

VODAFONE ALIGNS SUPPORT SERVICE MODEL TO ITIL[®] 4



INTRODUCTION

In April 2019, Vodafone Business approached AXELOS to explore a potential alignment between an already-initiated Vodafone Business Customer Operations (VBCO) service modelling project and ITIL® 4.

This service modelling project was initiated to address a variety of issues as, over time, the service model for different Vodafone Business products had become misaligned and a number of variations existed. The introduction of a minimum value service (MVS) model was the driver for standardization. A cross-functional approach to the development of the MVS was also used to facilitate smoother interdepartmental working and better customer outcomes.

Prior to the Minimum Viable Service, VBCO was using a proprietary, product-agnostic framework to build standardised, ITIL-aligned service models for new product development and deal-led service designs. It described the service packages offered to customers.

The service modelling project team reviewed the scope of the existing framework and, based on the issues experienced with its use, decided to improve the existing service model to include more detail around the processes and standards used to deliver services to the customer. Before the collaboration with AXELOS, this improvement was using ITIL v3 concepts.

This paper explains more about what Vodafone Business did and has achieved using the ITIL continual improvement model steps, shown in Figure 1.1, as section headings. This includes how the new MVS approach naturally aligned to the key concepts of the newly released ITIL 4 service management best practice framework and the benefits that this has brought.

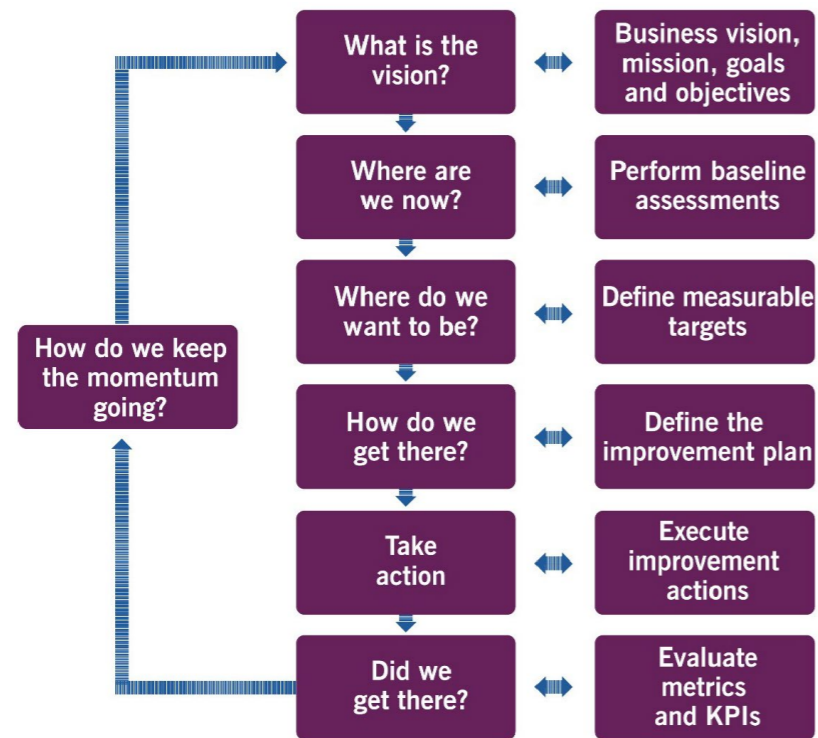
WHAT WAS THE VISION?

The Vodafone Business vision was to create and adopt an MVS that represents a product-agnostic standard service model. It would describe the minimum acceptable level of service they provide for both the customer and Vodafone Business. The MVS would form the basis for all new product development and customer deals. It would also enable a consistent customer experience for global customers on the Vodafone network, as well as partners and third parties across products. The MVS would act as the benchmark service level for internal Vodafone teams. For example:

- The Product Service Design team would use the MVS to build repeatable and reuseable standard service models for all new products.
- The Customer Deal Governance team would understand what the standard operating model is by referencing the MVS and could consequently respond quickly and accurately to new bids.
- The Service Transition team would have an operating benchmark to work to when onboarding new customers and delivering products into the live service.
- The Service Operation team would have a standard level of service to aspire to, as well as confidence that all products and services operate to a standard operating model.

