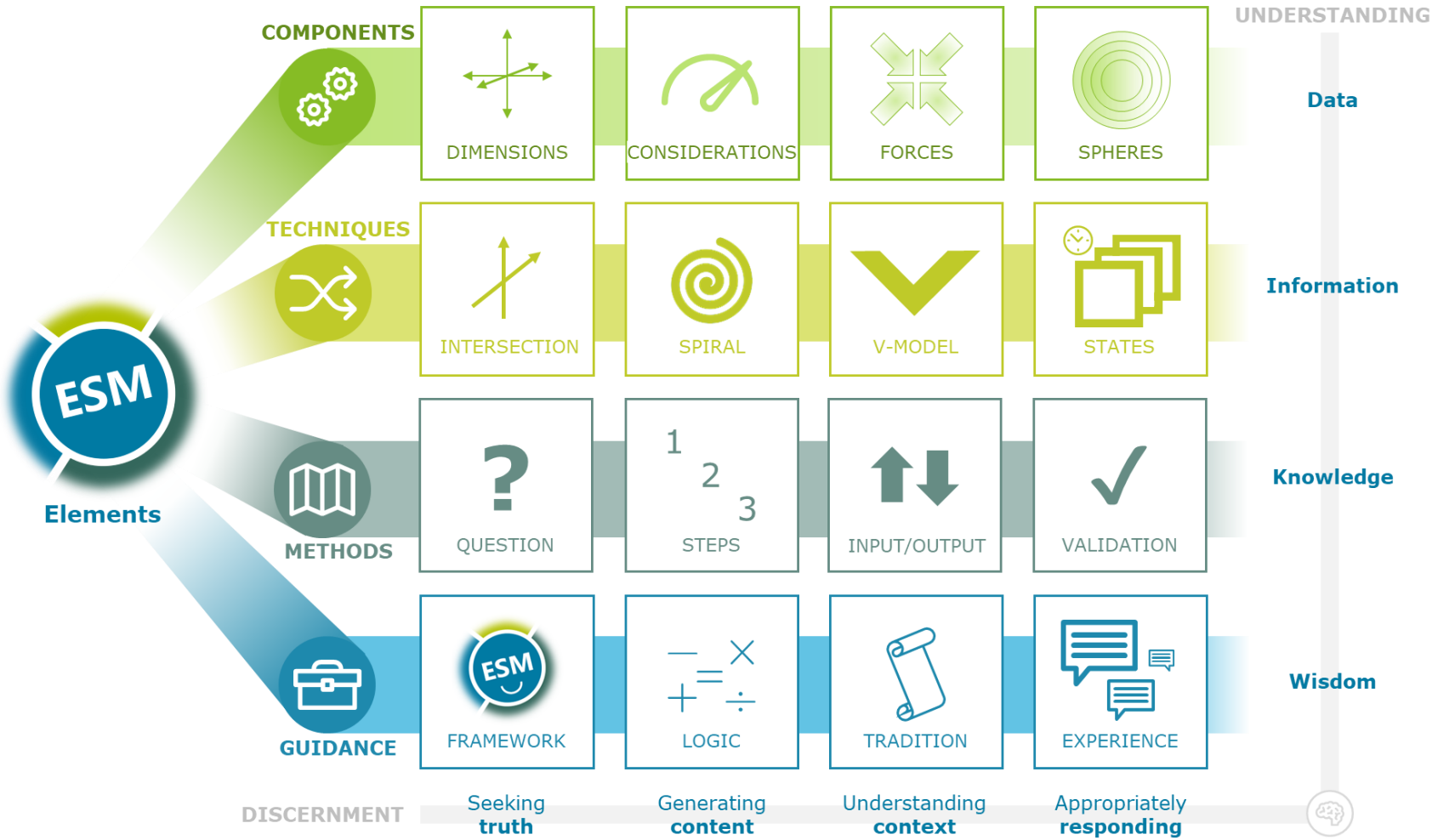
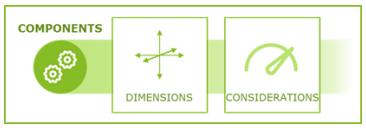


FIGURE 9: SHOWING THE ELEMENTS OF ESM AND THEIR BREAKDOWN. DISCUSSED IN §3 AND §8, ESM IS NOT MERELY THEORETICAL, PROVIDING A COMPLETE FRAMEWORK TO HELP US UNDERSTAND OUR ORGANISATION, ANSWER QUESTIONS AND DRIVE VALUE CREATION.

1.9 Reference poster 2: ESM Components: Dimensions and Considerations



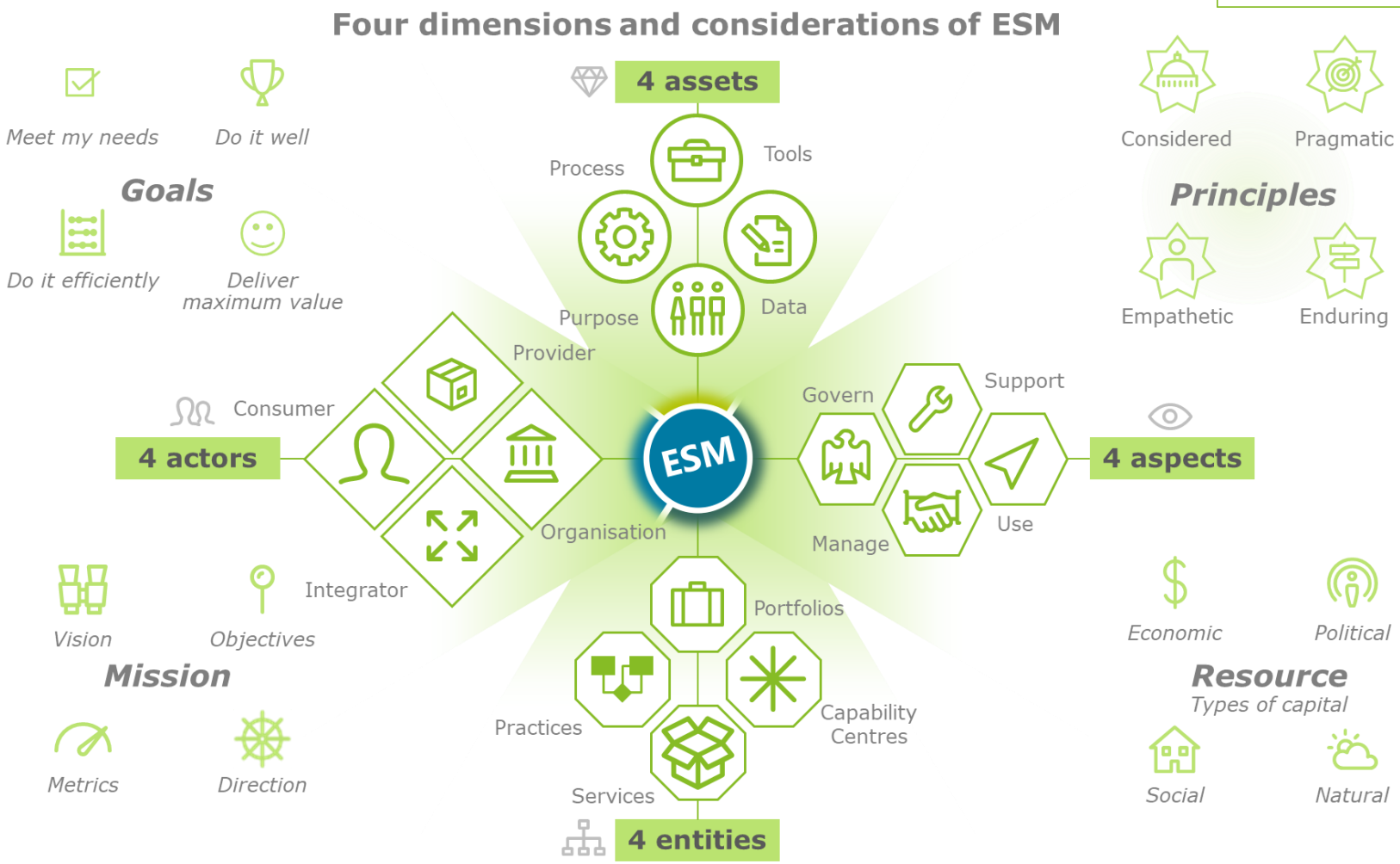


FIGURE 10: KEY COMPONENTS OF THE ESM FRAMEWORK. MISSION, GOALS, PRINCIPLES AND RESOURCE ARE COMMON CONSIDERATIONS ACROSS ALL 4 DIMENSIONS (ACTORS, ASPECTS, ASSETS AND ENTITIES). DISCUSSED IN §3, THIS MODEL PROVIDES A VISUAL REPRESENTATION OF THE COMPONENTS MAKING UP AN ENTERPRISE, HELPING US STRUCTURE OUR THINKING AND BE HOLISTIC.

1.10 Reference poster 3: ESM Generic Operating Model

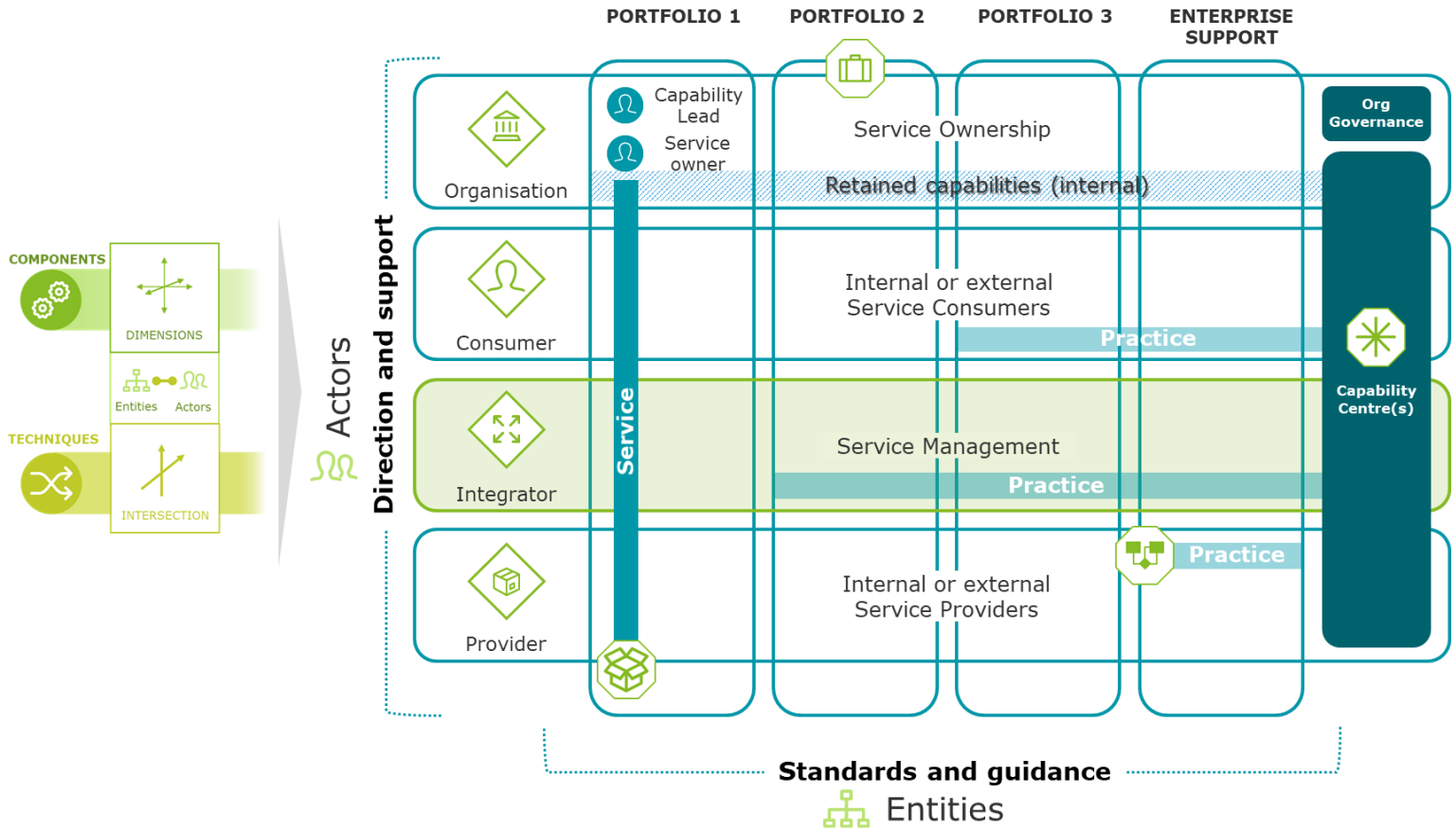


FIGURE 11: AN EXAMPLE 'ESM PRODUCT' CREATED BY INTERSECTING THE ACTOR AND ENTITY DIMENSIONS. THIS REFLECTS A GENERIC OPERATING MODEL FOR THE ORGANISATION SHOWING HOW THE ACTORS RELATE TO EACH OTHER THROUGH THE ENTITIES OF THE ORGANISATION. THE ENTITY MODEL IS DISCUSSED FURTHER IN §4.2.

1.11 Reference poster 4: ESM Aspect Model

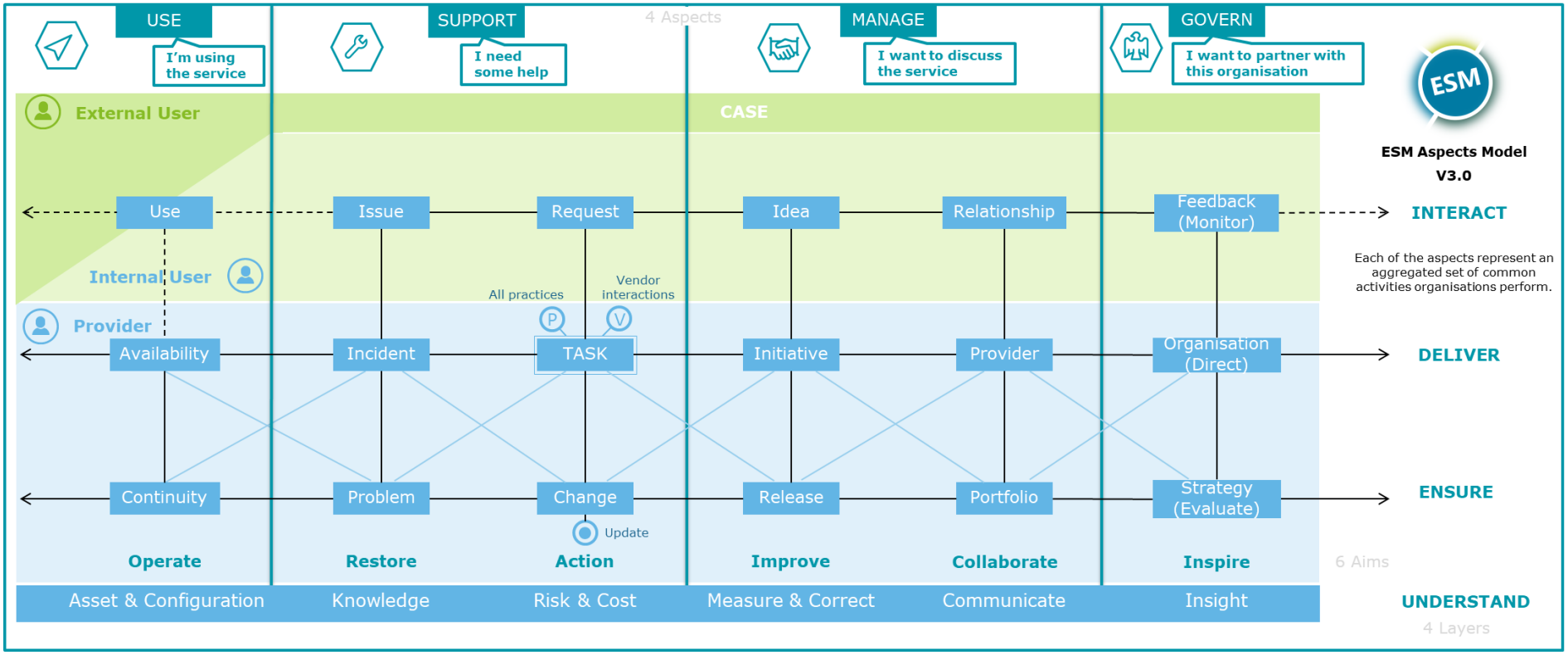


FIGURE 12: THE ESM ASPECTS MODEL SHOWS TYPES OF WORK THAT ALL ORGANISATIONS DO (TO A GREATER OR LESSER DEGREE). ALL OF THESE ESM ASPECTS TOGETHER HELP SUSTAIN OUR ENTERPRISE. THIS PROFOUND MODEL, WHICH PROVIDES AN INSIGHT INTO THE NATURE OF WORK, IS DISCUSSED IN §4.4. (NOTE: ASPECTS CAN BE PERFORMED BY ANY ENTITY (INCLUDING PRACTICES))

NOTE: Aspects and Entities are separate dimensions

Contents

2 Introduction

"Technology is affecting our lives…there has never been a time of greater promise, or peril"

– Prof Klaus Schwab, Founder of the World Economic Forum

Section overview
This section covers the background to the framework and its context. Express readers may wish to skip to §2.5.

We will cover the nature of the following:

- Why ESM is needed
- Theories on where disruption comes from and why productivity growth is so low
- How IT has adapted so far
- What a framework is, and our framework in context

2.1 Summary of the case for change

The problem…where is this fourth industrial revolution?

The world is changing rapidly, and becoming increasingly complex. Whilst technology is developing at an ever more rapid rate, available data does not show it making much of an impact – in fact productivity growth is slowing and has been since the computer boom in the 1980s.

We can suggest that while new technology is being adopted, the increasing complexity is acting as a significant drag on progress, all but preventing the much talked about "fourth industrial revolution" (4IR). With so much advancement, which solution do organisations turn to first? How can they take advantage of rapid progress without exceeding their capacity for change? How best for the organisation to unlock this capability and achieve its mission?

The cause…complexity holds us back

The age-old adage: people, process and technology gives us a clue. While technology is improving and agile culture is starting to ripple through the organisation, the approach to operating models and process has lagged behind.

With the recognised need to become more customer focussed and outcome driven, traditional IT Service Management discipline can become an unlikely source of structure and stability in the current digital chaos.

The solution…understand the nature of work

Enterprise Service Management (ESM) proposes that there is an underlying structure behind the work we do every day. By understanding this we can use it to drive agility, efficiency and value throughout the enterprise.

As a relatively lightweight framework, inspiration is drawn from industry leading good practice including: IT Service Management (ITIL), Service Integration and Management (SIAM), and DevOps to ask: what do each tell us about the way we work?

The application…bring it all together

Until now experts have been confined to their area, such as HR, organisation transformation, finance, corporate governance and technology. This has created some great methods and thought leadership in each area, but we have been lacking a way to bring them together.

Enterprise Service Management provides us with a way in, to start building all this good practice into a single model; a unified framework. Let's remove arbitrary labels and barriers, and break down each area's good practice to first principles, we can then see where they fit, and harmonise them.

By giving users a single framework to follow we reduce the overwhelming complexity of "good practice" out there, and also provide context for *why* we need to follow the good practice, in a way that organisations of all sizes can tailor to their needs.

ESM doesn't aim to be some new language, "product", or new-age thinking. ESM is simply about reflecting the essence of what we all do every day – it's a 'natural framework', designed to reflect reality based on ways of working largely unchanged in millennia.

Our opportunity…steer and guide the revolution

By understanding the way the world works, we can apply time-tested principles from economics: visibility, structure, standardisation, commoditisation and automation to conquer the complexity and unlock this long awaited fourth industrial revolution.

Each industrial revolution has created more jobs than have been lost, and ultimately improved living standards. On the other hand, inefficiency and poor productivity stifles wage growth, and encourages spare capital into unproductive areas such as creating asset bubbles (e.g. housing), so it's in everyone's interest that 4IR happens, and happens soon.

ESM suggests there is an opportunity for businesses and individuals to adapt to these new ways of working, build resilience to disruption, and unlock the huge growth potential that technology offers. As an emerging framework, ESM doesn't have all the answers, but it certainly seems an ideal place to start.

2.2 Industry is changing, organisations must adapt

"Digital technologies are doing for human brainpower what the steam engine and related technologies did for human muscle power. They're allowing us to overcome many limitations rapidly and to open up new frontiers with unprecedented speed. It's a very big deal. But how exactly it will play out is uncertain" – Andrew McAfee

We're well aware of the doubling computer power every few years, and the fact that this has driven fantastic growth in technology, the economy, society and our lives.

This growth has been amplified, in an exponential manner, due to feedback loops across the "academic planes".

