BCS EXIN Professional Certificate in SIAM™
Case Study

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Content

Introduction

ZYX Corporation (ZYX) was formed in 1974 in Germany. They provide bespoke bank counter terminals (BCTs) and a suite of supporting application services known as BNK. The terminals and the application are used by the staff behind the counters in banking organisations to serve customers. The functionality includes:
•   paying bills at the counter
•   withdrawing money from accounts
•   checking balances of customer accounts

Since 1974, ZYX has expanded through the acquisition of similar companies. They now provide terminals, applications, and support services to 30 banking organisations across Europe.

Three years ago, ZYX outsourced the support of BNK to an external service provider, BANK$CO.

ZYX is in a highly competitive market. They are losing business, because their competitors' products are cheaper to buy and run on standard PCs. ZYX recognizes that the costs of running their IT services is too high.

Corporate Strategy

The corporate strategy of ZYX contains these objectives:

Current Business
- Ensure delivery against contracts
- Stop losing business to competitors
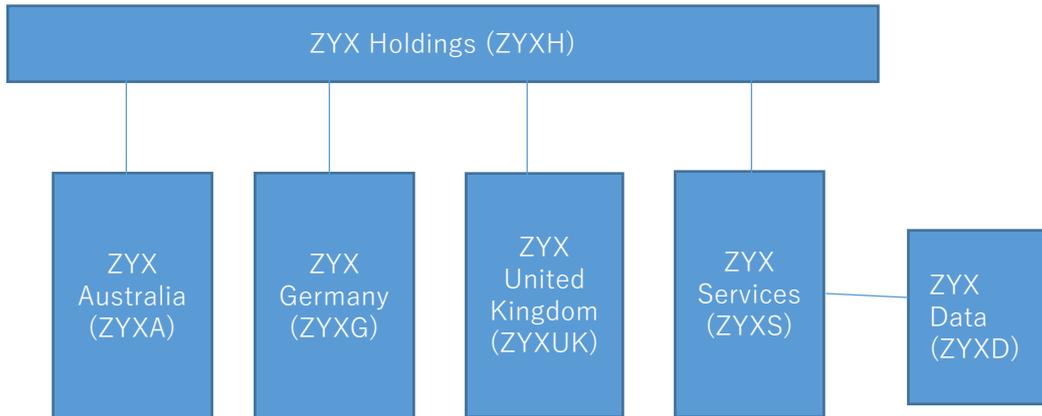- Invest in and train all ZYX staff

Risk Reductions
- Control staff costs
- Reduce operating costs
- Remove reliance on legacy IT systems and legacy IT providers

Future Proofing
- Be ready to adapt to change
- Expand into the Asia Pacific region
- Expand into other countries if opportunities appear

Structure

The structure of ZYX is shown below:

ZYX Holdings (ZYXH) is the head office, based in Berlin, Germany, with 50 staff. ZYXH is responsible for:
- corporate strategy
- global investments
- procurement
- contract governance
- financial reporting of the performance of ZYX Corporation

The ZYXH Management Team works from Berlin and consists of:
- Chief Executive Officer (CEO)
- Chief Information Officer (CIO)
- Chief Financial Officer (CFO)
- Executive Sales Director
- Executive Product Director

ZYXH has the following specialist functions, who provide their services to all ZYX companies:
- **Financial support**: provide financial investment, forecasting, and accounting skills
- **Procurement**: experienced in large-scale procurements
- **Contract governance**: experienced in the governance of high value contracts
- **Corporate governance**: audit all ZYX companies for compliance with corporate policies
- **Legal team:** supporting procurement and contract governance

ZYXH have no IT staff of their own. All of their IT support is provided by ZYXS.

