



Decoding the Fundamentals of VeriSM™

Article

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Contents

1	Beauty is in the eye of the beholder.	3
2	VUCA is the new “normal”.	4
3	Value Proposition, Value-Driven Operating Model and Value Discipline.	7
4	The VeriSM™ Model/Approach.	8
5	VeriSM™ is for Service Management what a philharmonic orchestra is for a symphony.	11
6	Organizational readiness for adopting the VeriSM™ Model.	12
7	What is a business simulation?	13
8	Why consider a business simulation?	14
9	Final Thought.	15
10	About EXIN and Luis Anderson.	16

1 Beauty is in the eye of the beholder.¹

If beauty is in the eye of the beholder, then the person who is observing gets to decide what is beautiful; this means beauty doesn't exist on its own but is created by observers. The same applies to the notion of “good”. It is a fact, that not all people have the same opinion as to what good looks like. Different people will have different perceptions about it. Hence, it is subjective.

Coincidentally or not, “*What is good* service management?*” happens to be the first question asked in the Preface of the VeriSM™ book². The term good was used 177 times throughout the book, reflecting the relevance that it has to the VeriSM™ model/approach to Service Management.

Good

adjective

1. to be desired or approved of.
2. having the qualities required for a role.

noun

1. that which is morally right; righteousness.
2. benefit or advantage to someone or something.

adverb (informal)

1. well

¹ The actual phrase is “It's true that beauty is in the eye of the beholder.” From the writer Margaret Wolfe Hungerford. She included the phrase in her book 'Molly Bawn' (1878).

² VeriSM™ A service management approach for the digital age.

Consumer *perceptions* along with consumer *preferences* and, the *outcome*, gained by the client, of what is delivered by the service provider, who in turn must fulfill the needs of its customer, defines what value is for a consumer.³

This is the reason why the model *starts* and *ends* with the consumer. The emphasis is put not on the attributes of the product or services consumed, but rather on *understanding* how a service provider can satisfy the expected *outcomes*.

Products and services by themselves tell the story of what your organization produces or the output of your organizational activities. They neither address the *impact* nor the *level of performance* that occurred on your consumers because of them.

Outputs are products, services, profits, and revenues: *The What*. *Outcomes* create meanings, relationships, and differences: *The Why*. Outputs, such as revenue and profit are important and enable us to fund outcomes; but without outcomes, there is no need for outputs.⁴

Therefore, outcomes and, consequently, the value it brings to the customers is fundamental to the creation of the VeriSM™ model.

2 VUCA is the new “normal”.

Let's pause for a moment and briefly review some key events that helped to shape our mindset in relation to the systems that support the production of goods and services with the intention of satisfying the needs of the consumer, and to provide value in an environment that is characterized by being VUCA (Volatile, Uncertain, Complex and Ambiguous)

³ ITIL® Service Strategy, 2011 Edition

⁴ “It is not Just Semantics: Managing Outcomes Vs. Outputs” by D. Mills-Scofield, Nov 2012

The meaning and relevance of VUCA often relates to how people view the conditions under which they make decisions, plan forward, manage risks, foster change and solve problems. In general, the premises of VUCA tend to shape an organization's' capacity (and individuals) to find solutions for:

- Volatility by defining a vision
- Uncertainty by attempting to understand the context
- Complexity by providing clarity and making the effort to simplify
- Ambiguity by introducing flexibility and agility to produces alternatives solutions and deal with challenges. ⁵

In response to our VUCA world, a myriad of important approaches, frameworks, methods and best practices were developed to “stabilize” the environment in which organizations operate, and in attempt to “tame” the roller coaster on which the organizations were riding and in addition, to remain economically viable.

A laudable effort to promote and create an order. From those efforts, new viewpoints emerged, and other “systems” were created, as by-products of a natural evolution, advancements in knowledge; and lessons learned from practices deployed on the “war field”. All or most of them aimed to understand the business viewpoint, how to respond to business expectations, how to deliver products and services in the most efficient and effective manner, how they address the impact or the level of performance of the customer and how they (the customers) value what was delivered to them.