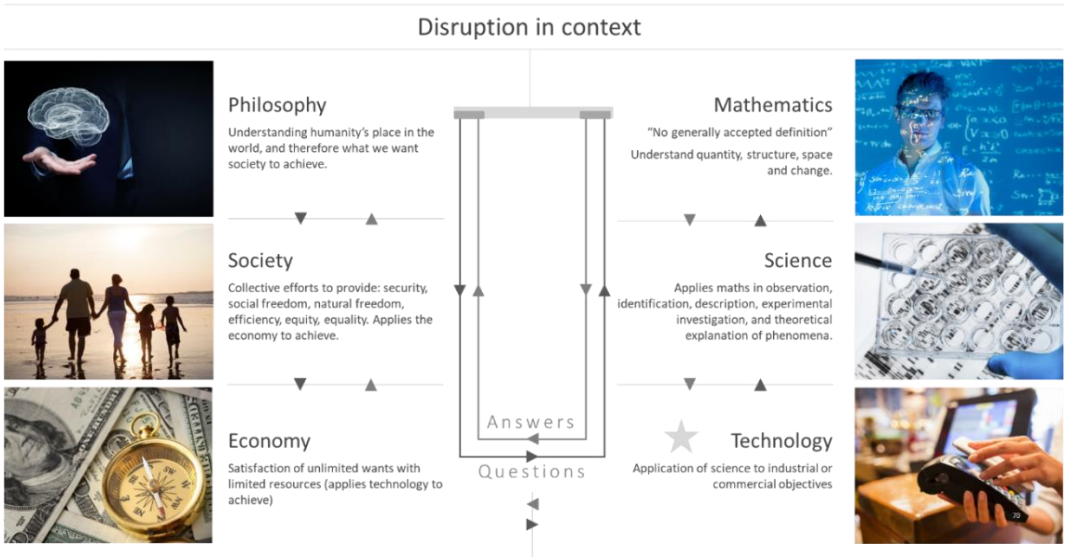


FIGURE 13: DISRUPTION IN CONTEXT ACROSS "ACADEMIC PLANES"

Science enables technology, but technology also allows us to unlock science through increased data processing for instance. The economy loves technology as it allows more wants to be satisfied with fewer resources. In return the economy invests heavily in science and technology, further amplifying the loop. This causes profound shifts in society: think the gig-economy, diminishing power of labour and our ever-connected lives. Ultimately, this makes us ask big questions about humanity's place in the world.

This story is one of Digital Disruption. Disruption is a previously un-noticed force that occurs where growth exceeds our capacity to handle it. With ever increasing growth, our capacity to handle it can't keep pace, so we see more disruption.

But why aren't we seeing this growth and disruption? The anchors holding us back are the chaotic forces felt from resistance when we reach the limits of our capacity to change and the ever-increasing complexity of systems, products and data. Which to turn to? What needs to be done first? How can we absorb more change?

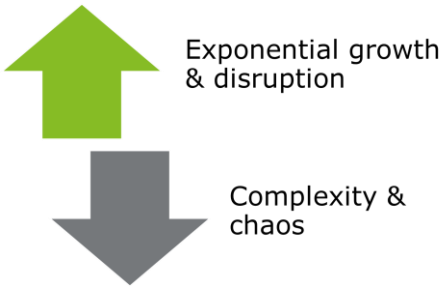


FIGURE 14: WHILE EXPONENTIAL GROWTH IS GENERATING POTENTIAL, THE SHEER COMPLEXITY GENERATED AND INSUFFICIENCY OF EXISTING FRAMEWORKS TO MANAGE IT, IS HINDERING ADOPTION OF THIS GROWTH

Technology is at the centre of the disruption and the chaos. In this framework we'll show how it's also been the catalyst for precipitating a solution. But firstly, we need to understand what the disruption looks like in terms of the shifts required to overcome it.

Practically within technology the disruption has been acting around nine "big shifts" that we see influencing organisations' Digital Strategy and Operating Model. All of these shifts are ultimately related to how work gets done in the organisation; acting as enablers.

FIGURE 15: DISRUPTION IN THE CONTEXT OF TECHNOLOGY (CREDIT: DELOITTE GLOBAL)

Tackling the shifts individually is not a viable long-term strategy, with disruptive and chaotic forces increasing further. The best solution is not just to have a means of tackling all 9 shifts together, but to make them intrinsic to the fabric of our organisations and society.

Motivational talks, endless training for employees on sticky note management, and unicorn pictures are just not going to cut-it. There are real-life constraints that organisations face: rigid annual budgeting, KPIs for operational stability enforcing inflexible processes, and comprehensive business case requirements before starting any initiative are just a few examples. Applying too much pressure to change without addressing these factors simply creates anxiety for staff and extra work.

What is really needed is a new way of structuring our understanding of the organisation, and how we do work. One that embeds and embraces these shifts by default and allows us to focus on adapting rapidly to each new development.

It's essential that change happens. The true impact of the exponential growth in technology doesn't compute. The first organisations to conquer these barriers will be at a significant advantage, and those that are left behind risk obsolescence.

2.2.1 Technology & the big shifts: cause and solution

"The lines between the business and IT are already blurred. Soon the distinction will be more hindrance than help" - ESM

We can take heart and inspiration from the fact that this challenge is not new, just now seen on a larger scale. Technology has dealt with disruptive forces, complexity and chaotic environments for years; especially in the computer boom of the 1980s. We've seen the role of technology evolve from supporting the business complete its usual tasks, through enabling the business complete new or enhanced tasks, through to a partnership where IT works with the business to understand and facilitate the creation of business value.

In each phase IT had to adapt its ways of working from ad-hoc support to formal service management.

"IT has developed disciplines in managing services, risks and change that would greatly benefit the rest of our organisation. There is a real opportunity for IT to take the lead in driving our overall maturity." – CEO, NZX listed company

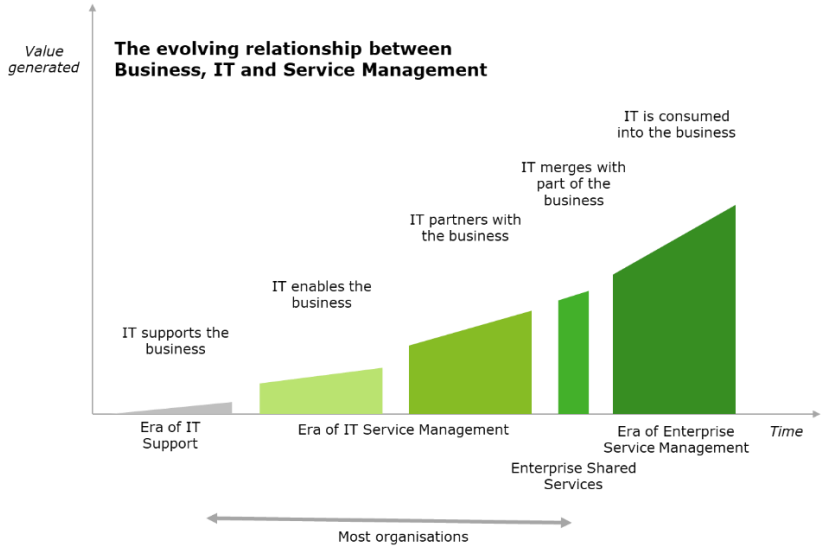


FIGURE 16: WAYS OF WORKING FOR TECHNOLOGY TEAMS

Looking to the future, this distinction is becoming harder to maintain, as almost every service is either technology or technology enabled. We must ask: why bother to maintain the distinction?

In order to truly adapt to digital disruption, the tipping point is not for IT to encroach further and further into business territory, but fundamentally for the business to consume and embrace IT into the business units and run them as one team to provide services – this is true Enterprise Service Management.

As the disruption continues and amplifies with exponential growth, we must remember that IT has been dealing with these challenges for years using the discipline of Service Management. Growth in computing power and capability has always been exponential.

With the all-pervasiveness of technology, there is a growing recognition that the good practice and structured ways of working have wider application and benefit across the organisation. This is an extension of XaaS (Theory of Everything as a Service).

ESM looks to IT for inspiration and proposes to take this good practice framework and reimagine it from a business context to apply to the enterprise.

2.2.2 Frameworks

In order to make sense of a complex world, we need a framework.

"A framework is a construct that is designed to reflect reality: a model representing the world around us; allowing us to understand and exploit it." – ESM

Frameworks allow us to capture, define and develop good practice, usually by providing visibility and structure; allowing us to standardise, commoditise and optimise processes covered by the framework.

These can be considered the ***innate aims*** of ESM, and are basic tenants of economics. The first four were outlined by the founder of economics: Adam Smith in "The Wealth of Nations", 1776; with automation being recognised in 1835.

ESM aims to describe a ***natural framework*** for the nature of work in an enterprise; based on theory and observed in practice. All components should relate to one another and be tested against one another. This is in contrast to ***empirical frameworks*** which are more experience driven collections of good practice.

2.3 ESM in wider context

The context for any framework is important.

We previously mentioned the concept of **"academic planes"** which correspond to traditional fields of study. Each one provides its own take on the universe we live in, and we can define a rough hierarchy of them from macro to micro scope.

For context we can say the ESM journey starts on the society plane, where we define ESM as being related to enterprise.

An enterprise may self-define its scope and value. It exists to **serve** the owners of the enterprise; maximising value for them. We are interested in how such an organisation can be **managed** and need a ***framework*** for this. Hence the title: ***Enterprise Service Management***.

This is in contrast to, for instance, communities, where the organisation exists to serve an external community, and needs to let the community define what value is in order to be successful.

Value is the key currency of ESM, and an assumption is that all actions are (or should be) taken to increase value.

If we define an enterprise as seeking value rather than necessarily profit, we see that public sector departments are also included as 'enterprises' where the government (legislature, executive and judiciary) is the owner, and sets the definition of value based on what the government of the day wants. ESM is therefore also relevant to the public sector.

FIGURE 17: ESM IS RELEVANT FOR ORGANISATIONS. FURTHER WORK IS NEEDED TO EXPAND THE FRAMEWORK ACROSS THE SOCIETY PLANE

The framework has relevance for Individuals, Government and Community, but further adaptation is required. We will leave this out of scope for now.

Returning to our academic planes, we can say that ESM resides in the **Economic plane** at its highest level, which is about satisfying unlimited wants with limited resources, or in modern terms, to provide maximum value from limited resources.

As we climb into the detail, we will see the framework dive into the technology plane and help us make sense of the assets that make up an organisation. Science and maths can help us with analogies and formulae to validate our understanding – indeed there appear to be many parallels for instance, with mechanical physics, dimensions and vector spaces in mathematics.

For the purposes of this initial document we will define this field of study as ***Organisational Science***, and leave it to the academics!

2.4 ESM publications and audience for this framework

ESM is intended to be part of a multi-layered ecosystem of publications, with content and ideas traceable from academic sources through to commercial white papers and points of view on a particular topic.

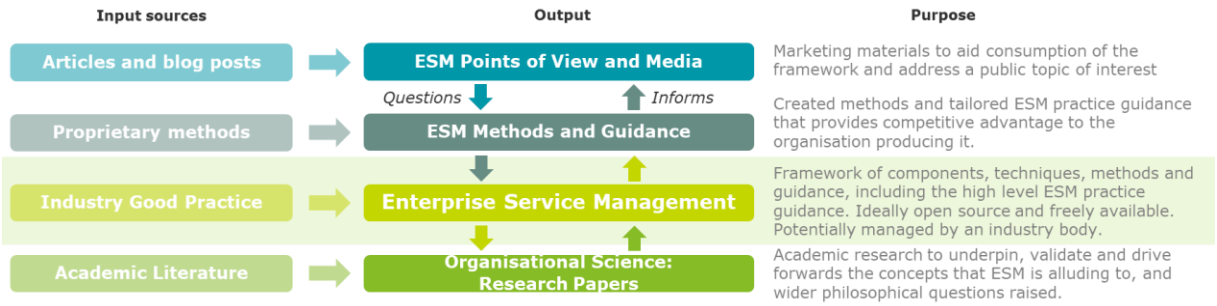


FIGURE 18: SHOWING THE INTENDED HIERARCHY OF PUBLICATIONS FROM ACADEMIA, THROUGH APPLICATION, TO SALES AND EMINENCE

This publication is a framework, an intermediate layer between academia and tailored practice, which we hope soon will provide an open-source foundation both for academic research to drive, and commercial interests to consume and monetise. If you are interested in supporting this, please reach out (§14).

The audience for this framework are hands-on thinkers and leaders in an organisation as well as the curious.

2.5 In this publication…

How should a book on such a wide-ranging framework be structured and consumed? We will use the framework itself to guide us in how to examine it; using the techniques (§5).

This document is designed to give a range of audiences an understanding of ESM – it covers a huge range of scope with significant depth possible. We have devised two 'tracks' through the document allowing express readers to gain a broad understanding through the foundation track, while those with more time can look into more detail with the practitioner track.

The suggested journeys are as follows:

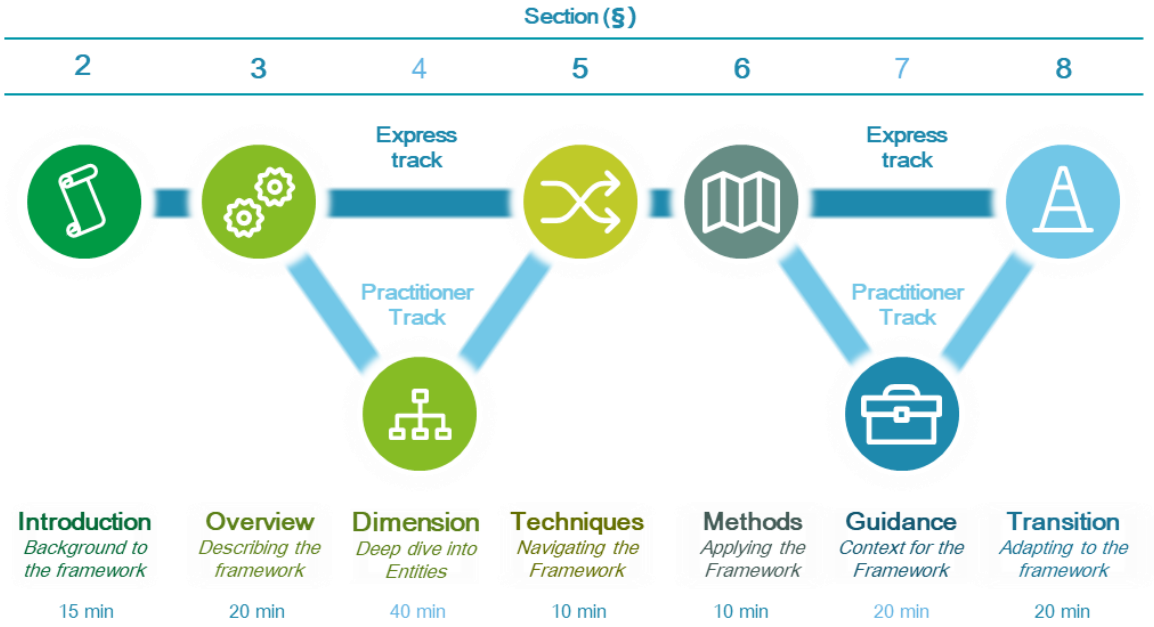


FIGURE 19: ROUTES THROUGH THIS DOCUMENT AND APPROX. READING TIMES

We have started with the context and forces affecting our organisations in this chapter (§2). We will then look at an overview of the framework **components** before considering the **dimensions** and **considerations** in more detail (§3), with a deep dive into one of them: entities (§4).

Entities are the ***focus*** (an ESM technique) of this publication because an organisation typically has direct control over how it is structured, and they give us a familiar perspective to view ESM through. Practitioner readers will look at how entities ***intersect*** with other dimensions and the **ESM products** that can be created.

Once we have an appreciation for the components, we will look at how the framework can be applied using **techniques** (§5) contained within **methods** (§0). We'll then complete a full circle for practitioner readers showing how ESM provides the **guidance** for the application of methods in context (§7).

If that is sufficient to inspire, we will finally cover notes on **using the framework to implement the framework** (§8).

2.6 Cautionary note

ESM is a fascinating topic to explore. A word of caution: we're creatures of familiarity and for anything that's new we need to be careful to avoid prejudice and judgement before we have given it time, and the benefit of the doubt to try to understand it.

In particular, one must be careful of re-defining the terms in ESM. There are two sources of truth: the Oxford dictionary, and where a word carries a specific non-dictionary meaning: the ESM glossary (§10). All prejudice and history relating to specific words or phrases, as used in other publications, should be cast aside for this document. This is a foundational framework – ESM has the mandate to define its terms.

ESM is well worth the time invested, so without further ado: let's explore!

Note: if you're reading the digital version all the section numbers are hyperlinks to that section.

3 Enterprise Service Management: Overview

"A framework is designed to reflect reality, allowing us to understand the world around us, and make use of it"

Section overview
This section covers the basic elements, or building blocks, of an organisation. It forms the basis for the rest of the publication.

We will cover the nature of the following:

- Elements
- Definition of an organisation
- Components: Dimensions, Considerations, Forces and Spheres

3.1 Framework elements

The **ESM framework** can be used to understand and guide an **organisation** in its **enterprise**.

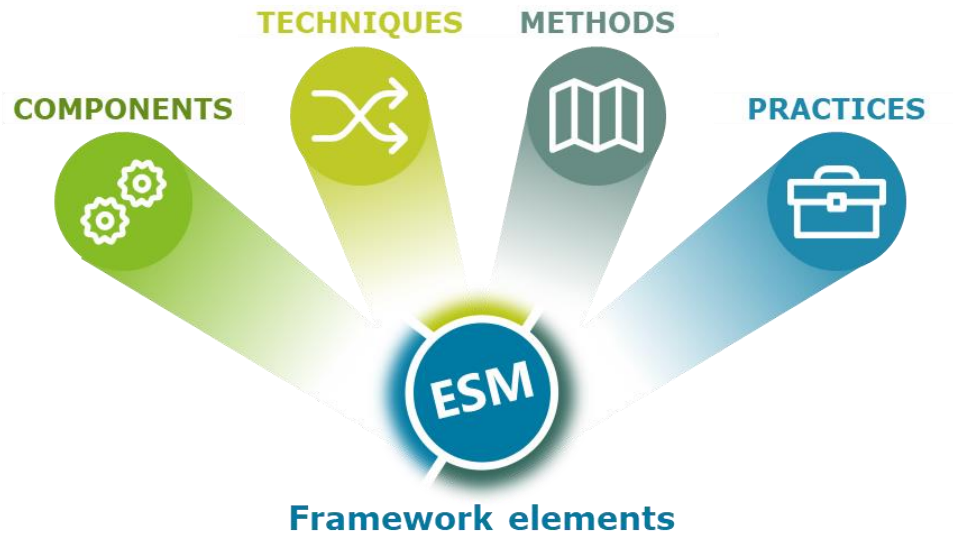


FIGURE 20: ELEMENTS OF ESM (LEVEL 0)

ESM provides a framework of components, techniques, methods and guidance that allow us to:

- *Define* the **components** of an ideal organisation and how they relate
- *Describe* an organisational state by using **techniques** to logically navigate the components
- *Design* an organisational state using a **method** appropriate to the context to apply specific techniques
- *Deliver* value by using methods in the context of ESM **guidance**

An **organisation** can be defined in terms of each of its four ***dimensions***. An organisation is a collection of assets, actors, entities or aspects; ***organised*** to ***serve*** a common purpose.

An **enterprise** is defined as ***an organisation in the pursuit of value***. Enterprise is both noun and verb, and this definition seeks to communicate an organisation with intent. The old distinctions of for-profit vs not-for profit are not relevant in ESM as value is more than profit.

Per the above list, ESM aims to aid a complete breadth of understanding of the organisation and, importantly, how to apply this understanding to deliver value. We will work through each element in turn to provide a picture of an ESM organisation and the tools required to manoeuvre it. The ultimate aim of ESM is to facilitate the creation of maximum value for an organisation.

3.2 Framework components

The framework components represent the fundamental building blocks that make up an organisation; organised within its **dimensions** and **considerations**. These dimensions come together and interact, in pursuit of value, to create what we know of as an enterprise.

Our organisation doesn't exist in isolation. It exists in **spheres** of visibility, potential, influence and control, and is constantly acted on by **forces** from external actors, entities and phenomena.

In short, the organisation is complex. To tackle any complex problem we need to look for patterns.

FIGURE 21: ESM COMPONENTS (LEVEL 1)

ESM consists of repeating patterns of four which seems to reflect some underlying order:

- **Four dimensions** that make up an organisation, each with four aims
  - Four actors
  - Four entities
  - Four aspects
  - Four assets
- **Four considerations** for ESM as a whole, each with four things to consider
- **Four forces** that act on our organisation
- **Four spheres** that define the extent of our organisation at a point in time

These patterns allow us to understand and model an organisation.

The dimensions and considerations are summarised in the following diagram:

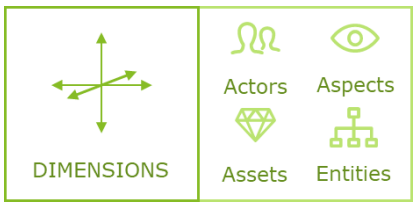
FIGURE 22: ESM FRAMEWORK COMPONENTS SHOWING THE DIMENSIONS AND CONSIDERATIONS OF AN ESM ORGANISATION (LEVEL 2)

Putting these four components together we can see the forces acting on the organisation and the sphere of influence.

FIGURE 23: ESM SUMMARY OF THE FOUR COMPONENTS (LEVEL 2)

3.2.1 Four Dimensions

The four dimensions each give a unique perspective on the essential building blocks of an organisation. They provide a ***static snapshot*** of the organisation at a point in time.



We can describe an organisation in terms of each of its dimensions:

- **Four Actors** that represent the basic stakeholders involved in an organisation
- **Four Aspects** that reflects the inherent structure of work within an organisation
- **Four Assets** (types) that an organisation can use to operate and create value
- **Four Entities** that an organisation can be logically grouped into reflecting the desired structure of the organisation

Each unique perspective is essential to a holistic appreciation of the organisation.

To use a transport analogy, the dimensions can each describe a racing car team: the actors involved (racing driver, pit team, sponsor and audience), the entities involved, the work involved and the assets involved. The team typically has good control over the dimensions.

3.2.2 Four Considerations

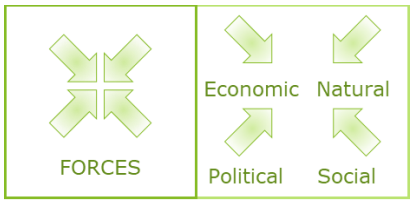
The considerations provide the means of travel for the organisation. Combined with the dimensions these internal components help us understand how the organisation will evolve.

