

Lesson 1: What is SIAM?



Welcome to your Study Guide

This document is supplementary to the information available to you online, and should be used in conjunction with the videos, quizzes and exercises.

SIAM® Foundation Body of Knowledge further reading reference: chapter 1

Study Guide Icons

	Tip	This will remind you of something you need to take note of, or give you some exam guidance.
	Definition	Key concept or term that you need to understand and remember.
	Role	Job title or responsibility.
	Purpose or Objective	For a process or activity.

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Introduction to SIAM

In this lesson, we introduced service integration and management with topics including:

- The history of outsourcing
- The definition of SIAM
- The different areas included in the SIAM methodology



Tip

Download the SIAM Foundation Body of Knowledge from www.scopism.com/free-downloads for some additional reading.

The History of Outsourcing

To understand what SIAM is, we need to think about the history of business.

Going back many years, most organizations were self-contained and carried out all their business activities internally, using their own staff and resources. They would, for example, have their own finance department, human resources department, and information technology department.

In the 1970s and 1980s, organizations started to consider a new approach that would allow them to focus on their core business while taking advantage of specialist services from other companies. This was the beginning of external sourcing, or 'outsourcing', which was formally identified as a business strategy in 1989.

There are many good reasons for outsourcing services. Some organizations only outsource simple services like bulk mailing, and others outsource more complex services and whole business functions like human resources. This has led the growth of a type of outsourcing referred to as business process outsourcing (BPO). BPO outsources an entire business process (such as accounting, or payroll) to an external organization, including all the services that support the process.

Outsourcing Requires New Capabilities

When we look at a modern organization, either in the public or the private sector, we commonly see an organization that sources many of its services from external service providers. This gives them access to the benefits of outsourcing, but also introduces new problems that the organization needs to address.

The customer or commissioning organization needs new capabilities to allow it to make effective procurement decisions, and to manage its service providers and its contracts. It might also need to manage interfaces and relationships between service providers.

Many customer organizations have struggled to manage their service providers successfully. They find themselves locked into long contracts that don't give them the service they need. If there is an issue that needs to be resolved, they find themselves managing arguments between service providers, who are blaming each for the fault. The model they adopt can make it difficult to add new service providers or remove existing ones, and organizational agility is hampered by the cost of contractual changes.

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What is SIAM?

SIAM can address the difficulties associated with outsourcing.

“Service integration and management (SIAM) is a management methodology that can be applied in an environment that includes services sourced from a number of service providers.

SIAM has a different level of focus to traditional multi-sourced ecosystems with one customer and multiple suppliers. It provides governance, management, integration, assurance, and coordination to ensure that the customer organization gets maximum value from its service providers.”

SIAM has developed as a management methodology from the practices and experience of many organizations. It is a new way of working that helps to maximize the value realized from services that rely on a number of service providers.

Adopting SIAM allows the customer organization to create an environment where each of the parties involved understands:

- Their role, their responsibilities and the context in which they operate
- What they are empowered to deliver, and what is outside their scope
- What outcomes they are accountable for

“SIAM is the generally accepted acronym for service integration and management. Other acronyms that are in use are:

- *MSI (Multi Sourcing Integration)*
- *SMI (Service Management Integration)*
- *SI (Service Integration)*
- *SMAI (Service Management and Integration)*
- *SI&M (Service Integration & Management)”*

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Figure 1 shows the way that many organizations currently operate. The customer organization is using services from a number of internal and external service providers, which allow it to meet the needs of business units and service consumers.