The breadth and depth of experiences gained from the “stabilizers” of the environment are growing at a speed that makes it difficult to be abreast, assimilate and properly utilize them harmonically for the benefit of the organization. Therefore, there is once again the need to create an order among the variety of “stabilizers”. New glossaries, models and guides were created. There has been an explosion in knowledge. The result was the creation of numerous specializations (areas of interest) such as IT and IT Service Management, project management, enterprise architecture, business management, talent

⁵ VUCA world, where does it come from? <https://marbl.be/inspiration/vuca-world-where-does-it-come-from>

management, financial management, to name a few. Each of them including in turn, a significant number of sub-specializations that can easily reach approximately forty-four (44) at this time (This number could be even larger!).

Digital transformation "pulled the mat out from under our feet". Digital Transformation seems to have no limits, forcing organizations to walk (run) at an accelerated pace to discover how to incorporate new advances in IT as part of their capabilities to respond to a more demanding consumer and even more importantly to differentiate themselves from their competitors. It forces companies to rethink what customers are, to reconsider the competition, to rethink data, innovation and value. This new wave creates new challenges that force us to learn how to adapt and evolve our business model in a way that allows us to continue growing in the digital era, in an environment characterized and transformed by successive waves of digital technologies, creating another VUCA dimension.

The plethora of knowledge created from the "stabilizers" and the Digital Age, leads to deepen the specialization and sub-specialization of people. At least, in the past twenty years, the growth of Shape-I professionals is staggering, which in turns, directly or indirectly influences the mental models of individuals and ultimately determines how organizations are shaped, and what "lenses" they "wear" to define, design and operate a business model in a VUCA world.

It could be said, without hesitation, that Shape-I professionals have been, unwittingly or not (intentionally or not), a fertile ground for "silos" to grow within organizations. It has hindered, amongst other things, fluid communications, working towards a common goal, and in some cases, stimulated tribalism, isolation, and power struggles, to say the least.

I-Shaped professional: is a specialist, with deep knowledge in a specialized area, but does not have general knowledge in other capacities of the organization.

T-Shaped professional: is a generalist who has a general understanding of other capabilities of the organization and with in-depth knowledge in at least one specialized area.

3 Value Proposition, Value-Driven Operating Model and Value Discipline.

In this VUCA context: Would it be possible for a business to succeed trying to be everything for all people? In other words, can a business be everything to everyone? Probably not, the exception would be a business that has unlimited resources; otherwise, it is an uphill battle that it will most likely lose. Therefore, organizations need to focus. Focus can be attained by defining a (set of) value propositions, developing a value-driven operating model and a maintaining a value discipline.

Where, if the value proposition is the end, the value-driven operating model is *the means*.

Value proposition is a promise a business makes to its customers to deliver a unique set of benefits (a combination of price, quality, performance, selection, convenience, and others) that are valued by your primary stakeholder (your customer).

Value-driven operating model is a combination of operating processes, management systems, business structure, and business culture that gives an organization the capacity to deliver on its value proposition.

Value discipline is the desirable ways in which companies can combine operating models and value propositions to be the best in their markets. Value disciplines can be in three distinct dimensions: operational excellence, product/service leadership and customer-centric. The choice of a value discipline shapes every subsequent decision the organization makes and will define the objective that a business wants to achieve.⁶

Operational models have also evolved over the years. In general, without claiming to be exhaustive and with possibilities of error due to oversimplification, it could be said that the operating models have evolved from a *linear mode* (value chain), a sequence of linear actions to produce goods and services, supported by auxiliary processes to the production line, working in tandem or in network, to the service modes based on *life cycles* together with the appropriate processes according to the stage in the life cycle.

⁶ "The discipline of market leaders" M. Treacy & F. Wiersema, 1994

The knowledge acquired (specialization and subs specialization) in relation to approaches, frameworks, methods, best practices, and technology advancement, have become a critical part of the company's DNA, and definitively have a great influence on the mindset of the people and over the design of the business operating models.

There is a genuine need to respond to the challenges that the digital age confronts us; in terms of the structure of the organization, its culture, business processes, control mechanisms, the type of professional and the development of its talent. It forces us to reconsider customers, competition, data, innovation and value, among others. The need to be flexible, adaptable and agile is imperative.

It seems that *linear models* or *life cycle models* alone are not capable of responding to this new dimension of VUCA. There has been a genuine concern about how to combine different service management practices with technology-enablers services in the organization's operational models.

As a reminder, the design of the operating model is derived from the strategy and at the same time, the strategy may be influenced by improvements and changes in the operating model. Moreover, the organizational culture also influences the operating model.

4 The VeriSM™ Model/Approach.

The VeriSM™ model is an open community-based model, and the result of an initiative developed in cooperation with an international team of experts.