- **Mission** – the purpose of the organisation
- **Principles** – recommendations that guide the organisation in all circumstances
- **Goals** – goals to aim for in each component of ESM to give it intrinsic purpose
- **Resources** – capital available for the organisation to fuel progress in each of the dimensions

If the dimensions describe the racing car team, then the considerations describe what they are doing: where they are going, what funding and fuel they have available, the rules of the race, and what they hope to achieve from it. They have some influence over the considerations.

3.2.3 Four Forces

The forces reflect the effect of other organisations, individuals, communities or governments on our organisation. They show how our organisation's current state, described by the dimensions and considerations, will be influenced and changed by external factors.



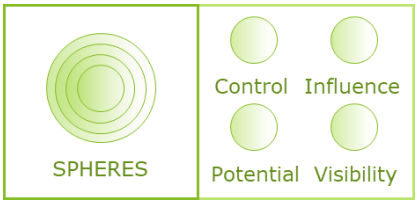
- **Economic** – covers financial and technological forces
- **Natural** – covers natural forces, including those from our environment
- **Political** – covers legislation, regulation and directives
- **Social** – covers the needs and will of our society

The forces are outside of the team's control for example: the other racing teams, ability to acquire parts from a competitor's supplier, the support provided by fans, and the weather for the race. While they have no control, they can attempt to mitigate or amplify the forces.

3.2.4 Four Spheres

The spheres represent the boundaries of the organisation. They show the scope of the dimensions, considerations, forces and vision at a particular time.

If we apply the ESM **technique** of **states**, we can generate a snapshot of the organisation and model how it will change with time.



We have four spheres:

- **Control** – the boundary within which the organisation can freely take decisions (defined by our ***Dimensions***)
- **Influence** – the boundary within which the organisation can encourage others to make decisions (defined by our ***Considerations***)
- **Potential** – the boundary within which our organisation could take or encourage decisions (defined by the ***Forces***)
- **Visibility** – the boundary within which our organisation can see the effects of other people's decisions (defined by our ***Spheres***)

These define the size of scope within which the organisation operates. The organisation aims, over time to use its control and influence to reach its potential. In order to do this, it needs to ensure sufficient visibility to know the boundaries of its control, influence and potential. These spheres can cross over and it's entirely possible that our sphere of visibility is smaller than our potential, or that our influence is smaller than our control. This indicates a challenge to overcome.

Our team has total control over the car, they can influence the track. They see their potential at the moment as winning qualifying. Following this they will be able to plan out the race.

3.2.5 Components in context: putting the framework together

An **enterprise** is all about the owners of the organisation going on a **mission** to achieve a **vision** which will deliver self-defined **value**.

Figure 25 on the next page shows the considerations being used to pilot the organisation towards its vision (ultimate target state).

Using the **technique** of states (§5) we have taken the definition of our organisation (defined by the **components**) and ***described*** how the organisation will transition from its current state to the vision state at a basic level.

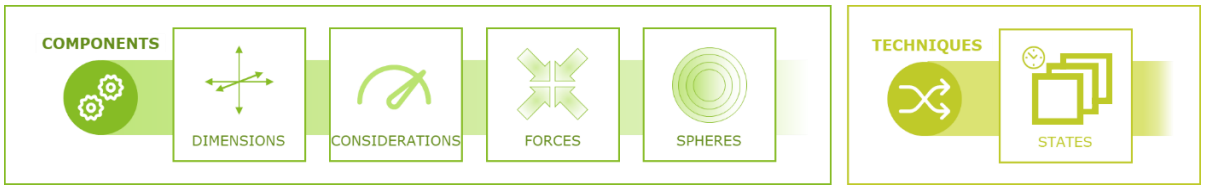


FIGURE 24: THE FOUR COMPONENTS AND THE TECHNIQUE OF STATES

To get more specific for a particular organisation we'll need to use **methods** in the context of **guidance**. Sections 6 to 8 describe this journey.

To appreciate this, we'll continue our journey through the **components**, looking at the **dimensions** and **considerations**.

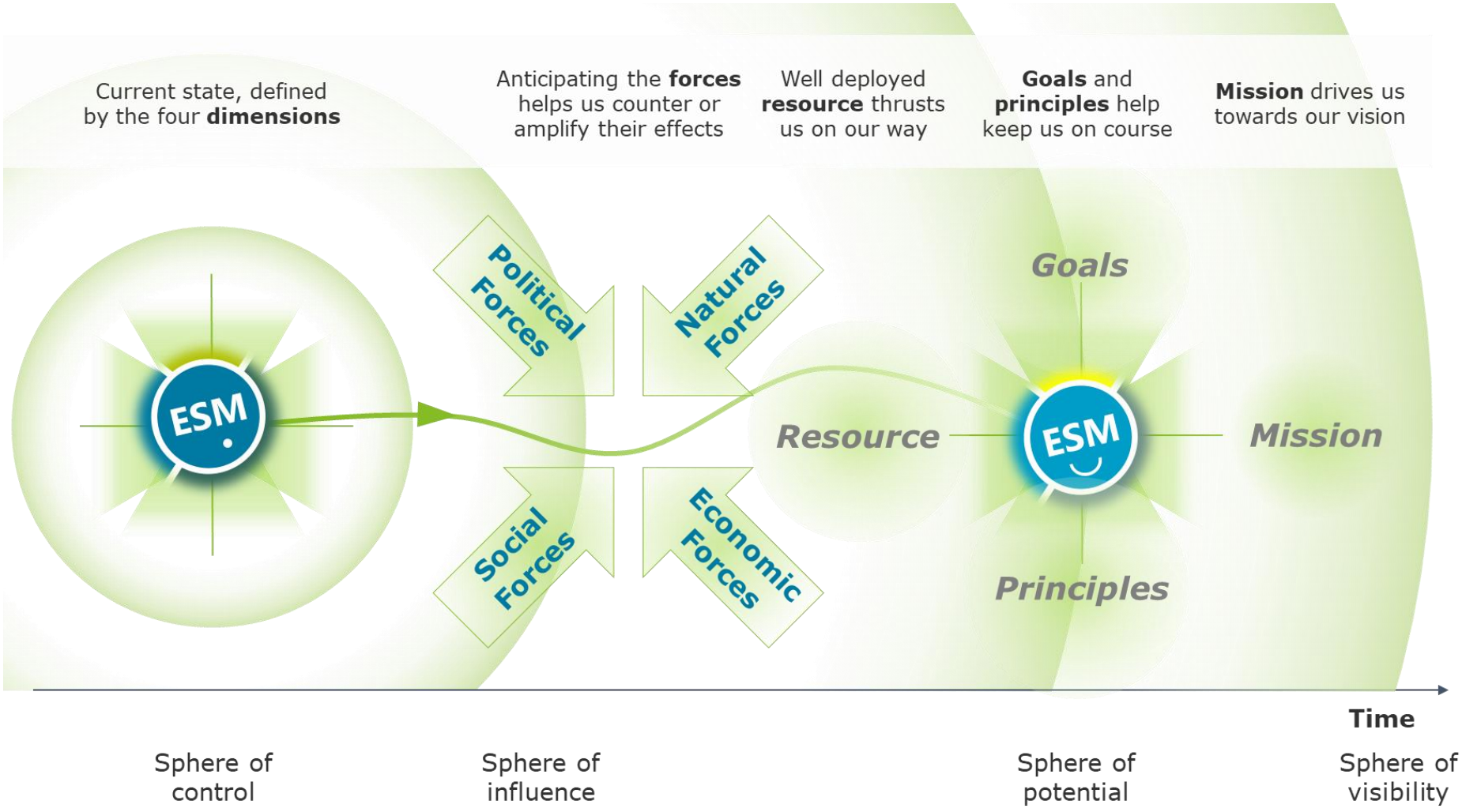


FIGURE 25: PUTTING THE COMPONENTS TOGETHER WITH THE STATES TECHNIQUE TO MODEL ALL FOUR COMPONENTS OF THE ORGANISATION

3.3 Dimensions and Considerations

Each component of the framework can be defined and expanded on. The dimensions and considerations together describe a steady-state of the organisation.

The dimensions and considerations listed above are shown in the diagram below.

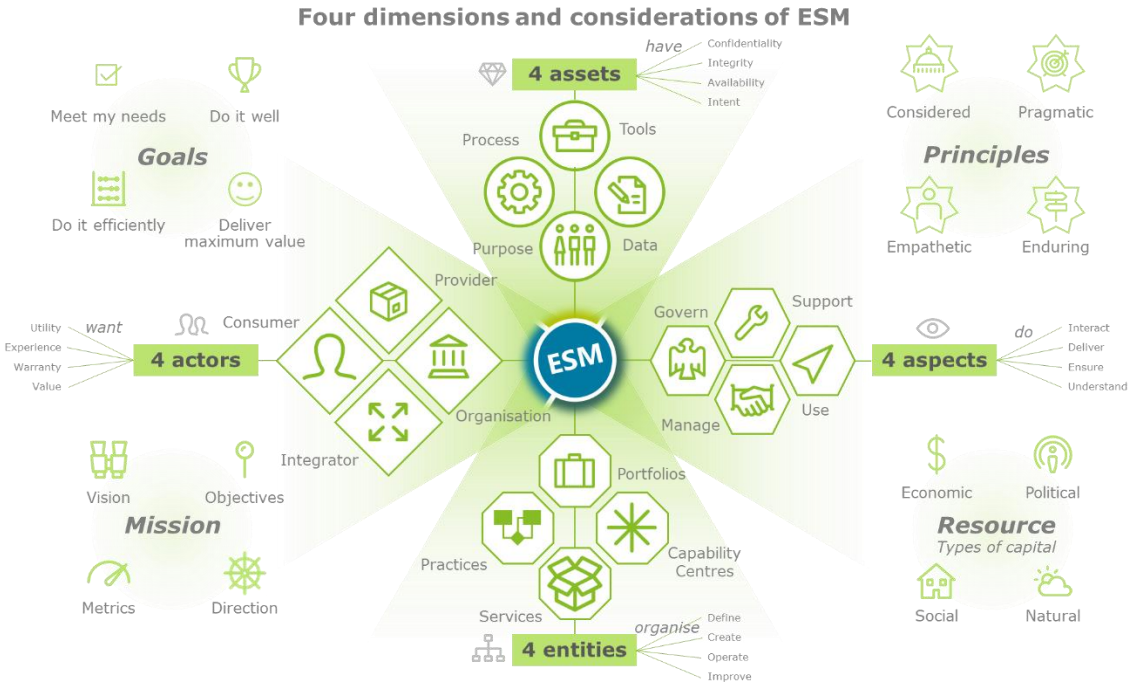
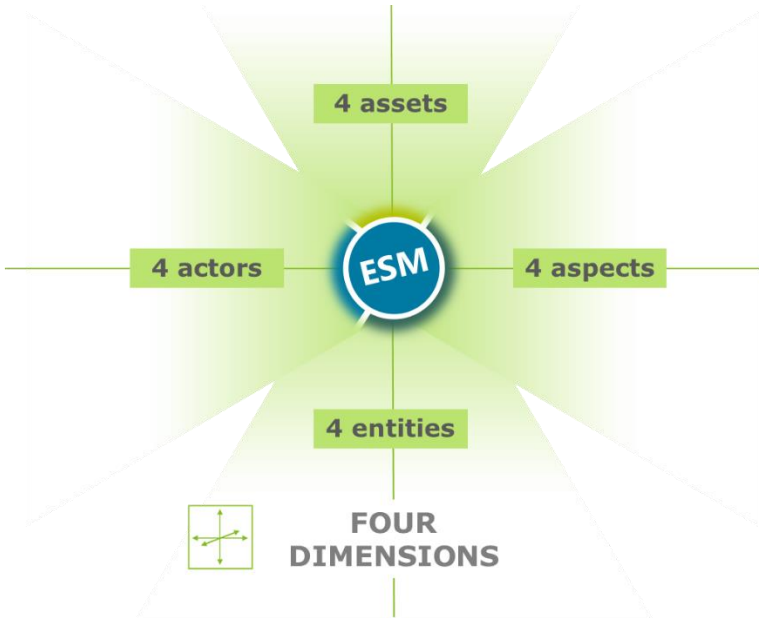


FIGURE 26: ESM FOUR DIMENSIONS AND CONSIDERATIONS – EXPANDED

We will look at each of the dimensions and considerations in turn.

3.4 The Four Dimensions



The four dimensions provide a means to understand the organisation through a different lens. Each of the dimensions are interrelated (like 3D space). Typically we must hold two or more constant to simplify the situation so that we can understand it.

Example: when we walk from A to B, we typically don't consider what altitude we need to use. We also like to follow roads, and stick to one side, which means we only need to consider one dimension: the speed we are travelling at and any obstacles. If this sounds too easy, try walking along whilst texting someone. It's much easier going in a straight line at constant speed, with no obstacles, than trying to navigate across a muddy bush-clad slope clambering over fallen trees.

In our organisation, **entities** provide **aspects** and consume **assets** to sustainably generate **value** for **actors**.

This needs breaking down to appreciate, so the approach we'll take is to first understand each of the dimensions, then look at one dimension in detail and see how the others interact with it (§4).

3.4.1 Four Entities

The organisation can be broken down into four entities: Services, Portfolios, Practices and Capability Centres. These reflect the fundamental structures present in an organisation, and every aspect of an organisation can be mapped to one of the entities.

The entities are shown below, along with how they are organised: Define, Create, Operate and Improve – which is a continual journey.

FIGURE 27: THE FOUR ENTITIES

- **Portfolios** comprise and commission similar services (§3.4.4)
- **Services** chain together to form value streams that take a consumer's input and turn it into an output
- **Practices** are consumed by services to help run common service activities in a consistent way
- **Capability centres** own the practices and provide standards and guidance

Everything as a Service is implicit in ESM by definition. Organisations exist to serve. Service Management has been developed by the IT sector but has provided a compelling set of good practice theory that ESM interprets and shows can be applied across the organisation.

Entities are covered in more detail in §4.

3.4.2 Four Aspects

The aspects describe the nature of work being performed (what is being done) as part of our entities, or by our actors/assets. The aspects dimension is unusual, in that it's a relatively **fixed dimension** and not dependent on the nature of the organisation.

FIGURE 28: THE FOUR ASPECTS

This means two things:

1. Our Aspect model (Figure 12) provides complete coverage of the dimension
2. We can hold aspects constant and use them to support investigation of the other dimensions

By separating what is unique about organisations (the "what"), from what is common across all organisation (the "how") we are able to provide quite specific guidance that is relevant to all organisations.

Aspects help us to consider how to use, support, manage and govern the other dimensions, across layers of interaction, delivery, assurance and understanding. By **intersecting** these sub-dimensions, the **aspects model** is created (§7.1.2) providing a matrix of **ESM Aspects** (Figure 47).

While aspects can seem a mysterious dimension, they reflect the fundamental nature of work and are performed by all organisations, **actors**, **entities** and **assets**. Through the dimensional nature of ESM we can show how organisations may choose to use a mixture of all the dimensions to provide each ESM aspect.

A common misconception has been that aspects are practices (an entity). They are distinct: Entities perform aspects. Frequently multiple entities are involved in completing aspect activities. §4.1.1 shows how aspects are used by services for instance, and §7.1.3 provides further discussion on this.

Aspects are covered in more detail in §7.1.1

3.4.3 Four Actors

We live in a human society, and are aware of the concepts of ourselves as individuals, the organisations we serve, our government and our communities. Stepping down from society to economy, we also play a role in our organisation, as one of the four actors below:

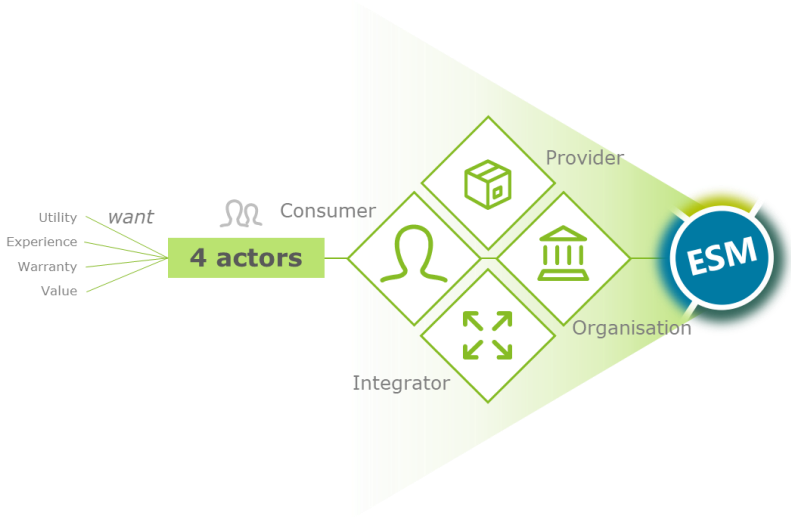


FIGURE 29: THE FOUR ACTORS

The four actors describe the four fundamental roles involved in an enterprise. Actors can interact with all dimensions to give us roles. In relation to a generic entity, our actors take on the following roles:

- **Consumer** – Provides the demand and return on investment (or budget for internal) for the entity. The entity is designed and built based on feedback provided.
- **Integrator** – Provides facilitation between consumer and provider, especially where there are multiple providers.
- **Provider** – Maintains and provides, or supports the underlying entity
- **Organisation** – provides the purpose and ownership of each of the entity, ultimately to deliver the mission of the organisation.

Each actor has four universal ***wants***:

- **Utility –** that output is fit for purpose
- **Experience** – that frustration is avoided and there is satisfaction with the means as well as the ends
- **Warranty** – that output is fit for use
- **Value** – that there is a net gain of value, as defined by the actor, sufficient to meet their expectation

Each role (except the organisation) can be filled by an internal or external provider. An individual or group can act in different, or more than one role depending on circumstance.

We can **intersect** the **actors** with their ***wants*** to obtain **requirements**.

3.4.4 Four Assets

Assets are produced, or acquired by the organisation using resource. All value in the organisation is ***ascribable*** to part, one or more assets. Assets require investment and carry cost, and are organised into entities in order to contribute to the value of the organisation.

FIGURE 30: THE FOUR ASSETS

The ESM assets are based on the traditional people, process and tools; also adding data as a valuable asset in its own right. We also reflect that it doesn't matter from the point of view of service delivery whether people or machines deliver any part of a service. It is the intelligence they provide that is of interest. Hence our assets are:

- **Purpose** – Decision making intelligence to generate value. People without purpose are not assets: they're a liability.
- **Process** – Steps followed to turn input to output
- **Data** – Contributes to understanding
- **Tools** – Assets facilitating the execution of process

Each asset ***has***:

- **Confidentiality** – Asset is restricted to those dimensions authorised to engage with it
- **Integrity** – Asset performs as expected every time
- **Availability** – Asset is available for use when required by those authorised to engage with it
- **Intent** – the ability for the asset to contribute to value in the organisation.

The four assets each have their own architectural domain and need to be designed carefully. **Resource** purchases **assets**, which are *organised* into a **configuration** to contribute to value creation as part of **entities**.

The organisation's assets should be recorded in a Configuration and Asset database. The Configuration Practice provides more detail on managing configuration across the organisation.

3.5 The Four Considerations

We have talked about the dimensions (the content of the organisation), we must now put this in the frame of the considerations (the context of the organisation).

Understanding the mission, goals, resource available and ESM principles helps frame up the when, how, for and why of an organisation.

FIGURE 31: ESM CONSIDERATIONS DESCRIBE HOW THE ORGANISATION INTERPRETS ITS LANDSCAPE AND WHAT IT HAS AVAILABLE TO IT. CONSIDERATIONS PROVIDE THE CONTEXT FOR THE DIMENSIONS

3.5.1 ESM Mission

The mission of an organisation is the ultimate statement of purpose to drive and guide the organisation. It provides the rationale and the 'why' behind the organisation, and critically, defines **value**.

Value is the main currency in ESM, and it is relative to the context of the actor. The primary actor is the organisation, and hence the organisation's definition of value is what defines success in ESM.

Mission is instrumental in building ***natural capital***; getting internal and external ***stakeholders*** to believe in the purpose of the organisation.

The **vision** will contain the organisation's traditional mission statement: a pithy one line statement about what the organisation is here to do (e.g. "be the leading professional services firm"), along with a more detailed picture of what an ideal world looks like for the organisation.

The **objectives** are the output of the organisation's strategy and inform the steps that will be taken to get there. These are measured by **metrics**.

Direction consists of the controls applied to the organisation in order to steer and guide it towards its objectives and vision. The mission is established and maintained as part of the governance aspect.

3.5.2 ESM Goals

Each activity advocated by ESM has a number of innate goals that maximise the value from the activity, and help it achieve its purpose.

The goals help avoid a pure focus on delivering the purpose of the activity at the expense of experience, efficiency and the true cost to the organisation, which may negate the value of the activity.

The goals provide a harmonised set of metrics across the organisation, regardless of the nature of the activity or service, so that performance can be measured.

The goals are closely aligned to the actor's needs.

3.5.3 ESM Resource

In ESM resource is used to acquire or produce assets and fuel the organisation's creation of value.

Each **resource** is referred to as **capital**, and each capital has a specific use:

- **Economic capital** covers financial and business capital (equity, debt, trading and working)
- **Political capital** covers influence which is required to effect decisions within and outside the organisation
- **Social capital** covers loyalty to the brand and employer
- **Natural capital** covers environmental circumstances and sustainability of resource

An organisation will need to use specific capital in response to events and in order to fuel growth.

The types of capital relate strongly to the four fundamental human motivators:

- I'm loyal because you're paying me (**Economic**)
- I'm loyal because you're more powerful than me (**Political**)
- I'm loyal because I like you (**Social**)
- I'm loyal because what you're doing makes sense (& I agree) (**Natural**)

Organisations should seek to build all four kinds of capital. Capital can be both internal and external, positive or negative. Capital can counter or amplify **forces**.

