

MiCloud Service Definition

Final Presentation

24-25 September 2012



Engagement 330008161

GARTNER CONSULTING

This presentation, including any supporting materials, is owned by Gartner, Inc. and/or its affiliates and is for the sole use of the intended Gartner audience or other authorized recipients. This presentation may contain information that is confidential, proprietary or otherwise legally protected, and it may not be further copied, distributed or publicly displayed without the express written permission of Gartner, Inc. or its affiliates.
© 2012 Gartner, Inc. and/or its affiliates. All rights reserved.

Gartner[®]

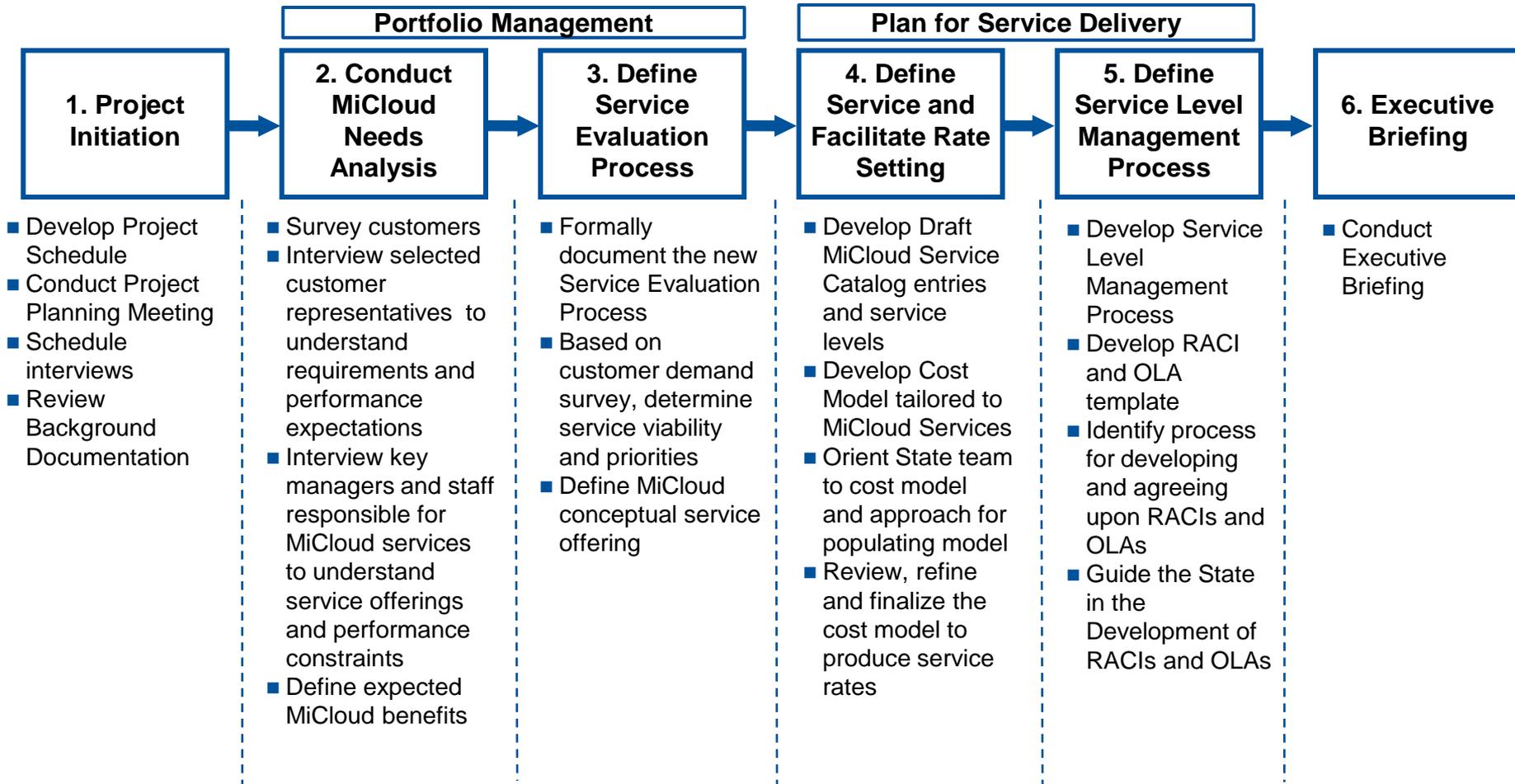
Table of Contents

- Project Background
- Service Evaluation Process
 - Bringing MiCloud through the Service Evaluation Process
- Service Level Management Process
 - Bringing MiCloud through the Service Level Management Process
- Points of Consideration

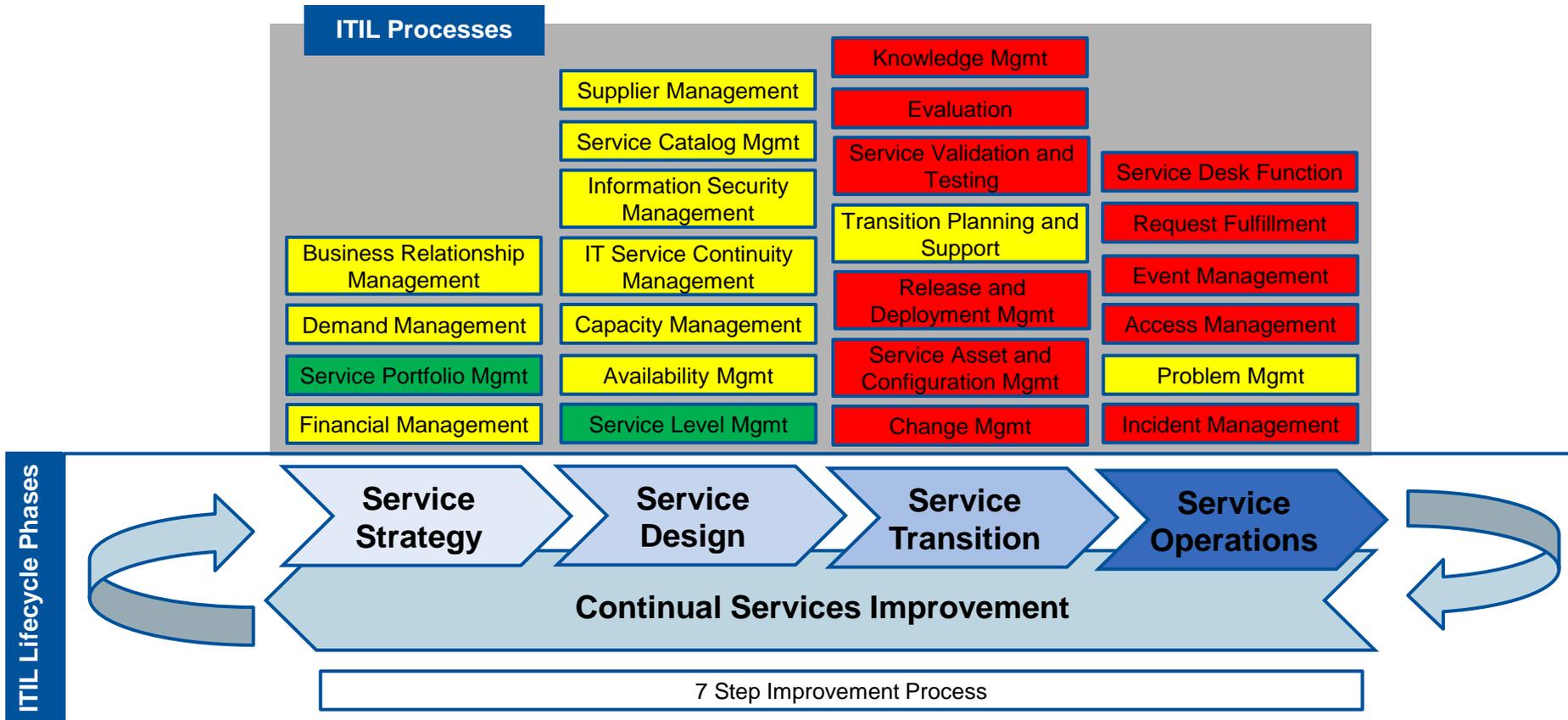
Project Background

- Gartner was initially engaged to accomplish the two following objectives:
 - Review the current set of MiCloud service offerings and determine the optimum set of services to offer to customers
 - Provide recommendations for MiCloud services to function as a model for development of other DTMB service offerings.
- As Gartner developed its understanding of MiCloud services, it became apparent that demand from internal customers for MiCloud services was not as strong as originally expected, and that there are significant barriers to extending MiCloud services to external (non-SOM) customers.
- This realization shifted the focus of Gartner’s project to the definition of repeatable processes for:
 - Evaluating potential services in the future
 - Establishing internal operating level agreements (OLAs) that support customer-facing service level agreements (SLAs).
- Gartner developed these processes and templates, and validated them using the MiCloud Storage and MiCloud Application Development and Test Server Hosting services

Project Approach



During this project, Gartner focused on two specific ITIL processes for the State of Michigan



*A "green" status does not indicate completeness from an ITIL process perspectives

Directly addressed by Gartner

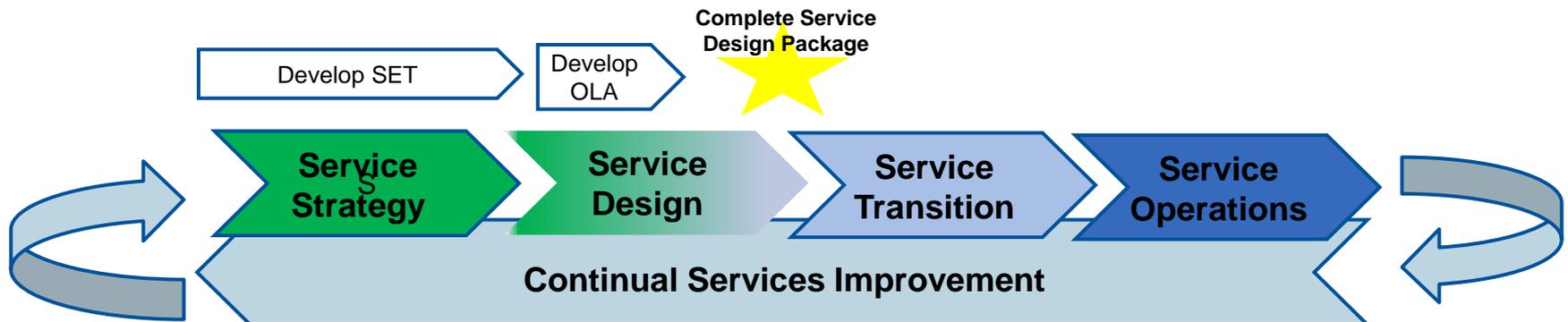
Partially addressed by Gartner

Not addressed by Gartner

Source: Adapted from ITIL V3

The completion of the two ITIL processes does not complete the Service Design Package that is required for Service Transition

- Gartner has prepared two sets of process flows to address Service Portfolio Management Process and the Service Level Management Process
 - The Service Portfolio Management Process will result in a Concept Proposal and a Service Evaluation Tool (SET) that must be reviewed and approved by the IT Executive Team
 - The Service Level Management Process will result in an Operating Level Agreement (OLA) for each service
- The completion of the SET and OLA Processes only partially completes the Service Design Package (SDP) which is required for Service Transition. See the next five (5) slides for the components of the SDP.



