

# MANAGING A SERVICE TRANSITION

HOW TO NAVIGATE THE OPERATIONAL  
AND HUMAN CHALLENGES



Brightman

Private and public sector organisations are under constant pressure to save money. For many, this means outsourcing business services or moving to a shared service model. Such models not only reduce costs, but they also improve agility, resiliency and increase flexibility too. But managing the implementation of a new service, or switching existing services from one provider to another, can be a **critical** time. There could be a reduction in the quality and control of services, employee resistance to change, misunderstood roles and responsibilities, and then the inevitable longer-than-expected transition and spiralling costs (undermining many of the cost savings which drove the project to begin with!). How many organisations are familiar with the mess they were in after a merger, or the fact it's taken them years to move to the Cloud!

The effect of a service transition to an organisation is much wider than just implementing the service itself, and it is important to consider the impact to processes, people, technology, tools and information. The impact on **people and culture** are by far the hardest part of any successful transition and much like any other large-scale technology implementation, it has organisational transformation at its heart, and it needs to be matched with a corresponding organisational change.

A successful and well managed service transition requires the adoption of a complete **business transformation plan** which fully accounts for the organisational and cultural changes. It will establish a strong relationship between the organisation and its service provider(s) and provide clarity of accountability and areas of responsibility. New business processes will be delivered more seamlessly with a much lower risk to live operations and ongoing service levels will be achieved. Staff will be retained, reskilled and will fully adopt the new ways of working.

While this paper draws on Brightman's experience in managing service transitions for large government organisations, the approaches and concepts can be equally applied to private sector organisations. A full business transformation plan and consideration of the cultural aspects are a must for any organisation going through a new or changed service transition.

“Life is pleasant. Death is peaceful. It’s the transition that’s troublesome.” - Isaac Asimov

## What are the drivers of a Service Transition?

Transitioning services makes sense for many private and public sector organisations who are looking for more effective ways of working and cost savings. Outsourcing certain business functions to external suppliers can cost less than in-house delivery and by outsourcing specific business processes to suppliers specialising in the outsourced activities, it can improve performance and provide greater flexibility. Organisations can also seek to maximise value from multi-supplier service delivery models.

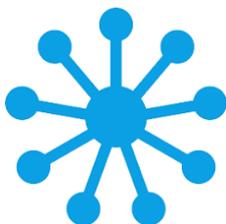
A service transition project is typically driven by – but not limited to – one of the following three scenarios:



**Merger and acquisition:** When merging two (or more) organisations, there is a need to rationalise IT services to save money and to ensure a "common approach" across the new organisation. A service transition process will establish the "as is" in terms of technology - who's using what, whether it's fit for purpose, financial and commercial considerations etc. It will then produce an optimised Target Operating Model, the plan to get there, and the means to deliver it.



**Digital transformation:** The move to a cloud, data centre or hybrid model drives cost savings and increases innovation. Such a project is fraught with challenges, be they process, technological or cultural. A service transition plan is therefore essential, if benefit is to be maximised, and stop the transformation from being the same operation as before, just on a new platform.



**Outsourcing and SIAM:** In many instances, particularly in the public sector, a service transition project is driven by the decision to outsource business functions to multiple different vendors. Gone are the days of one “mega-vendor” picking up every aspect of a government department’s operations. Through SIAM (Service Integration and Management), organisations are seeking to lower costs, reduce risk and improve services via a best-of-breed approach. Moving to a SIAM model is complex and time-consuming, necessitating the need for a service transition approach.

## What are the risks to the organisation?

Nearly 80% of the projects due to be delivered by 2019-20 will be either transformation or change the way that services are delivered or assessed

Source: [nao.org.uk](http://nao.org.uk)

Organisations want to deliver high quality services to their users and customers in an effective way with minimal risk and disruption, but to transition services is highly complex and carries many challenges that need to be addressed and appropriately managed. While some risks will be specific to the transition many others are more common in nature.

The many risks must be managed and mitigated as part of any service transition. Organisations commonly underestimate the complexity and the effort involved; **a transition is a large undertaking and people's behaviour to accommodate a new or changed service will also need to change.** If this fails to happen, then the transition itself will also fail. People and culture are the hardest part of a successful transition.

### The risks of transitioning services:

**Operational stability and effectiveness** - Full or partial interruption and outages, ineffective knowledge transfer, compromised security and data privacy.

**Financial** - Longer than expected transition, unplanned costs to services, delay in savings.

**Lack of Control** - Lack of transparency, lack of understanding of new supplier, schedule slippages, lack of supplier understanding of new environment.