All of this contributes towards better Vodafone Business products and services and, importantly, more consistent levels of service and support to customers.

Figure 1.1 The ITIL continual improvement model¹



WHERE WERE THEY?

Vodafone Business had a recognized service modelling framework, but it was not commonly used across the service delivery community.

Although the framework was detailed in terms of what the customer would receive in terms of a service package, it did not go far enough in outlining how that would be delivered. This created the following issues:

- inconsistent service designs for new products
- slower bid responses for customer deals
- discrepancies between what was standard and non-standard service
- difficulties in transitioning new services
- problems managing services in-life.

The existing service modelling framework had a good degree of detail and was centrally maintained, however operational content such as processes, procedures, and standards were disparately stored, making them difficult to find and consume.



WHERE DID THEY WANT TO BE?

Vodafone Business's ambitions for the MVS mapped to much of the ITIL 4 best practice guidance, including around value and value co-creation, service providers, service consumers, products and services, service relationships, and outcomes, costs, and risks. All of these are key concepts of service management in ITIL 4. The various Vodafone Business statements for 'where do we want to be?' can be articulated in relation to these.

Value and value co-creation:

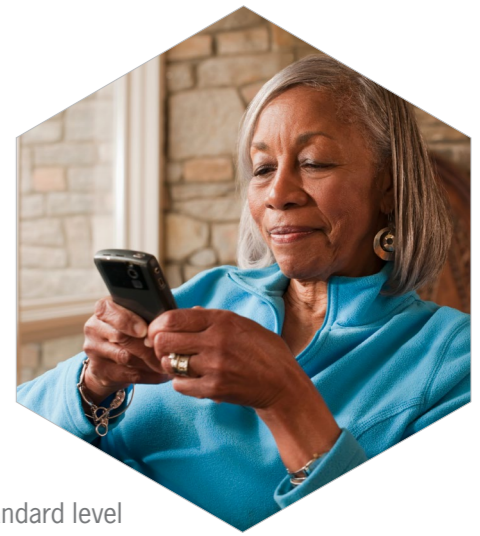
- Value co-creation will be enabled by the MVS. Value is partially created by building the MVS, thanks to the design-based collaboration between teams. However, full value co-creation is only achieved when Vodafone Business teams are all consistently using it and external customers are benefitting from the standard service models.
- The MVS will be used as an operating benchmark by various functional areas for different requirements.
- Value co-creation is supported by a continuous feedback loop that ensures that the MVS is refined, useable, and relevant.

Service providers:

- Service providers, such as VBCO, and other stakeholders develop practices and standards that collectively form the MVS.
- The operational Vodafone Business teams deploy the practices and standards outlined within the MVS, which becomes the service Vodafone Business offers to the customer.
- The practices and standards created by the service providers, in the form of the MVS, are contained in a library of Service Design Packages (SDPs).
- The SDPs are published and made available to all operational and functional areas within Vodafone Business.

Service consumers:

- Internal service consumers, such as Service Design and Deal Governance, will use the MVS to create standardised service models.
- Service providers also become service consumers because they use the MVS as their own service benchmark: understanding the level of service they need to continually maintain.
- External service consumers (i.e. customers) benefit from a standard level of service and understand what they are paying for.



Products and services:

- The MVS is applied to all new products and therefore becomes the standard service model.
- The MVS effectively becomes a service offering in its own right, a baseline standard level of service offered to all customers for all products.

Service relationships:

- A service relationship is created between internal Vodafone service providers and service consumers.
- Value is co-created by continually reviewing and refining the MVS through feedback and collaboration between the service providers and service consumers.

Outcomes, costs, and risks:

- Service consumer outcomes are achieved by having an up-to-date, relevant standard service model that can be applied to new product development and customer deals.
- Service provider outcomes are achieved by being able to operate new products and customer deals knowing that a standard service model, aligned to the MVS standards, is being deployed.
- Costs and risks are reduced and mitigated by:
 - Service design using a service blueprint in the form of the MVS for all new products, reducing time-to-market.
 - Deal governance being able to work more quickly, enabling quicker request for proposal (RFP) responses and increasing bid-win ratios.
 - Service transition providing quicker service deployment with a reduction in rework
 - VBCO having fewer bespoke service models applied to standard products.



HOW ARE THEY GETTING THERE?