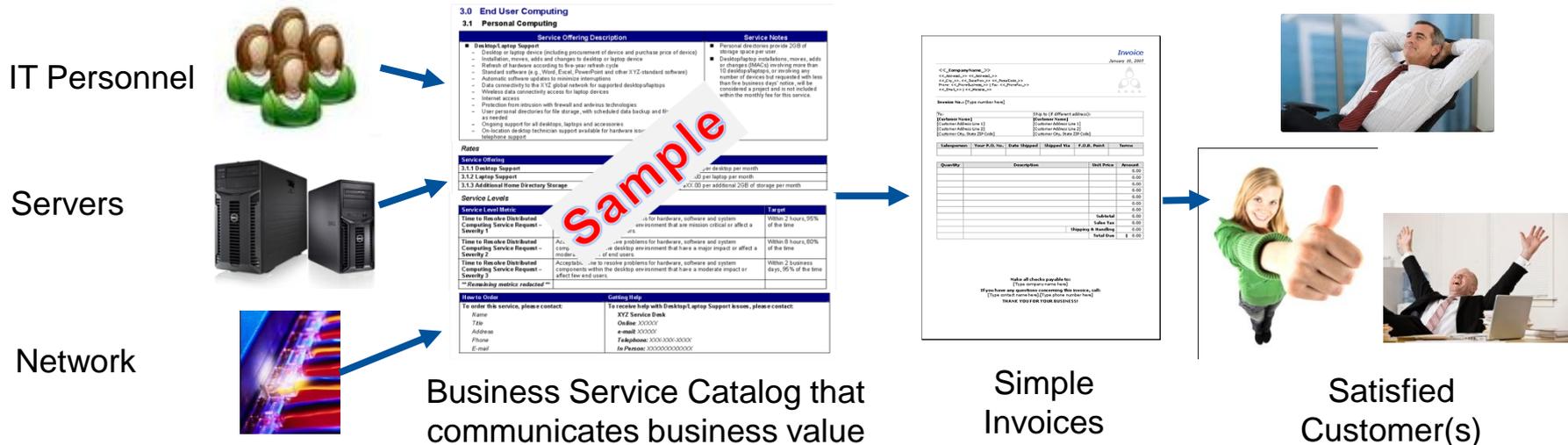
Service Evaluation Process

Definition: What is a Service and a Customer?

- **Customer** - According to ITIL, a “customer” is someone who buys goods or services. The customer of an IT service provider is the person or group who defines and agrees to the service level targets. The term customers is also sometimes informally used to mean users, for example "this is a customer-focused organization".
- **Service** – According to ITIL, a “service” is a means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.

Transitioning to the new Service Delivery Model

- The General Managers (GM's) from Agency Services will be the IT strategic partners of each agency. GMs will work with each agency to understand what IT solutions they will need. Each GM will have BRMs and Business Analysts.
- Programmers and Project Managers will be pooled resources that will be assigned as needed to specific projects and each project will have fixed budgets.
- Service Managers will be responsible for delivering IT solutions that deliver *business value* to each agency. Detailed IT costs (e.g. cost of personnel, servers, network, etc.) should be bundled into a price that is meaningful to the customer

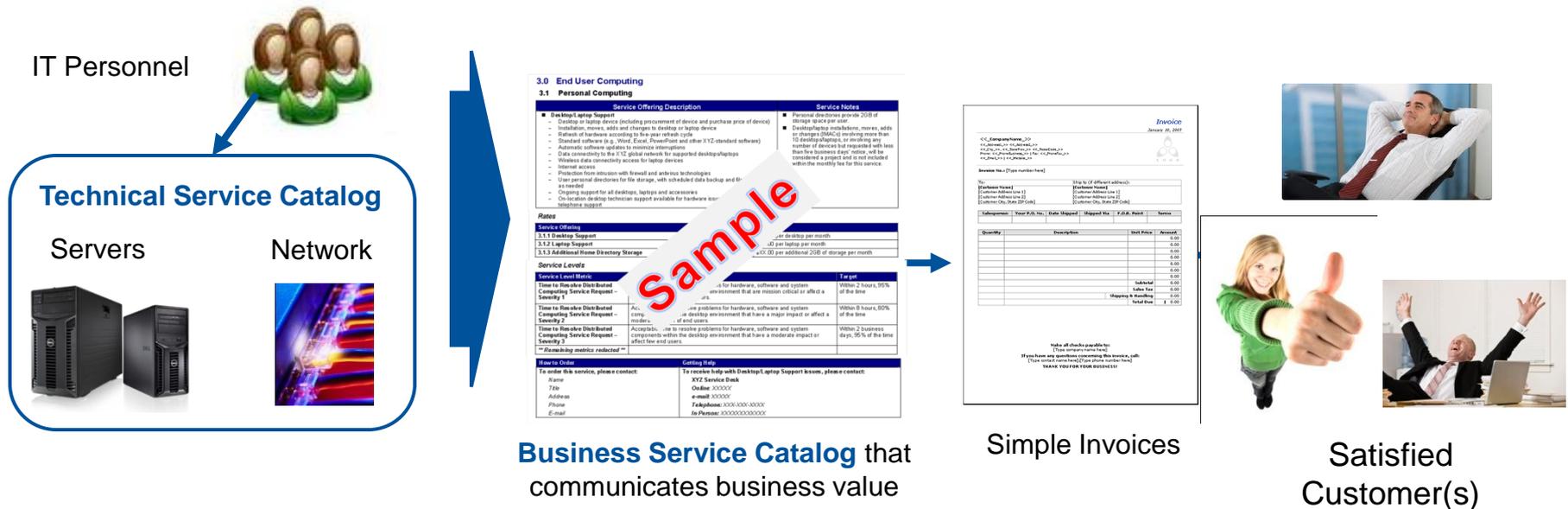


Definition: Business Service Catalog vs. Technical Service Catalog

- ITIL defines two different aspects of an organization's service catalog, which in practice can be two separate initiatives:
 - **Business Service Catalog** - Defines services delivered to business/departmental customers within an organization (e.g. desktop/laptop support)
 - The business service catalog should include services for a single department, services for only a few departments and all shared services
 - **Technical Service Catalog** – Defines services delivered by IT staff to IT staff (e.g., application hosting, security). The customer may be IT professionals in the business units/departments, or other groups within Central IT. When the Technical Catalog defines services provided by groups within Central IT to other groups within Central IT, these are considered IT component services, all of which ultimately roll up to a business customer-facing service. These services should not be included in the Business Service Catalog.

Applying a Technical Service Catalog in Michigan

- In the example of MiCloud Test/Dev servers, agencies or departments purchase solutions off of a Business Service Catalog, but the delivery of these solutions requires the bundling of IT services.
- DTMB must establish an internal Technical Service Catalog that defines the IT components necessary to deliver Business Services. This SLAs in the Technical Service Catalog will inform the development of Service RACIs.



Service Evaluation Roles and Responsibilities

	Service Requestor	Solution Portfolio Director	PMO & Project Manager	General Managers	Infrastructure Services	Enterprise Architecture	Security	Procurement	IT Finance	IT Service Governance Body
Submit idea for new service	R/A	I								
Develop Concept Proposal	R/A	I	C	C	C	C	C	C	C	
Approve and prioritize Concept Proposal	I	A	I	I	I	I	I	I	I	R
Add to enterprise project portfolio	I	C	R/A	I	I	I	I	I	I	I
Complete Service Evaluation Tool (SET)	C	C	R/A	R	R	R	R	R	R	I
Present SET to IT Service Body	I	A	R	I	I	I	I	I	I	C
Approve SET	I	A	I	I	I	I	I	I	I	R

R - Responsible

A - Accountable

C - Consulted

I - Informed

Guiding Principles For Evaluating New Services

- Evaluate the potential service before developing, implementing, and offering to customers
 - The evaluation of a service should begin with the General Manager's (GM) understanding of customer needs and upcoming business changes that may require new IT services
 - GM's must have an understanding of the existing service catalog to review these offerings with customers
 - GM's must communicate the value of evaluating the performing service evaluation and service design before service development and service transition
 - DTMB must be disciplined in its adherence to the service evaluation process because deviation may undermine its success
- Use comprehensive and robust evaluation tools to gather needed information required to make a well-informed decision about a potential new service.

