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The Journey Towards Service Digitalization at CEMEX

ANA C. GONZALEZ
PERFORMANCE ANALYST
CEMEX

JOSUE RODRIGUEZ
PERFORMANCE MANAGER
CEMEX

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servicenow

Speaker Introduction

NAME: Ana C. Gonzalez

TITLE: Performance Analyst

FUNCTION: Service Framework Planning & Scrum Lead

COMPANY: CEMEX

EXPERIENCE: 3 years Vendor Performance, 2 years vendor compliance, 1.5 years Service Now planning & scrum lead

EXPERTISE: Compliance, Service Level Management, Service Delivery Governance

ACHIEVEMENTS: Coordinated first Service Now deployment and 6 subsecuent releases

CURRENT PROJECTS: Driving process efficiencies. Automating all procurements/HR work streams

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Speaker Introduction

NAME: Josue Rodriguez

TITLE: Vendor Performance Manager

FUNCTION: Service Framework Strategist & Mobilization Head

COMPANY: CEMEX

EXPERIENCE: 2 years developer, 7 years IT Architecture, 4 years Business Innovation, 1 years IT Vendor Management, 5 years Performance Manager

EXPERTISE: Process Consultant, Transformation, Service Mapping, Service Level Management, Performance Analytics

ACHIEVEMENTS: First Social Network for Business Innovation, Digitalization of Outsourced services

CURRENT PROJECTS: Extending service digitalization to non-outsourced services

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(Borrowed logo from BRE132461)

My Company



NAME: CEMEX

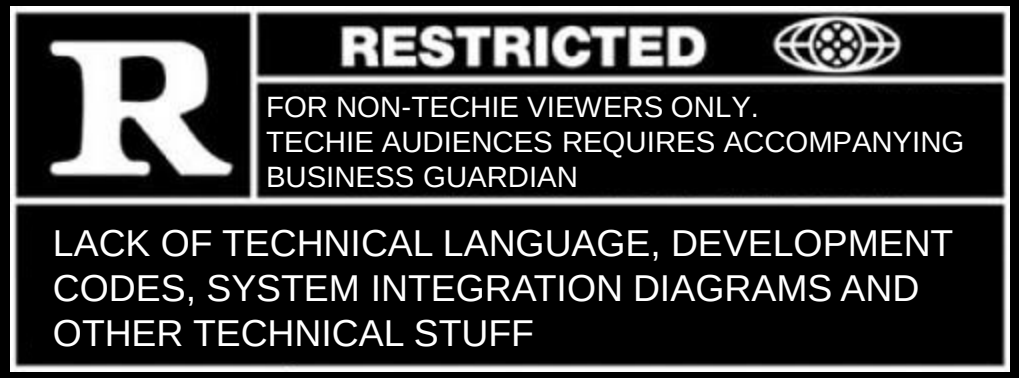
INDUSTRY: Building Materials

MARKET FOCUS: CEMEX is a global building materials company that provides high-quality products and reliable service in more than 50 countries. We work hard to develop and deliver the best solutions in cement, ready-mix, and aggregates...so we can transform ideas into reality.

COMPANY'S PRIMARY PRODUCTS/SOLUTIONS: Cement, Concrete, Aggregates, Value-adding services to our products, High quality solutions

COMPANY-WIDE INITIATIVES: Becoming ONE Global CEMEX, Implementing Digital solutions, Regaining Financial flexibility, Health & Safety First

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TECHIE AUDIENCES REQUIRES ACCOMPANYING BUSINESS GUARDIAN
LACK OF TECHNICAL LANGUAGE, DEVELOPMENT CODES, SYSTEM INTEGRATION DIAGRAMS AND OTHER TECHNICAL STUFF



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The first rule of Fight Club is:

you do not talk about Fight Club.

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The second rule of Fight Club is:

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What is the first rule of ServiceNow in CEMEX?

We do not talk about ServiceNow.

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Guess what is the second rule of ServiceNow in CEMEX:

We DO NOT talk about ServiceNow!

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What are We Talking About in CEMEX?



- Excellence in Service Execution
- Customer oriented
- Performance/Cost transparency

- One Service Management Practice
- Leveraging ITIL as process model
- Building capabilities (continuum)

- One stop-shop service channel
- Federated model
- Powered by the best digital platform: ServiceNow

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Our Story in this Journey Towards Service Digitalization

1

Questions we answered BEFORE starting it

2

Where we are and how we are walking this journey

3

Leveraging ServiceNow as an enabler platform

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What is your Operative Model?



