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Demystifying SIAM
Benefits & Challenges

May 2025

Contents

Introduction

The rapid pace of technological advancement, coupled with global uncertainty and shifting workforce demographics, presents a challenging business landscape.

- Strategic horizons, once measured in years, are now shrinking to months.

- IT is now everywhere and underpins all modern business functions.

- Operating models and supply chains need more flexibility than ever before.

- And organisations to adapt to change quickly, while getting their products and services to users faster.

To thrive in this dynamic environment, organisations must embrace **agile sourcing strategies** and **technology operating models** that foster both **flexibility** and **resilience**, without compromising day-to-day **operational excellence**.

This whitepaper, in collaboration with Scopism, describes how an operating model based on **Service Integration and Management (SIAM)** principles can enable organisations to succeed in this dynamic environment.

What is SIAM?

Definition

SIAM is a management methodology that can be applied in an environment that includes services sourced from a number of service providers.

SIAM provides governance, management, integration, assurance, and coordination to ensure that the customer organisation gets maximum value from its service providers, most commonly for IT provision.

A typical organisation that does not take a SIAM approach owns the contractual relationship with all external service providers, and also manages internal teams involved in service delivery. Each relationship is managed on a one-to-one basis, with significant overheads in time spent attending review meetings and managing individual supplier performance.

In this structure, the "big picture" is often lost, and end to end management is extremely challenging. This has operational impact, such as confusion and miscommunication when errors need to be resolved, and strategic impact, when the organisation cannot say with confidence it can deliver operational services to support strategic goals.

In this context, the need for SIAM typically stems from a strategic IT sourcing decision, for example:

- Breaking up an existing single/prime outsourced IT supplier into multiple new contracts.
- Choosing to outsource IT service delivery for the first time with more than 1 supplier.
- Insourcing capabilities while retaining external outsourced functions.

According to the latest research published in the Scopism Global SIAM Survey Whitepaper, organisations that are considering or have chosen to adopt SIAM tend to do so for three main reasons:

1. 52% want to have a better ability to measure and attribute service quality.
2. 48% want to have more control of existing vendors.
3. 44% want to have better performance from existing vendors.

To address these challenges, SIAM introduces the "Service Integrator" as a functional area that is responsible for end-to-end to service management. The introduction of the service integrator delivers both customer and service provider benefits:

- **Customer:** The customer organisation benefits from a single relationship, spending less time on individual relationship management, and gains confidence that its delivery organisation can support strategic goals. Individual service providers can be added and removed more easily, and the delivery model can scale in response to changing requirements.
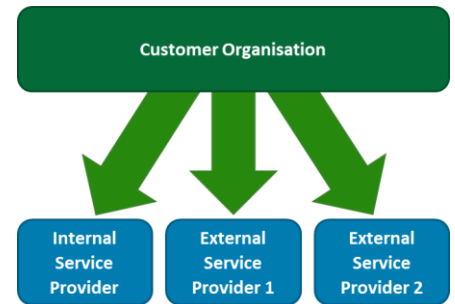

Figure 1 shows a simplified view of a typical multi-sourced environment where SIAM has not been adopted. Each service provider is managed individually by the customer organisation, potentially leading to a fragmented service landscape where providers focus on their own targets rather than end to end service experiences and business value.
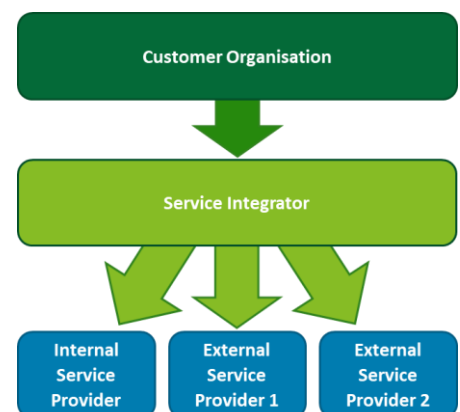

Figure 2 shows SIAM introduces the concept of the service integrator, shown in the image above.

- **Service provider:** The service providers benefit from a collaborative culture with clear expectations, allowing them to understand where they fit into the big picture. Working with the service integrator gives them confidence about the future of the services they deliver, encouraging investment and innovation both within and between service providers.