It is important to note that capital is subject to uncertainty as shown in the diagram below. Risk/opportunity, variance and bias are present in all capital estimates to a greater or lesser degree. We need to include the uncertainly as well as the known quantities. Like an iceberg, a lot hides beneath the surface.

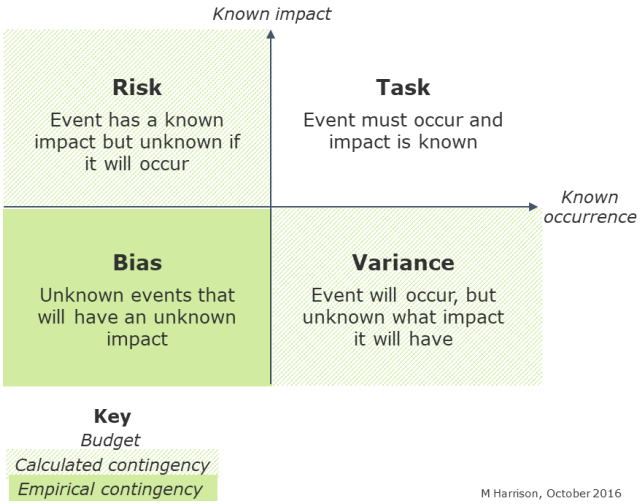


FIGURE 32: SHOWS THE RATIONALE FOR CONTINGENCY, WHICH IS MADE UP OF CALCULATED RISK AND VARIANCE CONTINGENCY. WE MUST ALSO REMEMBER THAT WE TEND TO HAVE OPTIMISM BIAS, FAILING TO ACCOUNT FOR UNKNOWN-UNKNOWNS

The following concepts are also relevant to the types of capital:

- **Cost** – capital outlay required across the four types
- **Time** – by adjusting time allowed, cost may fluctuate
- **Quality** – by adjusting a person's perceived usefulness of the output, cost may fluctuate
- **Focus** – by varying individual or team focus we get different outcomes. This relates to the capacity for change, recognising that the more an individual or team's attention is split, the lower their average performance or ability to absorb change will be.

3.5.4 ESM Principles

"Guiding Principles are recommendations that guide the organisation in all circumstances" – ITIL4

Principles should guide the organisation in all circumstances. ESM seeks to provide principles that guide us in applying the framework to our circumstances, as well as serving the organisation in general.

They are:

- **Considered** – ESM does not prescribe methodology, rather gives us things to think about so that we can create our own method. In a constant changing world, prescriptive guidelines are unhelpful. Practitioners need to think for themselves and avoid narrow focus, using ESM to consider all the relevant factors relevant at the time.
- **Pragmatic** – Perhaps the counterbalance to 'considered'. Whilst ESM gives a large number of elements to consider; not all of these need to have time spent detailing them. Simply to acknowledge them as not relevant is enough. The work we do should be sufficient to practically achieve the desired outcomes.
- **Empathetic** – Organisations exist to serve stakeholders. We must consider their needs as part of our definition of value.
- **Enduring** – When faced with disruption and constant change, it is important to recognise and hold onto what is stable. We need to focus on making assets out of what will endure, and consumables out of what will change; avoiding confusing the two.

Each organisation should develop principles for guiding their work, using the above to help. Other industry sources, such as ITIL4's principles can also be used.

4 ESM Dimension: Entities

*"An enterprise exists to **serve**. Even an organisation simply existing serves a purpose, otherwise it would be wound up. If an owner doesn't want to expend the effort to wind it up, then this effort saved is clearly of value to them." - ESM*

Section overview
This section expands on one of the dimensions in more detail. It shows the depth that the framework can achieve.

We will cover the nature of the following in more detail:

- Services
- Practices
- Portfolios
- Capability Centres

This section is part of the practitioner track. Express track readers can proceed to §5. If time, sections 4.1.1 & 4.2.1 are useful context.

Whilst there isn't time to cover off the whole scope of ESM in this publication, we will explore one of the dimensions in more detail to show how ESM unfolds as one dives deeper.

Given the title, Enterprise Service Management, it makes sense to do this whilst discovering the nature of a Service. We will do this by viewing ESM from the perspective of the Entities in this chapter.

4.1 Entities: Overview

Entities represent the logical structure of an organisation and is the perspective most readers will be familiar with. Organisations mostly have significant freedom to set up their entities as they see fit, and we are typically familiar with this structure.

FIGURE 33: THE FOUR ENTITIES

ESM suggests that all structures in organisations today will reflect one or more of the four entities below. Aligning an organisation's structure to the four entity types is one of the easiest ways to gain clarity and be able to take advantage of the guidance ESM has to offer.

The four entities that are used to make up an organisation can be summarised as follows:

Entity Intersection	Service	Practice	Portfolio	Capability centre
Define	Unique function or capability offered by an organisation	Common resources or methods	Commission and direct services, org practices and Capability centres	Standards and guidance for services and practices
Create	Provided for consumers	Provided for services	Provided for organisation	Provided for practices and portfolios
Operate	Consumer provides input to receive output	Service provides input, performs activity (together) and takes output	Organisation provides a strategy, portfolio delivers services	Portfolio provides a brief, and receives advice and practices are commissioned by the CC
Improve	Value co-creation maximised for the four actors	Services enabled through common resources	Services aligned to the organisation's mission	Entities following good practice across the organisation

TABLE 1: ESM ENTITIES; DEFINITION, GOAL, OPERATION AND PURPOSE

We use the entities as building blocks as our organisation seeks to deliver its output. All are linked.

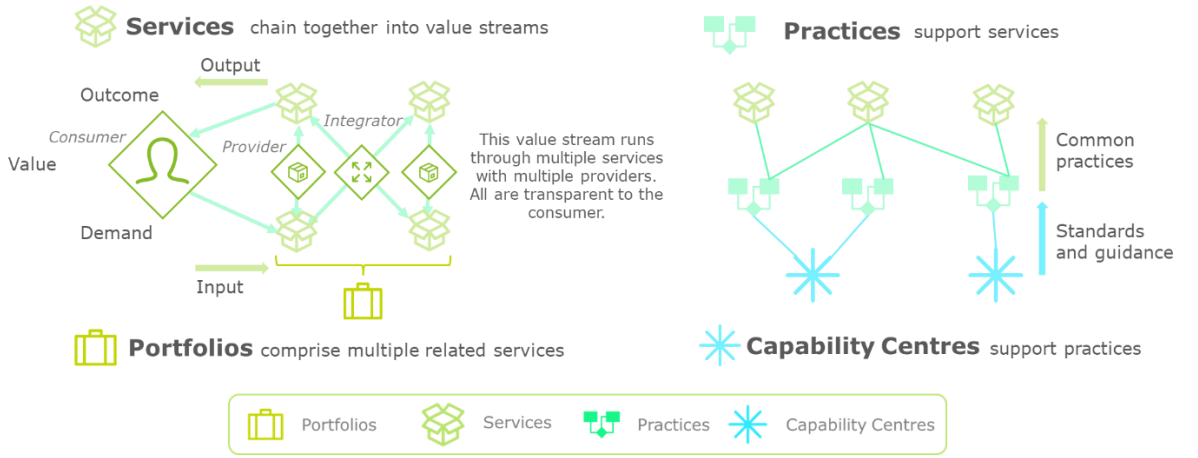


FIGURE 34: SHOWING HOW SERVICES, PORTFOLIOS, PRACTICES AND CAPABILITY CENTRES WORK TOGETHER

Linking the entities explained: The diagram above shows the *Consumer* (an actor) consuming an *output* from a service in order to create an *outcome*, and ultimately *value* for them.

Behind the scenes, it is not so simple. The output is made up from a collection of services, delivered by a number of providers. In order to maintain consistency, we need to deploy components from ESM, such as a *Service Integrator* (an actor) and common *Practices* to harmonise the delivery across services.

Portfolios and **Capability Centres** (entities) also play a role in governing and harmonising services and practices respectively.

4.1.1 Entity model

The ESM services model is inspired by Service Integration & Management (SIAM). It is an abstract operating model for the enterprise.

The Entity model is created by **intersecting** (§5.5) the **Actor** dimension with the **Entity** dimension. We see how the actors relate to the entities.

We establish the operating model based on the Services the organisation offers, both internal and external. Similar services are grouped into capabilities (portfolios of services), which are accountable for all the process steps and technology required to provide the services.

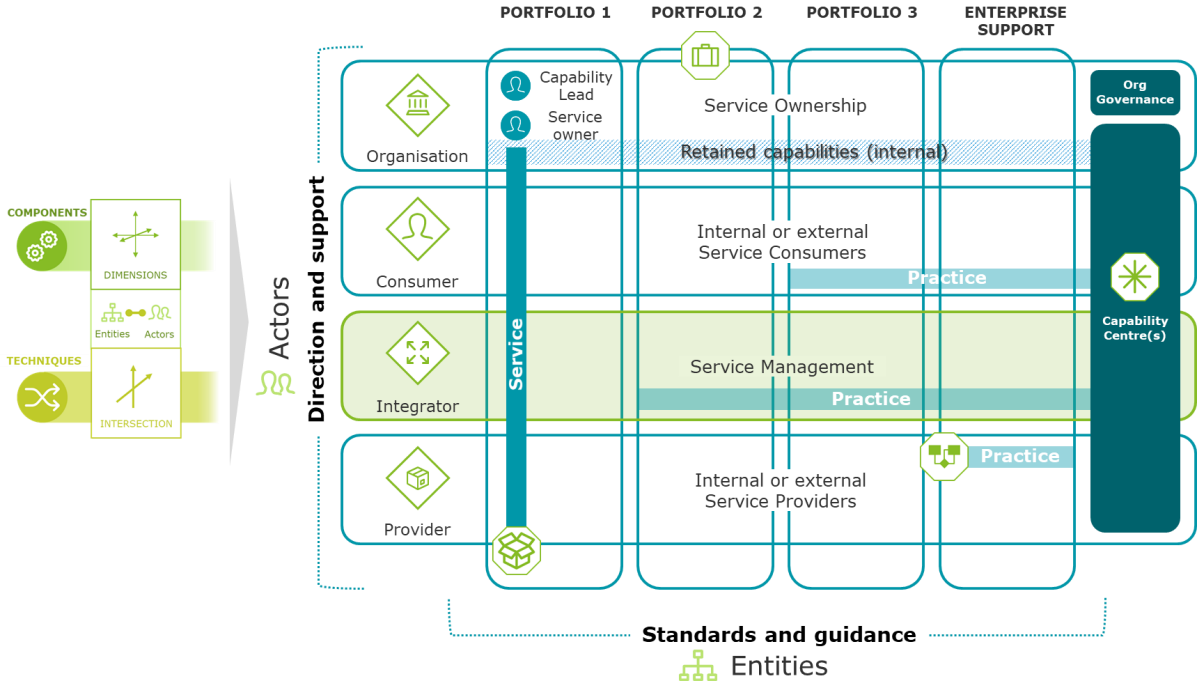


FIGURE 35: THE ESM OPERATING MODEL

It is important to note that the model shown is both ***abstract and relative***. We need to be mindful of each actor's ***perspective*** when looking at the model.

Each actor can play one, many or different roles depending on which perspective we're looking at.

4.1.1.1 Services model: Example

For instance, take two companies: *Acme* and *Zippo*. Acme has outsourced payroll to Zippo.

From Acme's perspective Zippo is acting as the service provider only, with their internal staff as the consumers. From Zippo's perspective they are the organisation, their service desk is acting as integrator and their client team responsible for the Zippo account is acting as the provider.

Even within an organisation, services can be recursive (one service is acting as consumer to another service provider).

Ultimately good practice is arbitrary for each organisation. The organisational chart, which is defined by the leadership, is recommended as the best perspective.

4.2 Entities: Services

4.2.1 Services overview

> *"A **service** is a means of enabling value co-creation by facilitating outcomes that customers want to achieve, without the customer having to manage specific costs and risks" – ITIL4*

Services describe the *"what"*: unique capabilities or offerings that an organisation provides. They are designed to **enable value co-creation by facilitating outcomes that consumers want to achieve**[1]. Services can be provided by any part of the organisation, or an external provider, and are inherently collaborative in how they are designed and run; with consumer feedback and continual improvement being paramount.

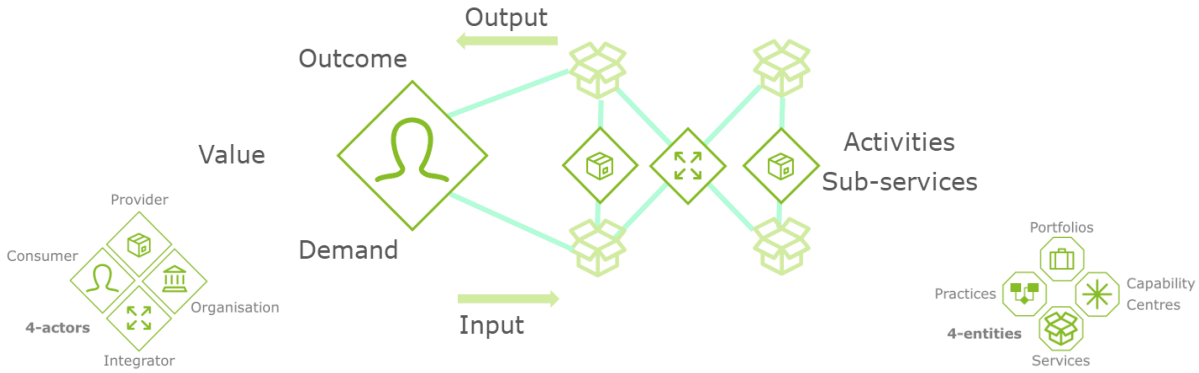


FIGURE 36: SHOWING THE CONSUMER INTERACTION WITH A SERVICE BEING DELIVERED BY A NUMBER OF SERVICES AND PROVIDERS, ALL COORDINATED BY THE SERVICE INTEGRATOR IN ORDER TO DELIVER AN OUTPUT

Services are *called* (with input) based on demand, to execute one or more *methods* (processes and activities) in order to provide a *response* (or output) which can be turned into an *outcome* by the consumer to deliver *value*.

Value is subjective, but is essentially the sum of the benefits, costs removed and risk removed minus the dis-benefits, costs added and risk added.

A process flow of activities across one or more services that facilitates value creation is known as a **value stream**.

A service is organised as follows:

[1] ITIL4 Glossary, AXELOS with terminology amended to "consumer" as one of the four ESM actors

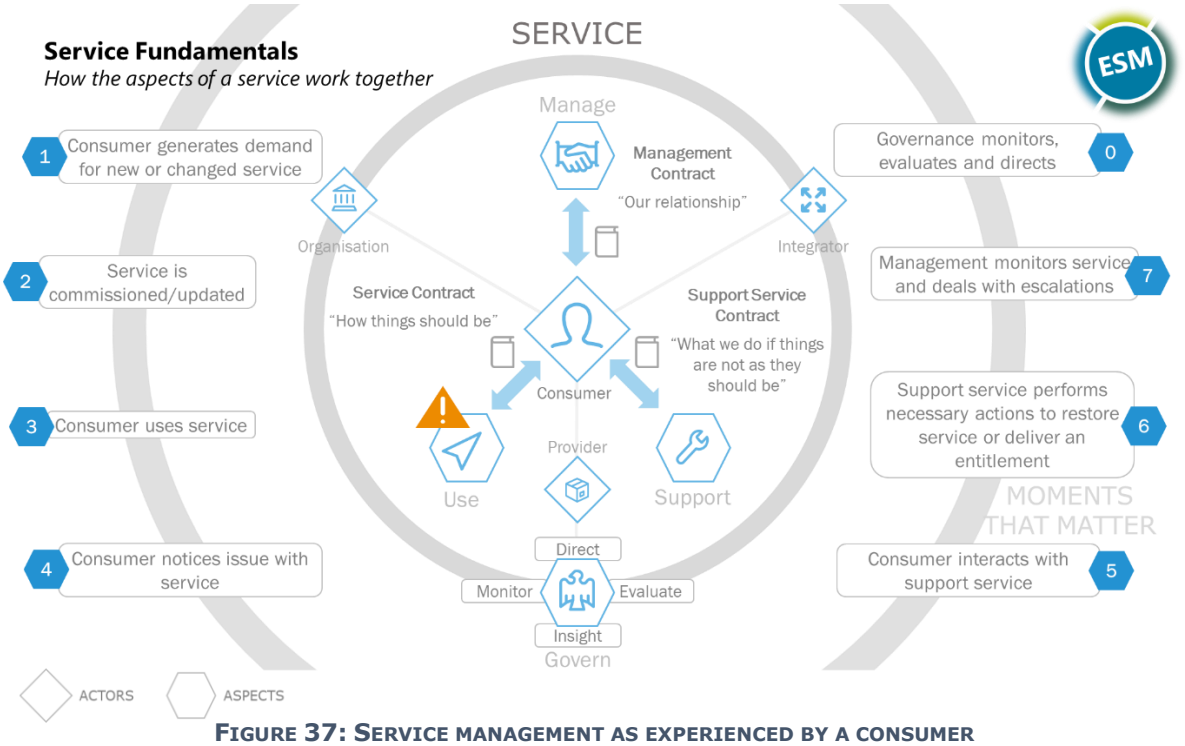


FIGURE 37: SERVICE MANAGEMENT AS EXPERIENCED BY A CONSUMER

The following table summarises the four aspects in relation to a service:

Aspect	Details	Performed in line with	Measured by
Offering/Use	What the service is and does	Service contract	SLA
Support	Assists, changes or restores the service	Support contract	Support SLA
Management	Delivers, improves, monitors and optimises the service	Relationship contract	Service scorecard
Governance	Evaluates, directs and monitors	Governance Framework	Balanced scorecard

4.2.2 Service definition

Services should be defined by their:

- **Scope**: grouping similar components with a common purpose
- **Value** potential for consumer, provider, integrator and organisation
- **Uniqueness**: Offering something not provided by another service (where possible)
- **Leadership**: the leadership of the organisation and service should define them as best makes sense for tracking value and delivering against the strategy

Each defined service should own its basic service components or note a dependency on another service providing them. This forms the ***configuration*** of the service. Configuration describes the use of a particular asset in the context of the entity it is serving.

Configuration plays a key role in making work visible – the first innate goal of our framework. Configuration records (configuration items; CIs) are stored in the configuration management database (CMDB), offering a link between assets (which have value) and entities (organised use of assets that create value).

We can consider configuration in layers tracking from entity down to asset:

1. **Portfolio** – reflecting a high-level organisation grouping
2. **Consumer Service *(mandatory)*** – reflecting a service that is consumed by end-users (within or outside the organisation)

3. **Provider service** - reflecting a service that is consumed only by another service
4. **Logical components** – reflects the high-level functions or use cases that make up the entity
5. **Physical components** – another intermediate layer, which is more closely aligned to the use of specific assets
6. **Asset** – the manifested physical assets that underpin the components.

Only consumer service is mandatory as this defined the entity service itself. Detail in the remaining class layers simply provides more intermediate detail so complex organisations can be modelled. Tracing **entities** to **assets** allows the organisation to understand how assets contribute to value creation.

All CI's except physical ones can be arbitrarily defined based on what makes most sense to the organisation. ESM recommends that the operating model is reflected in the configuration to ensure alignment between services, measures, objectives and the organisation structure. This improves transparency and accountability.

Each Configuration Item (CI) is related to another by up to four relationship classes:

- **Ownership *(mandatory)*** – single parent hierarchy allows ownership of any CI to be traced up to the ultimate responsible owner
- **Dependence** – shows the service relationships between one CI and another. Can be many to many – useful for simulating impact of an activity halting, or a component failing
- **Environment** – allows the maintenance of multiple draft, research, prototype or test environments that mimic the live service configuration
- **Manifest** – provides flexibility when linking to assets such that assets can be shared

All these relationship classes give us models that co-exist. The ownership model is unique to ESM and provides powerful capabilities. Further details are provided in the ***Configuration Practice Guide***.

4.2.3 Service structure

The guidance provided in the ESM framework is agnostic to:

- Whether a service is provided or consumed internally or externally to the organisation
- Whether the service outputs are consumed by another service or the end user

FIGURE 38: CHAINING SERVICES TO DELIVER OUTPUTS FOR A CONSUMER

The internal mechanisms of a service are irrelevant to the end consumer. They simply call Service A and receive a response from Service A.

4.2.4 Service governance

Services are governed by:

1. **Organisational governance** – the board, executive leadership and business unit senior leadership direct the organisation in line with its mission
2. **Portfolio leadership** – establish and direct services to meet consumer needs
3. **Service leadership** – directs the service to meet its objectives and co-create maximum value
4. **(indirectly) Capability Centres** – establish and guide services on good practice (§4.5)

Governance takes advantage of the governance practices (Feedback (Monitor), Organisation (Direct), Strategy (Evaluate), and Insight); and is an **aspect** of the ESM.

4.3 Entities: Portfolios

4.3.1 Portfolios overview

> *"A portfolio is a body within the organisation that commissions, delivers and manages services in order to deliver on a part of the organisation's strategy that has been delegated to it" - ESM*

A portfolio is a commissioning body that is responsible for one or more services. Each portfolio reports ultimately to the Board.

A portfolio can commission both services and *organisational practices*. Organisational practices are common capabilities across one or more services that makes sense to standardise and consolidate. This is distinct from an ESM practice, which details the fundamental practices consumed by all services.

The portfolio can serve in four roles:

1. **Establishing and directing services** and organisational practices in line with the organisational strategy
2. **Managing the services** operations to co-ordinate cross-service outcomes; aligning the assets to be optimal for service success
3. Providing **common administrative functions** for services, such as financials and portfolio management
4. Leveraging the insight provided by the Capability Centres (§4.5) to **refine the portfolio's strategy**

Portfolios are to be defined further in a future framework release.