Guiding Principles For Evaluating New Services (continued)

- Ensure broad participation by key delivery stakeholders during the service evaluation process
 - PMO must provide unbiased analysis of the potential new service
 - Potential Service Manager responsible for ensuring coordination between DTMB units who need to work together to provide the new service.
 - IT managers and key staff members who would be responsible for operational delivery of the new service.
 - Business Relationship Managers responsible for understanding customer needs and the value they will receive from the service.
 - Enterprise Architecture to ensure that the proposed new service fits into the overall architecture
 - IT Finance managers responsible for budgets, revenue, service costing and effective use of funds.
 - IT Executives responsible for the overall business of IT, including the portfolio of IT services, investments and customer satisfaction
- Leverage existing governance structure to approve service evaluation results

Guiding Principles For Evaluating New Services (continued)

- Adopt a two-part process to assess initial viability before committing significant resources
 - Part 1: Concept Proposal ensures that there is some level of agreement among key players before resources are expended on detailed evaluation. All content from the Concept Proposal is re-used in Part 2.
 - Part 2: New Service Evaluation leverages agreement gained and data gathered in Part 1 for full evaluation.
- Ensure consistency and repeatability
 - The same process is followed for each potential new service, or a significant change to an existing service, ensuring that a consistent level of scrutiny is applied to all potential new significant investments in services.
 - The definition of a “service” is essential and is the foundation for the process. The process is not intended to evaluate system implementation projects or small enhancements to existing services.
 - The standard for how significant a change must be to go through the process must be established.
- Focus on establishing services for State of Michigan first and then explore economies of scale that can be achieved by providing services to external partners

Service Evaluation Process

Bringing MiCloud through the Service Evaluation Process

Bringing MiCloud through the Service Evaluation Process

- The first step in bringing MiCloud services through the Service Evaluation process was understanding customer demand. This is a function that, for future services, will be the responsibility of the General Managers of each agency.
- Because MiCloud was a set of existing services, Gartner had to understand each service and gauge the needs of the internal and external customers for each service
- Gartner used a combination of interviews and surveys to understand customer demand for MiCloud services

Overview of Current MiCloud Offerings

- The MiCloud portfolio currently includes four services. Three of these services are currently in use by customers while one is still in the scoping phase. MiCloud services are described at a high level below

#	Service	Service Overview	Internal Customers	External Customers
1	Storage	<ul style="list-style-type: none"> ▪ File storage service that creates and manages file shares for users and/or servers ▪ Files are not backed up by DTMB. Backup is the customer's responsibility ▪ Customers receive 8x5 support ▪ Users move their own data ▪ Pay by usage, tracked by GB/day 	18 primary users	0 Customers
2	Test / Development Server Hosting	<ul style="list-style-type: none"> ▪ Allows users to create test/dev servers, destroy servers and suspend servers. Available in small, medium, and large ▪ 8x5 and self service support ▪ Initial setup process takes two days, then users can scale up/down as required ▪ For external customers, this service is provisioned on the client's network ▪ Pay daily rate for active servers 	18 primary users	Not Applicable
3	Production Server Hosting	<ul style="list-style-type: none"> ▪ This service is still being defined by DTMB 	Not yet available to customers	Not Applicable
4	Server Provisioning and Environmentals	<ul style="list-style-type: none"> ▪ Provides a server that can be used for any purpose (e.g., production, test/dev) as determined by the customer 	Not Applicable	1 Pilot

Summary of Customer Needs

Internal Customers

- Internal customers see the Test/Dev Server Hosting service as very useful and a good value
 - Customers see the service as fast, easy to use, inexpensive, and a good value for the price.
 - It provides customers with the speed and flexibility they need to quickly provision and modify test/dev environments.
 - Customers had a few suggestions for improvement, but they were relatively minor compared to the overall positive response to this service.
- Because the storage service was designed to be inexpensive, some of its parameters create barriers to adoption
 - An essential element of the MiCloud storage service is the lack of back-up. That differentiates it from other DTMB storage services in terms of service level and cost.
 - As a result, this service can be used for only certain kinds of data (e.g., data that is already stored elsewhere, making this service the back-up, or older data that could be lost and would not impact the customer)
 - To use this service, customers need to classify their data. Current storage customers have been willing/able to do this. New customers may not be willing to invest the time in data classification.

Summary of Customer Needs

External Customers

- External customers prefer to host/provide their own services, but the State is a strong second choice
 - Given equal cost and quality, 24% of customers would choose the state and none would choose the 3rd party provider.
 - 35% of external customers would still choose the State if the cost were the same but the 3rd party provider provided better quality.
- The real differentiator is cost
 - 94% of customers said they would choose the state if their solution was cheaper (with equal quality) compared to self-hosting or 3rd party.
 - If DTMB cannot be cost-competitive by providing its own cloud solutions, they may be better suited to become a broker of services
- External customers expressed greatest interest in infrastructure services, followed by application services. There was less interest in platform services

Preliminary Service Evaluation

Internal Customer Services Offerings

- Gartner determined that the Storage and Test/Dev Hosting services on MiCloud were potentially viable internal services for the DTMB to offer
- Production Server Hosting is not currently offered and customers did not express a need for cloud production services
 - Customers expect server support for Production servers and want an automated way to move from their Test/Dev environments into Production at the VCOE (e.g. Expedited IMAC process)
- On August 17, DTMB transitioned the support of Storage and Test/Dev Hosting MiCloud services from Enterprise Architecture to Infrastructure Services which creates the perfect opportunity to evaluate the benefits of continuing these services

Preliminary Service Evaluation

External Customer Service Offerings

- The State has one Pilot solution to external customers but it so heavily customized that it is not repeatable for other partners
- The length of time required to develop the MOUs required by the Urban Cooperation Act is a significant impediment to providing services to external partners
 - Currently, this process requires between six and twelve months per partnership agreement
 - There are limited resources at the Attorney General’s office assigned to DTMB, and there is a limit to how many agreements can be negotiated at once. We assume that a very small number of agreements could be simultaneously negotiated, which could stretch the process out for many years for several potential external customers.
 - A significant cost is incurred by DTMB and the local partners to establish each agreement in terms of time for legal counsel and internal resources
 - Cloud services can be offered through the MiDeal program which would not require MOUs to be established because the agreement would be directly between the vendors and the local partners using a procurement vehicle created by the State.
- DTMB must assess if the cloud infrastructure established for internal customers can be used to provide services to external customers.
 - If DTMB must establish a separate environment to support external customers, there would be little opportunity for economies of scale and would potentially require significant investment

Recommendations for MiCloud after the Customer Outreach

- Based on the understanding of customer needs and obstacles to extending MiCloud Services to external customers, Concept Proposals should be prepared for Storage and Test/Development Server Hosting for internal State of Michigan customers.
- Investment in Production Server Hosting and Server Provisioning and Environmentals does not seem warranted at this time.

#	Service	Internal Customers	External Customers
1	Storage	Prepare Concept Proposal	Significant Obstacles
2	Test / Development Server Hosting	Prepare Concept Proposal	Not Applicable
3	Production Server Hosting	Minimal to No Customer Demand	Not Applicable
4	Server Provisioning and Environmentals	Not Applicable	Significant Obstacles

Bringing MiCloud through the Service Evaluation Process

Concept Proposal – MiCloud Storage

- The MiCloud Storage Service provides data storage that is quickly and easily established by the customer, can be scaled up and down depending on customer needs, and is offered at a very low price.

Expected Customers	<ul style="list-style-type: none"> ▪ Service is available to all State employees. ▪ We anticipate a cumulative total of X unique primary users by the end of year 1, growing to XX unique primary users by the end of year 3. We anticipate that a monthly average of XX GB of data will be stored by the end of year 1, and a monthly average of YY GB of data will be stored by the end of year 3. 	
Time to Establish Service	<ul style="list-style-type: none"> ▪ Not Applicable – Service is already established 	
Cost to Establish and Operate Service	SERVICE INITIATION: <ul style="list-style-type: none"> ▪ Estimated Hardware Cost: ▪ Estimated Software Cost: ▪ Estimated Labor: ▪ Estimated Contractor Cost: ▪ Other Costs: ▪ TOTAL ONE-TIME COST: 	SERVICE OPERATION (ANNUAL): <ul style="list-style-type: none"> ▪ Estimated Hardware Cost: ▪ Estimated Software Cost: ▪ Estimated Labor: ▪ Estimated Contractor Cost: ▪ Other Costs: ▪ TOTAL ANNUAL OPERATING COST:
Business Case	<ul style="list-style-type: none"> ▪ State employees need a cost-effective storage environment to use for back-up and non-critical data that can easily scale to meet changing customer needs. 	
Risks	<ul style="list-style-type: none"> ▪ Needs to be integrated with overall data storage policies ▪ Effective data classification is required. Customers need to understand that this service is not backed up and it is appropriate as a back-up for other primary storage or for archiving non-essential files. 	

Bringing MiCloud through the Service Evaluation Process

Concept Proposal – MiCloud Test and Development Server Hosting

- The MiCloud Test and Development Server Hosting service offers DTMB Agency Services staff a flexible, self-provisioned test/development server environment that mirrors the production environment.

Expected Customers	<ul style="list-style-type: none"> ▪ Service is available to all State application developers in DTMB. ▪ We anticipate a cumulative total of X unique users by the end of year 1, with a cumulative total of Y users by the end of year 3. We anticipate a monthly average of X server days by the end of year 1, and a monthly average of Y server days by the end of year 3. 	
Time to Establish Service	<ul style="list-style-type: none"> ▪ Not Applicable – Service is already established 	
Cost to Establish and Operate Service	SERVICE INITIATION: <ul style="list-style-type: none"> ▪ Estimated Hardware Cost: ▪ Estimated Software Cost: ▪ Estimated Labor: ▪ Estimated Contractor Cost: ▪ Other Costs: ▪ TOTAL ONE-TIME COST: 	SERVICE OPERATION (ANNUAL): <ul style="list-style-type: none"> ▪ Estimated Hardware Cost: ▪ Estimated Software Cost: ▪ Estimated Labor: ▪ Estimated Contractor Cost: ▪ Other Costs: ▪ TOTAL ANNUAL OPERATING COST:
Business Case	<ul style="list-style-type: none"> ▪ Application developers need an application development/test environment that is can be self-provisioned quickly and easily, is flexible in duration, and that mirrors the State production environment. This service should improve the quality and timeliness of testing while reducing testing costs. 	
Risks	<ul style="list-style-type: none"> ▪ TBD 	

Bringing MiCloud through the Service Evaluation Process

Service Evaluation Tool

- The State should prepare the Service Evaluation Tool (SET) for MiCloud Storage and Test/Development Server Hosting
- Over the next few pages, we present the Service Catalog entries and Cost Model Tool that has been prepared for the State

Service Catalog Entries

- Gartner developed a Service Catalog Template that can be used not only for MiCloud services, but also for an Enterprise Service Catalog containing all business-facing and IT-facing DTMB services.
- The draft Service Catalog entries for MiCloud Storage and MiCloud Test/Development Server Hosting are provided on the following pages.
- The State of Michigan team should carefully review the draft content and modify it so it is an accurate reflection of the service and contains the elements that Customers want and need to know about each service.

1.0 MiCloud Storage

This service provides data storage that is quickly and easily established by the customer, can be scaled up and down depending on customer needs, and is offered at a very low price.