A Company's Operative model is "a commitment to operate made by business owners, to pursue its vision and strategy"

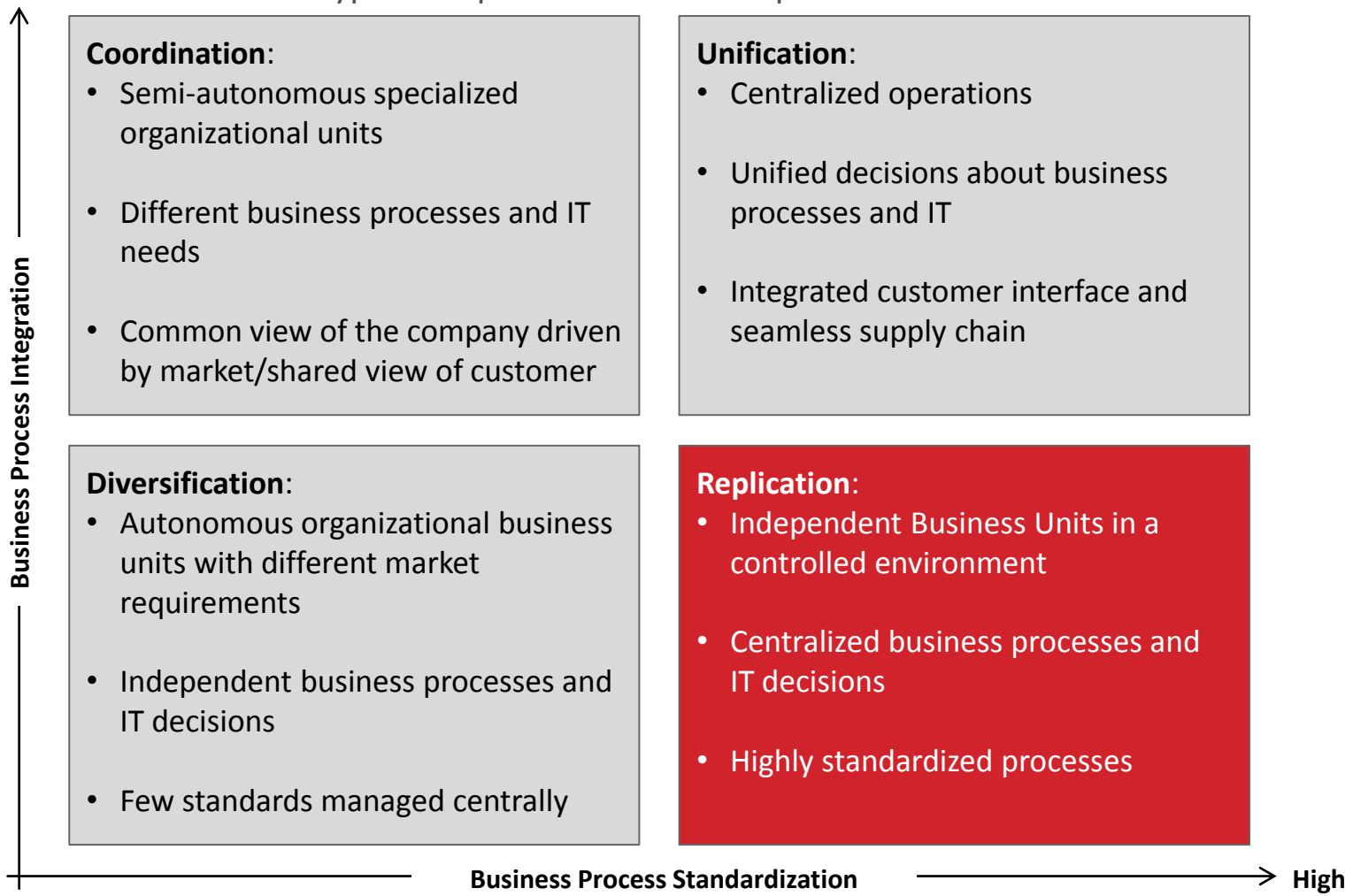
Dr. Jeanne Ross
Principal Research Scientist
MIT Center for information System Research

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What is our Operative Model?

- In 1999, our CEO declared replication as our operative model, globally
- This set the mood and pave the way towards one CEMEX
- +5 deep transformational waves since then

