



BCS EXIN Professional Certificate in SIAM™ Case Study

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Introduction

ZYX Corporation (ZYX) was formed in 1974 in Germany as a provider of bank counter terminals (BCTs) and a suite of supporting application services known as BNK. These are used by the counter staff in banking organisations to serve their own customers, including paying in money, withdrawing money, and checking balances.

Since 1974, ZYX has expanded through the acquisition of other similar companies. They now provide terminals, applications, and support services to 30 banking organisations across Europe. Three years ago, ZYX outsourced the development and support of the BCTs and BNK to an external service provider, BANK\$CO.

ZYX is in a highly competitive market, and has started to lose business as their competitors' products are cheaper to purchase and run on standard windows PCs. ZYX recognises that the costs of running their IT services is too high.

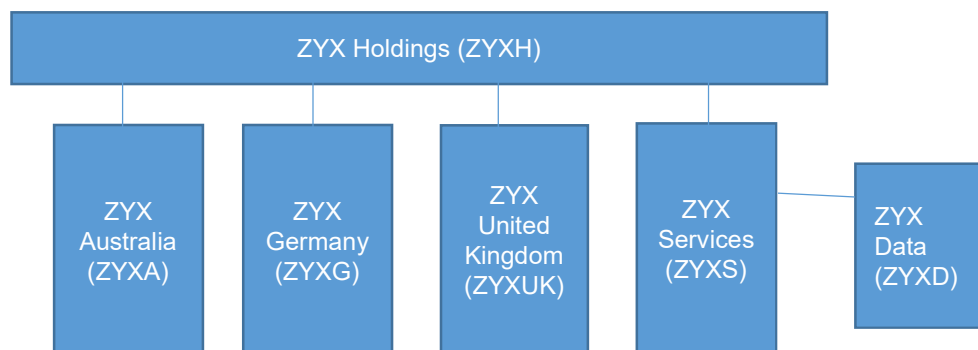
Corporate Strategy

The corporate strategy of ZYX contains these objectives:

- Expand into the Asia Pacific region;
- Expand into other countries as opportunities appear;
- Retain existing business;
- Remove reliance on legacy systems and legacy providers;
- Reduce the cost base;
- Be ready to adapt to change;
- Ensure delivery against contracts;
- Invest in and develop all ZYX staff;
- Control any change in headcount.

Structure

The structure of ZYX is shown below:



ZYX Holdings (ZYXH) is the head office, based in Berlin, Germany, with 50 staff. They have a Chief Executive Officer (CEO), Chief Information Officer (CIO), Chief Financial Officer (CFO), Executive Sales Director, and Executive Product Director. ZYXH is responsible for corporate strategy, global investments, procurement, contract governance, and financial reporting of the performance of the corporation. They have no IT staff as all of their IT is provided by ZYX Services.

ZYXH has the following specialist functions, who provide their services to all ZYX companies:

- Procurement: 5 staff with experience in large scale procurements.
- Contract governance: 5 staff with experience in governance of high value contracts
- Legal team: 5 staff supporting the procurement and contract governance functions
- Corporate governance: 5 specialists including internal auditors who audit all ZYX companies for compliance to corporate policies.

The CFO has a team of 5 supporting them.

The remaining staff in ZYXH works in administration.

ZYX Services (ZYXS) is based in Amsterdam, and has 95 staff, with 55 IT professionals, 10 service management professionals, 10 service desk agents, 5 project managers, and 10 admin staff. They are led by the ZYXS IT Director, who used to be a senior service manager in a small service integration company. She is supported by a management team comprising of the Service Management & Service Desk Lead, Development & Architecture Manager, Operations & Support Manager, and Senior Project Manager. The IT Director reports to the ZYXH CFO.

ZYXS was created 5 years ago, by splitting it off from ZYX Germany. They directly provide IT services to the staff at ZYXH and ZYXG, and are responsible for managing contracts with a small number of global service providers of email, networks, and payroll (see section on Services and Providers). This includes running a change management function for these services. They provide guidance on IT strategy and architecture to all ZYX companies.