ZYX Services (ZYXS) is based in Amsterdam, Netherlands and was created 5 years ago from ZYXG. ZYXS has 95 staff and is responsible for:
- providing IT and desktop support to ZYXH and ZYXG
- supporting a large number of legacy applications
- developing and supporting new applications
- providing service management, including a service desk, for ZYXH, ZYXG, ZYXS and ZYH corporate services
- manage the delivery of BANK$CO against contract
- managing the delivery against contracts for a small number of service providers (see section on Services and Providers) for these corporate services:
  - e-mail provided by MAIL$CO
  - wide area networks and internet access provided by NET$CO
  - payroll provided by PAY$CO
- providing guidance on IT strategy and architecture to all ZYX companies

ZYXS is led by the ZYXS IT director, who used to be a senior service manager in a small service integration company. She reports to the ZYXH CFO and is supported by a management team who each have their own staff. The management team is:
Service Management & Service Desk Lead
- Development & Architecture Manager
- Operations & Support Manager
- Senior Project Manager

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

Application development
ZYXS includes a small IT development team who use Lean and Agile development techniques to develop new applications. 12 months ago, they started developing a new version of BNK that uses standard PCs instead of BCTs. The database and central application are hosted in the Cloud by CLOUD$HOST. This new application, NEWBNK, is currently in the final stages of testing. After acceptance, deployment of NEWBNK to all user organisations is estimated to take 18 months. BNK and the BCTs can only be retired if NEWBNK is fully deployed. NEWBNK reduces the costs for users and is expected to generate a significant increase in profit for ZYX.

Desktop support
ZYXS provide desktop support to ZYXH, ZYXG, ZYXD and their own ZYXS users.

Application support and hosting
ZYXS supports a large number of legacy applications that were originally developed by ZYXG staff who have since left ZYX. They also support packaged applications and new applications developed by ZYXS. e-mail. The payroll software used across the group is purchased from an external company and is hosted by ZYXD. ZYXS provides support and manages the contract for the payroll service for all parts of ZYX.

All the other ZYXS applications, apart from NEWBNK, are hosted by ZYX Data (ZYXD).

Service management
ZYXS is a professional service provider. All staff has up-to-date job descriptions, based on a skills profile. All processes used are fully documented by the process owner. The service management and service desk functions are:
- incident management
  - ZYXS uses a widely available toolset that they have configured themselves. The toolset 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, which is used by the service desk of OUT$CO, the outsourcers for ZYXUK. This allows incidents concerning the corporate e-mail, networks and payroll services to be passed from the OUT$CO service desk to the ZYXS service desk without re-keying.
- change management
  - ZYXS operate 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 corporate e-mail, payroll, 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 ZYXS Service Management & Service Desk Lead, with a team of 4 supporting from service management. This team recently completed a capability and maturity assessment for the change management process and scored very high.
  - For the last 18 months all changes approved by the CAF have been deployed successfully.
- configuration management
- problem management
- release & deployment management
- capacity management
- e-mail

ZYXS service management collects data and reports monthly on the following measures:
- number of incidents received and resolved by the ZYXS service desk
- number of changes approved by the CAF each month
- availability of the ZYXS mainframe

Project management
ZYXS has a small project management team with experience in managing complex development and infrastructure projects.

ZYXS Service desk
The ZYXS service desk operates 24 x 5 (weekdays only). They provide first line support to users in ZYXH, ZYXG and ZYXS. The service desk also manages incidents with the corporate e-mail, network, and payroll services for users in all ZYX companies.

ZYX Data (ZYXD) is a wholly owned subsidiary of ZYX Services. ZYXD provide hosting for ZYXS and BANK$CO from two data centres:

- one in Berlin
- one in Amsterdam

The data centres are connected by dedicated high speed network links. The data centres are almost full, with no possibility of expansion.

The servers used to run the ZYXS applications, including payroll, are housed in these two data centres. BANK$CO pay ZYXD to host the mainframe that runs BNK in the Berlin data centre.

ZYXD employs 10 operations staff to look after the data centres. They report to the Operations & Support Manager from ZYXS. Some staff have job descriptions, but these are not up to date. All staff have a technical background, but none are qualified in service management. Some, but not all, operating procedures are documented.