The four most common types of service integrator structure are:

1. **Hybrid service integrator:** a combination of internal and external resources (most common)
2. **Internal service integrator:** using resources from the customer organisation.
3. **External service integrator:** outsourcing the service integrator role.
4. **Lead supplier:** an external organisation acts as the service integrator and also acts as a service provider itself (least common)

A hybrid approach is currently the most common structure (37% of organisations), followed by internal (28%), external (20%), lead supplier (15%) as per the Scopism Global SIAM Survey Whitepaper.

History

Where did SIAM come from? In short, the development of SIAM aligns with the history of IT outsourcing.

Before outsourcing became widely used, most organisations managed all of their IT service development and delivery internally. The increasing importance of IT services to business outcomes led to the development of best practice guidance such as the IT Infrastructure Library (now ITIL) in the late 1980's/early 90's.

As IT services became more complex (and even more business critical), organisations looked to outsourcing to allow them to access specialized solutions at competitive prices, leaving them free to concentrate on their own core competencies.

The first generation of outsourcing contracts were typically long term and monolithic. They led to challenges including vendor 'lock-in' and loss of intellectual property and key skills within the customer organisation.

The second generation of outsourcing broke up the monolithic contracts and introduced service grouping (often referred to as 'towers'). This allowed improved choice of specialized suppliers and less vendor 'lock in', but also introduced complexity into the end-to-end view and a silo-based management approach.

In the early 2000's, several UK government departments realised they were not able to demonstrate value for money from the IT projects they were heavily investing in. The traditional service management approaches they were using were not suitable for the complex supply environments they were now working in.

Teams from areas including the NHS started to conceive a novel approach to IT management, and the term 'SIAM' was first used in approximately 2005. SIAM has since grown in use in the public and the private sectors around the world.

The third generation of outsourcing often now includes the integration layer that SIAM defines. It creates a balance between effective end to end management and the ability to access services from multiple providers.

Today

SIAM practices continue to evolve as technology evolves. The more recent focus on Agile software development practices and "full stack" teams operating on DevOps principles means that SIAM models need to be increasingly adaptable.

The first generation of SIAM models might have had only five or six service groupings; now, they need to be able to on and off-board suppliers near continually, sometimes for only short periods.

Other changes in the adoption of SIAM include:

- A shift to enterprise SIAM: according to the Global SIAM Survey, almost 50% of responding organisations who have adopted SIAM plan to extend their SIAM outside of IT (to HR: 26%, to Finance: 26%, to Logistics: 17%, to Manufacturing: 20%, to Marketing: 17%)

- A shift from operational SIAM to strategic SIAM: SIAM has moved beyond simply fixing incidents or implementing changes between service providers and is now entering the boardroom, to be discussed as a strategic sourcing approach and key part of the operating model.

- Leveraging AI: 37% of organisations who have adopted SIAM responding to this year's Global SIAM Survey have incorporated AI into their SIAM model.

SIAM was rapidly adopted in both the public and the private sector and has continued to grow in popularity around the world.

SIAM has moved beyond simply fixing incidents or implementing changes between service providers and is now entering the boardroom, to be discussed as a strategic sourcing approach and supporting operating model.

Why SIAM?

Why should you consider SIAM?

Since its inception initially the UK public sector, SIAM has been adopted around the world as organisations realise the benefits of an effective management approach for a multi-sourced environment.

The 6 most common strategic drivers for SIAM adoption are:

1. Better ability to measure and attribute service quality.

2. Want to have more control of existing vendors.

3. Want to have better performance from existing vendors.

4. Better ability to measure and attribute service costs.

5. Moving from a single vendor to multiple vendors

6. Reducing costs.

How do you decide if SIAM would add value?

A working group from the Global SIAM Community suggests asking these questions to assess if there are current challenges or risk factors that SIAM may resolve for your organisation:

- Is the business unhappy with the quality and consistency of end-to-end IT services?

- Is shadow IT developing in the business?

- Is the sourcing strategy poorly defined?

- Is the organisation struggling to define the real-time value of (IT) services and attribute value by vendor?

- Is the IT organisation unable to make a case for new IT investments?