15 different ITIL v3-aligned processes were identified as the key elements that would form the MVS service offering. An agile project was initiated to create a library of MVS content that represented the current state of the existing service model. Distribution to key stakeholders and users of the content and continual feedback ensured that the new MVS content was developed iteratively.

The ITIL guiding principle ‘start where you are’ was relevant here. VBCO and key stakeholders asked, ‘Is what we have good enough?’ rather than starting from scratch. Other areas of ITIL 4 alignment through this approach were:

- building an internal service relationship
- the four dimensions of service management.

One of ITIL 4’s key messages is that service relationships are established between two or more organisations to co-create value. This message was shared across various internal agencies and, by working together, the internal agencies listed below co-created value by collaborating and helping build the MVS content, ensuring that it was and is usable and relevant:

- VBCO
- Service design
- Deal governance
- Service transition.

The MVS changes affected different service management areas, as outlined in Table 5.1.

Table 5.1 Using service relationships to co-create value

Service management aspect	Related activities
Service provision, i.e. the ‘activities performed by an organisation to provide services’ ²	<ul style="list-style-type: none"> • Operational standards are created by VBCO for the MVS • Agreed levels of service are detailed in the SDP • Features and acceptance criteria are created for new product development
Service consumption, i.e. the ‘activities performed by an organisation to consume services’ ³	<ul style="list-style-type: none"> • The Service design team ‘consumes’ the MVS standards to ensure that new products are created with a standard operating model • The Deal governance team ‘consumes’ the MVS content to optimally respond to RFPs and bids
Service relationship management, i.e. the ‘joint activities performed by the service provider and service consumer to ensure continual value co-creation’ ⁴	<ul style="list-style-type: none"> • The ongoing feedback from consumers is used to continually improve MVS content • A standard governance structure is used to manage a current and consistent operating model

The ITIL 4 key message of ‘To support the holistic approach to service management, ITIL defines four aspects that collectively are critical to the facilitation of value for customers’⁵ can also be mapped to Vodafone Business activities, as shown in Table 5.2.

Table 5.2 Key activities relative to the four dimensions of service management

Service management dimension	Related activities
Organisations and people	<ul style="list-style-type: none"> • A holistic view of the areas impacted was taken in the creation of the MVS • A more solid service relationship between the traditionally siloed areas of Operations, Service design, and Deal governance was created • The first iteration of MVS design highlighted a number of skills gaps, with improvements necessary to better meet customer expectations
Information and technology	<ul style="list-style-type: none"> • The Vodafone Business ITSM Tooling strategy and feature development has a direct impact on optimizing the new operating model • Information and knowledge are captured in SDPs, which reside within a structured Microsoft SharePoint repository
Partners and suppliers	<ul style="list-style-type: none"> • Internal partners and suppliers have become an integral part of the development and maintenance of the MVS • The continual feedback and input from partners and suppliers help to keep the MVS up to date and relevant
Value streams and processes	<ul style="list-style-type: none"> • Existing standards and processes that form part of the MVS were reviewed • The processes that form part of the MVS were created or updated • The internal service model framework now aligns to the ITIL 4 value stream approach • Value streams are visible in the BAU MVS model

1. AXELOS, Continual Improvement ITIL 4 Practice Guide
2. AXELOS. 2019. ITIL® Foundation: ITIL 4 Edition. p195. TSO.
3. AXELOS. 2019. ITIL® Foundation: ITIL 4 Edition. p194. TSO.
4. AXELOS. 2019. ITIL® Foundation: ITIL 4 Edition. p195. TSO.
5. AXELOS. 2019. ITIL® Foundation: ITIL 4 Edition. p24. TSO.

THE ACTIONS TAKEN

At a high level, in creating the MVS, the VBCO actions were as follows:

- A squad of content creators was formed to collate and document the operational standards.
- The catalogue of services describing what Vodafone Business offers its customers was analysed and used as a reference point throughout the lifecycle of the project.
- The MVS content was collated through subject matter expert engagement and collaboration. This covered processes, policies, service targets, standards, frameworks, tools and systems, and features and user stories.
- The MVS for each capability (practice, in ITIL 4 terminology) was documented into an SDP.

At a more detailed level, the MVS development included many aspects of the ITIL 4 service value system (SVS), as shown in Table 6.1.