4.4 Practices

4.4.1 Practices overview

*"A **practice** is a set of organisational resources designed for performing work or accomplishing an objective" – ITIL4*

A service describes a unique offering that the organisation provides to generate value. A practice describes the common standards, guidance and assets consumed by other entities to provide, support, manage and govern their offering. If services provide the "what" then practices provide the "how". ESM requires practices to be distinct from one another.

While a service controls its output and the consumer does not get involved in the running of a service, practices are quite the opposite. A practice is consumed by the service as part of their process of turning input to output, allowing **standardisation** and **commoditisation** of common activities. A practice will support (typically) more than one other entity.

A practice *may* hold **assets** as follows:

- **Purpose/Intelligence:**
  - **Leadership** – agnostic to service and responsible for maintaining and improving the practice, setting standards and providing guidance
  - **Specialists** – a community of practitioners who are skilled in a practice and act as a champion for it. They can be used (either centrally or within a service) to execute activities defined as part of the practice (e.g. a specialist assessor, or facilitator)
  - **Practitioners** – users who use the practice as an actor within part of a service's value stream
  - **Users** – provide inputs and consume the outputs of practices
- **Process**
  - Standards and guidance – good practice methodology that can be used and tailored by services
  - Model processes and tailored processes
- **Tools**
  - Tools and resources – artefacts available for services to consume in their use of the practice (e.g. an assessment checklist, policy manual, software)
- **Data**
  - Metrics and analytics – that are standardised for the practice and can be used to compare the performance of services

4.4.2 Practices definition

All practices should be:

- **Defined** – with an understood scope of activities
- **Unique amongst practices -** the activities are not replicated in any other practice
- **Common amongst services -** the activities are consumed by more than one service

Practices may be aggregated where there is not the resource or need to maintain separately, or further broken into sub-practices where it makes sense for the organisation.

4.4.3 Practice structure

ESM encourages services to commission shared organisational practices that are specific to the organisation, to commoditise ways of working.

The practices will mostly consist of people from the services consuming the practices as guidance for activities they are responsible for, however it is possible for a Capability Centre to take on some or all of the practice activities and offer them as a central function. This is effectively offering the practice as a service.

4.4.4 Practice governance

Practices are owned and governed by their Capability Centre.

4.5 Capability Centres

4.5.1 Capability Centre overview

Owns practices and provides standards and guidance to services, portfolios and practices. - ESM

A capability centre represents the organisation and owns one or more practices.

They may provide:

- **Standards and guidance for practices *(mandatory)*** – without the basic centrally understood definition of a practice and the supporting artefacts (people, process and tools), the practice cannot exist
- **Central support** – A capability centre may host a central team to run practice activities for services to consume.

Where central support is being provided, it is possible to also consider this ***as a service***, therefore ESM good practice can be applied to seek maximum value from the central support.

The capability centre has four roles in:

1. championing **standards** and providing **guidance**
2. owning and maintaining necessary **tools and resources** for both practices and portfolios
3. producing **analysis** and gleaning **insight**
4. driving **continual improvement**

As part of the tools and resources to support practices, members of the Capability Centres will hold the Lead role for each practice within their remit (see §12.2). The Lead may have a number of specialists reporting to them who provide the subject matter expertise to run the practice and assist practitioners and users.

The Specialists may be engaged in centralised practitioner roles where part of a practice is centralised across a number of services.

In addition, the Capability Centre will also hold the blueprints and methodology for establishing services that can be used by the portfolios and services to guide their design and operation.

4.5.2 Capability Centre definition

The Capability Centres exists to provide standards, governance and core support to services to help them facilitate co-creation of value with their consumer. They should have a Definition, Purpose, Vision, Goals and Activities (example below).

Capability Unit	Definition	Practice Purpose	Vision
Service Capability Centre (SCC)	Management and centralised support for practices	Governs the practices to effectively support and manage the services	Services provided with a robust toolkit of practices that are underpinned by standards, governance and core support to help their support and management service components achieve co-creation of value with the service consumer

Goals	Key activities
A) Establish and run practices (as measured by their goals) that effectively support services with a business and consumer focus B) Create a consistent and seamless experience across all practices C) Maximise organisational value	1) Governance establishment 2) Practice monitoring 3) (Practice staffing) 4) Cross-support-service monitoring 5) Improvement

Capability Centres should be defined to cover a reasonable number of similar practices. General guidance is to separate Organisation wide practice owning CCs from Portfolio practice owning CCs as the nature of the practices is quite different. Organisation CCs serve the organisation, while Portfolio CCs serve the commissioning portfolio.

It is important that the Services are permitted to execute practices in the manner that best allows them to deliver their value. Practices should provide guidance to services and allow them to tailor this.

Organisation Capability Centres represent the organisation, in that they are seeking to govern practices and provide standards and guidance that help ensure services support and align to the organisation's mission.

Portfolio capability centres are established by and represent portfolios. They manage common practices that are essentially components of a service.

4.5.3 Capability Centre structure

It is hypothesised that the capability centre has four roles to support the provision and improvement of standards and guidance:

- **Chair** – convenes the capability centre and acts as the champion for standards and guidance. Directs the capability centre resources and has indirect oversight over the portfolios.
- **Principal Architect** – Portfolios, Services and Practices may use architects in their design. The principal architect maintains the design of the framework, tools and resources they all use.
- **Analyst** – the analyst monitors the performance of practices and services, reporting on metrics for the benefit of the portfolios and services
- **Researcher** – takes data and works with services and the actors to provide insight, drive continual improvement and innovation.

There are specific capability centre functions defined within ESM:

4.5.3.1 ESM repository

The ESM capability centre is a specific capability centre within the organisation layer which is responsible for the application and maintenance of the framework. The ESM CC provides a central knowledge repository for all capability centres and practices to maintain their artefacts.

4.5.3.2 Organisation Board

The board of the organisation can be considered to act as a capability centre. Members of the board will likely own portfolios or services.

4.5.4 Capability Centre Governance

The ESM Capability Centres report to the Board.

The Organisational Capability Centres report to their commissioning Portfolio.

5 Techniques: Navigating the Framework

Section overview
Techniques help us navigate the framework components and are building blocks for methods.

We will cover:
- Four techniques to navigate and interpret ESM

In this chapter we'll look at how to use the framework components and apply techniques with the aim of delivering a change for an ESM aligned organisation, to move it closer to the **vision**.

Each of the components of ESM has an analogous **technique** that describes a generic means of working through that component. These techniques can be combined into **methods** that show how to apply the techniques in a particular situation. ESM **guidance** then provide the context for how to execute the method in a way that will turn output into outcome and provide value.

- **Components** give us a structure for capturing data on our organisation
- **Techniques** place this data in context giving us information
- **Methods** apply this information to give us knowledge
- When and how to apply the methods is outlined in good practice **guidance** which gives us wisdom

There's an old saying: knowledge is knowing a tomato is a fruit, wisdom is knowing not to put it in a fruit salad.

But why is it knowledge to know the tomato is a fruit? This is because we can't directly observe it. Someone had to gather data (e.g. it comes from a flower and contains seeds), contextualise it, and apply a method of classification to determine it was a fruit. We can, of course, now store this knowledge as data!

In this section we'll run through the techniques, then outline a couple of methods that can be used, and finally show how the methods sit within the context of practices which guide their use.

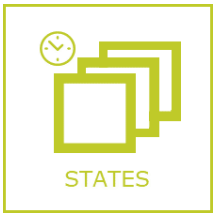
5.1 Techniques overview

FIGURE 39: THE FOUR TECHNIQUES

The techniques are:

1. The **States** – providing a ***snapshot*** of our as-is, transition, and target states, and path to get there. They form the inputs and outputs of the V-model.
2. The **V-model** – showing how the components relate to one another in a hierarchy, or in other words, how the external components we can't control relate to internal ones we can.
3. The **Spiral** – how to move through each component.
4. The **Intersection** – analysing a component in the context of another component.

5.2 The States



Every journey has an origin and a destination. We need to know both, plus any waypoints before a course can be charted. The same applies to organisations and change.

- Do we know where we are now?
- Do we know where we want to be?
- Can we get to where we want directly or should we plan to stop along the way?

Our origin (as-is) state, destination (to-be) and waypoint (transition) states should be defined with the following:

- Do we need to define this state (origin and transition states)?
- What do we know about this state?

If we're in a new city, we may take a moment to familiarise ourselves with where we are, and perhaps how to get out of the building, as there's no point getting lost before we even make it outside! If we're at home and familiar with our surroundings, we will not need to consider our origin so much. For complex journeys planning waypoints or transition states can help add some focus to the journey so that we don't get lost on the way to our destination.

At the outset a rough indication of the problem statement and ideal outcome may be enough to establish a target state. Each of the states is a blank canvas to complete during the design, by using the other techniques combined into a method.

Part of defining the states is to determine the practice context and select the appropriate method.

5.3 The V-model

The ***V-model*** shows how we can traverse across the components to build up the big picture on our state canvas.

A V-model indicates two passes on all but the focus component (as shown in the example below). Effectively the V-model directs us to:

1. Obtain context and requirements as we move down
2. Complete the substantive design against the focus component (at the bottom)
3. Validate in reverse order

Choosing a **focus** is a decision to make in most techniques because different situations will require a different focus. The method used should specify a focus when it calls a technique. The focus is the component that will deliver the output desired in the target state.

Typically, we think of projects as producing or building something. But what about a finance cost analysis project? What about a strategic market placement assessment? Considerations, forces and spheres may provide a better focus depending on what we want.

The only mandatory question to ask is: how much time do I need to spend analysing this component? The answer may be near zero.

For most projects seeking to change the present trajectory of the organisation, the dimensions will be the most relevant focus.

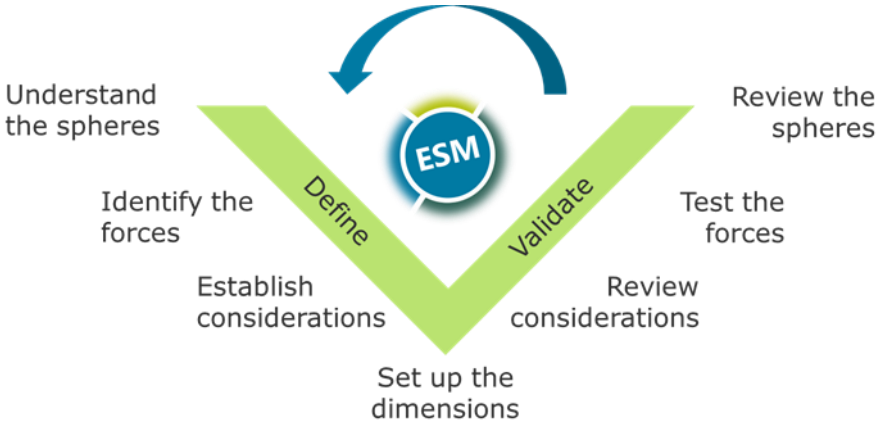


FIGURE 40: THE V-MODEL

In this case we want to work downwards to gain an appreciation for:

1. the **Spheres** which describe the big picture scope and context that we're operating in
2. the **Forces** which describe the factors we can't control, but will affect us. Forces can be opportunities as well as risks.
3. the **Considerations**: such as the mission, goals, principles and resources available to us
4. the **Dimensions** in their current state

Using this appreciation we can then design and validate each component:

1. First looking at what changes to the dimensions we need
2. Validate the impact on our resources, mission, goals and principles
3. Validate the impact of external forces
4. Validate that we've met the brief

We may perform the validation part of the V immediately, multiple times in testing, or at the end of the work depending on situation.

The V-model is a fairly intuitive way to help us move up and down the hierarchy of components from external to internal relative to our current scope (which will most often be a subset of the organisation – for instance a specific service).

How much effort is spent is dependent on:

- Size of scope
- Complexity of scope
- The nature of each element in relation to the scope
- Level of detail required for the next stage

Imagine you're starting a project. Firstly, you want to know what the project is (roughly what is the scope). You then want to know what the considerations are and what forces are out there that you can't control. All this should be completed before starting the project (work on the dimensions). During the project you would repeatedly validate the scope, considerations and forces.

5.4 The Spiral

Within each component we then need to navigate. Remember: each component dimension provides a complete view of the organisation from a particular perspective – for instance the organisation described in terms of its assets, or entities.

That means we need to work through each dimension in turn and then relate it to the others.

A method of doing this is to use ***the spiral***.

1. Spiral of definition – look at each dimension in turn and design it
2. Spiral of validation – confirm the impact of each dimension design on the other dimensions
3. (Spiral of confirmation) - in complex circumstances, any changes made in spiral 2 may have knock on consequences that a third pass through the dimensions will help establish

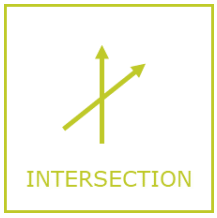
Again, there should be a focus within the component. With the spiral we should ask two questions:

- Which component do we know most about? - Start here
- Which component will give us the most detail related to our output? (one usually aligns most strongly) - Finish here; this is our **focus**

If possible, start with the one that we know most about and end on the one that will provide the most detail (focus). If perception changes during the process, don't be afraid to restart the process – the work done already can be consumed in as you go.

5.5 The Intersection

Components do not exist in isolation, and intersecting them is the best way to improve understanding and discover insight. Intersection is where we take one component and review it in light of another. There is usually an initiating and a receiving component, and different ***artefact products*** may be created in each case.



Whilst intersection is a powerful tool, in each case it is necessary to anticipate the product that will be created from intersecting and determine if it is sufficiently useful to warrant the investment. Once components start being intersected the workload can grow exponentially.

That said, there should usually be some form of intersection performed, even if only as a validation.

The focus component that is delivering the output we need, or closest to actually addressing the problem statement we started with is an ideal candidate to initiate intersection.

First explore the focus component sufficiently in isolation. Then review it in the context of another component. It can help to work outwards in a proximity order. For instance, if asset is our focus, we would first intersect asset with the other dimensions, before possibly working out to the other components.

Example: For example, a security project that is seeking to counter complex social engineering threats (spear phishing) against the organisation may use this technique to develop confidentiality and availability requirements in light of the other dimensions and components.

For example:

- **Availability** against **actors** to check that they have access to the information and processes they need in their own right, therefore reducing the number of ad-hoc requests via insecure channels
- **Confidentiality** against **considerations** to put in place controls at a strategic, goal, resource and principle level to guide further initiatives. There can then be further work to assess entities including practices, or to look at the actor's needs.

6 Methods: Applying the Framework

Section overview
The methods section shows us how to use the framework in order to answer a specific question.

We will cover:
- How to create an ESM method
- A case study example method

The components allow us to comprehensively define our organisation. The techniques allow us to interrogate this, and describe it in a structured way. But they are incredibly generic. Methods are applications of techniques in particular contexts.

Methods can be created for any scenario. For example:

- Engagement of **actors** to improve understanding of context (spheres) and needs (objectives)
- Analysis of **components** to identify opportunities to improve
- Design
- Delivery

Methods typically facilitate the transition between one **state** and another in the context of ESM practice guidance.

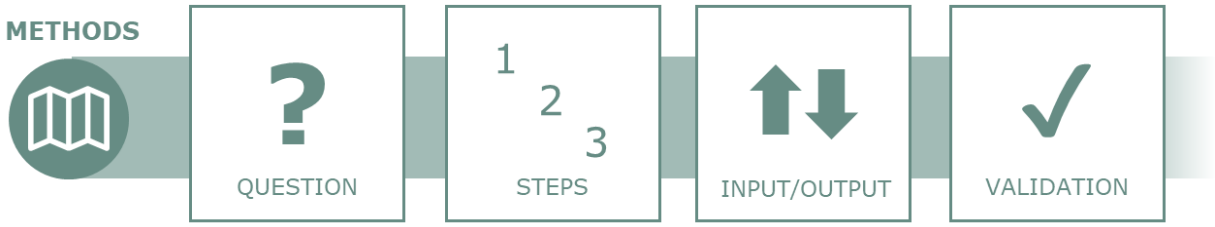


FIGURE 41: THE FOUR METHOD COMPONENTS

Each method should have a:

- **Question** – covering the reason for the method existing, why it will work and its scope
- **Steps** – structure for the user of the method to follow
- **Input/output** – defined parameters for what the method will consume, and expected outputs
- **Validation** – a way of the user knowing or testing if the method is a success

6.1 Question

When we choose to use a method, we're doing so because we want to answer a question, e.g.:

- Who should my service providers be?
- What do my customers want?
- How should I design X?
- Where should risk management sit within my organisation?

The **question** is almost like the search term that users will look for when they want to solve a particular problem. We also need to provide a ***complement*** to the question that says how the method will answer it. It helps if some thought is given as to the scope of applicability for the method (context where the method is valid). See also §12.3 for guidance.

6.2 Steps

A method should ideally prescribe (or at least give instruction on how to prescribe):

- The order in which ESM components should be considered
- The techniques to use
- The focus for each technique
- The rationale for the above

6.3 Inputs/Outputs

By providing the inputs and outputs any user can check they have what is needed to complete the method, and that it will produce what they need.

A user may be able to make direct use of a method output (or method product), or it may be the input to another method.

6.4 Validate

How should the user know if they have followed the steps correctly? What does good look like?

It is sometimes helpful to give an example.

6.5 Example Methods

6.5.1 Example: The "Alpha" method

The most basic method that covers all the components is the Alpha method. It is shown below:

The method question is:

As a technology provider, how do I design a tool for an organisation, where the organisation has good understanding of the relevant components and dimensions?

The complement (generic answer) to the question notes:

*To complete this design first head down the **V-model** towards **assets** as the focus, taking a **spiral** at each layer. This provides good coverage with relatively little effort, taking us quickly to the focus of the method; appropriate because the other **components** and **dimensions** are relatively well known.*

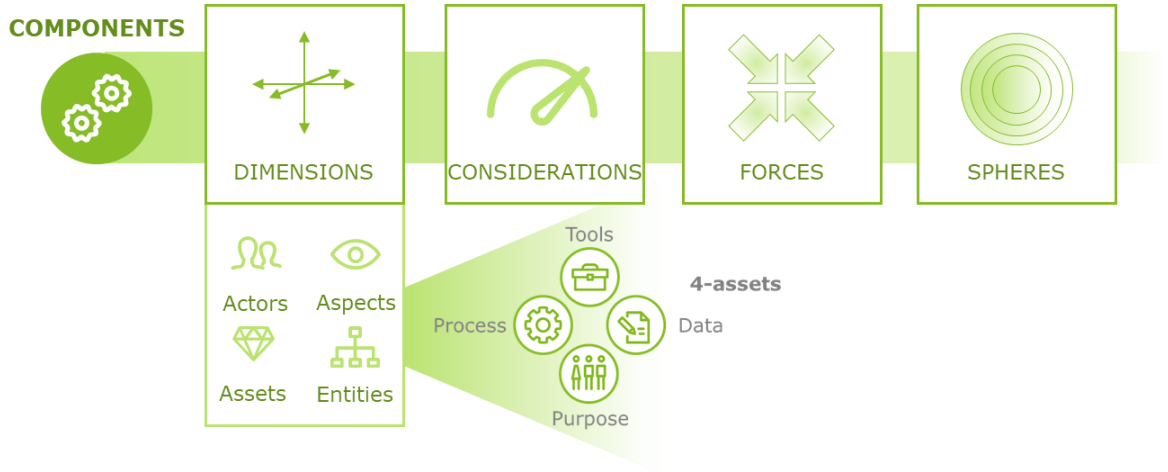


FIGURE 42: RECAP: THE COMPONENTS OF INTEREST DOWN TO THE ASSETS

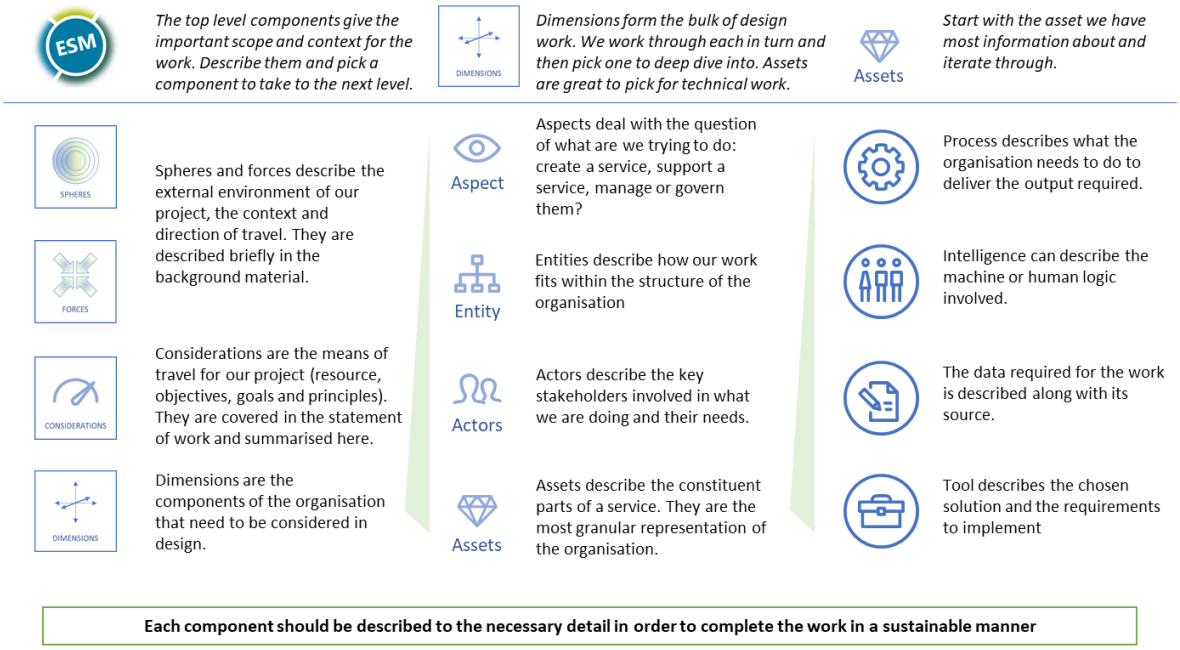


FIGURE 43: SHOWING THE STEPS IN THE ALPHA METHOD

Below is an example of the Alpha method being used for a Government Department:

Example use of the Alpha Method for a Government department

*We can cover off the **spheres**, **forces** and **considerations** for this small piece of work with a short background paragraph.*

A collective agreement with a union has resulted in a new employee wellbeing benefit being provided to support frontline staff (***sphere** of control*).