- Is the organisation struggling to map and manage its vendor landscape?

- Is the organisation failing to meet the current and future needs of the business?

If the answer is yes to most or all of these, SIAM is an option you should consider. Adopting SIAM principles may allow you to create an operating model that allows you to benefit from an improved multi-sourced environment.

What are the benefits/value of SIAM?

Organisations often choose to adopt SIAM to achieve:

- **Improved Service Quality and Consistency:** SIAM helps establish standardised processes and clear roles and responsibilities across all service providers, leading to more reliable and consistent IT services.
- **Reduced Costs:** By optimising service delivery and improving resource utilisation, organisations can achieve cost savings through better vendor management and reduced operational inefficiencies. Avoiding vendor "lock

in" also reduces costs by improving negotiating leverage by enabling the ability to swap out poorly performing suppliers.

- **Increased Agility and Flexibility:** SIAM enables organisations to adapt to changing business needs more rapidly by simplifying the integration of new services and technologies.
- **Enhanced Transparency and Governance:** SIAM provides a clear framework for managing and monitoring service performance across all providers, improving accountability and control.
- **Improved Collaboration and Communication:** SIAM fosters a collaborative environment between the organisation and its service providers, leading to better communication, quicker issue resolution, and stronger relationships.

Those who have adopted SIAM report that the top five benefits achieved by them are:

1. Better supplier performance.
2. Better reporting and management information.
3. Better collaboration between suppliers
4. Spend less time on general supplier management.
5. Easier to add and remove suppliers.

The Global SIAM Survey shows that "65% of organisations that had adopted SIAM reported better supplier performance and 57% achieved better collaboration between suppliers."

Survey of Global SIAM Community, Scopism, 2024

SIAM Challenges

Now that the first SIAM models have been in place for well over a decade, patterns and anti-patterns have emerged and adopting organisations can learn from previous mistakes.

Based on Deloitte's global experience of supporting clients to successfully implement SIAM, we have identified **8 common SIAM pitfalls**.

By being aware of these and proactively addressing them, your organisation can navigate the challenges of implementing SIAM more effectively and increase the chances of a successful implementation.

1. **Lack of Integration and Collaboration:** Failing to foster collaboration and integration among service providers can hinder the effectiveness of SIAM. It is important to establish effective communication channels, encourage collaboration, and promote a culture of shared goals and responsibilities.
2. **Overlooking SLAs/XLAs:** Neglecting to define and monitor Service Level Agreements (SLAs) with service providers can result in poor service quality and performance. Omitting eXperience Level Agreements (XLAs) as a SIAM layer responsibility is another common pitfall. Clearly defining SLAs and XLAs, regularly monitoring them, and addressing any deviations are crucial for maintaining service standards.
3. **Underestimating Contracting effort:** Inadequate time set aside to draft and review supplier contracts can delay SIAM implementation activities, impact stakeholder confidence, and result in unnecessary contract extensions for incumbent providers.
4. **Lack of Clear Objectives and Strategy:** Failing to define clear objectives and a well-defined strategy for SIAM can lead to confusion and lack of direction. It is crucial to have a clear understanding of the desired outcomes and a roadmap for implementation.
5. **Inadequate Stakeholder Engagement:** Insufficient engagement and involvement of key stakeholders can hinder the success of SIAM. It is important to engage stakeholders from various departments and service providers to ensure their buy-in, collaboration, and support throughout the implementation process.
6. **Poor Governance and Accountability:** Inadequate governance and accountability structures can lead to confusion and conflicts in decision-making and responsibilities. Establishing clear governance frameworks, roles, and responsibilities is essential to ensure effective management and coordination of service providers.
7. **Insufficient Change Management:** Neglecting change management can result in resistance to new processes, lack of adoption, and low engagement from employees. It is crucial to communicate the benefits, manage expectations, and provide training and support to facilitate a smooth transition to the new SIAM model.
8. **Vendor Management Challenges:** Managing multiple service providers can be complex, especially if there is a lack of standardized processes and tools. Establishing effective vendor management practices, including contract management, performance evaluation, and relationship management, is crucial for successful SIAM implementation.

