

Fox IT provides out-sourcing support to Global Investment Bank

This organisation is one of the world’s largest financial institutions, with corporate divisions covering investment banking and securities, wealth management and asset management.

This financial services provider required assistance in developing a contractual agreement for the outsourcing of support to a managed services provider (MSP), plus assistance in developing metrics to enable the performance of the MSP to be measured and improved.

Business Challenge

There were two linked major initiatives within the investment bank: one, a supplier transition project, was being managed by one of the corporate divisions while the second, development and provision of a global service management toolset, was being delivered by a centrally based team. Fox IT¹ was engaged to provide consultancy support to both projects.

The organisation had decided to adopt a managed service approach to replace an existing outsourcing contract covering, amongst other operational services, the provision of its first-line support capability, covering locations in Singapore, Zurich and Hyderabad. A key element of this contract was that the managed service provider (MSP) would use the client’s existing IT service management (ITSM) toolset.

As part of the transition to the MSP, the organisation recognised a key requirement was to develop and implement a set of metrics that would enable them to accurately monitor the quality and effectiveness of the service being delivered by the MSP (including during the transition period).

The Solution

Fox IT was engaged at a strategic level to define the service requirement schedule of the contract and to develop a set of measurements and key performance indicators (KPIs) to support the organisation in managing the contract, and hence the performance of the MSP.

Working on behalf of the client, Fox IT prepared the contract schedule that defined both the processes and the operational services that would be required within the scope of the contract. This included defining service boundaries and exclusions, as well as describing acceptable service variations during the transition phase.

In support of the contract schedule, Fox IT also developed a schedule of KPIs that the MSP would be required to achieve, and these were included in the service level agreement that was created as an appendage to the contract schedule. The KPIs were designed so that pairs of complementary KPIs would need to be achieved before the contract could be deemed to have met the required service level and hence subsequently trigger any of the contractual incentives.

¹ Fox IT® is a registered trademark of Fox IT SM Limited

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Once the KPIs had been defined and agreed, they were supplemented by an incentive and penalty scheme. Designed to avoid potential sacrifices of quality in one area in order to achieve incentives in another, and negotiated in full co-operation with the MSP, the scheme provided a confidence that the MSP would adhere to processes for handling incidents and service requests, whilst encouraging them to strive to deliver further business benefits. The scheme was balanced such that it did not favour either party, and it ensured that both parties would profit from the delivery of a successful service.

The KPIs were developed to show not only the overall performance of the service delivered, but also the relative adherence to processes by the numerous first-line support teams that existed. Some of the indicators created were:

- Percentage of incidents re-opened
- Percentage of incidents resolved within target times
- Percentage of incidents re-assigned within target times
- Percentage of incidents re-assigned for which a deficient assignment took place
- Percentage of incident records created via manual means versus those created automatically

With the KPIs and incentive scheme agreed, along with the baseline periods to be covered during transition, Fox IT started the tactical and operational elements of the work that involved detailed analysis on how the metrics were to be extracted from the ITSM toolset and how they would subsequently be presented in management reports. Following this analysis, Fox IT prepared a Service Reporting Catalogue and then developed technical specifications that resulted in some changes being implemented to the ITSM toolset as well as the reporting tool that was to be used to create and generate the management reports.

The reports were crafted in detail within the reporting tool and then fully tested before being presented to management. Reports had to show the overall contractual performance as well as the performance of each individual support team across the globe, along with detailed exception listings of the records that had failed to be processed within the various target times. A number of KPIs were also reported based upon the priorities of incidents and service requests. All of this information was utilised for subsequent analysis and fed into a service improvement program.

Once fine-tuning of the reports had taken place, they were set-up to run on an automated basis daily, weekly and monthly, with the reports delivered automatically via email to the relevant recipients. Fox IT also created supporting documentation to enable people to understand how the metrics and reports were developed, and therefore enabled the reports to be efficiently maintained on an ongoing basis.

Value and Benefits

Some benefits that were derived from the project were:

- Service outcomes were the focus rather than supplier or toolset capability
- Metrics were developed that met the specific needs of the service being delivered
- Baseline statistics were produced that enabled the initial contractual targets to be refined, and which supported both incentive and penalty schemes
- Reports were able to be produced on an automated basis that needed little user intervention

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Case Study: Global Financial Services Provider

- Reports were easily maintainable, which was especially beneficial if agreed targets needed to be amended during the period of the contract
- Production of the reports highlighted key areas where a lack of process adherence was taking place and these were then specifically targeted and corrective actions rapidly put into place

The Supplier Relationship Manager commented: *“The metrics and reporting mechanisms set up by Fox IT have enabled us to closely monitor the performance of the service provider and drive improvements that directly reflect on increased customer satisfaction.”*

Also for this client, Fox IT was engaged on a number of other key projects, including:

- Introducing a capability to provide a single view of all changes occurring on a global basis, integrating information from five different systems
- Developing a central operational Problem Management function, introducing new reporting mechanisms, and coordinating the recovery of serious incidents and subsequent post mortems
- Performing requirements definition and developing functional specifications for all updates to the ITSM toolset

About Fox IT

Fox IT® has been a leading ITSM and governance business for over 30 years. We provide a range of practical and effective consultancy solutions designed to create agile, proactive, responsive IT organisations providing excellent IT services in alignment with our clients’ goals to support and drive continuous business innovation. We achieve this by empowering your people with best practice training, developing and implementing the right operational processes, and using properly configured and integrated tools to enable IT services transformation.

To discuss how we can assist you in transforming your IT services, ITSM toolset selection or in obtaining ISO/IEC 20000 certification please call us now on +44 (0) 333 202 1018.

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