The department and union mutually benefit from high uptake through better staff wellbeing and a forecast reduction in absence days (***force**: social*).

A process is needed that makes it easy for the user to claim (***consideration**: vision*). The claim amounts are likely to be low, therefore the emphasis needs to be on encouraging uptake (***consideration**: objectives*).

*Next we look at the **dimensions** in turn and elicit just enough information to proceed.*

Aspect: We need to design a **service** (or use a case within an existing service) for **use**.

Entity: The **service request** will sit as part of Payroll > Benefits.

Actors:

The ***organisation*** in this case is the Government department. The Union is also noted as an owning stakeholder.

The ***consumers*** are front line employees who are members of the union and subject to the collective agreement.

The ***integrator*** is the payroll team who administer the benefit.

The ***providers*** are the payroll team and managers who approve the claim who will both take part in executing the process.

Assets: *with the above information, we can start to focus on Asset to flesh out the detail.*

Process has already been defined in accordance with the standard employee benefit process so we start by **validating** this.

Intelligence aspects are discussed by reviewing each of the decision and interaction points. Is that manager approval necessary given the amount? What exactly are the eligibility criteria? How do we make the process effective?

Data required to drive the process is elaborated.

Tool requirements are then elicited and the solution determined. The other asset classes will then need to be reviewed. A workshop can generate good cross-discussion at this point.

Finally the above are reviewed for consistency and completeness as a basic form of **validation**.

*Notice that this method simply leads us to a design – we need to **use** the method in context of the Initiative practice (which is where we initiated this method from) in order to deliver the design.*

An alpha method worksheet is provided in the Appendix (§13).

7 Guidance: Context for the Framework

Section overview
This section is part of the practitioner track. It shows how the framework itself, and particularly the aspect model provide context for our methods and guidance on where to start.

We will cover:
- Augmenting the ESM framework with our logic, current practices and experience
- Examples of navigating the ESM aspect model

We have our method which will give us an answer to the question we seek, but what questions should we be asking?

ESM is a ***recursive*** framework. By now we should be familiar with the concept of using the framework to answer questions about the framework.

The final element of ESM, **guidance**, does just this.

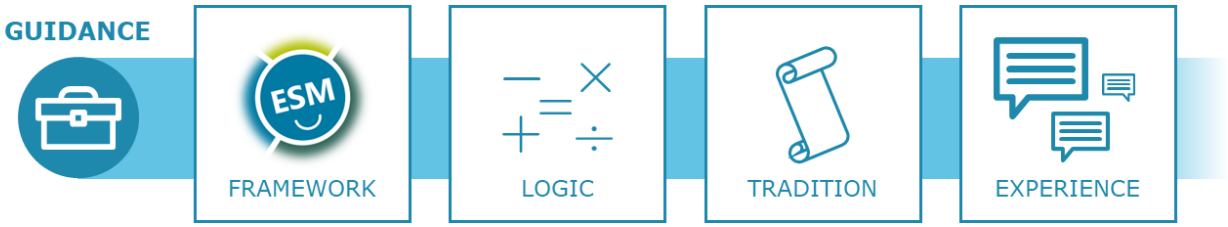


FIGURE 44: THE FOUR COMPONENTS OF GUIDANCE

As we can see, there are four sources of guidance:

- **ESM Framework** – which represents our best understanding of the universal organisation
- **Logic** – which represents our ability to question, challenge, apply and test. The ESM framework always requires logic to apply. Tradition and experience should be put through the logic test to check that they make sense rather than blindly following them.
- **Tradition** – or evidence, which represents commonly understood industry guidance
- **Experience** – our personal experience of what will or won't work

7.1 Framework

The framework is our source of structure and guidance. Guidance should be universally applicable, but the framework needs to be specifically applied for our individual circumstance. How then can we use it?

The answer comes from the framework: **aspects** are here to help.

7.1.1 A constant dimension: Aspects

> *"When the world around is changing, hold on to what's constant" – ESM*

Because aspects are constant and universal they provide a great source of guidance that can be tailored by organisations.

All ESM aspects are optional, for a time. How long that time period is depends on the nature of the entity. Each aspect confers a benefit that contributes to the stability and value creation of entities,

and the organisation as a whole. Over time, an organisation should consider all ESM aspects in order to be sustainable.

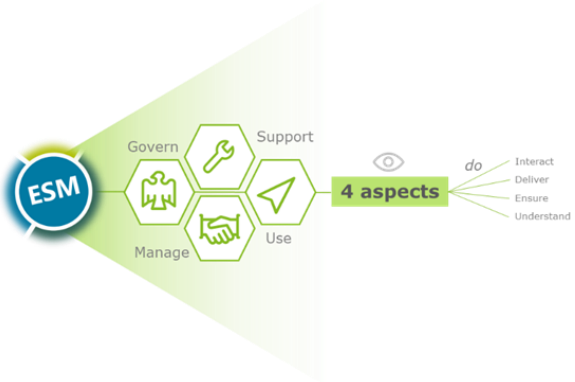


FIGURE 45: ESM ASPECTS DIMENSION

The Aspects Model takes the activities underlying different types of work in various business disciplines and structures them into an overarching framework. It is created by **intersecting** the aspect dimension with its sub-dimension (which we're still discovering more about).

The simplified model is shown below. It shows:

- The **four aspects of a service**: Use, Support, Manage and Govern
- The **four layers of a service**:
  - *Interaction* – practices that support the interaction between the consumer and the entity
  - *Delivery* – practices that support normal entity operation or improvement
  - *Ensuring* – pro-active practices that de-risk, maximise opportunities and align entities to the organisation's strategy
  - *Underpinning* – information and policy-based aspects that support other entities and decision making across the organisation
- The **six aims (facets) of a service**:
  - *Operate (Use)* – the primary facet that contains the actual entity offering used by the consumer
  - *Restore (Support)* – handles any degradation to the entity against expectation
  - *Action (Support)* – handles any delivery activities (both Ops and DevOps requests)
  - *Improve (Manage)* – handles the development of an entity
  - *Collaborate (Manage)* – monitors the output of entities and their alignment to the contracts and portfolio
  - *Inspire (Govern)* – is to align the entities to the mission of the organisation through the four aims of governance: monitor, direct, evaluate and insight

The organisation can choose which of the **four actors** is responsible for each of the **aspects**. The aspects can be considered both on an organisational level and on an individual entity level. For example, the organisation has a strategy, but each entity may also have its own strategy that is part of the overarching strategy. The aspects are flexible enough to be performed as the organisation sees fit.

Entities are distinct from **aspects**. Aspects reflect activities and the nature of work. Entities reflect teams and structures that perform the work.

For example: Incident is an **aspect** of work, **not *necessarily* a practice**. To see how aspects are manifested in the entity structure, we need to ***intersect*** aspect and entity:

- **Capability Centre** – A set of standards and guidance provided for entities to use to perform Incident activities themselves
- **Practice** – A central team of specialists and practitioners to support services in managing their own incidents as they require
- **Portfolio** – A localised team shared across the portfolio's services, providing common triage and resource across the portfolio to respond
- **Service** – Incident response is centralised across the organisation and response is provided as a service with a dedicated pool of resource to drive incidents to resolution drawing input from the relevant teams (e.g. outsourced support partners)

In practice, organisations may see Incident activities performed by one or more of the above. This is because **aspect activities** can be performed by **all entity types.**

The **aspects** themselves are shown in the full practice model on the subsequent page.

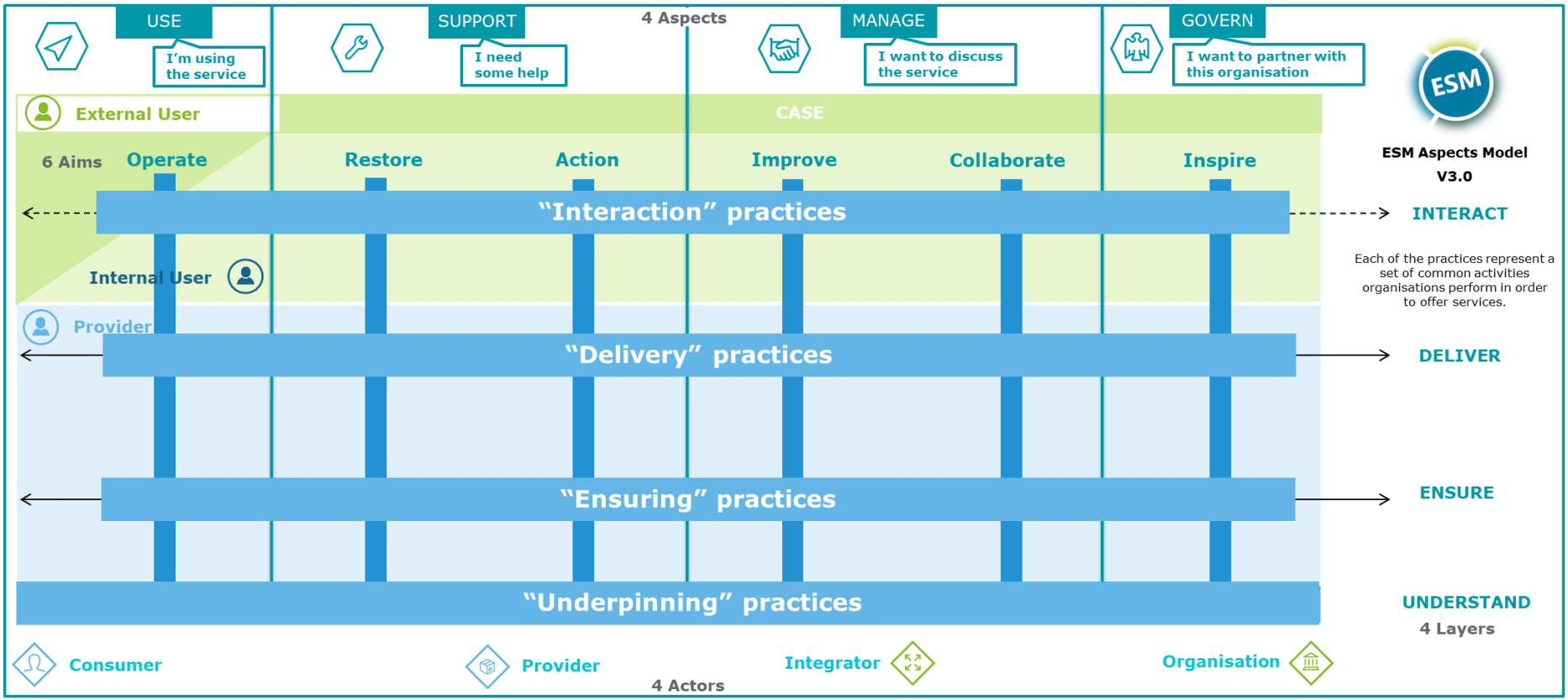


FIGURE 46: KEY COMPONENTS OF THE ASPECTS MODEL

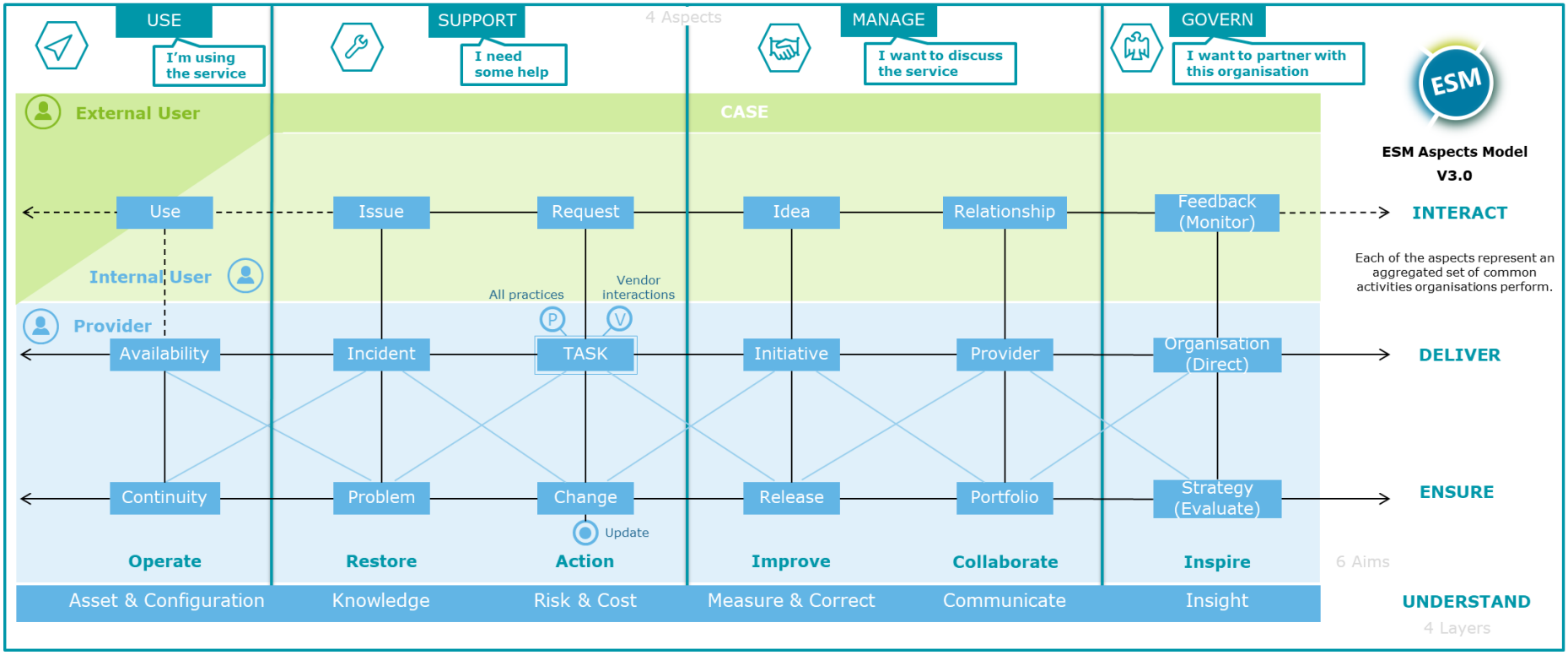


FIGURE 47: ESM ASPECTS MODEL (DETAILS PROVIDED IN (§11: ASPECT DEFINITIONS)

The **aspects** themselves are described further in the appendix. The lines represent the logical interaction between aspects.

The aspects can be broken down further, and take on specific context depending on the situation. Example: Initiatives, which could be run as a project using Project practices, or as a small continual improvement initiative. These can help in larger organisations and the aspect guides should be consulted for more information.

An organisation of any size should define the aspects to the level of rigour that they see fit. ESM simply details guidance on what aspects and activities organisations should consider. How they are performed by **entities** is dependent on circumstance.

7.1.2 Aspects and practices in ESM

As stated, **aspects** are a unique **dimension** in ESM as they represent the fundamental nature of work and provide a complete picture of the organisation. Because they provide a complete picture (at one level), we can elaborate them generically as part of the framework itself to generate universal **aspect guidance**. This provides a much better-defined starting point for organisations to take and tailor this guidance.

We can therefore create **guidance** around each aspect that indicates the activities to consider and suggests applicable methods to follow. From the model it is possible to deduce much about the nature of each aspect.

An outline of each aspect is given in the Appendix (§11).

Therefore, the entry point to ESM is to first consider: **what aspect is providing the impetus for the change or work?**

As examples to this question above:

- Is the user, integrator or provider the source? In this case, they should raise an Interaction via an Idea.
- Ideas are validated against the Portfolio and Provider to determine whether they should be allowed to progress as an Initiative.
- Is the Organisation or entity owner the source? In this case, they should use the Portfolio.
- The organisational leadership should start with Strategy.

The lines on the diagram represent paths that should be considered when reviewing an aspect. **They are <u>not</u> necessarily process flows**.

7.1.3 Manifesting Aspects in Entities

As we've seen, the dimensional approach means organisations should not see aspects as being part of the operating model, but guidance to be consumed. All the entities have their part to play in performing aspect activities, and all should work together in a manner appropriate for the context of the organisation.

7.1.4 Example use of ESM Aspects

Taking some wider examples of how the aspects could be used in real world scenarios:

The below diagrams show how the organisation and entities can take advantage of the relevant aspects to deliver value for the four actors.

7.1.4.1 Example 1: Commissioning a service

Our example involves a coffee company that has used the innovation aspect along with their strategy to spot a gap in the market for apple flavoured coffee.

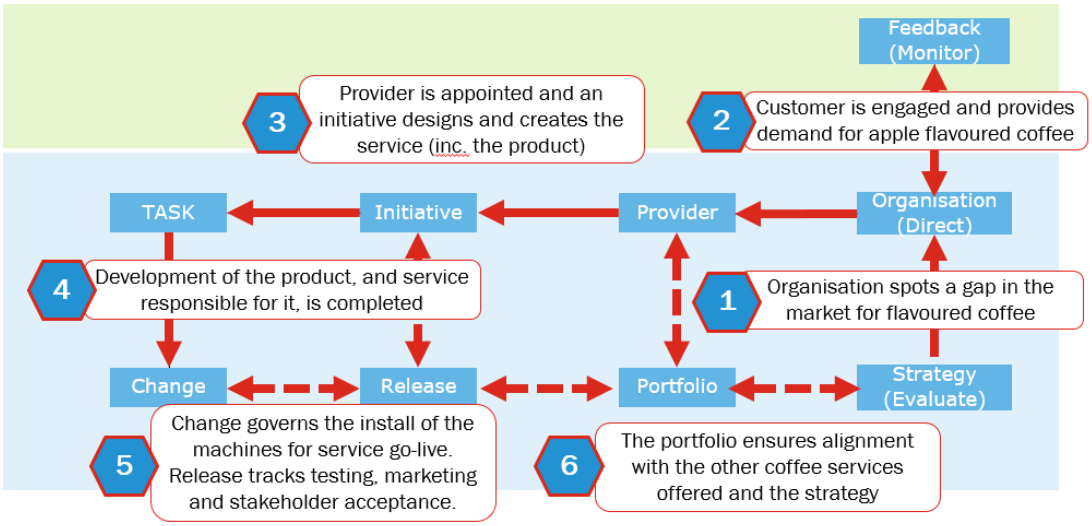


FIGURE 48: EXAMPLE USING THE ASPECT MODEL TO COMMISSION A NEW SERVICE AND PRODUCT TO FILL A GAP IN THE MARKET

As we can see, delivering new service is actually quite a complex feat. **Portfolio** and **release** are involved throughout to provide assurance over the appointment of the **provider** and the **initiative**. This demonstrates the interaction between the ***deliver*** and ***ensure*** layers of the Aspects Model.

7.1.4.2 Example 2: Responding to degraded service

In this example, **incident** and a **continuity** plan are used to make available a working area that staff members affected by the A/C outage can use.

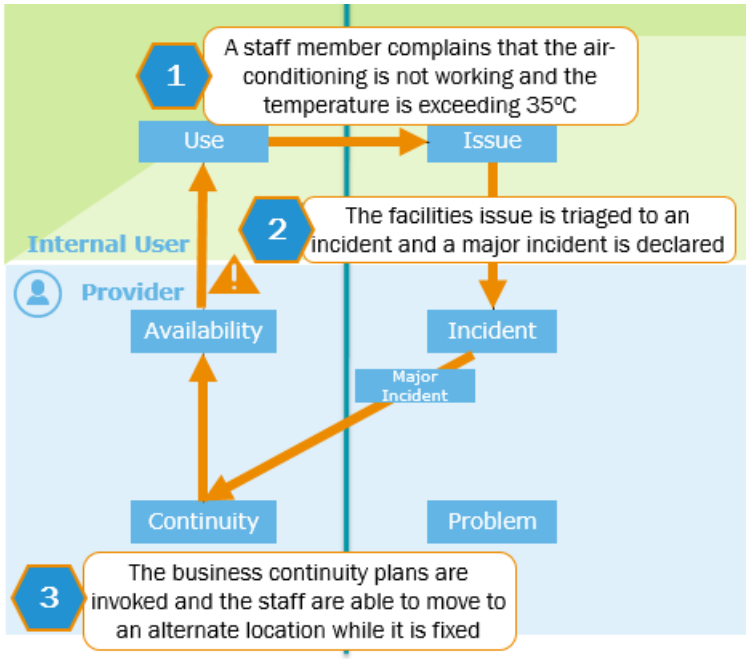


FIGURE 49: EXAMPLE USING THE ASPECT MODEL TO INVOKE A CONTINUITY PLAN TO RESPOND TO AN INCIDENT

Having **continuity** in place enables the organisation to deal with such eventualities.

7.1.4.3 Example 3: Dealing with requests and escalations

This example shows the model being used on a micro-scale. There is likely to be no work management tool. Verbal communication and a notepad are more likely to be used, but the principles still hold.