Some of the applications in use were written in-house by staff who have since left. These run on a legacy mainframe that was installed in 1994, which is housed in a secure area within ZYXS. The other applications are standard office applications, hosted by ZYXD. ZYXS also provides a payroll service for all parts of ZYX. The payroll software is purchased from an external company, and is hosted by ZYXD (ZYX Data).

There is a small IT development function, who uses Agile and DevOps techniques. Last year they started developing a new version of BNK that can run on widely available low-cost windows terminals. This application, NEWBNK, is currently in the final stages of testing. If accepted, the estimate is that it would take 18 months to fully deploy to all user organisations before BNK could be retired. NEWBNK would reduce the costs to the

organisations who buy the services from ZYX, and is expected to generate a significant increase in profit for ZYX.

The ZYXS service desk operates 24 x 5 (weekdays only). As well as providing first line support to users in ZYXH, ZYXG and ZYXS, they also manage incidents with the global email, network, and payroll services for users in all ZYX companies.

ZYXS prides themselves on acting as a professional service provider. All staff has up-to-date job descriptions based on a skills profile, and all processes in use are fully documented by the process owner. The service management and service desk functions use the following processes: incident management, problem management, release & deployment management, change management, and capacity management.

ZYXS uses a widely available toolset that they have configured themselves. It is hosted by ZYXD. This toolset has a basic configuration management database, and functionality to support the service desk and change management. The developers at ZYXS have developed an integration for incident management with the tool used by the service desk of OUT\$CO, the outsourcers for ZYXUK. This allows incidents to be passed between the service desks without re-keying.

ZYXS has a Change Approval Forum (CAF) that meets every month to discuss and approve changes to services provided by ZYXS, ZYXD, and the providers of the global email and network services. The CAF is meant to be attended by user representatives from each ZYX company, but they rarely attend. The CAF is chaired by the Service Management & Service Desk Lead, with a team of four supporting from service management. This team recently completed a capability/maturity assessment for the change management process, and scored very high. For the last 18 months all changes approved by the CAF have been successfully deployed.

ZYXS service management collects data and reports monthly on the following measures:

- Number of incidents received and resolved by the service desk
- Number of changes approved each month
- Availability of the ZYXS mainframe

The ZYXS office location is almost at capacity, there are only 2 spare desks with no possibility of expansion.

ZYX Data (ZYXD) is a wholly owned subsidiary of ZYX Services. They were purchased last year, and provide two datacentres, one in Berlin and the other in Amsterdam, connected by dedicated high speed network links. ZYXS house their servers (but not the mainframe) in these datacentres. BANK\$CO house their mainframe in one of the datacentres. ZYXD employs 10 staff to look after the datacentres. They report to the Operations & Support Manager from ZYXS. The datacentres are almost full, with no possibility of expansion.

Some staff have job descriptions, but these are not up to date. All staff have a technical background, none are qualified in service management. Some, but not all, operating procedures are documented.

ZYX Germany (ZYXG) was the original ZYX company and is also based in Berlin. They have their own culture, and up until now have always determined their own IT strategy. ZYXG is responsible for the design of the products used by the customers of the ZYX companies.

The management team comprises a Managing Director, Financial Director, Engineering Design Director, Field Support Director, and Sales Director. The team manages 190 staff: 100 mobile field engineers, 60 design engineers, 20 in sales (based at home), and 10 in administration. Their IT services are mostly provided by ZYXS, but some services are provided by local service providers. These local providers are in theory managed by the Financial Director, but in practice this has been limited to querying invoices.

ZYX Australia (ZYXA) is a new start-up company based in Canberra, with just 10 staff plus a Managing Director. These are all working in market research, to establish if ZYX should expand into the Asia Pacific region. They are in talks with a Tokyo based competitor and provider of banking terminal services, who has indicated that they would be prepared to merge with ZYX. This competitor uses their own internal IT functions to provide all of their services.

The ZYXA staff currently use their own personal laptops, office application, and email accounts. This has caused issues when the equipment develops faults. They are in discussion with a local provider of desktop support, DESK\$CO, who could support the equipment under a 12-month contract.

