

# SERVICE INTEGRATION AND MANAGEMENT (SIAM) INTRO



There are few industries more demanding than IT when it comes to exceeding expectations. Tech startups and large businesses alike, feel the pressure to perform in innovative ways beyond industry standards as they navigate a competitive market. Oftentimes, this leads to outsourcing of services to provide value and savings to end users.

## Why All the Outsourcing?

To some business owners, "outsourcing" is a bad word. Certainly, it's not without risks. But when it comes to IT it's sometimes necessary. For example, who wouldn't prefer a highly-trained specialist working on their business IT issue as opposed to an IT generalist, or doing it themselves?

In the competitive landscape of IT service providers, you must have extensive service offerings available to clients. As hard as we try to isolate problems in one environment, IT issues don't exist in a vacuum. It's not uncommon that fixing one issue means addressing another. And then, while you're at it, your customer may request something else.

[Scope creep](#) is commonplace in IT. You start with one user's problem, but by the time you've finished the project, other issues that presented themselves were added to the scope of work.

Sometimes it just comes down to time and money. If you're going to offer a necessary service to a client, you have to be able to do it quickly and efficiently for the lowest cost no matter what you have on your plate. It's easy to see how outsourcing work has become a day-to-day function of IT

providers when you look at the big picture.

The problem faced by IT managers when it comes to outsourcing is not the act itself. It's the lack of structured management oversight in most contracting and subcontracting models. There's an inherent inability to ensure that the hiring company's standards of quality control are being consistently met by all contractors.

## The SIAM Solution

This dilemma is what [Service Integration and Management](#) (SIAM) systems are designed to prevent. SIAM is an outsourcing service model drawn from the success of major corporations around the world. The term can be used interchangeably with [Multisourcing Services Integration](#) (MSI). It is also sometimes referred to as SIAM/MSI. Any of the above names are appropriate.

At its core, SIAM is a new way of looking at outsourcing for many businesses.

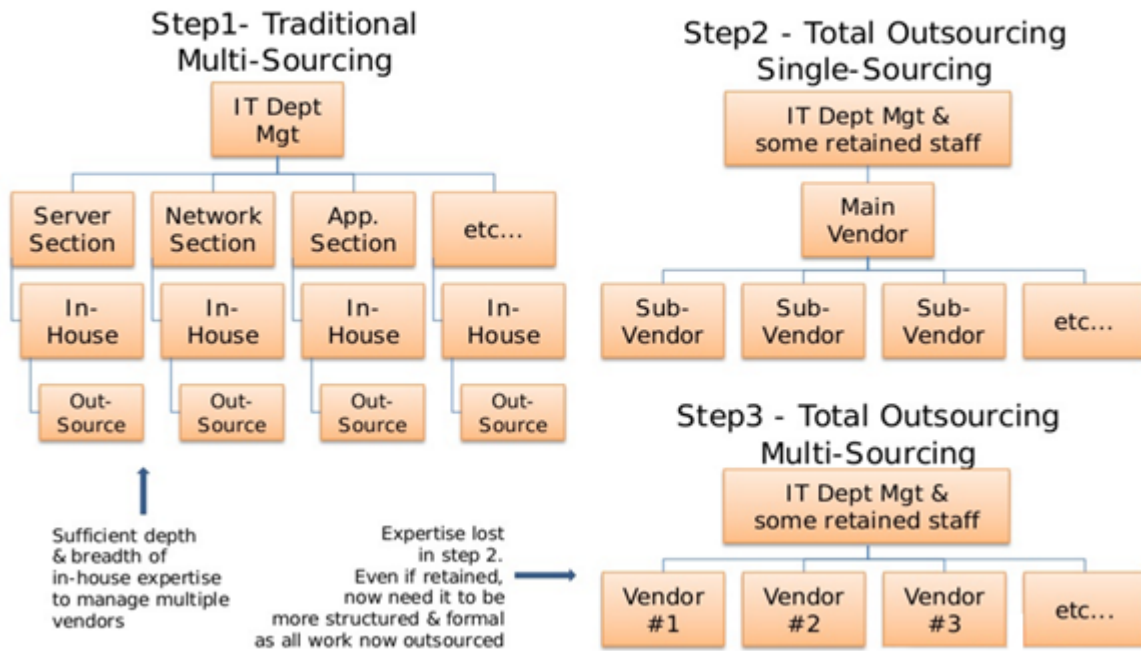
In traditionally run IT departments, trained in-house professionals are selected to oversee various functions like network efficacy or database management. These professionals often outsource some requirements to a vendor and sometimes complete the project in-house. One example might be an IT department that outsources the implementation of a new database to an external vendor but manages the data, training and user adoption in-house.