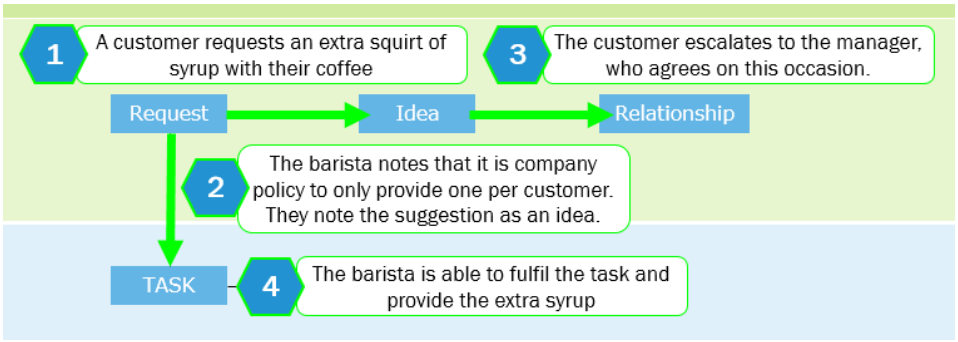


FIGURE 50: EXAMPLE USING THE ASPECT MODEL TO RESPOND TO A REQUEST THAT CANNOT BE FULFILLED

Here common sense prevailed and a customer **relationship** is maintained at trivial cost to the organisation.

7.1.4.4 Example 4: Dealing with OLA breaches

Our restaurant supplier has missed a critical ingredient shipment, breaching their Operational Level Agreement. Fortunately, the customer accepts a substitute and the chef can begin working on a new dish for the banquet.

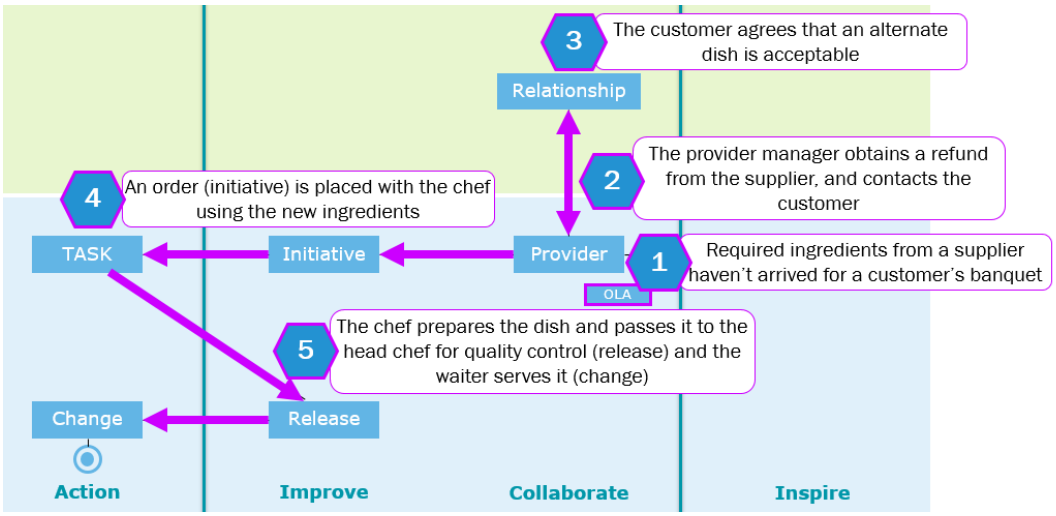


FIGURE 51: EXAMPLE USING THE ASPECT MODEL TO RESPOND TO AN OLA BREACH

Because it is a new dish on the menu, the Head Chef is placing additional testing and controls around the change.

7.2 Logic, tradition and experience

If the framework represents the fundamental nature of work in an organisation, then logic, tradition and experience should defer to the framework, at least initially. By understanding what the framework is indicating about a certain question, we can test whether our current traditions or experience are correct, or need refining.

Of course our understanding of the framework is not perfect, and this document will contain errors, but as we refine our understanding of the framework these scenarios should get rarer.

8 Transitioning to ESM

Section overview
This section brings together everything we've learned and shows how to adapt an organisation to ESM. We will use the framework to show us how to achieve this.

We will cover:

- A method using the framework to transition an organisation to ESM

No organisation is fully aligned to ESM, but the challenge of adapting to it is less arduous than one might think.

All organisations practice ESM today, they just don't label it as such. Some areas will more closely align with ESM good practice than others.

Remember: ESM seeks simply to provide structure and explain the nature of work ***we already do***. This is why it is intuitive, and why transitioning needn't be difficult.

Our final chapter covers this topic. It uses what we've already covered in the framework to help us.

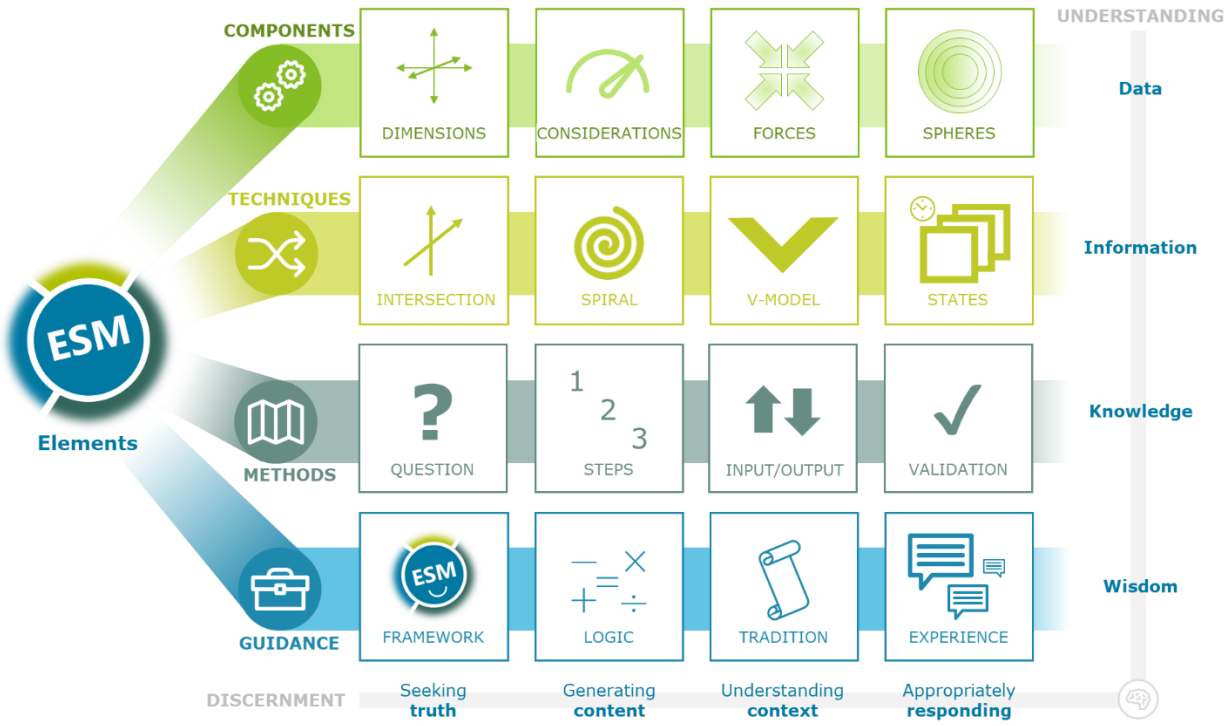


FIGURE 52: UNSURPRISINGLY THE ESM FRAMEWORK GUIDANCE AND METHODS CAN BE USED TO FACILITATE A TRANSITION TO THE FRAMEWORK FOR AN ORGANISATION

8.1 Adopt the framework

In line with our methodology for methods, we want to ask the following question:

"How do I transition my organisation to ESM?"

Our method first provides the universal complement (answer) to this question:

The first step is to look to ESM for guidance

The inputs to this method are the ESM framework and your existing organisation. The output to the method will be defined by the **aspect** selected during the steps.

8.2 Ask the Aspects

The second step is to figure out where to start.

ESM covers the whole organisation, and the answer is that you can start anywhere. Here's a few examples:

- **Strategy first** – the strategy practice provides perhaps the best way to jump into ESM, as it embeds the principles and structure of ESM from top down into the organisation. Strategy is the practice by which new organisations are formed.

But what if an organisational leadership is not yet convinced, and wants to seek proof on a smaller scale:

- **Service first** (start with the provider and initiative aspects) – a new service can be designed using ESM from its inception using the framework. This can be a good way to create value and encourage existing services to transition.
- **ITSM platform first** (start with the initiative aspect) – IT is already well advanced in its knowledge of Service Management, hence the ITSM platform is perhaps the most subtle way to start an ESM transition. By uplifting all the practices to be ESM compatible, the organisation will start to see benefit immediately. New capabilities to handle some of the non-ITSM practices may be needed. A tool-led approach needs to be backed by robust Organisational Change Management to explain why the change is happening and generate interest and buy-in. Services will still need to be transitioned over.
- **Key Performance Indicators (KPIs) first** (start with the measurement aspect) – by holding Services to their ESM KPIs and expectations, responsibility for migrating to ESM can be delegated to the Service Owner.

Further details will be provided in the respective **aspect guidance**.

This is the time to work through the **spheres**, **forces** and **considerations** for the transition.

8.3 Approach the Actors

Who is involved with the transition: organisational leaders, consumers (employees? customers?), providers (transition team? suppliers?), and who will integrate?

All need to be consulted and their needs identified.

8.4 Establish the Entities

What structures do I need to achieve my vision? The organisation has complete control over structure and can allocate its **assets** within them to structure for success.

8.5 Align the Assets

The final dimension is our focus.

8.5.1 Purpose

Process, tools and data can be changed. They're very forgiving and will go along with whatever you direct, given enough resource. The same cannot be said for the purpose (or intelligence) within the organisation. AI needs training and people, we humans, need to be brought along the journey too.

8.5.1.1 Educate

It's been a long time since the last known "masters of everything" (people who understood pretty much the whole of science, e.g Isaac Newton), and we've necessarily developed specialisms to drive forward respective disciplines. What has been missing is a focus on applying the rigour of specialism to generalism, and to appreciate the links and relationships between all of the specialisms.

This focus is similarly lacking in our education systems, which is why organisations very easily organise themselves into silos, and much effort and methodology is expended on trying to break these down and encourage a wider appreciation.

So don't underestimate the scale of the challenge, yet also because ESM is natural, with the right structures, prompts and intuitive processes, ESM will be intuitive to follow.

8.5.2 Tool and Data

Technology is the best way to embed ESM into an organisation, as the system can deal with a lot of the process and meta-thinking that applies the framework without people having to consciously think about it.

It quickly becomes apparent that ESM is leading towards a central platform for managing work. If we can digitise the processes to be followed, the system can perform much of the thinking and we can make processes easy to follow.

Work platforms can be great for this. ServiceNow is a leading example.

- Each practice has a work record that guides the users through the practice activities.
- Each record is integrated with other practice records at relevant points, in line with the ESM Practice Architecture.
- Each record is ultimately a task that can be seen on a universal worklist.

Making use of an underlying relational database, we can tag all work records to the relevant *configuration* and automatically route work to the teams responsible. An underlying enterprise data model is also desirable.

ESM calls upon tool providers to take the practice guidance and implement it in their out-of-the-box data model and processes. This way, any business can subscribe to the platform and quickly have a robust and integrated system ready to support their services.

We cover tooling first because once a platform is selected, it can provide an anchor for designing good practice across the remaining **assets**. Platforms have the advantage of working with many customers and embedding good practice out of the box.

Unfortunately as ESM is only just emerging, at this point tools will need configuration to become ESM ready.

8.5.3 Process

As well as this document, ESM also offers the following sources of universal guidance:

- **Aspects** – guides are being created for each practice listed in §11 – Practice definitions.
- **Assets** – Many of the concepts in ESM become simple thanks to modern technology, such as a unified system of work, and federated configuration. ESM has a guide on implementing these foundational building blocks that are common across all platforms.
- Further artefacts are proposed for the other **dimensions**, **components** and **elements**.

Universal **guidance** needs to be tailored (or created in its absence) by organisations to their specific needs to produce a network of artefacts that detail how ESM will be run. For small organisations, this

can be quite light, the key is to do enough that everyone understands what they are doing, how to do it, and most importantly: why they are doing it.

8.6 Validate success

The main validation for ESM is whether our organisation is able to achieve its mission and vision.

That said if we simply want to understand how closely we are now aligned to ESM, a basic maturity model has been defined to help us establish this:

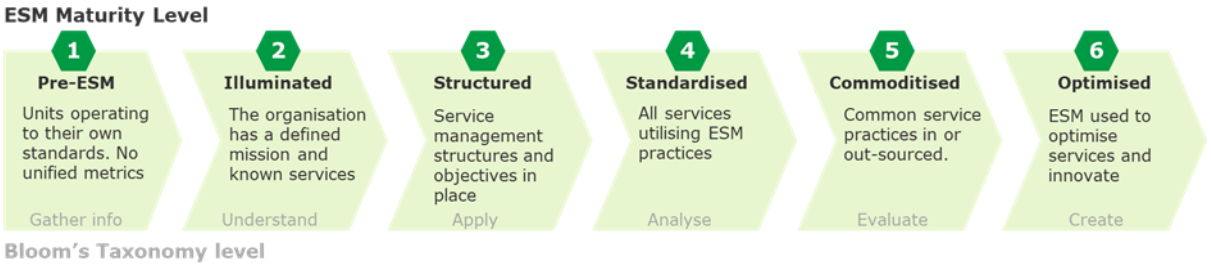


FIGURE 53 - ESM MATURITY MODEL

As ESM is primarily a journey of understanding the organisation and applying this knowledge, we can note that the levels roughly align with Bloom's Taxonomy of knowledge[2].

[2] Anderson, Lorin W, Bloom et al; "A revision of Bloom's taxonomy", Longman 2001

9 Closing notes

Enterprise Service Management represents a shift in thinking about the way the organisation does work. While it can seem strange and abstract on first glance, taking the time to put aside contemporary assumptions and wisdom, ESM proves itself to be a robust and illuminating source of guidance for our digital age.

The next level of detail shows how each of the ESM practices add something unique to each service, and we can define each with a vision, goals and outline activities. Similar exploration is in progress for other dimensions and components.

We appear to stand on the brink of an exciting new age of discovery, with the prize of a realised fourth industrial revolution awaiting us if we can understand how to conquer complexity and uncertainty.

Long ago Adam Smith discovered that the natural order behind individual transactions in our economy could be described with the globally accepted discipline of micro-economics, allowing businesses to understand the market forces at play. ESM takes a step up for this and suggests that if we can model the transactions then we can model the whole organisation, drawing on the discovery of Service Management, precipitated from the complexity IT has had to deal with over the years.

Whilst macro-economics (study of entire economies) sometimes gets labelled inaccurate, we must spare a thought that dealing with millions of organisations is going to be difficult. We have to start somewhere, and ESM offers us a model for a single organisation.

Empirical industry frameworks are no longer enough to keep pace with the change and disruption. We need an understanding of the underlying theory to develop them, which ESM appears to provide.

We are at the beginning of a journey and there is no way that these documents can do the framework justice. This document will only ever be a dim shadow of what is possible.

Whether your interest in this is entrepreneurial, scientific, or simply curious, hopefully you have found this publication helpful.

Please reach out (§14) if you would like to contribute and help us explore the framework and this field further.

FIGURE 54: AGILE ENCOURAGES STICKY NOTES, ESM ENCOURAGES FUTURISTIC LOOKING DASHBOARDS...

10 Glossary

All words and phrases in this publication **carry the common usage meaning as defined in the Oxford English Dictionary**. Where a term used in this document carries a specific, non-dictionary meaning in the context of ESM this glossary will supersede the dictionary meaning.

It is noted that other frameworks and standards use the defined terms with a different definition. Where there is conflict, the ESM glossary, followed by the dictionary, prevail for the purpose of interpreting this document.

ESM is a foundational framework with a mandate to define its own terms for the purposes of describing the underlying natural order.

Defined terms are **emphasised** or ***italicised*** where possible.

10.1 Glossary: General terms

§ - Symbol for 'Section'

Abstract – considering something as a concept rather than its physical reality. For example the different uses of a tool are an abstraction from the tool itself.

Academic planes – the notion that all disciplines in academia are simply a different perspective on the world. It is proposed that these perspectives are layered: Mathematics, Science, Technology, Economics, Society, Philosophy with each consuming and driving the previous. This feedback loop is theorised to be the driver behind exponential technology growth.

Ascribe *(verb)* – regard something as being due to.

Arbitrary – created according to human will, rather than any particular logic or structure.

Commoditisation – the act of taking common repeatable processes or activities within a service and turning them into other services or ***organisational practices.***

Disruption – growth exceeding capacity for change.

Dynamic – considering ***time.*** ESM guides the application of time only once the ***static*** state is understood.

Ecosystem (of actors) – community of **organisations** working together to deliver a **value stream.**

Enterprise – an ***organisation*** in the pursuit of **value.**

Framework - a construct designed to reflect reality: a model representing the world around us; allowing us to understand and exploit it.

> **Empirical framework** – a framework that is a collection of observed 'good practice'. These frameworks typically need to be learned by rote. Empirical frameworks may still display aspects of the underlying natural order.
>
> > **DevOps** – a cultural shift, or philosophy, of Development (Change) and Operations (Business as Usual) teams working holistically to redeem, restore, remediate and enhance service. ESM facilitates this.
> >
> > **ITIL (formerly the IT Infrastructure Library)** – a framework that focusses on aligning IT services with the needs of the business.

Service Integration and Management (SIAM) – a methodology for managing a multi-sourced vendor environment.

Natural framework – a framework that replicates real-life by deconstructing and reflecting its fundamental components in an ideal state. All components should relate to one another, and the hallmarks of a natural framework are being intuitive, self-unfolding, and displaying order and elegance. A natural framework should be theoretically grounded, yet empirically observable.

Enterprise Service Management (ESM) – an overarching natural framework, and implementation thereof; a good practice model for a generic organisation[3]. This document seeks to describe ESM – it is *not* ESM, therefore while this document may contain inaccuracies, the framework is the reality we're attempting to describe.

Guidance – good practice advice or information used to provide broad direction that is to be interpreted in the context of the situation in which it is applied. ***Guidelines*** are more prescriptive and should be followed.

Industrial Revolutions (IR) – application of new technology on a mass scale causing massive economic growth (first: steam, second: rail, third: digital, fourth: smart technology). We argue that the fourth IR is currently not yet being realised in practice, due to complexity and chaos.

Innate aim – fundamental objective. For a framework these are (aligned with the basic tenets of economics): Visibility, Structure, Standardisation, Commoditisation and Automation.

Logical – see **abstract**.

Management – **organise** resource and assets to create value as directed by governance.

Organisation – a structured collection of **Dimensions** that share common **Considerations**.

Organisational science – a proposed new field of academic study, taking a scientific approach to organisational studies. Aims to model the organisation and the fundamentals of work.

Practice – an ESM entity. A set of organisational resources for performing work or accomplishing an objective.

Productivity – output per unit of input.

Perspective – a description of a view relative to the vantage point from where the user is describing it from.

Service – (1) Undertaking an activity on behalf of another to co-create value, (2) An ESM Entity, (3) ITIL4: "A means of co-creating value by facilitating an outcome customers want without the customer having specific ownership or risks".

Silo – isolated from others. Opposite of collaborative.

Static – independent of time. A snapshot in time is static.

Stakeholder – someone for whom derives value from or is affected in some way by an activity.

Value stream – a process flow of activities that contributes to value creation.

[3] ESM (and the ESM tool) is a Service in its own right, as it has its own Service Contract, Support Service (e.g. ESM Issue, ESM Requests, ESM Ideas) and Resolver team.

XaaS – Theory of Everything as a Service. ESM proposes this is because **service** is fundamental to organisations: organisations exist to serve.

10.2 Glossary: ESM Specific terms

Enabler – a recommendation for a technology building block that allows an ESM system to align with the framework.

Vision – an ideal target snapshot or state reflecting the best outcome an organisation can hope to achieve.

10.2.1 Glossary: ESM Components

Consideration – provide the means of travel for an organisation (Goals, Principles, Mission and Resource).

> **Principle** – "agreed statements that can guide the organisation in all circumstance" (ITIL4).

Dimension – a unique and complete perspective from which to describe an organisation.

> **Actor** – the fundamental personas or roles involved in ESM. An individual or organisation can play multiple or different roles depending on the perspective taken.
>
> **Aspect** – a perspective reflecting how work is performed by the organisation in order to serve.
>
> **Asset** – has value. Assets are acquired, and all value created can be ascribed to part of, one or more than one asset.
>
> **Entity** – the fundamental building blocks for an organisation that are logically defined by the leadership. ESM theorises that all parts of an organisation can be aligned to one of the four entities (see §10.2.2). The organisation typically has complete control over its entities.

Force – external factors affecting the organisation.

Sphere – scope boundaries within which the organisation exists.

10.2.2 Glossary: ESM Entities

Capability Centre – an ESM entity. Owns practices and provides standards and guidance to services, portfolios and practices.

Service – see definitions above.

> **Service Offering** – The service as understood by the consumer. A single service can have many offerings. In some cases offerings can span multiple services.
>
> **Product** – A physical or virtual asset that may be used by the consumer as part of a service. The service may be just the product.
>
> **Service Catalogue** – A collection of service offerings.
>
> **(Service) Request Catalogue** – a catalogue of structured request types that follow a pre-defined workflow (redeem an entitlement).
>
> **Service Contract –** the agreed levels to which the Service will be provided to the consumer in terms of scope, time, cost and quality.

Entitlement – guarantee of access and provisioning (specified in the service contract) for the services a consumer is authorised to consume. Entitlements are *redeemed*.

Degradation – Where a service falls short against any aspect of the Service Contract. Degradations are *restored*.

Service Level Agreement – a measurable part of the contract that can be tested to determine if the contract is being met.

Operational Level Agreement – an internal measure (that is less than the SLA) for a service component or provider to adhere to in order that multiple components or providers together can deliver within the SLA.