ZYX United Kingdom (ZYXUK) is a large organisation with 345 staff, with a head office in London and six regional bases for the field engineers. It was acquired 2 years ago, and is a mature provider of banking terminal services.

The management team comprises a Managing Director, Financial Director, Field Support Director, Sales Director, and Operations Director. They also have 200 mobile field engineers, 50 in sales (based at home), and 80 in administration. Nine years ago, all of their IT services and IT staff, including the service desk, were outsourced to OUT\$CO, a major global services organisation. ZYXUK retained two service delivery managers, who are responsible for managing the contract with OUT\$CO. They report to the ZYXUK Financial Director.

Since the outsourcing, ZYXUK have employed a small IT team of 5 staff reporting to the ZYXUK Operations Director, who develop and support small stand-alone applications. There are also 3 project managers who manage improvement projects in conjunction with OUT\$CO.

The senior staff and directors of ZYXUK resent any interference in their strategy and operations from ZYXH and ZYXS, and historically have always objected to any imposed changes in working practices that do not align with their own aspirations.

In the last two years, the performance and quality of the services received from OUT\$CO has deteriorated. Service levels are regularly breached. This led to the Directors of ZYXUK engaging a consultancy organisation, SIAMRUS, to review ZYXUKs strategy for provision of IT services and suggest a new strategy moving forwards.

The report from SIAMRUS was received 4 weeks ago. It suggests that ZYXUK should move to a SIAM based model, and includes an outline SIAM strategy. The SIAM strategy proposes segregating the services into providers for hosting, networks, application development, application support, and end user computing, with a service integrator providing the service management for all of the providers. That would give a total of 5 contracted service providers, and a contracted service integrator. SIAMRUS proposed that they would be this service integrator. They would use their standard SIAM model which has been successful in other organisations. This includes a standardised process model, with every provider using the same process, and a shared toolset owned by SIAMRUS. SIAMRUS claims that this approach would facilitate a rapid transition to SIAM, and reduce overall risks.

Governance

The ZYX Board of Directors are responsible for corporate governance and corporate strategy. Membership of the Board includes all the directors of ZYXH, and the Managing Director from each of the other ZYX companies. They meet every month at Head Office, chaired by the CEO.

The IT steering group is made up from a representative of each IT function in ZYXS, ZYXD, and ZYXUK, one of the auditors from ZYXH, and a user representative from each of ZYXG and ZYXA. It is chaired by the IT Director of ZYXS and meets four times a year in the head office. ZYXUK has not attended the last two meetings. The IT Steering Group reports to the ZYX Board of Directors.

Each ZYX company has its own Management Board that meets monthly, and provides a report of the meeting to ZYXH.

There is also a Product Development Forum that discusses possible developments to the services offered by ZYX. This meets quarterly, and is attended by representatives of ZYXH, ZYXG, ZYXA, ZYXUK, BANK\$CO, and the ZYXS IT Director. It is chaired by the Executive Product Director.

Culture / Appetite for risk

Historically, ZYX have been averse to risk. A good example of this is the high number of legacy applications that are still in use. Every time a proposal has been made to replace them with newly developed applications, the Board of Directors has decided that the risk to the business is too high.

The CEO was appointed 4 months ago, having previously held executive positions in world class automotive manufacturing. She has a different attitude, and is more prepared to take risks provided that:

- the expected benefits are clear and support the corporate strategy
- the risks are clear and managed
- the risks are mitigated through careful planning

The CEO recently started an initiative to continue the introduction of Lean and Agile approaches and thinking across all parts and disciplines of ZYX. She is aware of NEWBNK, the replacement for the BNK application, and would like to start to deploy it once testing has been successful.

Mandate for change

At the last meeting of the Board of Directors, the CIO presented a paper based on the findings from the report from SIAMRUS. This included his analysis of the services and service providers used across the ZYX organisations. The CEO proposed that ZYX should move to a SIAM based operating model; gain consistency in IT delivery models across all group companies, and support the corporate strategy.

