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ENTERPRISE SERVICE MANAGEMENT: *ACCELERATING SERVICE DELIVERY TRANSFORMATION*

# Service delivery challenges facing organizations today

Today's workforce is undergoing massive disruption. As organizations continue to reshape where and how work is performed, and digital technology continues to advance at unprecedented rates, employees and customers expect an experience that is fast, intuitive, accurate, agile, and engaging. Meanwhile, leaders across finance, human resources (HR), information technology (IT), legal, facilities, and security are being pushed to become more resilient and adaptable to meet new demands—feeling the limitations of budget constraints and under pressure to do more with less.

Organizations are spinning many plates—a hybrid approach (i.e., on-site, and remote employees) to work is the new normal, and organizations are being pushed to digitally transform and virtualize operations, while also driving down costs:

FUTURE OF WORK

Dramatic shifts in the nature of work, the introduction of new talent models, and new, hybrid work environments necessitate a service-centric approach to meet employees wherever they are in the world.
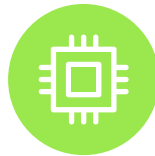
TECHNOLOGY DISRUPTORS

Modern technologies deliver instant access and answers to all aspects of consumer life. Tools powering digital transformation across industries are expanding capabilities beyond standard IT services, providing flexibility for service management across business units.

TRANSPARENCY FOR ROI AND TCO

Organizations require visibility into how their investments are performing for their organization. Operating models with outcome-based SLAs have become the pervasive approach to delivering and tracking value.

Traditional service delivery operating models are struggling to adapt to an evolving world, often resulting in a slow and frustrating experience for employees and customers. Back office leaders face pressure to tackle technical debt and optimize service delivery. Meanwhile, business leaders across the organization are frustrated with requests that are often processed using tedious manual procedures within disparate tools and systems, resulting in little to no insight on performance measures. Organizations seeking to overcome these challenges while simultaneously enhancing the employee and customer experience must address the following complexities:

Disparate platforms:

Business functions are frequently maintaining multiple platforms to support services, leading to multiple entry points for users and disparate business processes.

Data inconsistency:

Multiple systems of record, and process entry points impair data quality and impede control of data security.

Service variability:

Different business processes for service response and resolution has led to varying levels based on the request and business unit, often with lack of transparency into quality.

Managing disruption:y:

Organizations face challenges in comprehending and integrating cutting-edge technologies like GenAI due to their rapid evolution and inherent unpredictability.

Efficiency and scalability:

Disparate models for service delivery between business units increase barriers to balancing costs from a technology spend perspective while driving digital transformation.

Business agility:

Decentralized service models create challenges when trying to quickly refine or expand services and delivery processes.

Service offering capacity:

Without the ability to leverage tools and automation, business units are faced with constraints in the scope of services they can offer.

Improve performance, service, and outcomes with Enterprise Service Management

Whether finance, HR, IT, legal, facilities, or security, Enterprise Service Management (ESM) provides a strategic approach to improve performance, service, and outcomes for the entire organization by applying the leading practices of Service Management. From a chief human capital officer seeking to integrate their organizations' tools, systems, and business processes across business functions to digitally modernize the employee onboarding experience, to a finance officer seeking to increase financial and portfolio visibility into their organizations ever expanding list of service offerings, or a security officer grappling with cyber concerns and seeking a centralized platform to gain visibility into the services and complex IT architecture changes—ESM addresses these complexities by:

Improving customer and employee experience:

Simplified processes with a single point of entry enhances overall employee and customer experience.

Creating a common service-based architecture:

Reimagined service delivery by leveraging one service data model and integrated architecture across all business functions, leading to simplified operations and maintenance, standardized business processes, and increased security controls.