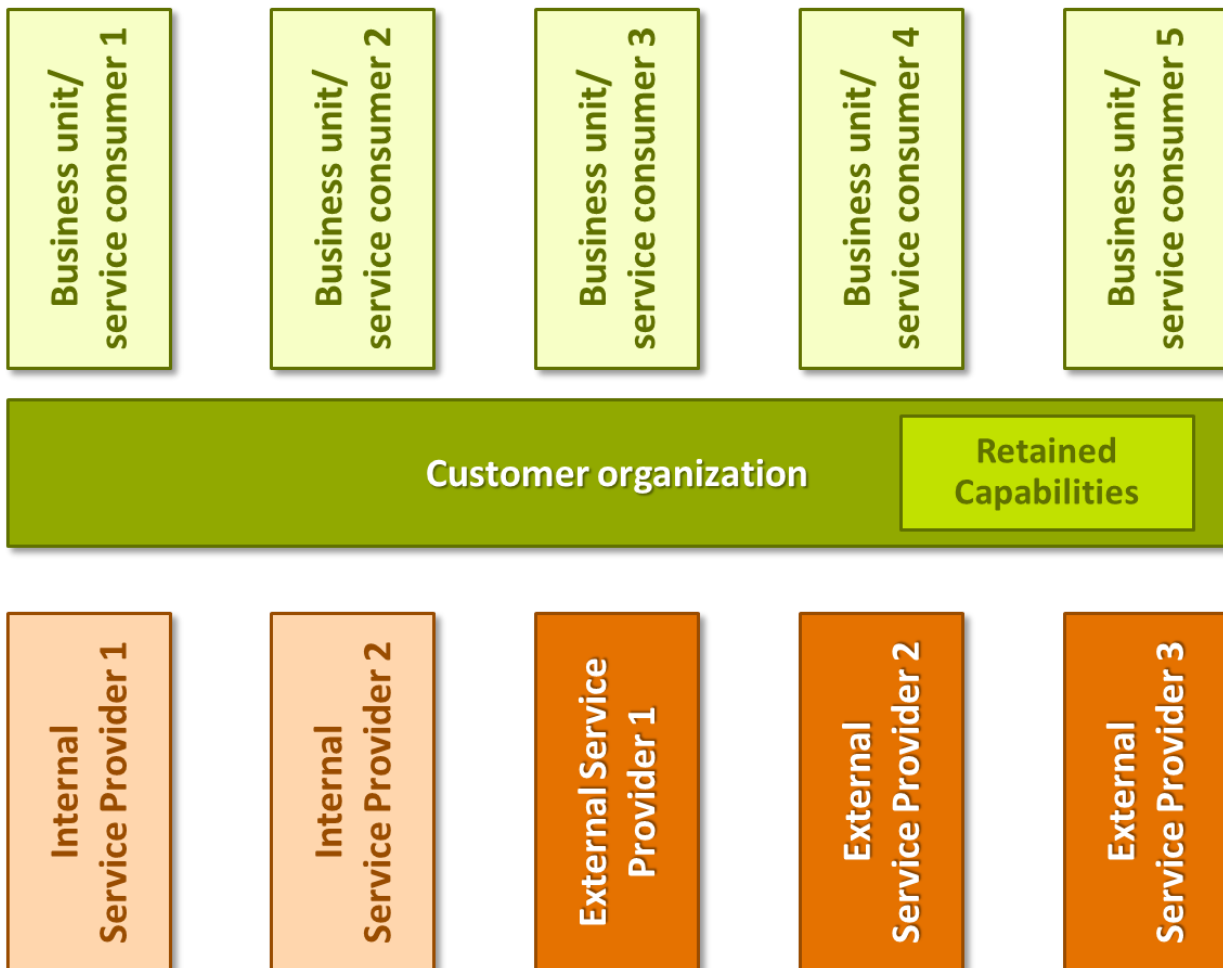


Figure 1: based on SIAM Foundation Body of Knowledge Figure 1: the SIAM layers, including consumers of services from the customer organization

SIAM differs from traditional outsourcing because it introduces the concept of a 'service integrator'. This is defined as "a single logical entity, held accountable for the end to end delivery of services and the business value that the customer receives". This is shown in figure 2.