This would include having a service integrator that acts across all services, irrespective of which group company uses the services. ZYX would be seen as a single customer to the service providers. This should enable economies of scale and drive cost savings through consolidation of service providers. A key requirement is that the costs of the service integrator should be as low as possible whilst achieving service levels and high-quality services at all times. No decision has yet been made on who should be the service integrator.

The CEO also wants to ensure that the SIAM model for ZYX allows them to quickly expand their operations into other countries, including Australia, and supports the rapid introduction of new services and service providers.

The CIO has been asked to establish a project for a transition to SIAM. The project is to be called 'NEWGEN'.

Services and Providers (including contract arrangements)

The services provided by ZYX are used by a number of banks, with the users being external to ZYX. These services are:

Service	Service description	Provider	Users of the service	Contract held by /managed by	Contract term	Notes
BCT support	Desktop support for the BCTs	ZYXG, ZYXUK	Banks who use ZYX's services	Banks who use ZYX's services	Rolling contract with 12 months notice to terminate	Legacy equipment. The mobile field engineers are employed by ZYXG and ZYXUK
BNK application development	Development of bespoke legacy application for the BCTs	BANK\$CO	Banks who use ZYX's services	ZYXH / ZYXS	Rolling contract with 3 months notice to terminate	Legacy application
BNK application support	Support of bespoke legacy application for the BCTs	BANK\$CO	Banks who use ZYX's services	ZYXH / ZYXS	Rolling contract with 3 months notice to terminate	Legacy application
BNK mainframe	Support of legacy mainframe that runs the BNK application	BANK\$CO	Banks who use ZYX's services	ZYXH / ZYXS	Rolling contract with 3 months notice to terminate	Legacy mainframe
BNK hosting	Hosting of the BNK mainframe	ZYXD	BANK\$CO	BANK\$CO / BANK\$CO	3 year contract, 3 months left to run	

All other services are provided to users within ZYX, or are in development. These are:

Service	Service description	Provider	Users of the service	Contract held by /managed by	Contract arrangements	Notes
Application development	Development of bespoke applications used by ZYXH and ZYXG	ZYXS	ZYXH , ZYXG	No contract or agreement	No contract	
Application support	Support of bespoke applications used by ZYXH and ZYXG	ZYXS	ZYXH , ZYXG	Operating agreement between ZYXS and ZYXG. Nothing with ZYXH.	No term	Includes some legacy applications.
NEWBNK	New application developed to replace BNK	ZYXS	None yet, would be the banks	No contract or agreement	No term	Currently being developed by ZYXS as a replacement for BNK
ZYXS mainframe	Support of legacy mainframe that runs the ZYXS legacy applications	ZYXS	ZYXH, ZYXG	No contract or agreement	No contract	Legacy mainframe
Legacy application hosting	Hosting of ZYXS mainframe	ZYXS	ZYXH, ZYXG	No contract or agreement	No contract	Legacy mainframe hosted on the ZYXS premises. No capacity for expansion
Office applications	Office applications support	ZYXS	ZYXH, ZYXS, ZYXG	Operating agreement between ZYXS and ZYXG. Nothing with ZYXH.	No term	
Desktop support	Desktop support for all office based equipment	ZYXS	ZYXH, ZYXS, ZYXG	Operating agreement between ZYXS and ZYXG. Nothing with ZYXH.	No term	

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Service	Service description	Provider	Users of the service	Contract held by /managed by	Contract arrangements	Notes
Mobile device support	Desktop support for equipment used by field and home-based users	MOB\$CO	ZYXG	ZYXS / ZYXS	2 year contract, 6 months left to run	ZYXS manage the contract on behalf of ZYXG.
Payroll support	First line support for Payroll users	ZYXS	All parts of ZYX	Operating agreements between ZYXS and other parts of ZYX	No term	
Payroll service	Payroll managed service	PAY\$CO	All parts of ZYX	ZYXH / ZYXS	5 year contract, 2 years left to run	Global contract. The payroll service is integrated with the cloud email service, for sending out monthly payslips
Applications hosting	Hosting of servers	ZYXD	ZYXH, ZYXS, ZYXG	Operating agreement with ZYXS	Annual review, due in 1 month	Hosting of all non legacy servers supporting ZYXS services
Wide area network	Network connecting all ZYX locations	NET\$CO	All parts of ZYX	ZYXH / ZYXS	5 year contract, 4 years left to run	Global wide area network provider
Internet access	Internet access from the WAN	NET\$CO	All parts of ZYX	ZYXH / ZYXS	5 year contract, 4 years left to run	Global wide area network provider
ZYXH local area network (LAN)	Local area network within ZYXH	NET\$CO	ZYXH	ZYXH / ZYXH	Rolling contract with 1 month notice to terminate	
ZYXS LAN	Local area network within ZYXS	ZYXS	ZYXS	ZYXS / ZYXS	No contract	ZYXS provide their own support
ZYXD LAN	Local area network within ZYXD	ZYXS	ZYXD	ZYXS / ZYXS	No contract	