ZYX Germany (ZYXG) was the original ZYX company and is based in Berlin, Germany. ZYXG is responsible for the design of the products used by the customers of the ZYX companies, sales of these products in mainland Europe, and field support for the BCTs in Germany, the Netherlands, and Belgium.

The ZYXG Management Team consists of:

- Managing Director
- Financial Director
- Engineering Design Director
- Field Support Director
- Sales Director

There are 190 staff including:

- mobile field engineers who support the BNK terminals
- design engineers
- home-based sales staff
- administration staff

ZYXG has their own culture, and until now have always determined their own IT strategy. Since ZYXS was created 5 years ago, most of the IT services for ZYXG are provided by ZYXS. However, the design and field engineering applications are provided and supported by local service providers, **CAD$CO** (design) and **FIELD$CO** (field engineering). The ZYXG Financial Director is responsible for managing these local providers, but in practice the management has been limited to requesting and checking invoices.

Desktop support for the ZYXG field engineers and home-based staff is provided by **MOB$CO**, and local area network support is provided by **DLAN$CO**. These providers are managed by ZYXS.

ZYX Australia (ZYXA) is a new start-up company based in Canberra, with
- Managing Director
- 10 other staff working in market research

ZYXA researches if ZYX should expand into the Asia Pacific region. They are talking with a Tokyo-based competitor that provides banking terminal services within Asia. The competitor is prepared to merge with ZYX. The competitor has their own internal IT service provider.

The ZYXA staff currently use their own personal laptops, connecting to the ZYX wide area network for access to the internet and the ZYX corporate e-mail service. ZYXS is unable to provide desktop support to ZYXA. Therefore, ZYXS want a local service provider to do this. DESK$CO are a local company who can provide desktop support under a 12-month contract.

ZYX United Kingdom (ZYXUK) is a large organisation with 345 staff, with a head office in London, United Kingdom and six regional UK bases for 200 field engineers. It was acquired by ZYX 2 years ago and is a mature provider of banking terminal services to banks in the UK.

The ZYXUK Management Team consists of:
- Managing Director
- Financial Director
- Field Support Director
- Sales Director
- Operations Director

9 years ago, all ZYXUK's IT services and IT staff, including the ZYXUK service desk, were outsourced to **OUT$CO**, a major global services organisation, under a 10-year contract. ZYXUK retained two service delivery managers, who are responsible for managing the contract with OUT$CO. The service delivery managers report to the ZYXUK Financial Director. ZYXUK also retained 3 project managers who manage improvement projects in conjunction with OUT$CO.

In the last two years, the performance and quality of the services received from OUT$CO is decreasing. Service levels are regularly breached. 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.

2 years ago, the ZYXUK management team had issues with the high costs charged by OUT$CO for developing new applications. ZYXUK employed a small team of 5 staff who develop and support small stand-alone applications for ZYXUK using Agile methods, reporting to the ZYXUK Operations Director.

The senior staff and directors of ZYXUK do not like 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.

6 months ago, the directors of ZYXUK asked a consultancy organisation, SIAMRUS, to review ZYXUK's IT service provision strategy and suggest a new strategy for the future. The report from SIAMRUS was received 4 weeks ago. SIAMRUS suggests that ZYXUK moves to a SIAM™-based model and includes an outline SIAM strategy.

This outline SIAM strategy for ZYXUK proposes separating the services into providers for:
- Hosting
- Networks
- application development
- application support
- end user computing

The report says that an external service integrator should provide the service management for all providers. The SIAM strategy would give a total of 5 contracted service providers, and 1 contracted service integrator.

SIAMRUS proposes to be this service integrator. The report says that SIAMRUS would use their standard SIAM model, which is successful in other organisations. This SIAM model includes a standardized 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.

No decision has been made yet by the ZYXUK directors on the proposals made by SIAMRUS.

Governance

The ZYX Board of Directors is responsible for corporate governance and corporate strategy. Membership of the Board includes:
- all the directors of ZYXH
- the managing director from each of the other ZYX companies.