Service Offering Description

This service includes:

- Storage assigned to a specific user
- Storage space is established by the user (self-provisioning) and is available within 10 minutes (after one-time Agency set up is completed)
- Online wizard which assists the primary user with granting other users access to the storage space to allow for file access and sharing
- Tracking of permissions to create audit records
- Troubleshooting and support for storage issues
- Intrusion prevention and detection

Service Notes

- MiCloud storage is not backed up. If the storage solution experiences a critical failure, the stored data is unrecoverable. If user connectivity to the data center is lost, the stored data is not available.
- Users may create their own backups by copying their data from a MiCloud storage location in one data center to another MiCloud storage location in a second data center. DTMB will provide basic instructions to users on how to copy data, but DTMB will not assist with this procedure. It is the user's responsibility to manage this procedure on an on-going basis. Copied data is charged at the same per GB rate as primary data.
- Due to its limited features, this storage services is best suited for non-critical, non-sensitive data.
- One-time Agency set-up is required before users may request (self-provision) storage space.
- Use of MiCloud Storage is limited to SOM domain users properly authenticated to the SOM intranet. Users that do not currently have SOM domain access must request a SOM domain account for the purposes of accessing this service by submitting a DIT-161. *Note: Is this the one-time Agency set up? Or, does EACH user need to do this before they can access storage? How long does this process take? If*

its longer than 10 minutes, it significantly reduces this service's primary cloud feature – nearly immediate availability of storage.

- Storage is accessed by the end-user via a web browser or as a mapped network drive.

Customer Responsibilities

- User Agency must identify at least one designated primary and one secondary service point of contact for the Agency.
- User Agency must educate users about applicable Agency and State data management policies.

Customer Benefits

- Fast, easy set up and nearly immediate availability of storage.
- User control over set-up and access rights.
- Pay for only what you use.
- Easily scalable up and down to add/remove data.
- Data is stored in State data center and does not leave our secure intranet.

Support Hours

- Support is available during normal business hours, Monday - Friday 8:00 am – 5:00 pm, excluding State holidays.
 - Incidents (interrupted or degraded service) are considered a medium priority.
 - Service Requests (special requests) are considered a low priority.

Service Levels

Service Level Metric	Target
Completion of initial Agency setup	Within 5 business days after request is submitted
Self-service provisioning of storage	Within 10 minutes after request is submitted

Cost

Service Offering	Rate
MiCloud Storage	\$0.35 per GB per month* <i>Note: What is the rate?</i>

*Storage rate is calculated as follows:

- Measure the highest usage per day in GB equals usage for day
- Sum for each day of the month equals GB used in month
- Divide the total GB used in the month by the number of days in the month to give average daily usage
- Multiply the average daily usage by \$0.35 to give the monthly billing amount

Cost Saving Tips

- TBD

Ordering and Getting Help

- Services may be acquired through an email request to CSS/TP (Dan Metzger: metzgerd *Note: Is this still true?*)
- *Note: How are requests for support submitted?*

2.0 MiCloud Test/Development Server Hosting

This service provides a self-provisioned test/development server environment for use by DTMB Agency Services staff.

Service Offering Description

This service includes:

- A virtual server for use in testing and development activities. Virtual server is the same configuration as virtual servers used for production.
- Three active server configurations are available:
 - 1 CPU, 2 GB RAM
 - 2 CPU, 4 GB RAM
 - 4 CPU, 8 GB RAM
- Base storage of 40 GB O/S plus 40 GB Data.
- Operating system: Win2003 or Win2008
- Online wizard which enables self-provisioning.
- Troubleshooting and support of virtual server environment.
- Inactive server image available for additional fee.
-

Service Notes

- Operating System support is not included with this service. It is available from Infrastructure Services for an hourly fee.

Customer Responsibilities

- TBD

Customer Benefits

- Fast, easy self-provisioning of virtual servers.
- Pay for only what you use.
- Easily scalable up and down to add/remove servers as needed.
- Server configurations are the same as all virtual servers used for production, creating an accurate testing/development environment.

Support Hours

- Support is available during normal business hours, Monday - Friday 8:00 am – 5:00 pm, excluding State holidays.

Service Levels

Service Level Metric	Target
Provision of virtual server	Within 17 minutes after request is submitted

Cost

Service Offering	Rate
Virtual Server - 1 CPU, 2 GB RAM	\$8.00 per day
Virtual Server - 2 CPU, 4 GB RAM	\$9.00 per day
Virtual Server - 4 CPU, 8 GB RAM	\$10.50 per day
Inactive Server Image	\$1.00 per day

Cost Saving Tips

- TBD

Ordering and Getting Help

- *How is this service ordered?*
- *How are support request submitted if there is an incident?*

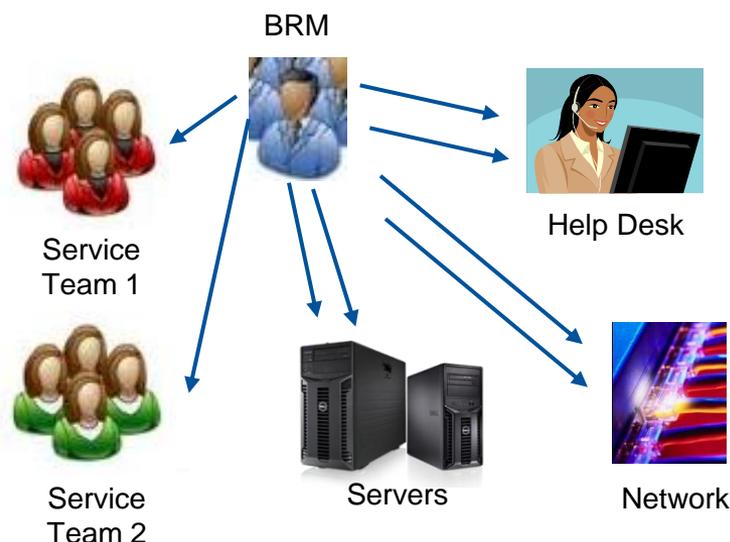
Cost Model Tool

- Gartner prepared a Cost Model Tool for the State to use in developing accurate costs for MiCloud services. The Cost Model Tool uses a standard yet comprehensive set of potential cost components which are based on Gartner's Total Cost of Ownership Model.
- To set rates for MiCloud services, DTMB should use the cost model currently in use by DTMB Finance to set all other service rates. This will ensure consistency in rate-setting across services. While setting rates for MiCloud services, DTMB should consider the Cost Model Tool provided by Gartner. Each of the potential cost components in the Gartner Cost Model tool should be considered and a determination should be made as to whether they are applicable to MiCloud services. If so, costs for all applicable components should be included in the service rate.
- In addition, DTMB should establish very realistic forecasts of customer usage. We understand that, in setting rates for other services, DTMB forecasts usage by customer by month or quarter. This level of usage forecasting should be applied to rate-setting for MiCloud services.

Service Level Management Process

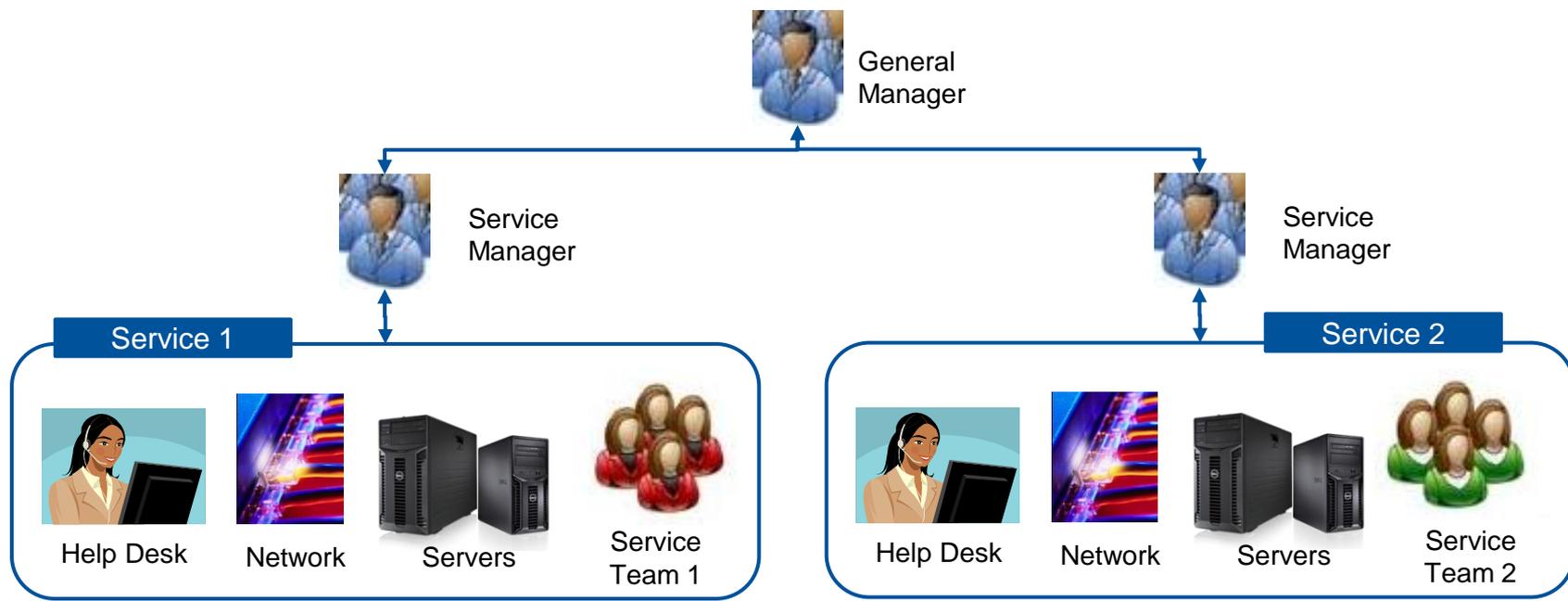
Background: Current Delivery of Services

- The BRM's are responsible for coordinating the delivery of Infrastructure Services for their customers, but no formal agreements are in place between Agency Services and Infrastructure Services.
- The lack of formal agreements has created complexity and confusion when customer expectations are not met.