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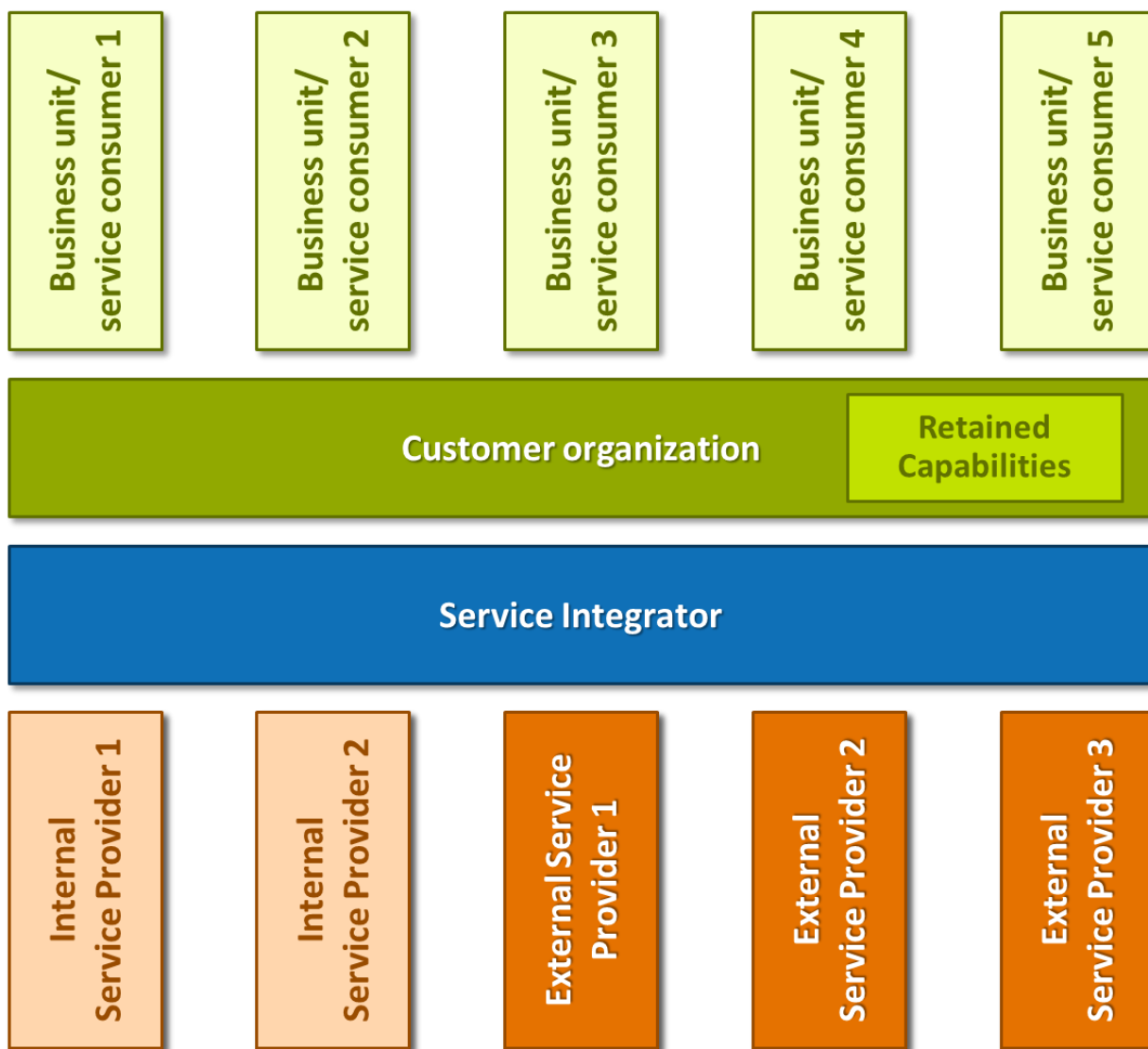


Figure 2: SIAM Foundation Body of Knowledge Figure 1: the SIAM layers, including consumers of services from the customer organization

SIAM can be used by organizations large and small, in both public and private sectors. The only type of organization that won't really benefit from adopting a SIAM approach is one that has only one service provider – as there is nothing to integrate.

SIAM can be applied to external service providers, internal service providers, or a mixture of both. The more service providers a customer organization has, and the more complex its services, the more value it is likely to derive from adopting SIAM.

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The Areas Included in the SIAM Methodology

The SIAM methodology includes:

- Practices
- Processes
- Functions
- Roles
- Structural elements



Practices

A practice can be defined as *“the actual application or use of an idea, belief, or method, as opposed to theories relating to it”*.

Within SIAM, there are practices that support governance, management, integration, assurance and coordination of end to end services.



Processes

A process is *“a documented, repeatable approach to carrying out a series of tasks or activities”*.

SIAM is often mistakenly referred to as a process. SIAM itself is not a process, but it does use many processes that are usually found in organizations.



Functions

A function is “an organizational entity, typically characterized by a special area of knowledge or experience”.

The service integrator layer of a SIAM ecosystem will be organized into functions to allow it to carry out its governance, management, assurance, integration and coordination roles.

Every organization will organize itself differently so there is no one ideal organization chart for a service integrator; the functions will depend on their role and responsibilities.



Roles

Roles and responsibilities ensure that every element of a SIAM model has a clearly defined scope of work. Roles and responsibilities need to be defined, established, monitored and improved where necessary.

If roles and responsibilities aren't clearly defined, there can be negative consequences. Work might not be carried out, tasks might be duplicated and levels of authority may be unclear.



Structural Elements

A structural element is “an organizational entity that has specific responsibilities and works across multiple organizations and layers in the SIAM ecosystem”.

They can include staff from the customer organization, the service integrator and the service providers. They play a vital role in building relationships and improving communication between all the parties in the SIAM ecosystem.

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The role of the structural elements in a SIAM model includes:

- *“Governance*
- *Developing and maintaining policies*
- *Developing and maintaining data and information standards*
- *Reviewing and improving end to end service performance*
- *Reviewing and improving capability and maturity*
- *Identifying, encouraging, and driving continual service improvements and innovation*
- *Resolving shared issues and conflicts*
- *Delivering specific projects*
- *Integration, aggregation and consolidation of data to form an end to end view*
- *Recognizing and rewarding success”*

There are three types of structural element defined in the SIAM management methodology. They are:

- Boards
- Process forums
- Working groups



Boards

A board is used to provide governance in a SIAM ecosystem. They are formal decision-making bodies, and are accountable for the decisions they take.