Establishing and measuring a service integrator

It is important for all organisations to build their business case for SIAM adoption carefully. Adopting SIAM is not without initial expense and can create disruption as contracts, service providers and staff adopt to the new operating model. There can be one off costs (such as a contract termination for an existing service provider) and the service integrator (whether internal or external) needs to be established and staffed. Maintaining focus on the value of SIAM is critical, and the transformation should not be sold as a cost-cutting exercise. Instead, SIAM needs to be viewed through the lens of cost optimization and rightsizing the supplier ecosystem.

When establishing and operating the service integrator function, it is essential to:

- Clearly define the role of the service integrator.
- Understand where the key service management activities take place.
- Define key performance metrics for the service integrator.
- Increase supply chain visibility and service performance.
- Ensure tooling supports the adoption of SIAM, e.g, IT Service Mgmt tools.

It is even more important to ensure that your adoption of SIAM considers the **rapid advancement of technolog**y and **its deep integration into every facet of business**:

- **Technology is no longer just a support function:** In today's digital age, technology is core to business strategy, innovation, and competitive advantage. Think about e-commerce, data analytics, AI, and automation — they are all transforming industries and redefining business models.
- **Increased complexity and need for agility:** Modern businesses require sophisticated, interconnected systems. The "black box" approach cannot handle this complexity or provide the agility needed to adapt to rapidly changing market conditions.
- **Data-driven decision making:** Data is now a critical business asset. Silos between business and IT hinder data sharing, analysis, and informed decision-making.
- **Customer-centricity:** Today's customers expect seamless, technology-enabled experiences. A fragmented approach to IT can lead to disjointed customer journeys and negatively impact customer satisfaction.
- **Innovation and speed:** Collaboration between business and IT is crucial for fostering innovation and bringing new products and services to market quickly. Silos stifle innovation and slow down time-to-market.

This is why modern approaches to SIAM recognizes how the evolution of technology has necessitated a fundamental shift in how organisation's structure themselves and their approach to the relationship between business and IT:

- **Business-IT alignment:** Strategic alignment between business goals and technology initiatives is essential.
- **Collaboration and communication:** Breaking down silos and fostering cross-functional collaboration is a must.
- **Agile methodologies:** Embracing flexible and iterative approaches to technology development and deployment is the price of admission.
- **Cloud computing and SaaS:** Leveraging cloud-based solutions to increase agility and scalability is fundamental to driving pace and agility.

Adopting SIAM

44% of organisations planning to adopt SIAM expect their transition to take 2-3 years. Adopting SIAM requires a change to the organisation's operating model and requires careful planning and management. Some organisations adopt SIAM to resolve operational issues, building foundations that can then be used for a more strategic transformation.

Business Case and Stakeholder Support

Very few organisations start with a blank canvas, and their current sourcing position and contractual obligations need to be carefully considered. An organisation may move from a single vendor to multiple vendors or move internally hosted services to a range of external vendors, or many other combinations.

An essential part of SIAM adoption is understanding the vendor marketplace for the types of services your organisation wishes to consume. Customer organisations may be restricted by geography or by regulations and legislation. Niche technology requirements may not be well served in the marketplace. A healthy SIAM model requires a healthy vendor marketplace.

The following outlines a tried and tested **five stage approach to SIAM implementation.**

A SIAM Adoption Approach

Stage 1: Strategy & Planning

- **Define Objectives and Scope:** Clearly articulate the business case for implementing SIAM, desired outcomes, and the scope of services to be included. Based on experience, we recommend any business case focus on four key areas: *Improved service quality*, *Optimized costs and improved value*, *Improved governance and control* and *Improved flexibility*.
- **Assess Current State:** Conduct a thorough assessment of the existing IT service management (ITSM) processes, organisational structure, and service provider landscape.
- **Develop SIAM Strategy:** Define the target operating model, governance structure, key performance indicators (KPIs), and success criteria for SIAM implementation.
- **Secure Stakeholder Buy-in:** Obtain commitment and support from key stakeholders across the organisation, including IT, business units, and service providers.