Transitioning to the New Model

- The General Managers (GM's) from Agency Services will be the IT strategic partners of each agency. GMs will work with each agency to understand what IT solutions they will need. Each GM will have BRMs and Business Analysts.
- Service Managers will be responsible for delivering IT solutions that deliver business value to each agency. Detailed IT costs (e.g., cost of personnel, servers, network, etc.) should be bundled into a price that is meaningful to the customer

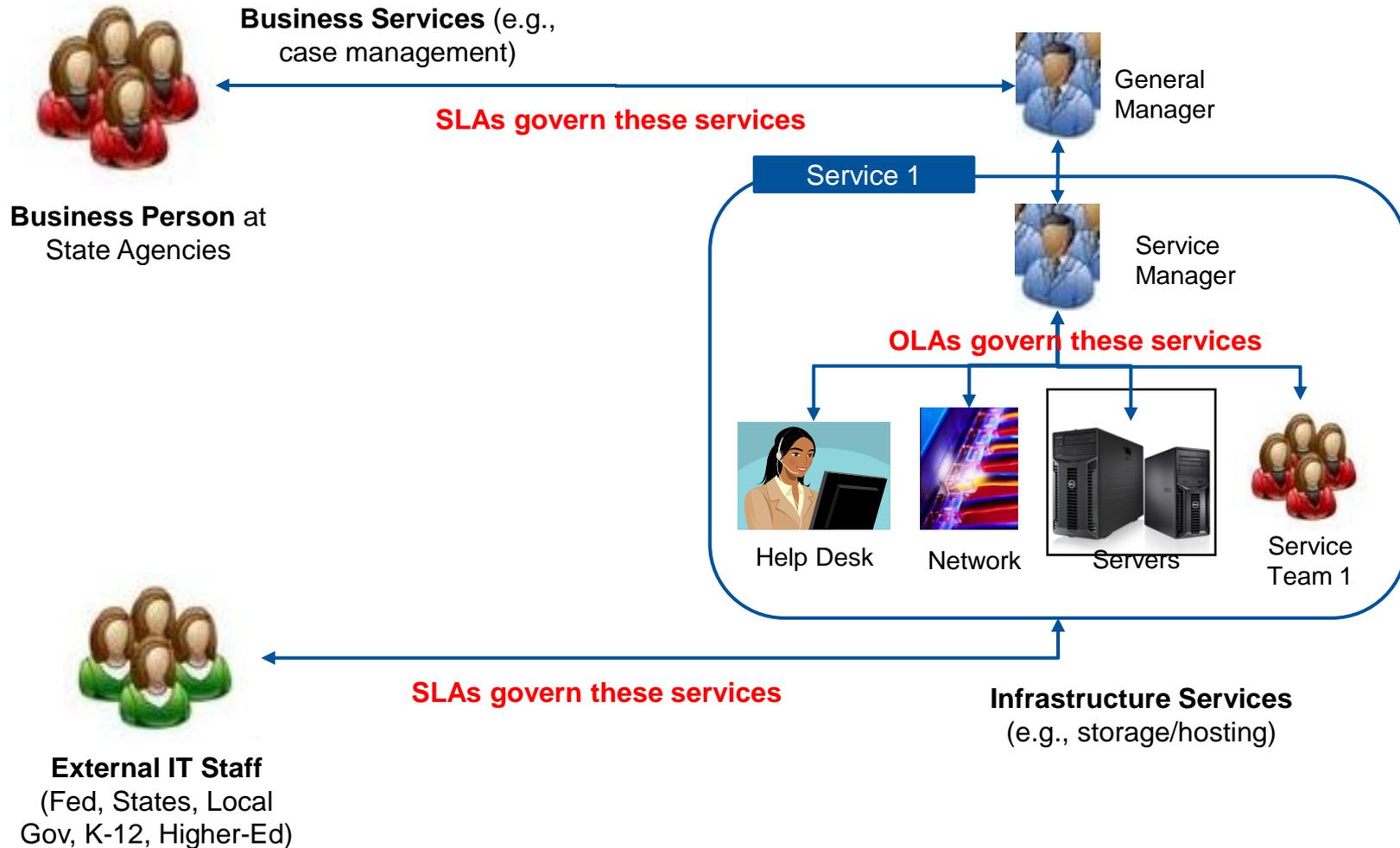


Definitions

- **Service Level Agreement (SLA)** – Agreement between an IT Service Provider and a Customer. The SLA describes the IT Service, documents Service Level Targets and specifies the responsibilities of the IT Service Provider and the Customer. A single SLA may cover multiple IT Services or multiple customers
- **Operating Level Agreement (OLA)** – Agreement between an IT Service Provider and another part of the same Organization. An OLA supports the IT Service Provider's delivery of IT Services to Customers. The OLA defines the goods or Services to be provided and the responsibilities of both parties.

Aligning with the Strategy

MiCloud Customers and Services



OLA Development Process Summary

- The OLA Development Process presented on the following pages is divided into three separate process flows in order to
 - Highlight the critical path
 - Clearly organize and describe alternative paths

Process Section	Title	Description
Part 1	Leverage Technical Service Catalog (Primary Path)	If service components and service levels are available through the technical service catalog, buy services directly from catalog leveraging its underpinning OLA agreements
Part 2	Negotiate OLAs	Socialize OLA targets among IT Service Providers and facilitate negotiation and renegotiation until OLAs can be signed, published and managed for performance
Part 3	Establish Placeholder Targets	In the event that IT Service Providers do not have sufficient information to commit to a particular level of service, establish placeholder, “workaround” targets and a timeframe for re-evaluating targets at a later date, once more information becomes available

Service Level Management Process

Bringing MiCloud through the Service Evaluation Process

Defining Operating Level Agreements

- Defining OLAs for MiCloud services will closely follow “Option 2” described within the OLA process
- Because these services are already in operation, service providers should have sufficient operational history and information to determine if they can meet OLA targets
- Any changes to existing MiCloud SLAs should be discussed with service providers during the Service Evaluation process
- Therefore, socialization and agreement of the OLA targets among the providers should be more of a formalization than a negotiation exercise
- Should MiCloud services be put through additional pilot or “proof of concept (POC)” activities, the Service Manager could choose “Option 3” within the OLA process
 - This will enable the use of temporary OLA targets that the providers can use during the pilot/POC phase
- Once the MiCloud services have been added the service catalog, the Service Manager will be able to order directly from the catalog without the need to establish additional OLAs

Points of Consideration

Points of Consideration

- As the DTMB develops its partnerships with State departments, it must improve its overall relationship management capabilities
 - The success of the Service Evaluation process is dependent on General Managers understanding and communicating potential upcoming services
 - General Managers must manage the expectations of customers for the services and communicate expectations that customers must meet to deliver the services
- The Service Evaluation Process is highly dependent on the establishment of a Statewide Sourcing Strategy. This strategy will guide the evaluation of who will provide the services
- The evaluation of potential services and the establishment of a new service are two new types of structured projects for DTMB. The success of these projects will be dependent on the project managers.
- As the State moves towards pooled resources, there will be more demand on State resources to support ongoing operations and to support new projects. Resource Management

Points of Consideration (continued)

- The State must establish metrics and dashboards that track the benefits of following through with the processes:
 - Service Evaluation
 - Number of ideas submitted
 - Number of Concept Proposals developed and reviewed
 - Number of SETs developed and approved
 - Service Level Management
 - Number of SLAs and OLAs established
 - Performance against SLAs
 - Performance against OLAs
- The success of these Service Evaluation and Service Level Management requires that all levels of DTMB support this process
 - Executives must commit to reviewing Concept Proposals, Support Service Evaluation and enforcing OLAs for both DTMB and the customer
 - All areas of DTMB must participate in the preparation of the Concept Proposal and the SET

Revisiting the Skills Inventory

Key Observations: Capabilities

- The ICT Assessment identified several skills that are critical to the Service Evaluation and Service Level Management processes.

Job Family	Highly Qualified	Qualified	Less Qualified	Total HC	Strength (%HQ+Q)	Rank
Client Technology / Desktop Support	31	38	32	101	68%	High
Web Administration	4	3	5	12	58%	
Quality Assurance	7	4	10	21	52%	
Systems Administration	25	14	43	82	48%	
Application Development	48	78	163	289	44%	
Network Management	6	7	19	32	41%	
Database Analysis	2	3	8	13	38%	Med
Database Administration	14	7	35	56	38%	
Web Design	5	8	22	35	37%	
TeleCommunications	7	8	32	47	32%	
IT Security	2	5	15	22	32%	
Business Analysis	3	13	37	53	30%	
Architecture	3	6	22	31	29%	Low
Business Intelligence	1	3	10	14	29%	
Project Management	12	16	80	108	26%	
Customer Support / Help Desk	4	19	66	89	26%	
Computer Operations	1	12	46	59	22%	
IT Leadership	10	17	96	123	22%	
Business Continuance	1	0	4	5	20%	
Release Management	1	1	8	10	20%	
Relationship Management	2	1	38	41	7%	

Contact Information

Eugene Martinez

Director

Telephone: +1 916 414 2248

eugene.martinez@gartner.com

Christine Wilson

Senior Director

Telephone: +1 310 612 1925

christine.wilson@gartner.com

Ivy I. Anderson

Managing Partner, Consulting

Telephone: +1 312 526 0264

ivy.anderson@gartner.com

GARTNER CONSULTING

This presentation, including any supporting materials, is owned by Gartner, Inc. and/or its affiliates and is for the sole use of the intended Gartner audience or other authorized recipients. This presentation may contain information that is confidential, proprietary or otherwise legally protected, and it may not be further copied, distributed or publicly displayed without the express written permission of Gartner, Inc. or its affiliates.

© 2012 Gartner, Inc. and/or its affiliates. All rights reserved.



Appendix A – Service Design Package Components

Service Design Package (1 of 5)

- The following table describes all of the components of the Service Design Package that, according to ITIL v3, must be complete and available for the Service Transition process to start.

Service Design Package (SDP) Component		Description
Requirements	Business Requirements	Initial documented and agreed upon business requirements.
	Service Applicability	Defines how and where the service will be used. This could reference business, customer and user requirements.
	Service Contacts	List of business, customer, and stakeholder contacts associated with the service.
Service Design	Service Functional Requirements	The functionality or utility of the new service, including its planned outcomes, deliverables and a formally agreed upon statement of requirements.
	Service Level Requirements	The service level requirements (SLR) representing the desired warranty of service for the new or changed service. Once specific service level targets have been agreed and validated, includes draft Service Level Agreements (SLAs).
	Service Operational Management Requirements	Management requirements for managing the new service and its components including all supporting service, agreement, control, and reporting requirements.