This can lead to a disorganized approach to your vendor management strategy. The former is based on the premise that you can bring vendors in on an as-needed basis to work however they see fit without direction and oversight of in-house IT managers. But as we will come to see in this article, that approach is problematic.

If issues arise, the IT department heads might decide to outsource all of their external work to one vendor. But the trouble is that most single vendor solutions aren't equipped to handle every IT problem. This usually results in vendor subcontracting, which offers the hiring organization very little transparency or control over quality.

It is out of these models that [SIAM was born](#). It's the strategic process by which an IT department can efficiently manage multiple vendors to accomplish organizational goals with full oversight over the process and quality control measures.

# Change in SIAM and IT Dept Structure



## Common Problems Solved by Multisourcing

By taking into account the experiences of a global network of business leaders, we've identified some common problems that can be solved by multisourcing. If your business has experienced any of these problems, it's past time to consider a SIAM approach.

## Red Flags that SIAM Could Positively Impact Your Business

- Unclear delineation of duties among vendors
- Lack of cooperation and coordination among vendors
- Little accountability and no transparency of vendor processes and benchmarks for completion
- Leadership discouraged by lack of innovation among vendors who are eager to fulfill a contract
- Reporting on quality assurance is costly and labor intensive for vendors
- Hiring company has a growing need for a number of diverse IT services
- Hiring company finds increase in complexity of services being provided
- Hiring company has 24/7 operational needs
- Hiring company has noticed increase in internal and external customer expectations
- Hiring company has no set standards for measuring vendor is performing to quality expectations, invested in business goals and working in innovative ways to enhance end-user experience

As with most things in business, a company should never be flying blind when it comes to how they are delivering products and services to internal and external users. If relationships with vendors are causing any of these issues in your IT department, it's probable that you could be functioning more efficiently.

## **Ensuring Your SIAM Model is Solutions Oriented**

If you're going to change your IT outsourcing strategy, you need to ensure it's a change for the better. If it solves any or all of the problems above, it stands to benefit your company a lot. But if you don't fully understand your company's SIAM model you could encounter some pitfalls.

It's important to validate your SIAM model against requirements to avoid these risks:

- SIAM becomes more costly than the benefit received
- No benefits are being received
- Service quality gets worse
- SIAM model is not functional or scalable for vendors
- SIAM model causes an increased need for costly company resources

These things can occur for several reasons, including:

- Lack of consensus in management regarding SIAM activities, approach and application
- Failure to grasp the differences in SIAM software providers and the solutions they offer
- Challenges that stem from switching SIAM providers
- Incomplete or too few guidelines and benchmarks to determine SIAM success

To avoid taking unnecessary risks that could be costly to your business, it's recommended that you use follow certain best practices for SIAM.

## **SIAM Best Practices**

With best practices, businesses can safeguard themselves against potential risks associated with changing their outsourcing strategy.

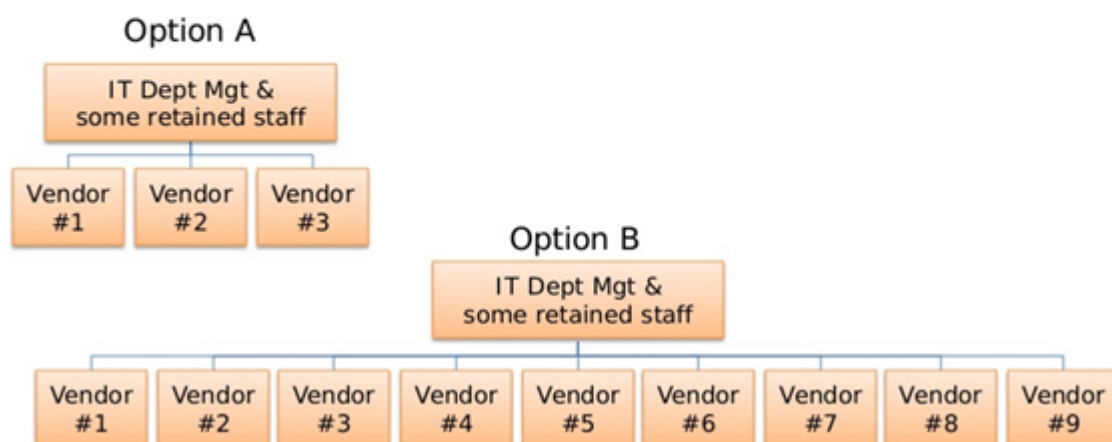
### **Limit Your Span of Control**

Wherever possible it's useful to consolidate areas of necessity into one vendor relationship. For instance, instead of hiring nine vendors to service each of your IT infrastructure needs, hire three vendors who each cover three of the requirements. Even if they subcontract the work you are going to enter into a single agreement with each of them that ensures quality standards are met.