Stage 2: Design

- **Design SIAM Processes:** Develop and document standardized processes for service integration and management, including incident, problem, change, and knowledge management.
- **Establish Governance Framework:** Define roles, responsibilities, and decision-making processes for the SIAM model, including a SIAM Board or Steering Committee.
- **Select and Implement Tools:** Choose and implement tools to support SIAM processes, such as a service integration and management (SIAM) platform or ITSM tool with SIAM capabilities.
- **Develop Communication Plan:** Create a comprehensive communication plan to keep stakeholders informed throughout the implementation process.

Stage 3: Implementation

- **Pilot Implementation:** Conduct a pilot implementation of the SIAM model with a limited scope to test processes, tools, and governance structures.
- **Gradual Rollout:** Gradually roll out the SIAM model to the rest of the organisation, ensuring smooth transition and minimal disruption to IT services.
- **Training and Knowledge Transfer:** Provide comprehensive training to all stakeholders on the new SIAM processes, roles, and responsibilities.
- **Service Provider Onboarding:** Onboard new service providers and integrate them into the SIAM ecosystem, ensuring compliance with established processes and standards.

Recommendation: Conduct a thorough assessment of the existing IT service management (ITSM) processes, organisational structure, and service provider landscape.

Recommendation: Conduct a pilot implementation of the SIAM model with a limited scope to test processes, tools, and governance structures.

Stage 4: Operation & Optimisation

- **Monitor and Measure Performance:** Continuously monitor and measure the performance of the SIAM model against defined KPIs, identifying areas for improvement.
- **Service Level Management:** Establish and manage service level agreements (SLAs) with service providers, ensuring agreed-upon performance levels are met.
- **Continuous Improvement:** Implement a culture of continuous improvement, regularly reviewing and optimizing SIAM processes and tools based on performance data and stakeholder feedback.

Stage 5: Maturity & Evolution

- **Achieve SIAM Maturity:** Strive to achieve higher levels of SIAM maturity by continuously improving processes, governance, and collaboration.
- **Adapt to Changing Needs:** Regularly review and adapt the SIAM model to align with evolving business requirements, technology advancements, and industry best practices.
- **Foster Innovation:** Encourage innovation and explore modern technologies and approaches to further enhance the effectiveness and efficiency of SIAM.

Deloitte Capabilities

Deloitte's SIAM offering

Deloitte can support your organisation's SIAM journey is in **three key areas**.

1. SIAM Advisory / Thought Leadership

- Sourcing process management and supplier market engagement
- SIAM enterprise architects
- SIAM advice and guidance via SMEs
- SIAM Programme Design.
- Pointed technology interventions (e.g. DevOps integration to SIAM)

2. SIAM Transformation

- End to end transformation and implementation of SIAM.
- Business process transformation.
- Implementation of key tooling such as ServiceNow configured for SIAM.
- Configuration of your ITSM tool for SIAM.

3. SIAM Operate

- **Provision of managed service running the SIAM operation** *(following implementation by Deloitte)*
- **Use of Deloitte's ServiceNow MSP instance on a SaaS/PaaS basis.**

If you are interested in our support for any of these areas, please get in touch.

SIAM
Advisory / Thought Leadership

SIAM
Transformation

SIAM
Operate

A SIAM Case Study

The client challenge: A digital payment system to eliminate the need for tickets, tokens, passes, and cash was being introduced by a transport company that provided services to a large government department.

The incumbent supplier had built and operating the service for over 15 years. The service was a "Black box" for the client (the government department), with frequent complaints about lack of transparency. There were also 20 smaller vendors within the supplier ecosystem, and a number of these contracts operated without any SLAs.

This resulting in an inconsistent delivery model with both the supplier and the government department facing major challenges on how to replace existing vendors and unlock innovation and collaboration from the new digital payment system.

Deloitte solution: we were asked to implement a new SIAM model across the incumbent supplier, sub-supplier ecosystem and client organisation. This included:

- Maturity assessment of the existing services
- Introduction of a Hybrid SIAM model
- Design and build of the new SIAM services.
- Developing a new supplier collaboration agreement.