The ZYX Board of Directors meets every month in the head office and is chaired by the CEO.

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

There is a ZYX IT steering group. The members are:
- a representative of each IT function in
  - ZYXS
  - ZYXD
  - ZYXUK
- one of the auditors from ZYXH
- a user representative from each of
  - ZYXG
  - ZYXA

This IT steering group 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.

There is a ZYX Product Development Forum that discusses possible developments to the services offered by ZYX. The members of this are:
- representatives of
  - ZYXH
  - ZYXG
  - ZYXA
  - ZYXUK
  - BANK$CO
- the ZYXS IT Director

The Product Development Forum meets quarterly and is chaired by the Executive Product Director.

Culture / Appetite for risk

Historically, ZYX has been averse to risk. A good example of this is the high number of legacy applications that are still in use in ZYXH and ZYXG. Every time a proposal has been made to replace the legacy applications 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. She 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 deployment, once testing has been successful.

Mandate for change

At the last meeting of the Board of Directors, the CIO presented a paper on a new IT strategy for ZYX. The paper was written by the CIO, using some of the findings from the report created for ZYXUK by SIAMRUS, supplemented by a new analysis of the services and service providers used across all ZYX organisations.

The CEO proposes that
- ZYX moves to a SIAM-based operating model
- All group companies transition to a consistent IT delivery model

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. The expected benefits are gaining economies of scale and driving cost savings through consolidation of service providers, both internal and external.

Two key requirements are:
- the costs of the service integrator should be as low as possible, whilst achieving service levels and high-quality services at all times
- the IT strategy must support the corporate strategy

No decision has been made yet on who should be the service integrator or what the SIAM model is.

The CEO wants to ensure that the SIAM model for ZYX allows them to
- quickly expand their operations into other countries, including Asia
- support 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 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.

Service	Description	Provider	Users	Contract/managed by	Contract arrangements	Notes
BCT support	Field 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 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.

Service	Description	Provider	Users	Contract/managed by	Contract arrangements	Notes
Application development and support	Development and support of bespoke applications	ZYXS	ZYXH, ZYXG, ZYXD, ZYXS	Operating agreements between ZYXS and ZYXH and ZYXG. Nothing with ZYXD	No contract	Includes legacy applications
NEWBNK	New application developed to replace BNK	ZYXS	None yet, would be the banks	No contract or agreement yet	No term yet	Currently being developed by ZYXS as a replacement for BNK
NEWBNK hosting	Hosting NEWBNK in the Cloud	CLOUD$HOST	None yet, would be the banks	ZYHX/ZYXS	Rolling contract with 3 months' notice	Currently hosting the NEWBNK testing environment. Will host the live environment as NEWBNK is deployed

Service	Description	Provider	Users	Contract/managed by	Contract arrangements	Notes
Desktop support	Desktop support for all office-based users	ZYXS	ZYXH, ZYXG, ZYXD, ZYXS	Operating agreements between ZYXS and ZYXH and ZYXG. Nothing with ZYXD.	No term	
Applications hosting	Hosting of servers	ZYXD	ZYXH, ZYXD, ZYXS, ZYXG	Operating agreement with ZYXS	Annual review, due in 1 month	Hosting of all servers supporting ZYXS services
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$CO	All parts of ZYX	ZYXH / ZYXS	5-year contract, 2 years left to run	Corporate contract. The payroll service is integrated with the corporate e-mail service, for sending out monthly pay slips
Wide area network	Network connecting all ZYX locations	NET$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$CO	All parts of ZYX	ZYXH / ZYXS	5-year contract, 4 years left to run	Global wide area network provider
ZYXH, ZYXD and ZYXS local area network (LAN)	Local area network support within ZYXH, ZYXD and ZYXS	ZYXS	ZYXH, ZYXS, ZYXD	Nothing in place	No term	
ZYXG LAN	Local area network support within ZYXG	DLAN$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 support within ZYXUK	OUT$CO using NET$CO as a subcontractor	ZYXUK	ZYXUK / ZYXUK	10-year contract, 1 year left to run	Part of the outsourcing contract between ZYXUK and OUT$CO. OUT$CO subcontract the support to NET$CO
ZYXA LAN	Local area network support within ZYXA	ZYXA staff	ZYXA	No contract	No contract	Installed and supported by one of the users
Cloud e-mail	Managed corporate e-mail service hosted in the Cloud	MAIL$CO	All parts of ZYX	ZYXH / ZYXS	Rolling contract with 1 week notice to terminate	Globally provided commodity Cloud-hosted e-mail service