Service Design Package (2 of 5)

Service Design Package (SDP) Component		Description
Service Design	Service Design and Topology	<p>The design, transition and subsequent implementation and operation of the service solution and its supporting components including:</p> <ul style="list-style-type: none"> ▪ Service definition, service model, packaging and service options ▪ Service components and infrastructure (including hardware, software, networks, environments, data, applications, technology, tools, documentation), including version numbers and relationships (preferably within the Configuration Management system). ▪ All user, business, service, component, transition, support and operational documentation ▪ Processes, procedures, measurements, metrics and reports ▪ Supporting products, services, agreements and suppliers
Organizational Readiness Assessment	Organizational Readiness Assessment	<p>Includes the business benefit, financial assessment, technical assessment, resource assessment and organizational assessment, together with details of all new skills, competencies, capabilities required of the service provider organization, its suppliers, supporting services and contracts.</p>

Service Design Package (3 of 5)

Service Design Package (SDP) Component		Description
Service Lifecycle Plan	Service Program	<p>An overall programme or plan covering all stages of the lifecycle of Plan the service, including the timescales and phasing, for the transition, operation and subsequent improvement of the new service including:</p> <ul style="list-style-type: none"> ▪ Management, coordination and integration with any other projects, or new or changed activities, services or processes ▪ Management of risks and issues ▪ Scope, objectives and components of the service ▪ Skills, competences, roles and responsibilities ▪ Processes required ▪ Interfaces and dependencies with other services ▪ Management of teams, resources, tools, technology, budgets, facilities required ▪ Management of suppliers and contracts ▪ Progress reports, reviews and revision of the programme and plans ▪ Communication plans and training plans ▪ Timescales, deliverables, targets and quality targets for each stage

Service Design Package (4 of 5)

Service Design Package (SDP) Component	Description
<p>Transition Plan</p>	<p>Overall transition strategy, objectives, policy, risk assessment and plans including:</p> <ul style="list-style-type: none"> ▪ Build policy, plans and requirements, including service and component build plans, specifications, control and environments, technology, tools, processes, methods and mechanisms, including all platforms ▪ Testing policy, plans and requirements, including test environments, technology, tools, processes, methods and mechanisms ▪ Testing must include: <ul style="list-style-type: none"> – Functional testing – Component testing, including all suppliers, contracts and externally provided supporting products and services – User acceptance and usability testing – System compatibility and integration testing – Service and component performance and capacity testing – Resilience and continuity testing – Failure, alarm and event categorization, processing and testing – Service and component, security and integrity testing – Logistics, release and distribution testing – Management testing, including control, monitoring, measuring and reporting, together with backup, recovery and all batch scheduling and processing

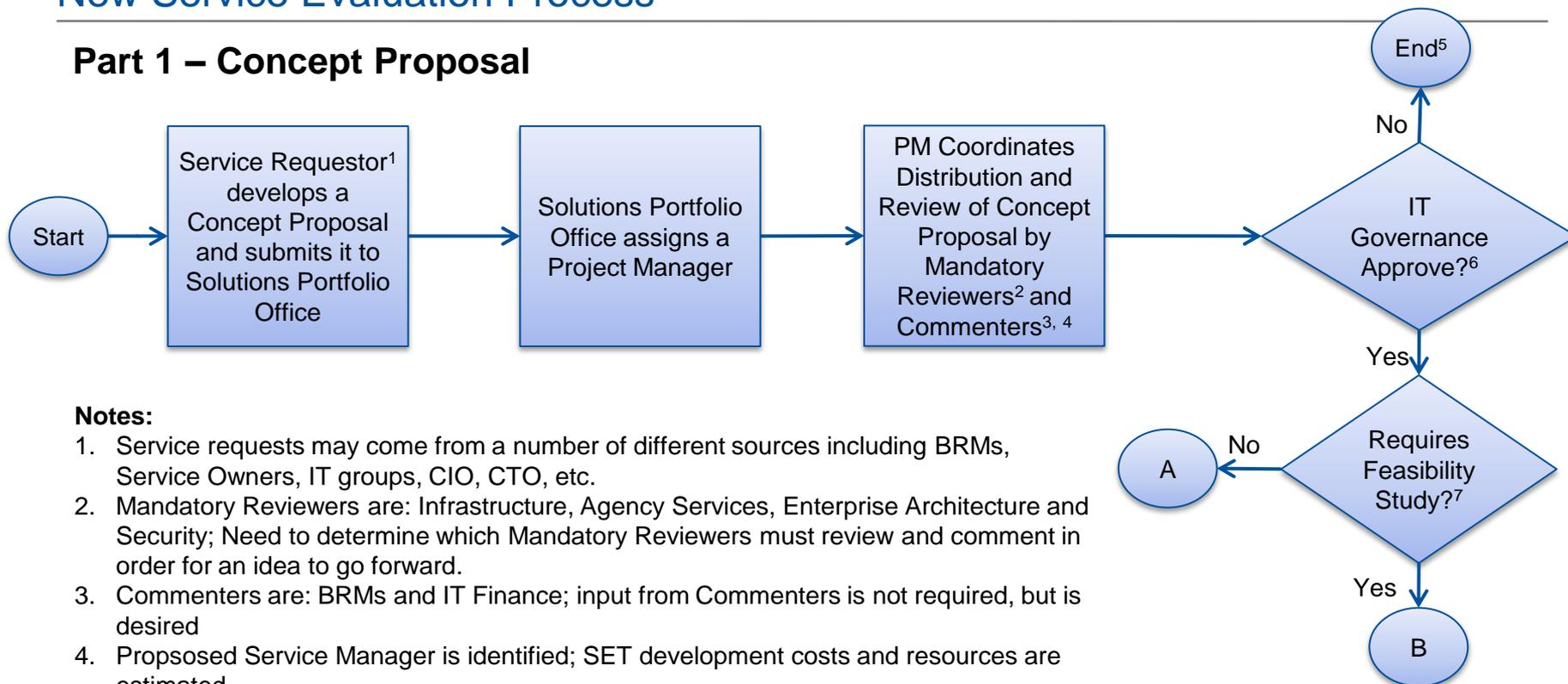
Service Design Package (5 of 5)

Service Design Package (SDP) Component	Description
	<ul style="list-style-type: none"> ■ Deployment policy, release policy, plans and requirements, including logistics, deployment, roll-out, staging, deployment environments, cultural change, organizational change, technology, tools, processes, approach, methods and mechanisms, including all platforms, knowledge, skill and competence transfer and development, supplier and contract transition, data migration and conversion
	<p>Service Operational Acceptance Plan</p> <p>Overall operational strategy, objectives, policy, risk assessment and plans including:</p> <ul style="list-style-type: none"> ■ Interface and dependency management and planning ■ Events, reports, service issues, including all changes, releases, resolved incidents, problems and known errors, included within the service and any errors, issues or non-conformances within the new service ■ Final service acceptance
	<p>Service Acceptance Criteria</p> <p>Development and use of Service Acceptance Criteria (SAC) for progression through each stage of the Service Lifecycle, including:</p> <ul style="list-style-type: none"> ■ All environments ■ Guarantee and pilot criteria and periods

Appendix B – Service Evaluation Process

New Service Evaluation Process

Part 1 – Concept Proposal

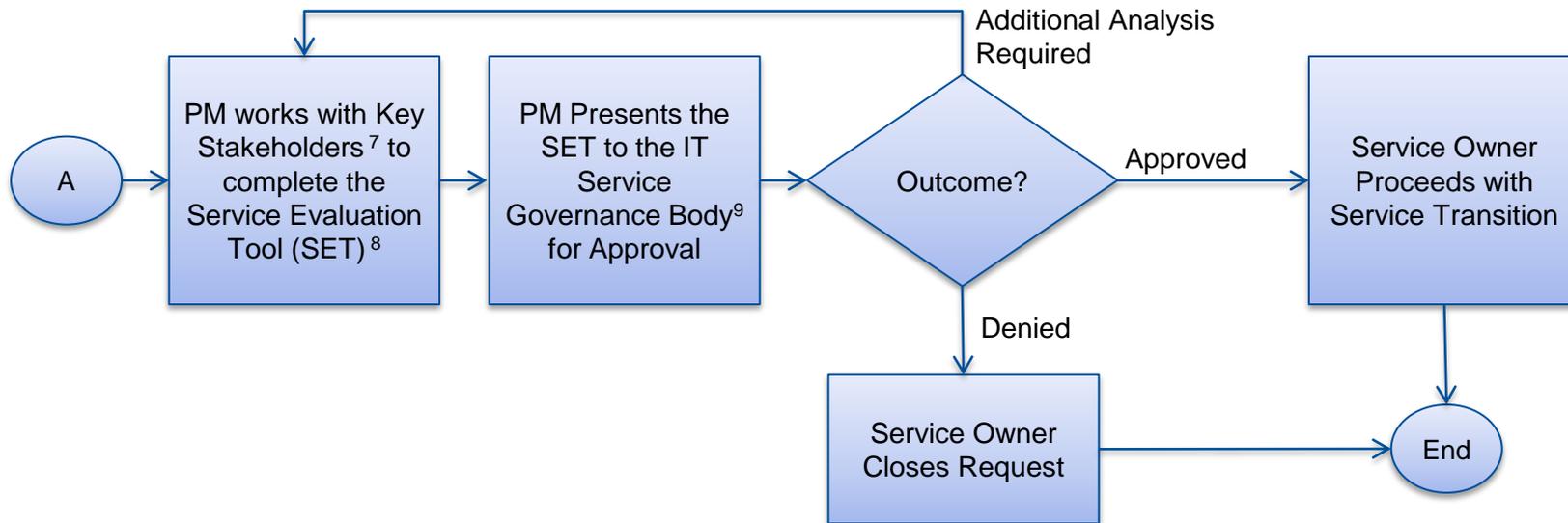


Notes:

1. Service requests may come from a number of different sources including BRMs, Service Owners, IT groups, CIO, CTO, etc.
2. Mandatory Reviewers are: Infrastructure, Agency Services, Enterprise Architecture and Security; Need to determine which Mandatory Reviewers must review and comment in order for an idea to go forward.
3. Commenters are: BRMs and IT Finance; input from Commenters is not required, but is desired
4. Proposed Service Manager is identified; SET development costs and resources are estimated.
5. If the proposal is not approved by the Mandatory Reviewers, the customer should be guided to another solution that meets their business need. Also, the service requestor may choose to modify the proposal and resubmit at a later time. Mandatory Reviewers should err on the side of approving, and only deny Concept Proposals with significant issues.
6. IT Service Governance Body approves and prioritizes the Service Evaluation. After the IT Service Governance Body approves, prioritizes and determines if an FSR is required, the SET or FSR project is added to the enterprise project portfolio.
7. The State must determine what will require an FSR (e.g. is it a price threshold?)