Optimizing operations:

Consolidate and eliminate duplicative and/or conflicting technologies to enable enterprise-wide solutions, allowing for innovation through automation and integration of business workflows, across the various business units.
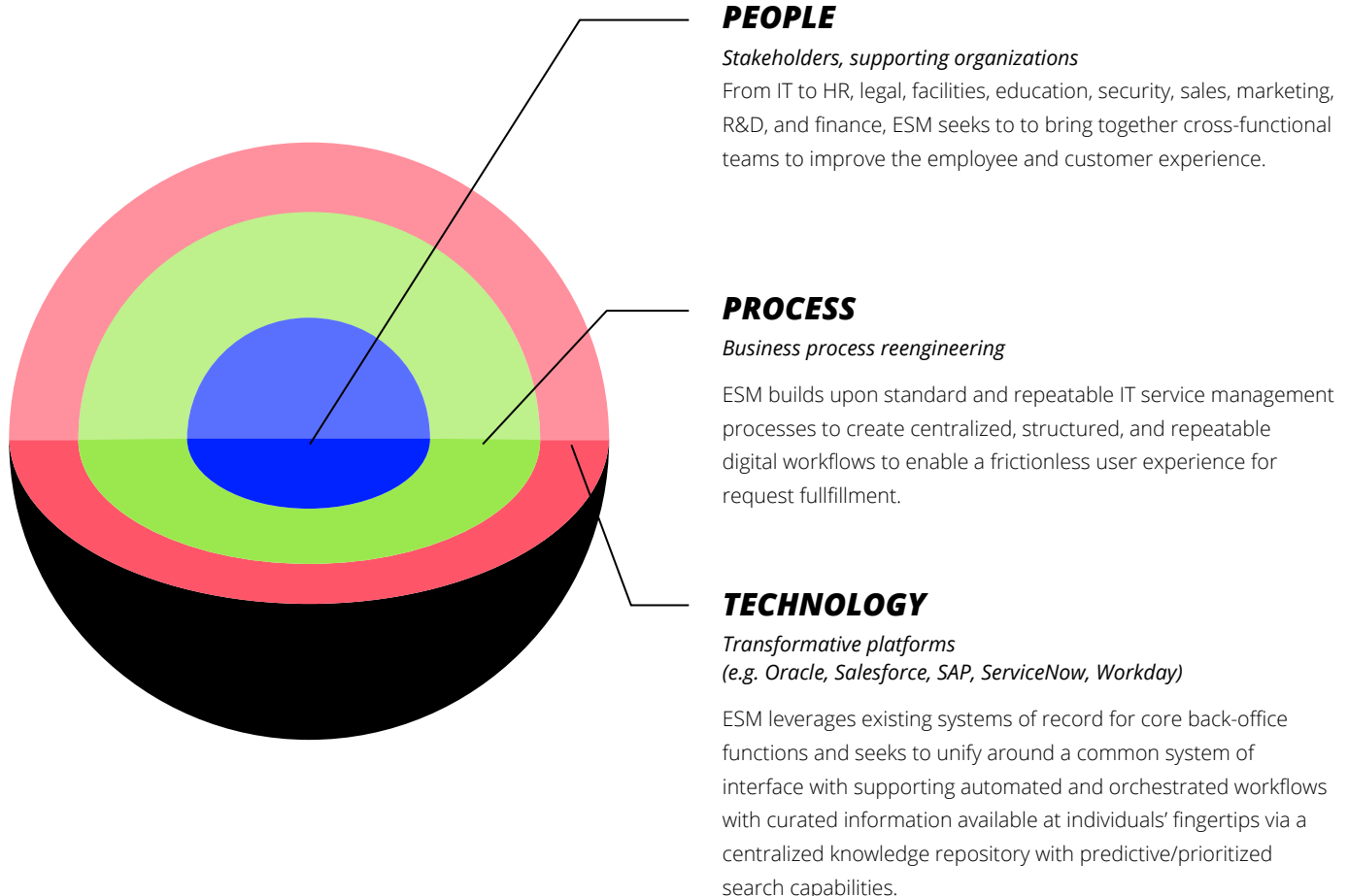
ESM IN ACTION: FUELING TRANSFORMATION AT A 50,000-EMPLOYEE U.S. GOVERNMENT AGENCY

Deloitte has recently began working with a U.S. governmental agency, comprised of approximately 50,000 employees, and supporting over 20,000 customers, all spread throughout the United States and around 100 countries. The agency sought to implement an ESM operating model and technical solution, allowing all their employees and customers to access the full suite of enterprise services offered within an omnichannel employee and customer portal.

With Deloitte's support, the agency has developed a new, customer-focused shared service organization to provide a subset of functional services to its internal customers across the departments through a detailed, data-driven current-state assessment, future-state vision, business case, and implementation roadmap.