Table 3.1 MVS development and the SVS

SVS element	Related activities
Opportunity/ demand	<ul style="list-style-type: none"> • MVS improvement opportunities are highlighted by service providers • Demand is raised by service consumers for additions or changes to be made to the MVS
Value	<ul style="list-style-type: none"> • Value is delivered to internal consumers in the form of efficiencies in their day-to-day roles • Value is delivered to customers in speedier time to market for new products and quicker responses to RFPs • Value is delivered to operational teams because they can rely on other groups to deliver against set standards and policies, bringing further efficiencies
Guiding principles	<ul style="list-style-type: none"> • Focus on value: VBCO focused on delivering the MVS content that delivers the most value to stakeholders • Start where you are: the MVS reused all existing policies, standards, processes, and procedures as a starting point • Progress iteratively with feedback: an agile/sprint-based approach was taken that focused on specific capabilities, releasing content as the project progressed • Collaborate and promote visibility: there was direct collaboration with all capabilities and other internal stakeholders and consumers to understand the requirements for the MVS • Think and work holistically: the MVS scope reaches across all aspects of service delivery, including Service design, Customer deals, Transition, and Operations • Keep it simple and practical: the MVS content is designed to be straightforward to use so that stakeholders and consumers can work effectively • Optimize and automate: MVS development highlighted where automation and optimization could occur through the Vodafone Business IT&SM tooling strategy
Continual improvement	<ul style="list-style-type: none"> • The MVS delivery programme is an ongoing CSI initiative • A structured CSI capability exists within VBCO • The CSI (continual improvement, in ITIL 4 terminology) practice is part of the MVS model
Practices	<ul style="list-style-type: none"> • The VBCO MVS content is supplied by 15 ITIL-aligned practices • Practices support the end-to-end delivery of Vodafone Business products and services

DID THEY GET THERE?

The first phase of creating an MVS library was completed. The 15 capabilities that represent the standard service model are available in a central repository available to Vodafone teams across the business.

Value has been created for internal service consumers from MVS content as follows:

- VBCO: having an operational benchmark they can aspire and work towards
- Service design: using the MVS to create a standard service model for a new product, and just as importantly, knowing what is non-standard
- Deal governance: using the SDP detail for bid responses and knowing what is and is not standard
- Service transition: having a clear view of what standard is and focusing on the more difficult, non-standard elements to transition.

External customers (consumers) will benefit when the MVS is embedded within the organisation and is applied fully to products and services. It is at this point that full value co-creation will be realized.

Vodafone Business's MVS development journey is still ongoing and the refinement of the model continues. Some of the benefits realized so far include that:

- Service consumers are benefitting from the agreed standard service model.
- Alignment to ITIL 4 best practice validates the approach taken to the MVS development.
- MVS service model content is centrally located and available to all.
- Vodafone Business has broken down silos through collaborative working between operational and functional teams.
- The MVS has demonstrated how ITIL v3 and ITIL 4 guidance can be used together.

HOW THEY WILL KEEP THE MOMENTUM GOING?

The MVS will be embedded into Vodafone BAU practices. A set of workstreams has been initiated to test the MVS and the associated content. These workstreams will ensure that the MVS can be used and the benefits maximized. An operating model has been developed to ensure that the MVS is maintained and governed.

Vodafone will adopt and adapt the ITIL 4 service value chain approach to manage this MVS operating model going forward. Continual feedback on MVS content and how it is used in a practical sense will further test its validity and ensure that it is kept up-to-date and relevant.

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Ellie Sugrue
Sponsor
Head of Customer and
Future Operations



Liz O'Meara
Project Sponsor
Senior Customer Portfolio
Manager, Vodafone Business

Project Members

Product Owners: Maurizio Auletta, Iain Black **Lead SME:** Graham Heard
SME's: Mike Lamb, Dave Basford, Andy Hamilton, Mark Underwood, Jonathan Sawbridge, Sarah Corsham, Steve Humble-Smith, Jigs Coates, Sharon McGifford, Jackie Holmes, Derek Fyall, Alex Sanders, Prakash Shah, Khaled Talkhan, Valerie Cronin, Dan Lennon, John Franks, Gabriel Gheorghiu.

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