**Resources** - Key employees leaving, identification and availability of appropriate skilled resources, employee resistance to change.

**Culture** - Skills and knowledge gaps, lack of clear and concise communications, roles and responsibilities not understood. Resistance to the change, not understanding the benefit of the change, staff feeling threatened by the change.

The biggest challenge to any service transition is underestimating the complexity of the transition and changing people's behaviour to accommodate a new or changed service

## Why is it so complex?

The effect of a transition to an organisation will be much wider than just implementing the service itself. There are many things to consider and these need to be understood to appreciate what the impact will be on the organisation. Think about how many mergers have failed because the businesses failed to integrate properly, or the number of organisations that have still not fully embraced the Cloud! While the specific business issues will vary between every organisation and transition, they can include many of the following scenarios:

**Disagreement between parties:** One party may want to commoditise and optimise the service while the other wants services to be personalised to their requirements and integrated with their other services.

**Mismatch in expectations:** Where services are provided by a number of different suppliers e.g. the service target achievement for component services needs to be coordinated; there will be dependencies that need to be managed to ensure the overall service received meets customer expectations.

**Different usage models for the same service:** Existing services, which are similar or identical in nature, might be managed and used in different ways and by different teams within the same organisation, resulting in different expectations for the future of the service.

**Inflexible contracts with external suppliers:** A partnership between suppliers and customers needs to be flexible and open; not all issues can be anticipated at the start of a transition and a good relationship between all parties is crucial to overcoming the hurdles and challenges.

**A lack of consideration of the impact on service management functions:** A change to services and suppliers will impact on the existing service management functions; this will impact staff and will need careful management.

**Maintaining quality and performance:** When integrating new or changed services in a multi-vendor environment.

**Time management:** The effort and time involved moving from a single-sourced supplier to a multi-supplier model can be far greater than anticipated.

**Lack of flexibility within the organisation:** Changing business models and IT supply models requires everyone in the organisation to be flexible to adapt to new ways of working.

**Lack of knowledge transfer:** Knowledge transfer is vital for a successful service transition. It is not just technical knowledge that needs to be transferred, it must include information about processes, procedures, tools, governance, infrastructure, security, culture and relationships. Managing the incumbent provider can be difficult - they may not want to provide the information and knowledge and this makes managing the exit strategy crucial. The new service provider will also be unable to provide accurate SLAs and other performance measures if they don't have complete and coherent understanding of the role of the incumbent.

**Individual agendas:** Strong beliefs that the current way of doing things is the best and not eager to embrace change; use information flows to their own advantage; managers who don't communicate with staff or are looking to improve their individual position and not their teams.

## Underestimating the scale and scope of a service transition



There is a tendency to be overly optimistic in a service transition project. But not understating the full extent of the task and underestimating the size and scale of the transition can leave the organisation vulnerable. A service transition is where most outages occur; failure to manage the processes efficiently and effectively can cause major disruptions to live operations and impact not only customers and end-users but the whole organisation. Maintaining business-as-usual is imperative when services are added, changed or retired and rollback plans need to be considered to prepare for what should happen if failure occurs.

Often organisations don't take enough time in planning for a transition and miss some important phases or put little effort into the mobilisation stages. To successfully implement a new or changed service, the pre-mobilisation and mobilisation phases are critical to ensure good working relationships are established and the vision and approach is agreed. The services need to be defined, key stakeholders engaged and contracts signed. Due diligence exercises and clear objectives needs to be understood if the transition is going to be executed effectively.

## Why organisational change is critical to a successful Service Transition

A service transition will affect large customer and stakeholder groups. Roles and responsibilities will inevitably be affected; there could be changes within teams, teams could be divided, or different management practises and ways of working may be rolled out. Staff may be reluctant to share business information and knowledge due to fear of losing their job, and in some cases, if the people are not properly managed, staff may choose to leave the organisation. This will obviously hinder the knowledge transfer and the transition plan. The effect on retained staff cannot be underestimated; new skills and competencies will require training, education and coaching.



Staff may become demotivated and resistant to the new change due to many reasons, such as a lack of understanding. Clear and regular **communication** during a transition is therefore extremely important. Stakeholders need to be aware of the implications of the changes and what it means to them.

Fundamentally, the best way to manage people during a service transition is to align the organisation's culture with the change, and engage individuals to bring them along with the delivery of the new solution. A service transition, much like any other large-scale technology implementations, is an organisational transformation at its heart. **A service transition needs to be matched with a corresponding organisational change.** Only once you're aware of this can you plan the transition effectively.