# How many agreements?

## Span of Control (1)

Which option is easier to manage?



## Ensure Vendor Dependencies with Technical Service Catalog

A technical service catalog can serve as a guide that tells you what dependencies must be met for each vendor to perform. With a complex model like SIAM, vendors will rely on one another to communicate and complete tasks. Keeping track of this through visual and written descriptions will help keep everyone on track and ensure processes are always followed.

## Create a Vendor Agreement

Your Vendor Agreement is the binding document between your company and a supplier, that ensures your end-user's expectations are being delivered on, and your company's mission is being furthered.

Some things to include are cooperation clauses between vendors, a service management manual with guidelines and key performance indicators that will be used to determine if the vendor relationship is successful.

## Build Relationships

By building relationships with your vendors you take the experience beyond a transaction and inspire others to focus on your brand's mission. If one relationship should go awry you have a backup plan with your other vendors who value the relationship you've built to complete the work.

## Ensure your Organization is Set Up for a Multi-Vendor Approach

This one takes a little more finesse. A good start is designating a layer of vendor management that provides input in the decision about which functions to outsource, manages vendor relationships and implements quality assurance. This is like Human Resources for vendors.

## Select the Right Tool

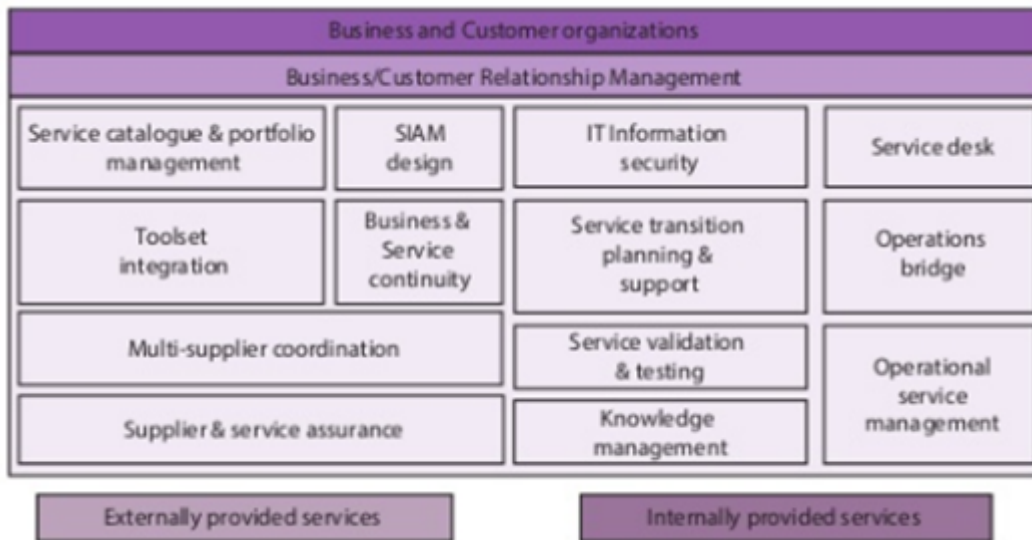
Select a tool for your SIAM that has service and performance management. The right tool will make sure there are no gaps where accountability and transparency are sacrificed. If selecting among multiple vendors, ensure you understand all of the differences of each platform before making a decision.

## Switching to SIAM

In the end, each business must weigh pros versus cons and decide what approach is best for their vendor situation and unique IT requirements. SIAM may not be the right approach for every business. But for businesses struggling to come to terms with the complexity of their IT situation, those who are wondering if the output they are getting is providing a seamless, high-quality experience for end users, SIAM is an option worth exploring.

For some who are considering the switch, it may make sense to compartmentalize each component of SIAM before diving in. As mentioned, the biggest issues arise when companies immerse themselves in SIAM, without a deep understanding of it.

A Component Model allows businesses to take inventory of each necessity along the way at the beginning of a transition to a SIAM provider. It aids leadership in gaining a clear picture of the overall functionality, so everyone is on the same page. In visual form, a component approach to SIAM might look something like this.



Whatever approach you select, it's important to understand all of the risks, benefits and resources involved when it comes to Service Integration and Management.