They convene regularly, and operate at strategic, tactical and operational levels.



Process Forum

A process forum is aligned to a particular process or practice area. Process forums generally carry out proactive work, related to innovation and improvement.

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Figure 3 shows some examples of the relationships in some common process forums. The process owner from the service integrator will attend the forum, often acting as the forum chair. The service provider process owners will attend to share practices and suggest improvements to shared work areas.

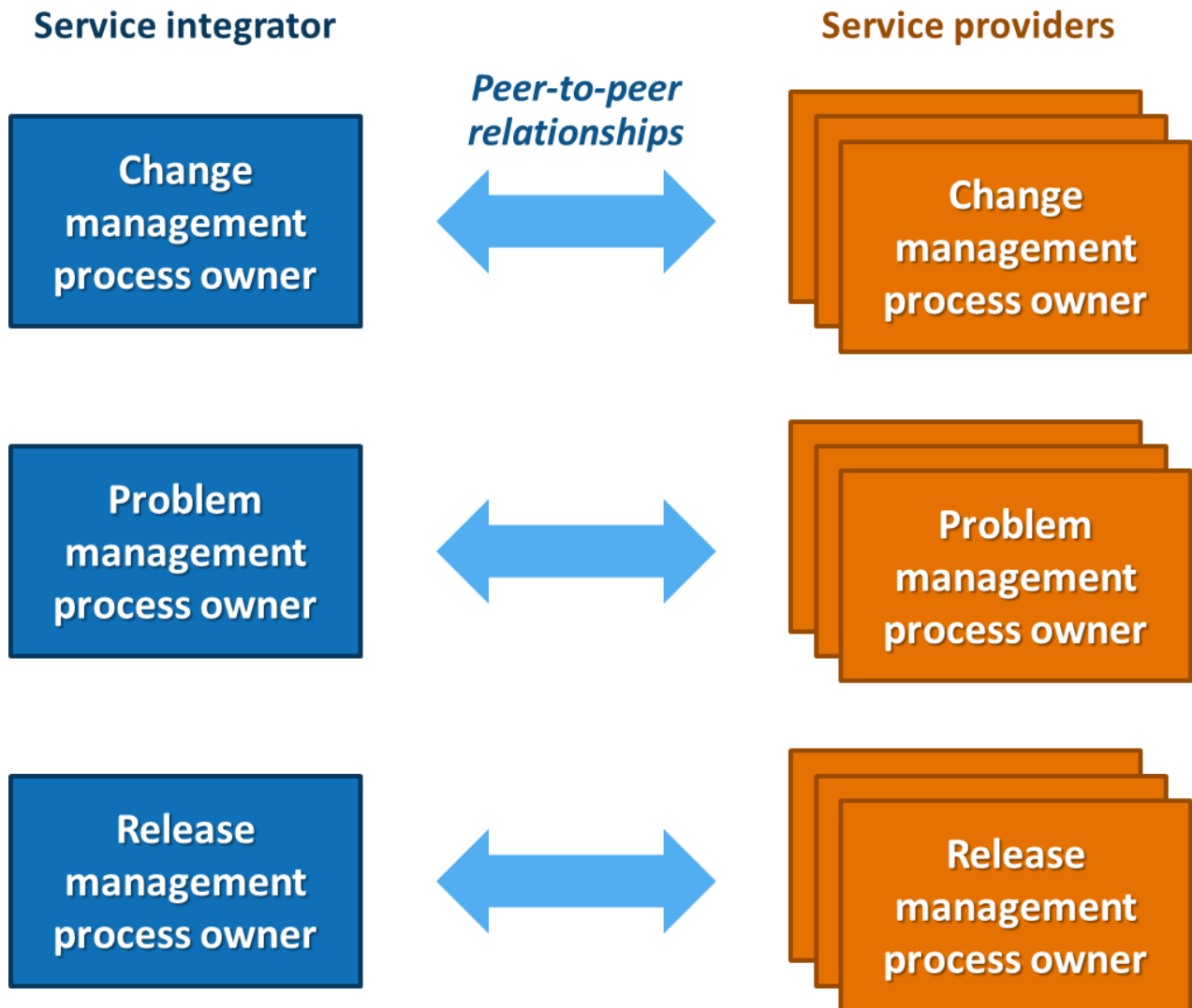


Figure 3: SIAM Foundation Body of Knowledge Figure 4: peer to peer process forums



Working Group

Working groups are reactive, convened when needed to address specific issues or projects.

A working group will include staff from different organizations, and where required, different specialist areas.

Staff members from the service integrator or the service providers will often be involved in process forums and working groups, addressing different areas of their role. If it makes sense, the process forums and working groups can be combined to save time and reduce the number of meetings. If this does happen, it's important to make sure that the reactive work doesn't dominate the meeting – proactive work must take place as well.