Organizations, and their leaders, are rethinking their service delivery models. They seek a model that can adapt to change quickly, simplify the employee and customer experience, and drive higher value in delivery of services. To do this successfully, organizations must keep three aspects of change at the forefront of the journey: people, process, and technology.
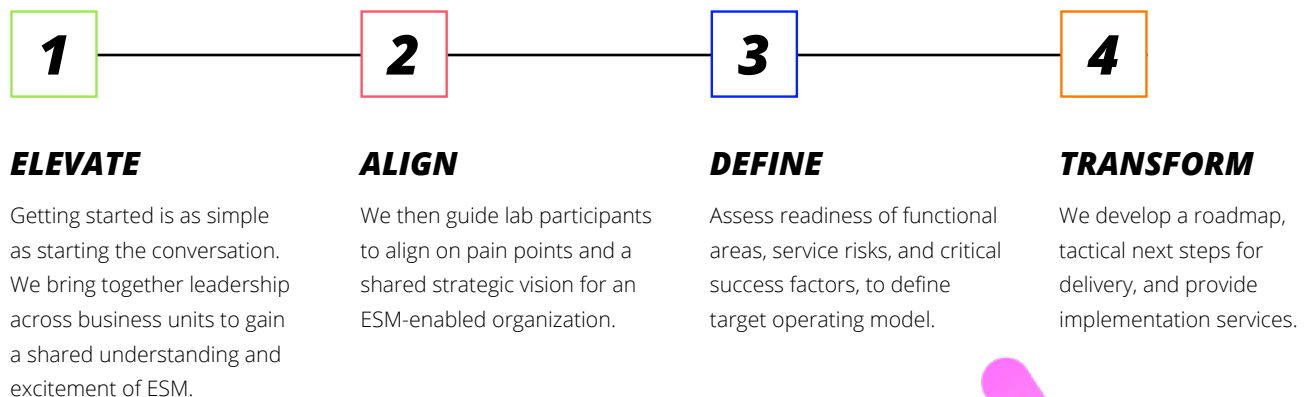
Taking a holistic approach to ESM can help build the resilient and adaptable delivery models that are increasingly in demand to generate proactive insights and serve as a strategic asset to the ecosystem:

PEOPLE

Stakeholders, supporting organizations
From IT to HR, legal, facilities, education, security, sales, marketing, R&D, and finance, ESM seeks to to bring together cross-functional teams to improve the employee and customer experience.

PROCESS

Business process reengineering

ESM builds upon standard and repeatable IT service management processes to create centralized, structured, and repeatable digital workflows to enable a frictionless user experience for request fullfillment.

TECHNOLOGY

Transformative platforms
(e.g. Oracle, Salesforce, SAP, ServiceNow, Workday)

ESM leverages existing systems of record for core back-office functions and seeks to unify around a common system of interface with supporting automated and orchestrated workflows with curated information available at individuals' fingertips via a centralized knowledge repository with predictive/prioritized search capabilities.

A clear path to transformation

At Deloitte, our mission is to help our clients accelerate the ESM maturity of their organizations. No matter how far along they are on their journey, organizations need a plan and a clear starting point to begin working toward their chosen goal. Our customizable ESM Jumpstart Labs and Transformation Implementation support services seek to reduce the planning required to accelerate their journey and achieve their ESM objectives. Our labs help organizations leverage ESM principles to accelerate their transformation, using our repeatable framework to determine where they are on their respective journeys.

Our Jumpstart Labs and implementation support services help organizations leverage ESM to guide and facilitate their transformation journeys in four key phases:

1	2	3	4

ELEVATE

Getting started is as simple as starting the conversation. We bring together leadership across business units to gain a shared understanding and excitement of ESM.

ALIGN

We then guide lab participants to align on pain points and a shared strategic vision for an ESM-enabled organization.

DEFINE

Assess readiness of functional areas, service risks, and critical success factors, to define target operating model.

TRANSFORM

We develop a roadmap, tactical next steps for delivery, and provide implementation services.