New Service Evaluation Process (continued)

Part 2A – New Service Evaluation

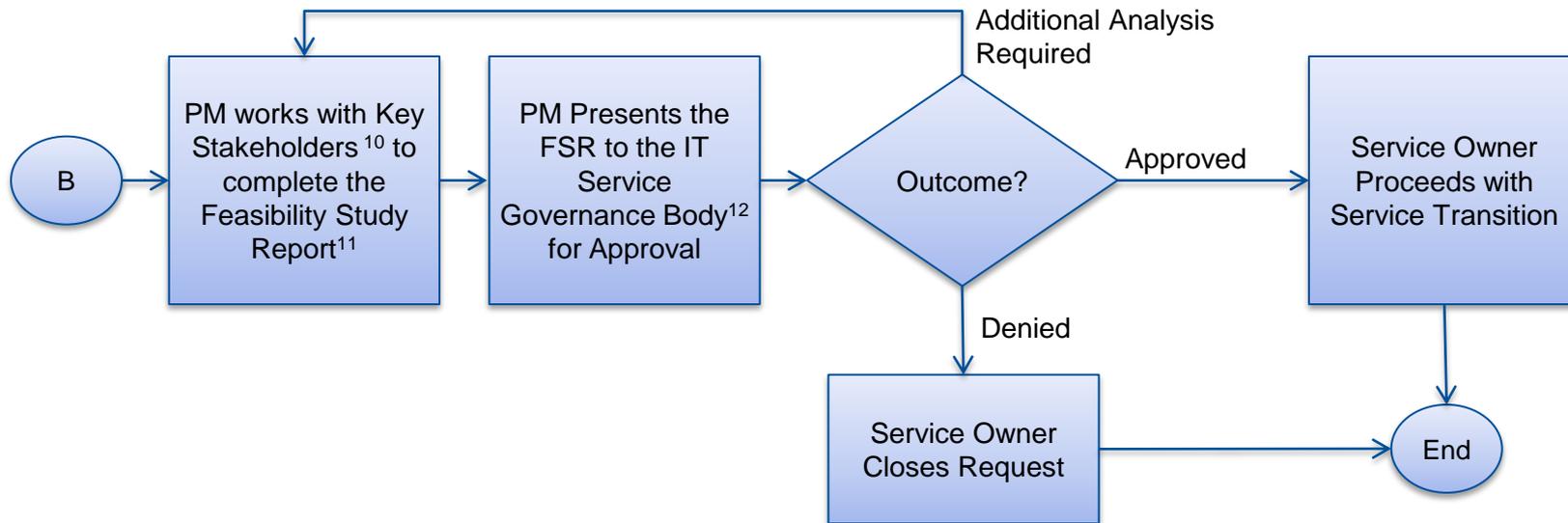


Notes:

7. Required stakeholders that must participate in the development of the SET are: Potential Service Owner, Infrastructure, Agency Services, EA, Security, BRMs, Finance, and Training
8. Service Evaluation Tool to be developed.
9. The IT Service Governance Body should be the same body used to make decisions about other IT projects, investments in infrastructure, etc. Ideally, this body includes customer representation as well as key aspects of IT (e.g., CIO, Finance, EA, BRMs)

New Service Evaluation Process (continued)

Part 2B – New Service Evaluation – Feasibility Study



Notes:

10. Required stakeholders that must participate in the development of the FSR are: Potential Service Owner, Infrastructure, Agency Services, EA, Security, BRMs and Finance
11. Feasibility Study Report template to be developed – see appendix for draft Table of Contents
12. The IT Service Governance Body should be the same body used to make decisions about other IT projects, investments in infrastructure, etc. Ideally, this body includes customer representation as well as key aspects of IT (e.g., CIO, Finance, EA, BRMs)

Impact of the Service Evaluation Process on the Service Design Package

(1 of 3)

- After completion of the Service Evaluation Tool (SET), several components of the Service Design Package will be completed in full or partially. Other components will still need to be addressed prior to service transition. The status of each component of the Service Design Package after SET completion is shown in the table below.

Service Design Package (SDP) Component		Status After SET	Comments
Requirements	Business Requirements		<ul style="list-style-type: none"> Includes the initial requirements as understood from the Concept Proposal. SET includes business and technical issues/opportunities addressed.
	Service Applicability		<ul style="list-style-type: none"> SET includes Expected Users and Volumes.
	Service Contacts		<ul style="list-style-type: none"> SET includes Service Owners and key stakeholders
Service Design	Service Functional Requirements		<ul style="list-style-type: none"> SET includes formal business deliverables that will be communicated in the Service Description
	Service Level Requirements		<ul style="list-style-type: none"> SET includes service levels. Set does not include OLA targets or OLA agreements



Complete



Partially Complete



Not Started

Impact of the Service Evaluation Process on the Service Design Package

(2 of 3)

Service Design Package (SDP) Component		Status After SET	Comments
Service Design	Service Operational Management Requirements		<ul style="list-style-type: none"> ▪ The OLA process requires that sufficient Operational Requirements are in place to communicate OLA development status to service stakeholders ▪ All other Operational Management requirements can be developed afterward or in conjunction with this process
	Service Design and Topology		<ul style="list-style-type: none"> ▪ The SET includes service definition, service model, packaging and service options, service components and infrastructure (including hardware, software, networks, environments, data, applications, technology, tools, documentation), including version numbers and relationships. ▪ The following need to be developed before service transition: <ul style="list-style-type: none"> - All user, business, service, component, transition, support and operational documentation - Processes, procedures, measurements, metrics and reports - Supporting products, services, agreements and suppliers
Organizational Readiness Assessment	Organizational Readiness Assessment		<ul style="list-style-type: none"> ▪ Not addressed by the SET
Service Lifecycle Support	Service Program		<ul style="list-style-type: none"> ▪ Not addressed by the SET

Impact of the Service Evaluation Process on the Service Design Package

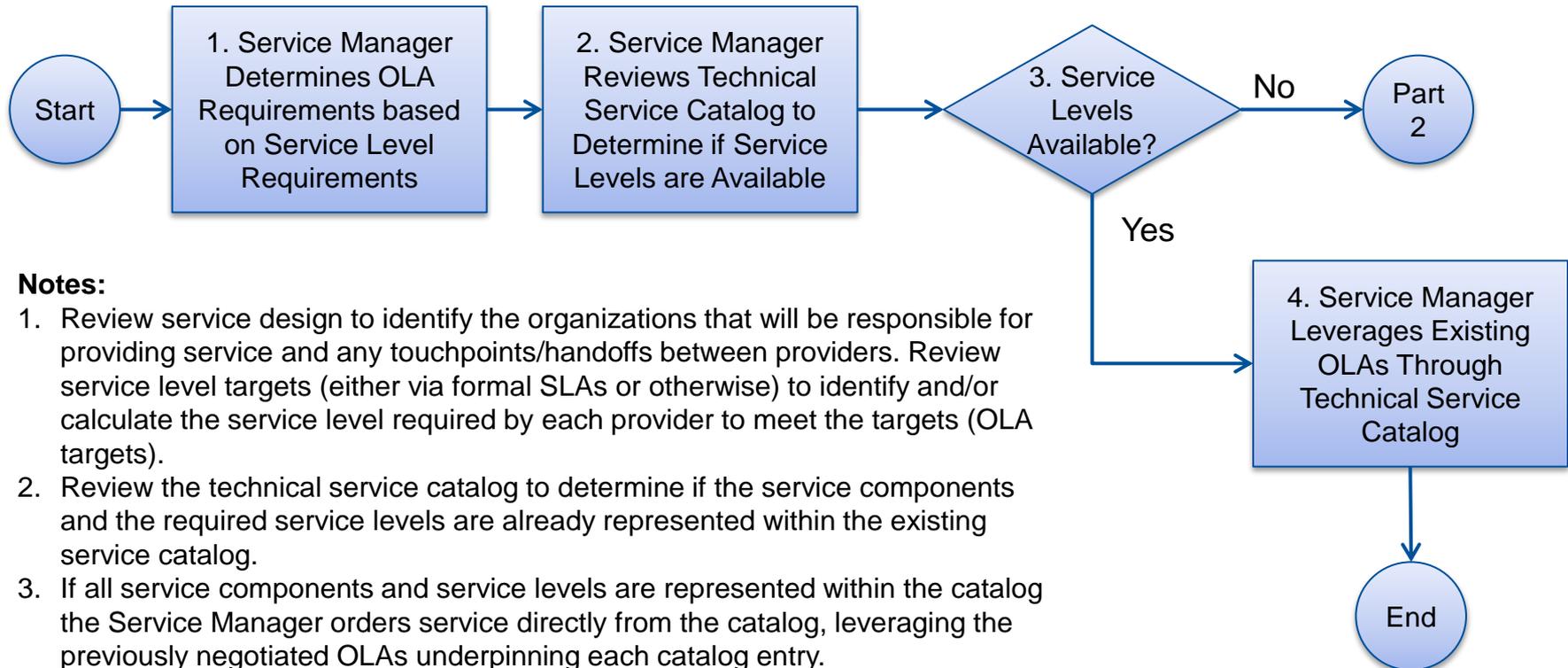
(3 of 3)

Service Design Package (SDP) Component		Status After OLA Process	Comments
Service Lifecycle Support	Transition Plan	<input type="radio"/>	▪ Not addressed by the SET
	Service Operational Acceptance Plan	<input type="radio"/>	▪ Not addressed by the SET
	Service Acceptance Criteria	<input type="radio"/>	▪ Not addressed by the SET

Appendix B – Service Level Management Process

Service Level Management Process

Part 1: Leverage Technical Service Catalog (Primary Path)