Types of Operative Models as per MIT CISR*



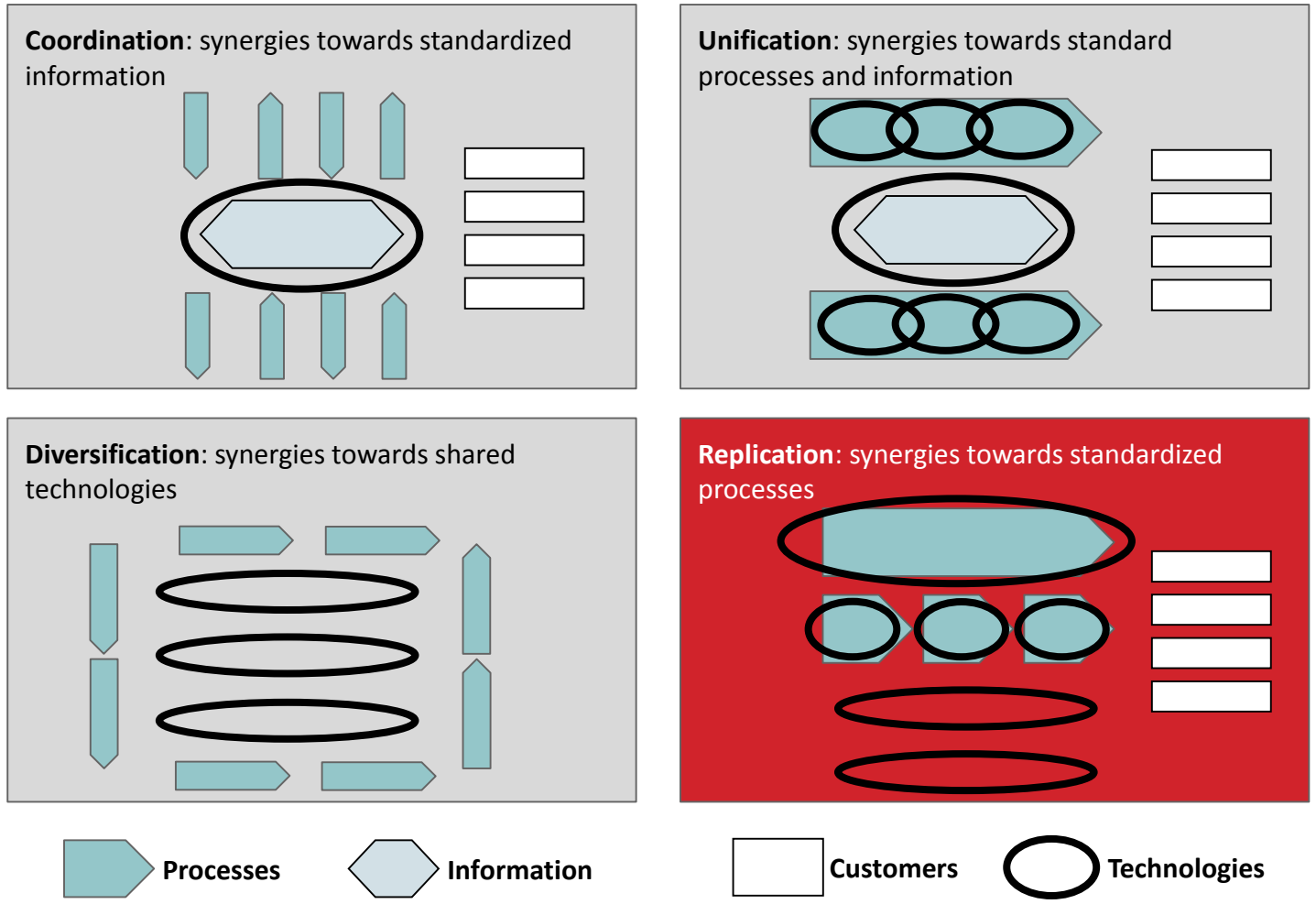
* Source: Adapted from MIT Center for Information Systems Research

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What is our Enterprise Architecture ?

- In 2000, CEMEX identified the core processes to focus towards one CEMEX
- Target was standardize core back-office processes towards efficient operations
- This Enterprise Architecture shaped IT architecture and IT spend