The impact on the organisation is huge and will affect many stakeholders, so it is important to remember that the ripple effect on the organisation is much wider than just delivering the service.



## The ripple effect: Who and what is affected by change?

The change will impact many areas of the organisation including its processes, people, culture, technology, tools and information.



**Processes** With any transition comes changes to processes. There needs to be minimal disruption to business-as-usual, so failure to determine all the changes to processes and policies will be risky and could potentially impact live operations. The extent of change on staff cannot be underestimated. Extensive training and coaching on new processes and procedures, using appropriate methods such as scenario based training, will be required to impart the new skills and competencies to ensure a smooth transition.



**People & Culture** As a service transition places great demands on staff, there is a high risk that staff will become resistant to the change and feel de-motivated. To overcome these barriers, it is important to prepare stakeholders and leadership and effectively manage the different stakeholder groups and develop a culture that buys into the transition and supports it. **Stakeholder management should never be underestimated or overlooked.** Service transition is complex and involves new ways of working. Unfortunately, there is a tendency to make assumptions about people's behaviours without analysing the facts, so identifying who the stakeholders are, their interests and influences, how to engage with the project, what information will be communicated, how to manage feedback etc. is an absolute must. Likewise, communications during the transition must be effective; stakeholders need to understand the reasons for change and what it means to them. The supplier must also understand the culture of the organisation it is serving; an effective working relationship between the organisation and the supplier is therefore essential.



**Technology & Tools** There will be changes to the technology landscape and a full assessment of existing IT systems, infrastructure and support organisation should be undertaken to understand the impact on IT systems and the organisation. Some staff may be experts within functions in critical areas and will be required to provide input, so it is important to set expectations and manage all stakeholders carefully.



**Information** It will be necessary to establish a culture that enables knowledge sharing. Decisions will be made based on information so it is important that information and knowledge is freely given to assist with a smooth transition. Gathering information can be challenging for many reasons: the incumbent supplier may not want to share information with new suppliers; staff may not want to share their knowledge from fear of losing their jobs; the information may not exist, and so on. This is where effort through communications and stakeholder management will help. If stakeholders are not willing to share information, ill-informed decisions could be made and this will impact on the transition and on the business case. Feedback from stakeholders before, during and after the transition is also necessary for quality assurance of the service.

**Service transition doesn't have to be troublesome - don't underestimate the complexity and address the cultural change**

## How to transition successfully

Successful transitions only happen when there is a connection between the solution, contract, business outcome and the ongoing delivery of services. The risk of impacting live operations and losing staff is high, so it is crucial that the transition approach includes robust planning and getting the right governance models in place.



### Planning

Every transition is unique with many factors to be considered - processes, organisational and cultural challenges, technologies and tools, information, also knowledge transfer procedures and business goals, to name a few. Adopting a full business transformation plan will ensure that all elements are considered and planned. A robust transition plan must have input from all parties, including both the new and incumbent suppliers. Knowing how progress will be measured and how benefits will be realised is also necessary. **It is crucial that organisational and cultural elements are understood and embedded at an early stage.** The plan should incorporate a phased approach for mobilisation, transition and transformation and should also include pre-mobilisation activities and post-transition activities, to allow for new ways of working to be embedded.



### Governance

There must be clearly defined roles, responsibilities, objectives and escalation paths. Having the appropriate communication channels in place allows for the appropriate level of control during the transition phase and allows for the right level of flexibility. Sponsorship is important and the sponsor should be actively engaged and visibly championing the change. **A key success factor is communication;** the communications plan, with clear and consistent messaging will ensure all parties are well informed and understand the business objectives for the transition.



### Testing

Service testing and readiness assessments will support the evaluation and decision making on whether to proceed through different stages of a transition. The testing should not only cover functional and technical but also **business assurance tests**, which will include testing governance models; ensuring reporting is in place; service delivery and service support tests.

## Conclusion

As this paper has established, any service transition will have far-reaching implications mandating the need for an effective strategy. A successful and well managed service transition requires the adoption of a complete business transformation plan which fully accounts for the organisational and cultural changes. It will establish a strong relationship between the organisation and its service provider(s) and provide clarity of accountability and areas of responsibility.

By following this approach, new business processes will be delivered more seamlessly with a much lower risk to live operations. What's more, ongoing service levels will be achieved, and staff will be retained, reskilled and will fully adopt the new ways of working.

## About Brightman

Brightman have a wealth of experience working in the public and private sector and provide a holistic approach to service transition. We are a hands-on consultancy and work closely with our customers understanding that every transition is unique.