- Reconfiguring ITSM (ServiceNow instance) and enhanced tooling for SIAM
- Deloitte scope included: *Service Design, Service Transition and Planning, Service Catalogue, Service Validation and Testing, Release and Change Management, Knowledge Management, Supplier Performance Management, Risk Management, Incident, Problem, Service Request, Enterprise and Business Architecture, Contract Management, Project Management and Organisational Change Management*

Our Results:

- Build of and Transition to a new SIAM-based Target Operating Model.
- Successful onboarding of new and existing suppliers to the SIAM model.
- Fusing of SIAM, ITIL, and DevOps to create an innovative Enterprise Service Management process.
- Significant improvements to ServiceNow
- Improved Service Operations support, inc. improved customer experience through a new Enterprise Service Portal & Omnichannel Service Desk.

Conclusion

This paper has explored the evolving landscape of IT Service Management, highlighting the increasing need for agility and flexibility in today's dynamic business environment. We have seen how the traditional "black box" approach to IT, with its siloed functions and lack of transparency, is no longer fit for purpose in a world where technology is central to business strategy and innovation.
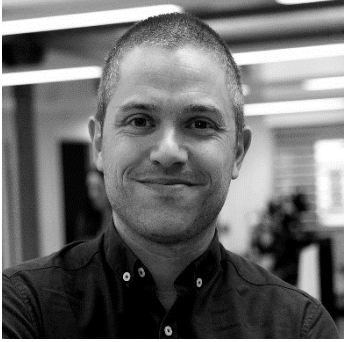
SIAM has emerged as a powerful solution to address the complexities of multi-sourced IT environments, enabling organisations to move away from fragmented service delivery towards a more integrated and customer-centric model. By establishing clear roles and responsibilities, standardized processes, and robust governance structures, SIAM empowers organisations to achieve improved service quality, reduced costs, and increased agility.

However, the journey towards successful SIAM implementation is not without its challenges. Organisations must be prepared to invest in the necessary resources, including establishing a robust service integrator function, fostering a culture of collaboration among service providers, and addressing potential pitfalls such as inadequate stakeholder engagement or unclear objectives.

By learning from past successes, and by leveraging the expertise of experienced partners like Deloitte, organisations can navigate the complexities of SIAM implementation and unlock the full potential of a well-managed, multi-sourced IT ecosystem, ultimately driving business value and achieving strategic objectives.

About the authors

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Ray chairs the Global SIAM forum at Deloitte and brings deep understanding of how to deliver organisational results. Ray is based out of our Manchester office.

Ray holds the highest industry IT Service Management qualification (ITIL Master) and uses this to advise global clients on how to build and improve their IT services, support models and underpinning ITSM toolsets.

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Mark is a people leader and builder of teams with an industry background in global outsourcing. He has more than 15 years of SIAM, IT Service Management, Service Desk and Customer excellence experience and has served clients across industries in both public/ private sectors.

Mark is based out of our Manchester office and also leads Deloitte's ITIL training programme within our Technology Operating Model offering.

Claire Agutter (email: claire@scopism.com)

Claire is interested in anything that helps IT work better. With more than two decades of experience as a service management consultant, trainer, speaker, and author, she is the founder of **Scopism**, which focuses on publications, events and consultancy linked to Service Integration and Management (SIAM).

Claire recruited and led the team of volunteers that created the SIAM Foundation and Professional Bodies of Knowledge and created the online SIAM community. Every year since 2018, Claire has been nominated by Computer Weekly as one of the most influential women in UK tech and in 2024 was one of the HDI Top 25 Thought Leaders, as well as being shortlisted for Computing's Women in Tech Excellence Founder/Entrepreneur award.

About Deloitte

Deloitte LLP ('Deloitte') is a leading professional services firm, employing approximately 27,00 partners and staff across 27 locations in the UK and offshore, with consolidated (Group) revenues of £5.7bn in FY24. We provide professional, advisory and IT services to the public and private sectors, while bringing together in one organisation the widest range of expertise of any professional services firm.

About Scopism

Scopism is the home of best practice for service integration and management (SIAM). Scopism supports the global SIAM community with events, advisory services, and access to up-to-date resources, providing a space where SIAM and service management practitioners can advance their careers and build a global network. Want to know more? Join the SIAM Scopism community, access the Global SIAM Survey or view our services. You can email us at contact@scopism.com or call us on +44 113 328 1279.

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