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Service	Service description	Provider	Users of the service	Contract held by /managed by	Contract arrangements	Notes
ZYXG LAN	Local area network within ZYXG	DLAN\$CO	ZYXG	ZYXG / ZYXS	Annual contract, renewal is in 6 months time	Local provider. Managed by ZYXS on behalf of ZYXG
ZYXUK LAN	Local area network within ZYXUK	OUT\$CO	ZYXUK	ZYXUK / ZYXUK	10 year contract, 1 year left to run	Part of the outsourcing contract with OUT\$CO
ZYXA LAN	Local area network within ZYXA	ZYXA staff	ZYXA	No contract	No contract	Installed and supported by one of the users
Cloud email	Managed email service hosted in the Cloud	MAIL\$CO	All parts of ZYX except ZYXUK	ZYXH / ZYXS	Rolling contract with 1 week notice to terminate	Globally provided commodity cloud hosted email service
Computer aided design (CAD)	Design software used by the design engineers, hosted by ZYXD	CAD\$CO	ZYXG	ZYXG / ZYXG	Rolling contract with 12 months notice to terminate	'Shrink wrapped' software tailored for the European market, hosted by ZYXD
Field engineer application	Managed service hosted in FIELD\$COs own datacentre, used by the field engineers	FIELD\$CO	ZYXG	ZYXG / ZYXG	Rolling contract with 1 month notice to terminate	Commodity hosted service
Email		OUT\$CO	ZYXUK	ZYXUK / ZYXUK	10 year contract, 1 year left to run	Part of the outsourcing contract with OUT\$CO
Field engineer application	Bespoke application used by the ZYXUK field engineers	OUT\$CO	ZYXUK	ZYXUK / ZYXUK	10 year contract, 1 year left to run	Part of the outsourcing contract with OUT\$CO

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Service	Service description	Provider	Users of the service	Contract held by /managed by	Contract arrangements	Notes
Sales support application	Bespoke application used by the ZYXUK sales force	OUT\$CO	ZYXUK	ZYXUK / ZYXUK	10 year contract, 1 year left to run	Part of the outsourcing contract with OUT\$CO
Office applications	Office applications used by all ZYXUK staff	OUT\$CO	ZYXUK	ZYXUK / ZYXUK	10 year contract, 1 year left to run	Includes email. Part of the outsourcing contract with OUT\$CO
Bespoke application development	Development of bespoke applications for ZYXUK	OUT\$CO	ZYXUK	ZYXUK / ZYXUK	10 year contract, 1 year left to run	Part of the outsourcing contract with OUT\$CO
Application Hosting		OUT\$CO	ZYXUK	ZYXUK / ZYXUK	10 year contract, 1 year left to run	Part of the outsourcing contract with OUT\$CO