PHASE 1: ELEVATE

We start off with a familiarization session to create a mutual understanding of service management, provide an overview of leading practices within service delivery, and highlight the potential of an ESM platform. In this session, we seek to explore the topic of service management and how it has evolved to enhance employee and customer experiences, while delivering operating efficiencies. By doing so, lab participants can develop a shared understanding of what the future of ESM looks like, and how technology can enable their organization to reach world class service delivery. The objective is to excite about the possibilities of ESM and begin to articulate shared pain points in their current service delivery model—moving into Align.

PHASE 2: ALIGN

Ideally, the organizations' leaders should take time to talk to their peers who have faced similar challenges, analyze their team, identify obstacles, and fine tune their strategy. However, these conversations are often time consuming. Building upon the Elevate phase, where organizations began to articulate their shared pain points, the Align phase works to expedite the process. The objective is to walk a diverse group of cross-functional process owners through the below eight ESM strategic choice areas, examining where their pain points fall, to guide organizations towards alignment on current and target state aspirations for an ESM-enabled organization.

STRATEGIC CHOICE AREAS

Service management scope:

The functional areas and teams that will leverage service management principles in their approach

Consistency of experience:

The extent to which service management experiences are consistent across different areas in the enterprise

Channels:

The ways in which services can be accessed and fulfilled

Customer focus:

The individuals and stakeholder groups that are in scope for service management

Service offering:

The types of services being offered to customers

Connectedness of platforms:

The degree to which platforms are connected to each other across the enterprise

Knowledge strategy:

The way knowledge is leveraged to enable self-services/deflect work

Performance management:

The degree to which service management is used to manage operational performance of teams

PHASE 3: DEFINE

The collaborative input and insights from the Elevate and Align phases culminate in the definition of a target state ESM operating model. In the Define phase, we work with lab participants to tactically map the strategic choices from Elevate and Align phases to deliver a custom-built target state ESM operating model. We tailor every operating model to each client journey to drive organizational performance outcomes and support the needs of employees and external stakeholders:

Easy to access, easy to use services for internal and external stakeholders

Provide an enterprise approach to service delivery

Have greater consistency, efficiency, and visibility across the organization to enhance the user experience

Have a more centralized approach to service management channels, tooling, data and reporting, and governance

Defining and establishing the operating model that will be required to support ESM at the beginning of the transformation will allow an organization to leverage these performance outcomes (i.e., knowledge management, reporting and analytics, customer/employee experience, continuous improvement) to support the implementation of the ESM environment to further optimize ESM benefits. This allows ESM to be embedded into business-as-usual.

A well-designed ESM operating model, incorporating strategic choices decided on in the Align phase, will lay the groundwork to transform service management into an engine of enterprise performance that leverages scale and creates capacity to focus on outcomes and customer needs:

Citizens / External Stakeholders / Employees	Brand and Talent Strategy
	Service Management Strategy
	Customer Experience Strategy
	Customer Interaction Channel Strategy

Customer Channels: Chat, Portal, Phone, Walk-up Desk

Administrative Services	Program Management	Capabilities as a Service	Customer Facing Technologies
Finance	Program Administration	Reporting & Analytics	ERP
Information Technology	Citizen-facing Services	Process Excellence	HCM
Human Resources	Technical Support	Intelligent Automation	CRM
Marketing	External Services	Human Centered Design	Best of Breed
Legal	Compliance	Etc.	Etc.

Service Management Platform

Reporting

Knowledge Management

PHASE 4: TRANSFORM

The ESM Jumpstart Lab concludes with a clear set of Next Steps, building on the momentum in Elevate, Align, and Define discussions, culminating in a roadmap providing a clear path to the target-state ESM model and its benefits. Leveraging the collaborative, cross-functional inputs of lab participants we design a holistic organization-wide transformation program. From transitioning legacy systems, internal pilot programs, to phased rollouts of services based on identified pain points and high opportunity, we provide a how-to guide helping reach the target-state ESM organization, while keeping the CHCO, CFO, CISO, and other leadership aligned on the shared vision. Our experience has shown us that simply replacing a current technical solution is not equivalent to achieving a true ESM transformation. That is why Deloitte's ESM transformation roadmaps are not only crafted to lay out the delivery of technology, but also include process refinement, platform evaluation, and right-sizing of resources. We leverage organizational change and drive human-centered design principles to promote cross-departmental and cross-functional discussion, engaging stakeholders to elicit honest inputs, and ultimately drive user adoption throughout each step of the ESM journey.