Fundamental premises used to for the creation of the model are:

- Customer centric approach, outside-in mindset
- Service Management approach with an end-to-end view of the organization as a service provider rather than focusing on a single department.

- Everyone at every level of the organization has a role to play in the delivery of products and services, hence there is no need to differentiate and separate management protocols
- Service management is an essential organizational capability
- Proposes blending in service management with other organizational capabilities
- Technology is a key enabler of services and has a great impact on the creation, delivery and the way services are consumed and supported
- It shows how they can fit together into an overall organizational context
- Does not replace/displace any effective working methods, adopted frameworks, etc.
- Helps to focus on how to integrate various management practices in a flexible way
- Incorporates lessons learned from other frameworks, methods and standards

The VeriSM™ model has been developed to

- Support the entire organization to manage services for their customers.
- Respond to changing demands on service management and the impact of digital transformation
- Help evolve an operating model that best suits the individual organization, based on an integrated selection of management practices and appropriate use of technology enablers, alongside organizational capabilities, assets and consideration of its business environments

The constituents of VeriSM™ as a value-driven operating model are:



Consumer – provides the requirements for products and services / receives them, provides feedback, participates in verifying/reviewing/improving activities

Governance - the underpinning systems of directing and controlling the activities of the organization

Service Management principles – based on governance, they are guidelines for the decisions and actions; the essential, underlying factors that form the foundations of successful service management

Management Mesh – how an organization combines resources, emerging technologies with different management practices in the context or business environment where it operates.

The Management Mesh is a key component that provides flexibility and responsiveness to the service provider and allows the operating model to evolve, change and adapt when required. It allows organizations to blend in different practices to respond to the demands of service management.

The VeriSM™ model's core contribution to the Service Management community is the introduction of the concept of the Management Mesh.

And the following capabilities:

Define – and design a solution (product/service) based on agreed requirements

Produce – creation of the solution (build, test, deploy)

Provide – solution is available for use

Respond – support consumers in relation to solutions provided

5 VeriSM™ is for Service Management what a philharmonic orchestra is for a symphony.

Echoing excerpts from the book, the VeriSM™ approach provides an organizational perspective of service management, which implies that "all the organizational capabilities of service providers" are at stake. In other words, "service management can no longer be limited to a single department, for example, IT or customer services". In addition, the service provider teams that create products and services work with a variety of management practices, which must comply with the requirements established in the service management principles.

Such an organizational perspective is unified under the concept of The Management Mesh.

A philharmonic orchestra is a valuable analogy that we could use to explain the ideas that VeriSM™ offers.

Remember how you felt when you listened to your favorite symphony and how your spirit soared by the execution of the superb musicians led by your favorite Director. The musicians and Conductor must come together in harmony to play the notes required by the score and at the same time delight the audience.

VERISM™ helps organizations to evolve their value-driven operating model, based on the inclusion and integration into the business model of a selection of management practices, providing the required flexibility and response capacity; similarly, an orchestra needs to have those attributes to produce exceptional music and evolve through all the movements included in the composite piece.

6 Organizational readiness for adopting the VeriSM™ Model.

The VeriSM™ model is like a living organism that evolves, adapts and responds continuously to business situations; and, as a living organism, it has components that are vital for its proper functioning, for example, the Management Mesh, which need to be healthy.

The construction of the initial model, particularly the Management Mesh, is key to ensure the delivery of the value proposition to customers. Adopting service management across the whole organization, where all capabilities must work in partnership effectively, requires a continuous improvement mindset.

The process of adopting this value-driven operating model, requires a degree of certainty that the current conditions in the organization are appropriate to start the journey of change, the transition - from the current model of operation to the VeriSM™ model -, will be successful, otherwise, the feasibility of the project is compromised.

Each organization is unique, and therefore the importance of understanding its characteristics with a high level of certainty before initiating the transition, will be possible through the evaluation made on how well prepared the organization is to make the change. The scope of the evaluation must cover, as a minimum, the following:

- Service Culture and value system
- Capacity for change
- Leadership styles and power distribution
- Residual effects of past changes
- Management's predisposition toward the change
- Employee readiness for change
- Management Practices in use
- Emerging technologies considered
- Organizational capabilities
- Roles, competencies and teams

- Mix Shape-I and Shape-T professionals

Since the transition process could be either easy or challenging. The data drawn from the baseline assessment will be used to:

- raise awareness among stakeholders about potential obstacles and risk and take appropriate countermeasures to minimize undesirable impacts in the transition process.
- to prepare a change management strategy that fits both the transition and the characteristics of the organization.