Current service providers

Service provider	Types of services provided	Notes
BANK\$CO	BCT terminals and BNK support	Provides legacy services to Banks on behalf of ZYX. They have no distinct service management function. Their culture is to rigidly follow the contract, and routinely dispute the meaning of particular clauses. BANK\$CO is split into four divisions – BCT support, BNK development, BNK support, and BNK mainframe support. There have been several occasions where these divisions seemed to lack co-ordination when resolving issues and planning releases. They have a single service level: Number of issues resolved this month.
CAD\$CO	Packaged CAD application	Provides 'shrink wrapped' software for computer aided design. They have a small service desk that users can email directly.
DESK\$CO	Desktop support for office based users	Potential provider to ZYXA. They are a small local organisation, with 5 engineers and 2 admin staff.
DLAN\$CO	Local area network support	Provides services in Germany only, with 25 staff.
FIELD\$CO	Field engineer application	A small managed service provider, with just 5 staff.
MAIL\$CO	Email services	Global provider of cloud based commodity email services.
MOB\$CO	Desktop support for field and home-based users	Provides services in Germany, and also has a division in the UK. They also provide desktop support for office based users to other organisations, using subcontracted engineers.
NET\$CO	Network services	Global provider of network services, and a subcontractor to OUT\$CO. They have over 3500 staff worldwide, all using the same operating model, processes, and toolset. They consistently achieve their service levels, but their costs seem high when compared to other similar providers.

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Service provider	Types of services provided	Notes
OUT\$CO	Outsourced IT services for ZYXUK, including desktop support/end user compute, hosting, infrastructure support, application development, application support, and networks.	<p>OUT\$CO is a global provider of outsourcing services. Their usual approach is to transfer relevant client staff into their organisation, and to tailor processes for each client. For ZYXUK they use all service management processes, which are fully documented and regularly audited by the process owners. They also provide a 24 x 7 x 365 service desk to ZYXUK. Their toolset uses a commodity cloud based service, which includes infrastructure and network monitoring.</p> <p>OUT\$CO has achieved the ISO 20000 certification, however ZYXUK has reported ongoing issues with the performance and quality of some of the services provided by OUT\$CO. The availability service levels have not been achieved for the last 6 months, and the sales force claim that their laptops are never fixed in time.</p> <p>Satisfaction with the service desk is good, with reports that the agents have a good understanding of the services and how they are used.</p> <p>OUT\$CO uses subcontracted organisations to deliver hosting, infrastructure support, networks, and the service desk. For OUT\$CO's contract with ZYXUK, NET\$CO is the subcontractor for the network that connects the ZYXUK head office and the six ZYXUK regional bases. The service desk for OUT\$CO's contract with ZYXUK is provided by ZYX\$DESK, a provider of service desks in the UK and Australia.</p> <p>OUT\$CO uses their own internal divisions to provide desktop support, application support, application development, and local area network support using comprehensive Operating Level Agreements. OUT\$CO also provides these services as discrete offerings to a number of customers.</p> <p>OUT\$CO also provides service integration services to several organisations, including one of ZYXs competitors. They have a good reputation as a flexible and reliable service integrator who are willing to amend their SIAM model to suit particular situations.</p>

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Service provider	Types of services provided	Notes
PAY\$CO	Payroll services	PAY\$CO provides a 9 to 5 weekdays service desk that payroll users can call directly. The users have said they are very happy with the service they receive.
SIAMRUS	Service integration consultancy and services	Large global organisation with experience as a service integrator in the manufacturing sector. They use a standardised SIAM model with limited flexibility, using their own SIAM toolset. This model includes provision of a 24 x 7 x 365 service desk.
ZYX\$DESK	Service desk services	A well-respected provider of service desks in the UK and Australia, with the capability to provide 24 x 7 x 365 support.
ZYXD	Hosting services	ZYX company that hosts services for both ZYX and BANK\$CO. They always achieve their service levels, but ZYXS has complained about the attitude of some ZYXD staff as they seem to focus more on technology than the experience of their customers. The service levels are the availability of each of the servers/mainframe.
ZYXS	Application support, network support, application development, desktop support, central service desk, global change management	Part of the ZYX group of companies. ZYXH is happy with the service they receive from them. However, ZYXG has reported that they often fail their service targets and are reluctant to do anything that is not explicit in the agreement with them. There have also been recent issues when users working on Saturday mornings were unable to report faults to the ZYXS service desk. ZYXD, ZYXUK and ZYXA have all complained to the IT Steering Group that ZYXS seems to think that they are more important than the other group members, particularly when providing guidance on IT strategy.