An ESM transformation journey is unique to every organization, which is why Deloitte customizes roadmaps for each of our clients, addressing their organizations identified key pain points. However, every journey follows a similar path:

Set the foundation

- Commence ESM transformation, evaluate and select ESM platform, and transition from legacy platform(s)

- Establish and/or enhance ITSM foundation

- Functionality demonstrates key benefits to leadership and key program stakeholders

Establish minimal viable product

- Implement the ESM solution for immediate pain points identified in Align and Define phases

- Rollout funtionality to business areas with high opportunity and readiness

- Iterative approach allows users to provide feedback to inform capability expansion

Achieve target-state vision

- Continue expansion of ESM across other functional areas of the organization with moderate opportunity and readiness

- Complete transition of remaining services, ensuring that all capabilities are in the new ESM solution

- Fully implemented ESM solution

Throughout each step in the journey, organizations need to be cognizant of potential barriers to successful ESM transformation. All too often, organizational transformations are hindered by lack of governance and siloed conversations and planning efforts. Maintaining cross-functional stakeholder alignment, with clear governance and awareness are crucial to ensuring a successful ESM transformation.

Several critical success factors impact an organization's ability to drive cohesive alignment toward an agreed upon target state operating model:

Leadership alignment on the organization's transformation vision, guiding principles, and key outcome is crucial to driving ESM transformation. All too often strategic planning and execution happen in silos—cohesive alignment is a key component in our plans.

Well defined governance with active, executive participation across all functional areas as well as employees drives continuous momentum to the target-state ESM operating model.

Clear communication of the transformation vision and embedding the transformation vision in an organization's culture fosters engagement across business units.

Clearly designated process owners supported by process coordinators who can make decisions on process design and improvement, and can cascade ESM service experiences throughout their business units.

Defined organizational change management owner who can act as a change agent, and can also cascade ESM service experiences throughout their business units.

ServiceNow and ESM: Innovation that ignites progress

In addition to being a trusted advisor for organizations developing customized ESM transformation plans, Deloitte serves as an experienced partner in enabling ESM through implementations of core ESM platforms such as ServiceNow. Having delivered hundreds of implementations spanning IT, Asset, Security, Logistics, Finance, and HR powered ESM platforms, we combine our deep technology experience with our thorough understanding of the complexity of organizations to deliver meaningful outcomes and successful transformations. ServiceNow is the leading Platform-As-A-Service (PaaS) platform within the ESM market, and Deloitte's vast experience across industries and sectors combined with our partnership with ServiceNow (2023 Worldwide Partner and 2023 Americas Partner), means that our clients' journeys do not rest with only implementation, but our holistic point of view of our customers by working through the four phase (Elevate, Align, Define, and Transform) process above. Deloitte has tailored the platform to our ESM approach, and those impacts are felt as soon as we embark within the Jumpstart Labs, thus bringing the organization's journey full circle.

WE BRING THE EXPERIENCE

Working with Deloitte's multi-disciplinary ServiceNow practice of 1300+ Certified System Administrators and Certified Implementation Specialists with capabilities ranging from strategy and planning through implementation and operations, maintenance, and sustainment enables the delivery of robust, world class ESM systems. Our experience and ability to realize tangible results has been recognized by ServiceNow in their awards to Deloitte as the ServiceNow 2023 Worldwide Partner and America's Partner award winners.

The ServiceNow and ESM connection point is where the rubber meets the road, where Deloitte delivers the ROI from an enterprise approach, rather than a multitude of siloed processes and/or technologies within an organization; thus, potentially saving significant costs for the organization. Our goal is to deliver a seamless experience across the organization, with less time to value (T2V) by delivering specialized first-class approaches to departmental challenges. The ServiceNow ESM solution coagulates the tie back to improving the customer and employee experience by serving as a single point of entry through the employee and customer portals; both tailored to the persona type to optimize effectiveness and enhance the employee and customer experience. The organization's service delivery model is supported by creating digitized workflows in ServiceNow that connects employees, customers, and systems across the organization and provides leadership with a one-stop-shop to view performance data of the service delivery.