Service SLA/OLA – used to determine if a degradation of service has occurred.

Support SLA/OLA – used to determine how quickly a task should be completed.

Portfolio – an ESM entity. A collection of similar services, or services that are regularly part of a ***consumer***'s ***value stream***. A portfolio has some control over the ***considerations*** affecting its services.

Practice – see definitions above.

Activity – building blocks of a practice that outline types of work that should be considered to meet one of the purposes of the practice.

ESM Practice – one of the fundamental practices that forms part of the Practice Model describing the nature of work.

Organisational practice – (*distinct from* ***ESM Practice***) a custom practice that is a commoditised aspect of a service.

11 Appendix 1: ESM Aspect Summary

The below table describes the **aspect** definitions, purpose, vision, goals and activities which forms the basis of the more detailed **aspect guidance**. Please see §7.1.1 for more discussion on aspects, what they are, and what they aren't! Note: Red boxes are still in draft state.

Aspect	Definition	Practice Purpose	Vision	Goals	Key activities
INTERACT					
Use	A consumer using the service	n/a – defined by service	Maximised value co-creation between all four **actors**	n/a – defined by service	n/a – defined by service
Issue	A consumer reported service degradation	Governs the interaction, triage and management of a reported service degradation (including the business and consumer responses)	Reported degradations of service handled efficiently for satisfied consumers	A) Satisfied consumer with a functioning service B) Maximise fulfiller efficiency C) Maximise organisational value	1) Prevent issues 2) Capture (Portal, Call) 3) Triage 4) Manage 5) Resolve 6) Improve
Request	A service action that has been agreed as part of normal service delivery	Governs the creation and management of catalogue items, and fulfilment of requests arising	Satisfied consumers are able to request and access services they are entitled to as part of service deliver	A) Satisfied consumer with the delivery of service action taken B) Maximise fulfiller efficiency C) Maximise organisational value	1) Identify requests 2) Manage catalogue 3) Deploy catalogue 4) Capture request 5) Fulfil request 6) Improve request
Improvement (Idea/ Demand)	An improvement to a service or practice	Governs the capture, prioritisation, implementation and benefits realisation for identified improvements to **entities** or **assets**	Facilitate the effective capture and prioritisation of Continual Improvement to support delivery against service or practice goals	A) Maximise delivery of initiative value to support practice goals B) Efficient process to facilitate delivery C) Deliver maximum value to the organisation through the practice	1) Capture 2) Assess and prioritise 3) Sponsor and fund 4) Manage backlog 5) Develop and deploy 6) Realise benefits 7) Improve
Relationship (Consumer)	An interaction regarding the nature of the service provided	Governs the establishment and nurturing of links between stakeholders at strategic and tactical level	Established and nurtured links between the organisation and stakeholders to uncover and realise new value and minimise risks	A) Maximise stakeholder satisfaction B) Efficient and effective processes C) Maximise value to the organisation	1) Identify 2) Engage 3) Analyse 4) Monitor 5) Improve
Feedback	A record of sentiment from one of the four **actors**	Provides the organisation with independent data to allow them to govern (monitor)	The organisation has clear visibility of the sentiment and needs of all four **actors** in near real time	A) Feedback accurately reflects expectations and highlights discrepancies B) Efficient capture and analysis C) Maximise value to the organisation	TBD

Aspect	Definition	Practice Purpose	Vision	Goals	Key activities
DELIVER					
Availability	Details how a service performance or quality level will be met	Governs how the service will meet its obligations for quality, performance and access. The non-technology aspects of a service (e.g. internal process) become subject to the availability practice.	Services operated on time, to agreed cost, quality and scope	A) A service that meets consumer expectations B) A service that is efficiently provided C) Maximised organisational value	TBD
Incident	An accepted service degradation	Governs the restoration of an accepted service degradation	Efficient restoration of service achieved across all types and severity of incident	A) Restore service to reduce operational impact B) Reduced Mean Time to Recovery C) Minimise organisational impact	1) Capture 2) Acknowledge 3) Resolve 4) Coordinate 5) Major Incident 6) Improve
Task	A generic record to track work	Foundational practice to guide efficient and effective work	Efficient and effective, structured task management throughout the organisation providing visibility, structure, standardisation; promoting commoditisation and automation	A) Effective task management resulting in maximised value for the organisation B) Efficient tools and processes for task management C) Tools and processes maximise value to the organisation	1) Visible 2) Structure 3) Standardise 4) Commoditise 5) Optimise and Automate 6) Improve
Initiative (Project)	A vehicle for delivering one or more approved packages of work	Governs the delivery of projects and initiatives using good practice methodology	Effective methodology that consistently delivers maximum scope to time, cost and quality	A) Maximised scope delivered to time, cost and quality B) Methodology is efficient C) Maximise organisational value from activities	1) Initiate 2) Engage 3) Design 4) Deliver 5) Transition 6) Improve
Provider	An interaction regarding the nature of the service provided	Governs the establishment and nurturing of links between stakeholders at strategic and tactical level	Established and nurtured links between the organisation and stakeholders to uncover and realise new value and minimise risks	A) Maximise stakeholder satisfaction B) Efficient and effective processes C) Maximise value to the organisation	1) Identify 2) Engage 3) Analyse 4) Monitor 5) Improve

Aspect	Definition	Practice Purpose	Vision	Goals	Key activities
Organisation	A generic record relating to a governance task or artefact	The means by which an organisation is directed and controlled	Effective governance for services and practices facilitates the successful co-creation of value	A) Motivation of value-maximising decisions taken by portfolio, services and practices B) Efficient evaluation, direction and control C) Maximise organisational value from the practice	1) Structure 2) Oversight 3) Talent and culture 4) Process and Tools 5) Improve
ENSURE					
Continuity	A generic record relating to the analysis, planning, testing or recovery of services in the event of a disaster	Governs and encourages the resilience of a service through analysis, planning, testing and recovery to ensure essential functions are maintained in a disaster	Organisation is able to maintain essential functions during, as well as after, a disaster has occurred	A) Resilient services able to function in disaster scenarios B) Efficient processes able to analyse, plan and test with minimal overhead C) Maximise value to the organisation by trading effectiveness of mitigations vs cost	1) Analyse 2) Design 3) Implement 4) Validate 5) Execute (crisis) 6) Improve
Problem	The cause, or action to prevent, one or more incidents	Governs activities to prevent degradations of service; including the identification of trends, preventative actions, restoration where a workaround is in place, or recovery following an incident	Targeted proactive intervention reduces frequency and severity of incidents to acceptable levels	A) Reduced frequency and severity of incidents B) Efficient risk-based process C) Maximise organisational value	1) Analyse (trend and Post Incident Review) 2) Capture 3) Accept 4) Root cause analysis 5) Protect support (workarounds, known errors) 6) Resolve 7) Improve
Change	The deployment of a unit or package of work to a controlled environment	Governs the deployment of a work package to a change-controlled environment	Efficient risk-based on-demand change that minimises risk to service	A) Minimise risk to service B) Efficient process to facilitate change C) Deliver maximum value to the organisation	1) Capture 2) Assess 3) Readiness (Facilitate the completion of standard and specific risk-mitigating readiness activities) 4) Schedule 5) Authorise 6) Review 7) Improve (incl. Standard Change)

Aspect	Definition	Practice Purpose	Vision	Goals	Key activities
Release	Activities agreed to facilitate progression of a work package along its path to live	Governs the acceptance of a bundle of work packages into operation based on the acceptance criteria of the relevant stakeholders	Efficient framework risk-based planning, communication and acceptance activities along the path to live result in stakeholder accepted solutions delivering the targeted outcome value	A) Maximise acceptance B) Efficient delivery C) Deliver maximum value to the organisation from the activities	1) Capture 2) Plan 3) Track 4) Confirm 5) Package & Release 6) Support 7) Review & Improve
Portfolio	A collection of services, programmes, projects, products and services to meet a set of consumer needs	Governs the mix of programmes, projects, products and services to execute the organisations strategy within its funding and resource constraints	Established portfolio of well-governed services that effectively meet user's needs	A) Services meet consumer needs B) Services are efficient C) Maximum value to the organisation is being delivered	1) Align 2) Commission 3) Monitor 4) Direct 5) Control 6) Improve
Strategy	Instructions on how the organisation's mission will be achieved	Aligns activities within the organisation, including the commissioning of services, practices and capability centres, to the organisation's mission	Clear and effective steps from the organisation's current state to achieving the mission, along with success criteria	A) The organisation's mission is being achieved B) Strategy is lean and effective C) Maximise organisational value	TBD
UNDERSTAND					
Configuration	(i.e. ***Service Configuration***) A component or resource that needs to be managed in order to deliver a service. (***Asset*** – an instantiation of a Configuration Item with value to the organisation) (***Configuration attribute*** – detailed component configuration for an **asset**)	Governs the representation of components and resources to ensure consistency, accuracy and availability	Functionally driven, accurate and reliable information about the configuration of services and the CIs that support them is available when and where needed	A) Accuracy, relevance and utility of the information B) Efficient process to create and maintain Cis C) Maximise value for the organisation	1) Architect/Design 2) Identify 3) Consume 4) Manage 5) Audit 6) Improve

Aspect	Definition	Practice Purpose	Vision	Goals	Key activities
Knowledge	An article or resource relating to a practice or service that aids understanding	Governs the creation, maintenance and improvement	Helpful and relevant knowledge is created and maintained; reducing cost to service and improves satisfaction with services	A) Maximise use, benefit and satisfaction from targeted knowledge B) Efficient process to create and maintain knowledge C) Deliver maximum value to the organisation through the practice	1) Identify need 2) Create 3) Review and publish 4) Maintain articles 5) Maintain categories 6) Improve
Risk [and cost]	An event with a probability of occurrence that will have an impact on a service or goal	The practice of ensuring that an organisation understands and effectively handles risks	Effective risk management with a value-driven approach to minimising the impact of adverse events and maximising the exploitation of positive events	A) Minimise risk to the organisation B) Efficient risk management practice C) Maximise value by testing all mitigations against the value they protect	1) Identify 2) Assess 3) Control 4) Review 5) Improve
Measure	A defined metric that is relevant to a Service or Operational Level agreement	Measures the effectiveness of services, practices and CCs against their defined KPIs; generating reports and corrective actions	Effective measurements facilitate continual improvement	TBD	TBD
Communicate	A task that facilitates the conveyance of a message between two **actors**	Standardisation and encouragement of communication and collaboration across the organisation and **actors**; includes branding and marketing	Consistent branding and message that inspires collaboration and supports consumption, provision and integration of services	TBD	TBD
Insight	Analysis of internal, or external data to inform the strategy, improvement or innovation	To maintain the currency of the organisation's strategy, by using data and analysis to identify improvements and innovations	The strategy is refined to take advantage of internal and external trends in order to maximise achievement of the mission and delivery of value	TBD	TBD
Sub-practices					
Release Programme	Planning and coordination of multiple releases affecting one or more services	Governs the planning and coordination of multiple releases affecting one or more services	Maximised outcome value and minimised risk from a forward plan of releases across a bundle of services	A) Maximise outcomes from service improvement B) Minimise risk from visibility C) Deliver maximum value to the organisation	1) Periodic plan 2) Manage roadmap 3) Schedule release 4) Realise benefits 5) Improve

Aspect	Definition	Practice Purpose	Vision	Goals	Key activities
Security (as an ESM Shared Service)	Activity relating to the prevention, detection and correction of adverse security events	Governs the confidentiality, integrity and availability of information and resources	Appropriate controls in place to maintain confidentiality, integrity and availability of information that facilitates innovation throughout the organisation	A) Minimise risk to the organisation from threats and vulnerabilities B) Efficient process that doesn't impede innovation or performance C) Deliver maximum value to the organisation through the practice	1) Promote 2) Advise 3) Assess 4) Detect 5) Prevent 6) Respond 7) Improve
Asset	An instantiation of one or more CIs that has value to the organisation	Governs the planning and management of all **assets** throughout their lifecycle	The organisation maximises value, controls costs, manages risks and supports decision making about the purchase, re-use and retirement of **assets** as well as meeting regulatory and contractual requirements	A) Maximise value, controls costs, manages risks and supports decision making wrt assets B) Efficient process to create and maintain assets C) Deliver maximum value to the organisation	1) Identify 2) Understand 3) Manage 4) Prepare 5) Optimise 6) Improve
Contract, Service Level Management & Operational Level Management	An expectation between two parties as to time, cost, quality and scope	Governs the performance of services and expectations of all parties throughout the service contract lifecycle	Systematic and efficient management of contract creation, execution and analysis; leading to maximised value for stakeholders.	A) Services meet stakeholder expectations B) Efficient and effective CM processes C) Maximise value for the organisation	1) Identify 2) Engage 3) Draft 4) Agree 5) Implement 6) Monitor 7) Improve
Event	A record of selected change of state identified as events across observed services and service components	Governs the event capture and resultant alerting to facilitate the automated identification of incidents and problems before consumer impact is realised	Incident and problem management are supported by automated alerting to flag items for human attention, and automated actions for self-healing	A) Proactively identify events that can help prevent consumer impact (scope and usefulness) B) Automate to reduce human involvement C) Maximise organisational value	1) Capture 2) Alert 3) Escalate 4) Automate 5) Improve

12 Appendix 2: Miscellaneous notes

12.1 Appendix 2a: Using ESM Entities

To apply ESM we intersect the **dimensions** and **considerations** to create ***artefact products*** that grant us insight. Take one dimension as constant and apply another dimension over it – like an architect drawing different elevations of a building.

The ESM **entities** are possibly the dimension that resonates the most, as it relates to how we structure our organisation for success.

Entities: Entities can consist of one another and consume one another. For example, a service can consume another service. Services consume practices which are common ways of working.

Actors: The goal of a service is to maximise value for the **four actors** (service consumer, provider, integrator and organisation) in accordance with the organisation's mission and strategy. The actors can be internal or external providers from the ***vendor ecosystem***.

Services (an entity) are chained to form ***value streams*** so that the consumer (an actor) interacts with one service provider, which may in turn be a consumer for another service. The consumer doesn't necessarily need to know the detail.

The **Service Model** (Reference poster 3) acts as a generic operating model that shows how the services work across the four actors.

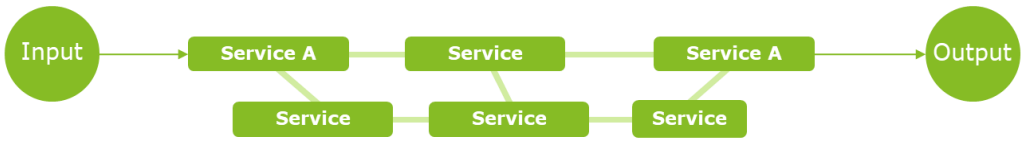


FIGURE 55: SHOWING LOGICAL CHAINING OF SERVICES (ALL TRANSPARENT TO THE END CONSUMER WHO JUST WANTS THEIR OUTPUT)

Assets: Services (an entity) are grouped into **portfolios** which commission services and optimise the ***assets*** for effective service operation.

Aspects: The ESM **aspects** help us consider the **four aspects** of a service: use/operate, support, manage and govern. We can derive an **aspect model** (Reference poster 4) that shows all the aspects that are involved in effective entities, and how they link.

Capability Centres (an entity) own practices and provide standards, guidance, and common resources to practices, portfolios and services.

All of these entities exist today in our organisations to some degree – we have just adapted and merged their functions and called them different names. Adopting ESM is less about transformation and more about small steps to re-interpret and re-imagine what we already have.

Every organisation has a unique offering for the world. ESM can be tailored and is relevant for everyone (from small businesses to multi-national organisations) who wants to understand how their organisation can best serve its stakeholders.

12.2 Appendix 2b: Intersection example: Actors vs Entities

As an example of the technique of intersection, we will take **actors** and **entities** and create a matrix for them to see how they interact. By doing so we can glean insight into the purpose of each of the entities.

Entity / Actor	**Service**	**Practice**	**Portfolio**	**Capability Centre**
Consumer	Consumer	User	Beneficiary	Implementer
Provider	Provider	Practitioner	Administrator	Analyst
Integrator	Integrator	Specialist	Manager	Architect/Strategist
Organisation	Organisation	Lead	Director	Chair

An aside: You will notice that the Service roles are equivalent of the four Actors themselves. This indicates that the label given to the Actors could be updated to a more generic label, however as Services are the primary entity, it makes sense for now. This is something that can be looked into in a future version of the framework.

12.3 Appendix 2c: Method Questions: Reference list of interrogators

Interrogators are useful to help us think about the types of questions we should ask for our methods. The list below is given for reference and curiosity.

In linguistic terms, a question should have an:

- **interrogator**: an interrogative adverb, determiner or pronoun (e.g. who, what, why; see list §12.3.1)
- **subject**: the thrust of the question
- **complement**: a universal answer
- **context**: what scenarios the method will likely apply to

12.3.1 Interrogators

Note: we have excluded question words that could be implied by another word, or are irrelevant (such as *whence* (is historic and covered by the solution in *for*) and *which/whether* (implies knowledge of a list or choices).

Component interrogator

- What – asks for the specification of an identity or quantity; usually an **asset**
  - E.g. What asset?
- Where – asks for a location (which could be physical or logical); usually an **entity**
  - E.g. Where in the organisation?
- Who – asks for a person or **actor**
  - E.g. Who?
- With – (in ESM) asks for a specialism, technique, activity or an **aspect**
  - E.g. With what technique?

Consideration interrogator

- When – asks for a time, determined by available vs required **resource** (consisting of: time, cost, quality, focus)
- How – asks for a methodology, calling for **principles**
- Why – asks for a rationale, present in our **goals**
- For – asks for a purpose, defined in our **mission**

Context interrogator

- Against – asks about external influences or **forces**
    - E.g. Against which force?

Perspective interrogator

- Within – asks for a boundary, scope or **sphere**
    - E.g. Within what scope?

13 Appendix 3: Alpha Method Worksheet

The following worksheet aims to provide users with a walkthrough applying the alpha method based on §6.5.1. Note the scenario where this method is applicable. For other scenarios, you will need to tailor the method.

Comments relating to the example are in blue.

1. Guidance

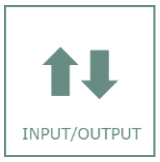
List the relevant framework guidance, direction you have been provided and initial thoughts on the matter from experience:

Guidance	Notes
	**Framework** *What elements of the framework do you think are relevant?* *What aspect is the context of your work?* We are performing an initiative. The alpha method was suggested for a simple design of a tool where the context and requirements are well understood.
	**Logic** *Detail any initial thoughts on the work having read the guidance.* Many steps in the alpha method will be trivial in our context.
	**Tradition** *Detail any policy or existing work in this space* No existing work. This is a new design.
	**Experience** *Detail any risks or lessons to be noted.* This is a new design.

2. Method

Detail the question, input/output and validation

Guidance	Notes
	**Question** *What is the question we're trying to answer?* We want to know how to design a new tool for XYZ.

	**Steps** *Steps are detailed in the next section*
	**Input/output** *Detail input and output required* Input: Exec briefing paper Output: Design for target state
	**Validation** *How will method success be validated?* 1. Validate the design by reversing through the method 2. Test the design with stakeholder groups 3. Create a prototype of the design to validate in practice

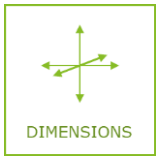
3. Techniques (Method steps)

List the techniques to be used and why. Techniques may be used once, more than once, or not at all.

Technique	Usage
	**States** *If it is possible to move to the vision state immediately then no other states are needed. Other states would be as-is and any number of transition states. Step 4 (Components) should be repeated for each* Only a vision state is required in this case
	**V-Model** *Detail if and how the V-Model is to be used, and the focus of the V* We will descend from components through assets to tooling.
	**Spiral** *Detail if and how the Spiral is to be used, and the focus of the Spiral* We will spiral around each level. *(Optional, you could descend each time. In this example we're only descending into the focus)*
	**Intersection** *Detail if and how the Intersection is to be used.* Intersection is not required in this example.

4. Components

List thoughts from each components and focus down to flesh out your design. Only the focus is broken down, but feel free to change the order and break down other components as required.

Component	Observations/Requirements
Level 1	**Components**
	*This is typically our most known dimension* Consider the scope of the work. What is the background and context? What can you control, what can you influence, what is the potential, and what are the unknowns?
	What external forces are acting on the work? Work round the four forces.
	What are the considerations. Start with the mission/vision and work round detailing principles, goals and resource available.
	*This is our focus component which is broken down below.* Any high-level notes can be detailed at this point.
Level 2	**Dimensions**
	This is typically our most known dimension What entity or combination of entities will be expected to service the output of this work?
	Consider each aspect: use, support, manage and govern will apply to the output.
	Consider each actor and their needs – these generate requirements.
	This is our focus dimension which is broken down below. Any high-level notes can be detailed at this point.

Level 3	**Assets**
 Purpose	*This should be our most known asset given we have the requirements from the actors* What are the decisions needing to be made and who is best placed to make them? What is the intent?
 Process	What process steps should be followed to allow the purpose to be met?
 Data	What data is required to drive the output and outcomes?
 Tools	*This is our focus asset which is broken down below in Asset Considerations.* Any high-level notes can be detailed at this point.
Level 4	**Asset considerations**
Confidentiality *Integrity* *Availability* *Intent*	*At this point you should have sufficient information to start designing. This box provides some further considerations.*

5. Validation

Pass through the above in reverse to validate the design against the scope.

Test with stakeholders.

14 Contact us

If you'd like more information on the framework or how it could be applied, please contact us. We are also very keen to receive your feedback on this emerging framework and discuss the concepts raised further.

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14.1 About the author

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"When uncertainty and chaos surrounds, we can take comfort that our ways of working have remained fundamentally unchanged for millennia" - ESM

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