It is highly recommended to consider using the 7-step Improvement process⁷, or similar, like the Organization Behavior Management (OBM) 7-step protocol, as a guiding principle (“guardrails”) during the transition journey.

In addition, it is highly recommended that, at the beginning of the transition, the teams have the opportunity to work under a controlled business simulation environment.

7 What is a business simulation?

- Simulation is a simplified model of reality - a realistic representation of a business context - where participants are asked to develop and take actions depicted in processes to achieve certain business goals.
- Capture the essence of a real working environment in which participants have a risk-free environment (at no cost to the company), apply new skills, try different approaches and explore the implications, decisions and actions without affecting the real business results
- A practical (experimental/experiential) learning approach that offers great advantages over traditional methods of teaching theoretical content.

⁷ ITIL® Continual Service Improvement, 2011 Edition.

8 Why consider a business simulation?

- It is a highly effective enabler of change, whether an introduction of a new service culture, process, or the deployment of new systems
- Demonstrates the benefits of cross-organisational shared teamwork, effective inter area communication and enhances common understanding
- Reduces learning decay, brings the theory alive; makes change irresistible because people understand the reasons and benefits for themselves.
- Allows a better transfer of knowledge to the workplace and improved job performance; reducing implementation times
- Provides real-time feedback, enabling participants to assess their current situation, analyze the options to go forward and measure the results of past decisions and actions
- It is highly effective with a range of audiences, Executive Teams to Team Leaders or Operations staff. Increased buy-in, take up and compliance

Additionally, in terms of talent management

- Increases the visibility of highly motivated individuals
- Increases business cultural awareness
- Reveals more about a participant's character and on-the-job potential
- Assesses whether candidate's approach fits with Organization's specific corporate values
- Better identification of gaps in critical competencies required by the organization
- Speeds up participants' fit for purpose by providing real-time performance feedback
- Connects more qualified and engaged participants to potential roles

9 Final Thought.

Let's establish an open communication, clarify misunderstandings and reveal previously unknown or unspoken challenges and doubts regarding the structure, culture, business processes, control mechanisms, the mix of professionals and talent development of the organization in light of the VeriSM™ model.

Let's reconsider our views about customers, competition, innovation, and value created, among others and how our business can benefit by adopting the VeriSM™ approach.

Let's confirm that our operating model is:

- driven by our value proposition,
- gradually and continually evolving and adapting with agility
- responding appropriately and swiftly according to the VUCA world where it lives
- bringing together relevant resources, management practices, emerging technologies that provide the flexibility required to continue being competitive

If not, let's look at the actions to be taken to transition it towards the VeriSM™ model, and particularly the creation of a healthy Management Mesh as a critical success factor and differentiator.

Let's recognize that services management is an essential capability of the organization, not exclusive to a particular group and that everyone at all levels of the organization, understand that their contribution is very important for the creation and delivery of products and services to satisfy the needs of the client, being these: improve the level of performance on their functions; reduce or eliminate risks, and negative results; get other concrete benefits they are looking for.



10 About EXIN and Luis Anderson.

About EXIN

EXIN is the global independent certification institute for professionals in the ICT domain. With more than 30 years of experience in certifying the competences of over 2 million ICT professionals, EXIN is the leading and trusted authority in the ICT market. With over 1000 accredited partners EXIN facilitates exams and e-competence assessments in more than 165 countries and 20 languages. EXIN is co-initiator of the e-Competence Framework, which was set up to provide unambiguous ICT certification measurement principles within Europe and beyond.

About Luis Anderson

Venezuelan – Canadian with Latin American heart, who resides in Toronto. (Former) Master Trainer of Polestar SIMs (delivered in Argentina, Colombia, Costa Rica, Chile, México, Perú, USA y Venezuela). Supported APMG, LCS and EXIN in several capacities. IT Service Management Subject matter speaker and facilitator of workshops at international conferences: VeriSM™ F, ITIL® Expert and SOA, M_o_V. M.Sc. Computer Sc. from McGill University (Montreal). Executive MBA, IESA, Caracas, Venezuela. Computer Engineer, Simón Bolívar University, Caracas, Venezuela.

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