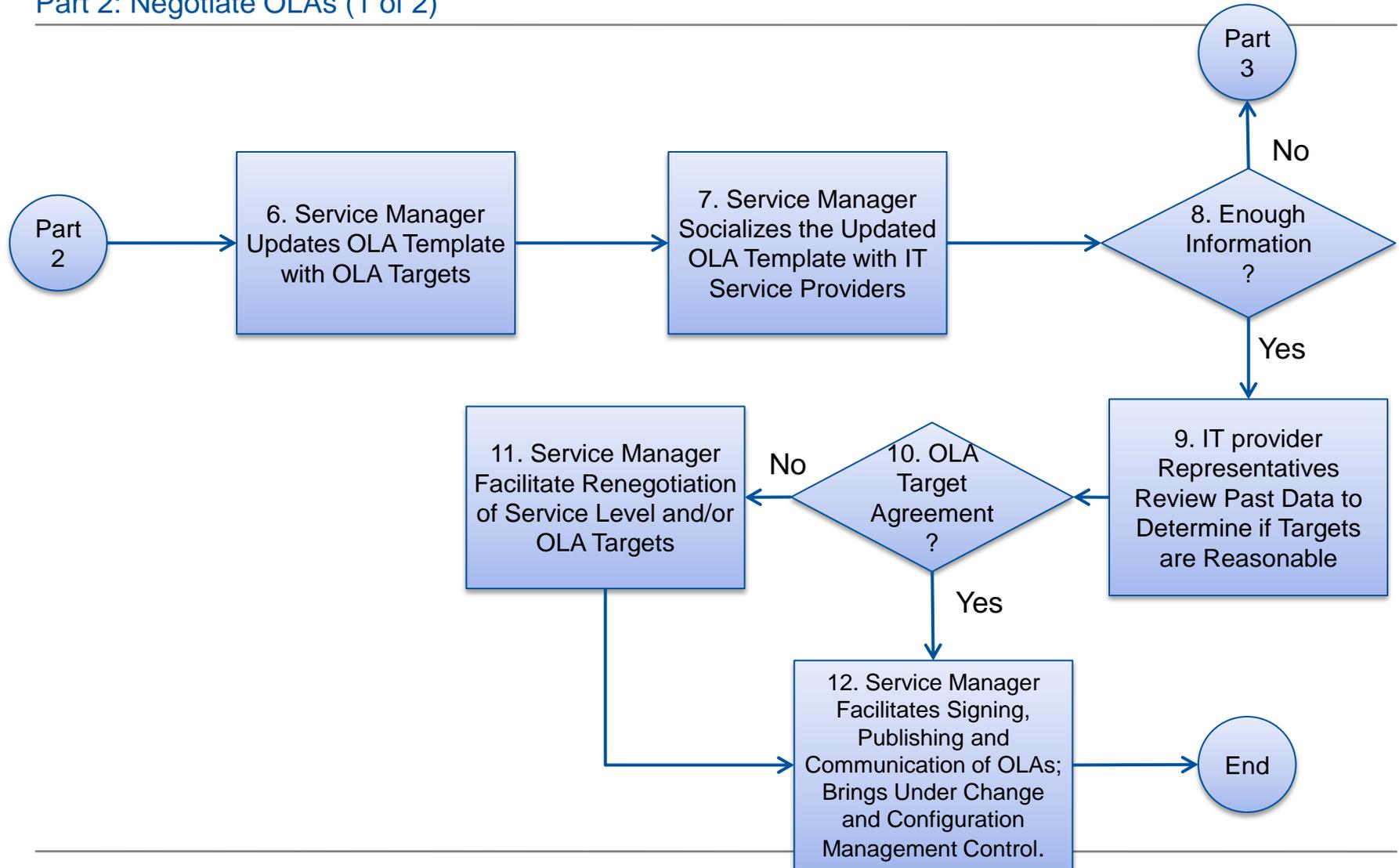


Notes:

1. Review service design to identify the organizations that will be responsible for providing service and any touchpoints/handoffs between providers. Review service level targets (either via formal SLAs or otherwise) to identify and/or calculate the service level required by each provider to meet the targets (OLA targets).
2. Review the technical service catalog to determine if the service components and the required service levels are already represented within the existing service catalog.
3. If all service components and service levels are represented within the catalog the Service Manager orders service directly from the catalog, leveraging the previously negotiated OLAs underpinning each catalog entry.
4. If there are any required service components or service levels not supported by the catalog, the Service Manager will need to negotiate new OLAs in support of the service (Part 2).

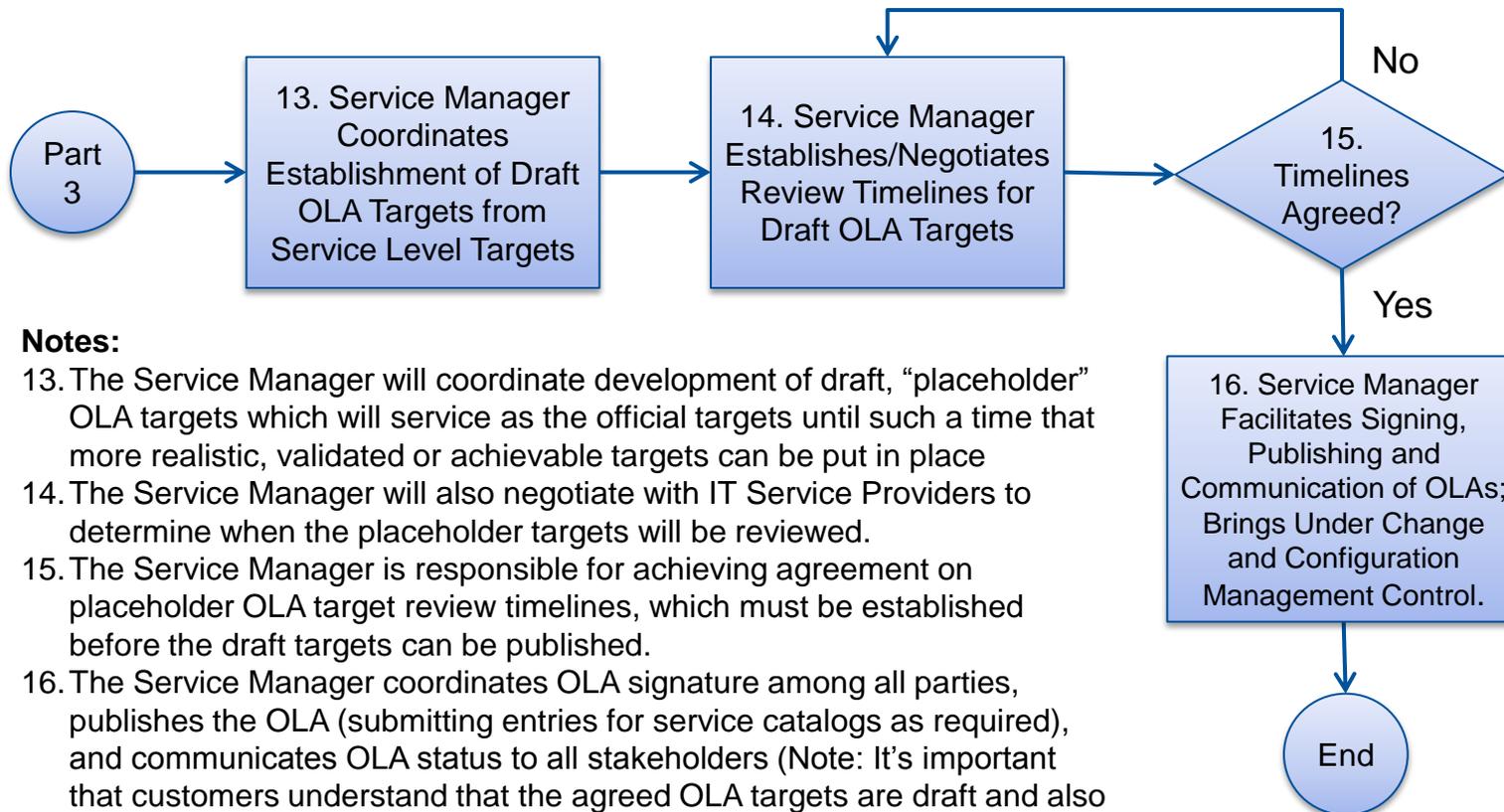
Impact of the Service Level Management Process on the Service Design Package

Part 2: Negotiate OLAs (1 of 2)



Impact of the Service Level Management Process on the Service Design Package

Part 3: Establish Placeholder OLA Targets



Notes:

13. The Service Manager will coordinate development of draft, “placeholder” OLA targets which will service as the official targets until such a time that more realistic, validated or achievable targets can be put in place
14. The Service Manager will also negotiate with IT Service Providers to determine when the placeholder targets will be reviewed.
15. The Service Manager is responsible for achieving agreement on placeholder OLA target review timelines, which must be established before the draft targets can be published.
16. The Service Manager coordinates OLA signature among all parties, publishes the OLA (submitting entries for service catalogs as required), and communicates OLA status to all stakeholders (Note: It’s important that customers understand that the agreed OLA targets are draft and also when they are planned for review). The Service Manager also submits the OLA to Change and Configuration Management for ongoing quality control and continuously review/improvement (see OLA Monitoring Process in the Appendix).

Impact of the Service Level Management Process on the Service Design Package (1 of 2)

- With the OLAs in place, DTMB will still need to ensure that all SDP components are in place prior to Service Transition (i.e., the status of all components must be complete)

Service Design Package (SDP) Component		Status After OLA Process	Comments
Requirements	Business Requirements		
	Service Applicability		
	Service Contacts		
Service Design	Service Functional Requirements		
	Service Level Requirements		<ul style="list-style-type: none"> ▪ After the OLA process, all SLAs/OLAs are in place either finalized or draft
	Service Operational Management Requirements		<ul style="list-style-type: none"> ▪ Require finalization either in conjunction with the OLA process or afterward
	Service Design and Topology		<ul style="list-style-type: none"> ▪ Requires finalization either in conjunction with the OLA process or afterward



Complete



Partially Complete



Started



Not Started

Impact of the Service Level Management Process on the Service Design Package (2 of 2)

Service Design Package (SDP) Component		Status After OLA Process	Comments
Organizational Readiness Assessment	Organizational Readiness Assessment		<ul style="list-style-type: none"> Having the OLAs signed and published contributes significantly to organizational readiness however, an assessment of the overall organizational readiness (e.g., finance, documentation, process, etc.) requires finalization either in conjunction with the OLA process or afterward.
Service Lifecycle Support	Service Program		<ul style="list-style-type: none"> Requires development and finalization either in conjunction with the OLA process or afterward
	Transition Plan		<ul style="list-style-type: none"> Requires development and finalization either in conjunction with the OLA process or afterward
	Service Operational Acceptance Plan		<ul style="list-style-type: none"> Requires development and finalization either in conjunction with the OLA process or afterward
	Service Acceptance Criteria		<ul style="list-style-type: none"> Requires development and finalization either in conjunction with the OLA process or afterward