Service	Description	Provider	Users	Contract/managed by	Contract arrangements	Notes
Computer aided design (CAD)	Design software used by the ZYXG design engineers, hosted by ZYXD	CAD$CO	ZYXG	ZYXG / ZYXG	Rolling contract with 12 months' notice to terminate	'Shrink wrapped' software tailored for the European market, hosted by ZYXD
Mobile device support	Desktop support for equipment used by ZYXG field and home-based users	MOB$CO	ZYXG	ZYXG / ZYXS	2-year contract, 6 months left to run	ZYXS manage the contract on behalf of ZYXG.
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 service hosted by FIELD$CO
Outsourced services	A number of IT services provided by OUT$CO to ZYXUK, including bespoke application development and support, application hosting, desktop support and network support	OUT$CO	ZYXUK	ZYXUK/ZYXUK	10-year contract, 1 year left to run	Outsourcing contract between ZYXUK and OUT$CO. OUT$CO subcontract network support for ZYXUK to NET$CO, and the service desk for ZYXUK to ZYX$DESK.

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 internal 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$CO	Packaged CAD application	Provides 'shrink wrapped' software for computer aided design. They have a small service desk that users can e-mail directly.
CLOUD$HOST	Cloud hosting services	Global provider of Cloud hosting services with a catalogue of standard services.
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	E-mail services	Global provider of Cloud-based commodity e-mail services.
MOB$CO	Desktop support for field and home-based users	Provides services in Germany and the UK.
NET$CO	Network services	Global provider of network services, and a subcontractor to OUT$CO. They have over 3500 staff worldwide, all using the same operating model, processes, and toolset. They consistently achieve their service levels, but their costs seem high when compared to other similar providers.
OUT$CO	Outsourced IT services for ZYXUK, including desktop support/end user compute, hosting, infrastructure support, application development, application support, and networks.	OUT$CO is a global provider of outsourcing services. They have achieved ISO 20000 certification. Their usual approach is to transfer relevant client staff into their organisation, and to tailor processes for each client. OUT$CO use all service management processes, which are fully documented and regularly audited by the process owners. Their toolset uses a commodity Cloud-based service, which includes infrastructure and network monitoring. OUT$CO uses their own internal divisions to provide desktop support, application support and application development using comprehensive Operating Level Agreements. OUT$CO also provides these services as discrete offerings to a number of customers. OUT$CO also provides service integration services to several organisations, including to 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.

		OUT$CO uses subcontracted organisations to deliver hosting, infrastructure support, networks, and the service desk. For OUT$CO's contract with ZYXUK, NET$CO is the subcontractor for network support. OUT$CO provide a 24 x 7 x 365 service desk to ZYXUK using ZYX$DESK as a subcontractor. Satisfaction with this service desk is good, with reports that the agents have a good understanding of the services and how they are used.
PAY$CO	Payroll services	PAY$CO provides a 9 to 5 weekdays service desk that payroll users can call directly. The users have said they are very happy with the service they receive.
SIAMRUS	Service integration consultancy and services	Large global organisation with experience as a service integrator in the manufacturing sector. They use a standardized SIAM model with limited flexibility, using their own SIAM toolset. This model includes provision of a 24 x 7 x 365 service desk.
ZYX$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, change management of corporate services	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.