Regardless of where an organization is in their ESM transformation journey, at the conclusion of the Jumpstart Labs, they will be better positioned to create consumer-like experiences and self-service capabilities, improve productivity and efficiencies in service delivery, enable better utilization of resources, and have a holistic view of their organization's infrastructure and operations.

Why Deloitte?

Deloitte's ESM support services are a connected suite of solutions that go beyond technology implementations, making Deloitte the industry leader in modernizing and transforming organizations and their supporting systems. Leveraging our experience garnered from our federal, state, local, commercial, and higher education experience, our targeted questions, and collaborative discussions guide organizations toward alignment on current and target state aspirations for an ESM-enabled organization. Here is how:

We can help you start the conversation.

Deloitte's series of ESM Jumpstart Labs aim to bring together C-suite leadership and other service management champions across back-office functions to identify commonalities and create alignment to the organization's ESM vision.

Demonstrated service management experience.

Providing transformational services that span people, process, technology, governance and data, Deloitte's Business of Technology Transformation (BoTT) offering portfolio contains a network of over 3,300 practitioners that support federal, state, local, commercial, and higher education organizations. Our deep experience around ITSM forms the basis to advise clients to adopt relevant principles for ESM.

Proven ServiceNow experience.

Deloitte is the right organization for driving ServiceNow-powered ESM transformations. As one of only six ServiceNow Global Elite Partners, 2023 Worldwide Partner, and 2023 Americas Partner, Deloitte's ServiceNow practitioners hold 4,000+ ServiceNow certifications, and implementation experience in every ServiceNow application currently available on the platform.

People first.

Deloitte begins every ESM engagement by looking at the human element and the big picture by which we can align technology changes to an organization's needs. This flow of work can position an organization to realize value quickly—while helping them avoid the lateral impacts and unintended consequences of a technology-only approach.

Holistic point of view.

ESM at scale requires a combination of technical capabilities spanning a broad range of back office or corporate services as well as multiple systems of record and an integrated service management platform. Deloitte has a diverse experience and capabilities necessary to envision and deliver an ESM future, providing complete, scalable, and bespoke solutions spanning multiple platforms with our reach back to subject matter specialists and advanced technical support.

Embedding sustainment.

With our multi-faceted and iterative approach to engagement and organizational change management, Deloitte brings the right strategy to communications, training, and collaborative mindset to drive effective, sustainable adoption of an ESM solution across the enterprise.

Ultimately, getting started with an ESM journey can be as simple as starting a conversation. Deloitte is ready to work with your organization in elevating the conversation and leveraging our global network resources and accelerators to empower your ESM transformation.

Contact us to learn more.

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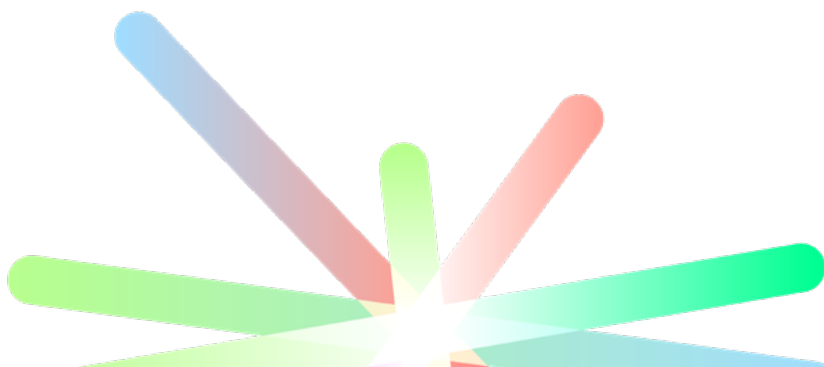
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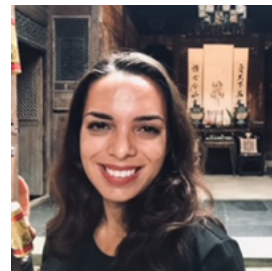jowiseman@deloitte.com

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Special thanks to:
Sonia Eland
Katie Vainauskas
Laura Entwistle,
Mehroz Khan,
Brian Decot
Isamar Bonny,
Francis Arumbulo
Hilton Robinson
Chris Hamilton
and Aprajita Rathore