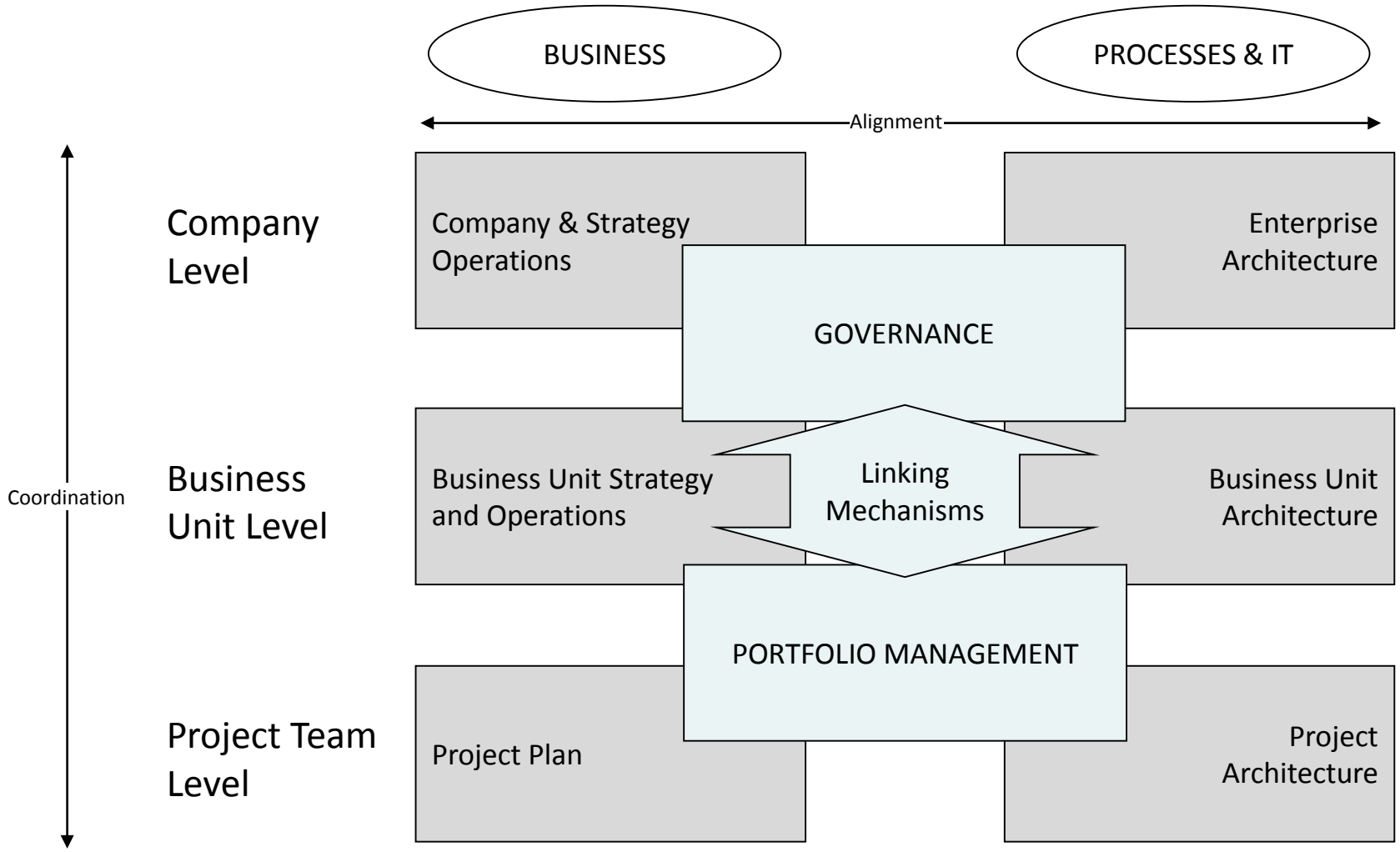
Main EA archetypes as per MIT CISR*



* Source: Adapted from MIT Center for Information Systems Research

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What is Engagement Model?



IT Governance
Decision rights and accountability framework to encourage desirable behavior in the use of IT

Linking mechanisms
Processes and decision-making bodies that align incentives and connect the projects to IT Governance

Portfolio Management
Formalized project and portfolio methodology with clear deliverables and regular checkpoints

* Source: Adapted from MIT Center for Information Systems Research

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The Value of Answering the Core Questions

- Ensure alignment across the organization
- Provide focus on decision making
- Provides direction along the journey







The highest the top management involvement in answering the core questions, the deepest transformational effect in the organization

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Our Story in this Journey Towards Service Digitalization

1

Top management commitment towards an Operative Model and Enterprise Architecture paved the way for this journey

2

Where we are and how we are walking this journey

3

Leveraging ServiceNow as an enabler platform

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The Journey is about Making the Next Step Towards Your Destination

1999 ->	CEMEX WAY	• Global business model with standardized processes and systems
2005 ->	SAP	• Common platform implemented throughout all countries in which we operate
2007 ->	Regional Share Services	• Integrating support areas in Regional hubs: US, Mexico, Hungary
2011 ->	Global Service Organization	• Consolidating more services into the Global Service Organization
2012 ->	Outsourcing	• Generating additional business scale with multi-tower, multi-country outsourcing



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A Common Framework for Outsourced Services

26 processes adopted to manage an outsourcing contract in a Center of Excellence mode

Contract Management
C01 Contract Compliance
C02 Contract Change & Revision
C03 Contract Interpretation
C04 Governance Issue Management & Dispute Resolution
C05 Service Provider Audit
C06 Governance Library

Financial Management
F01 Invoice Management
F02 Performance Credits & Earn backs
F03 Financial Analysis & Planning
F05 Contract Pricing Adjustments
F06 Value Assurance

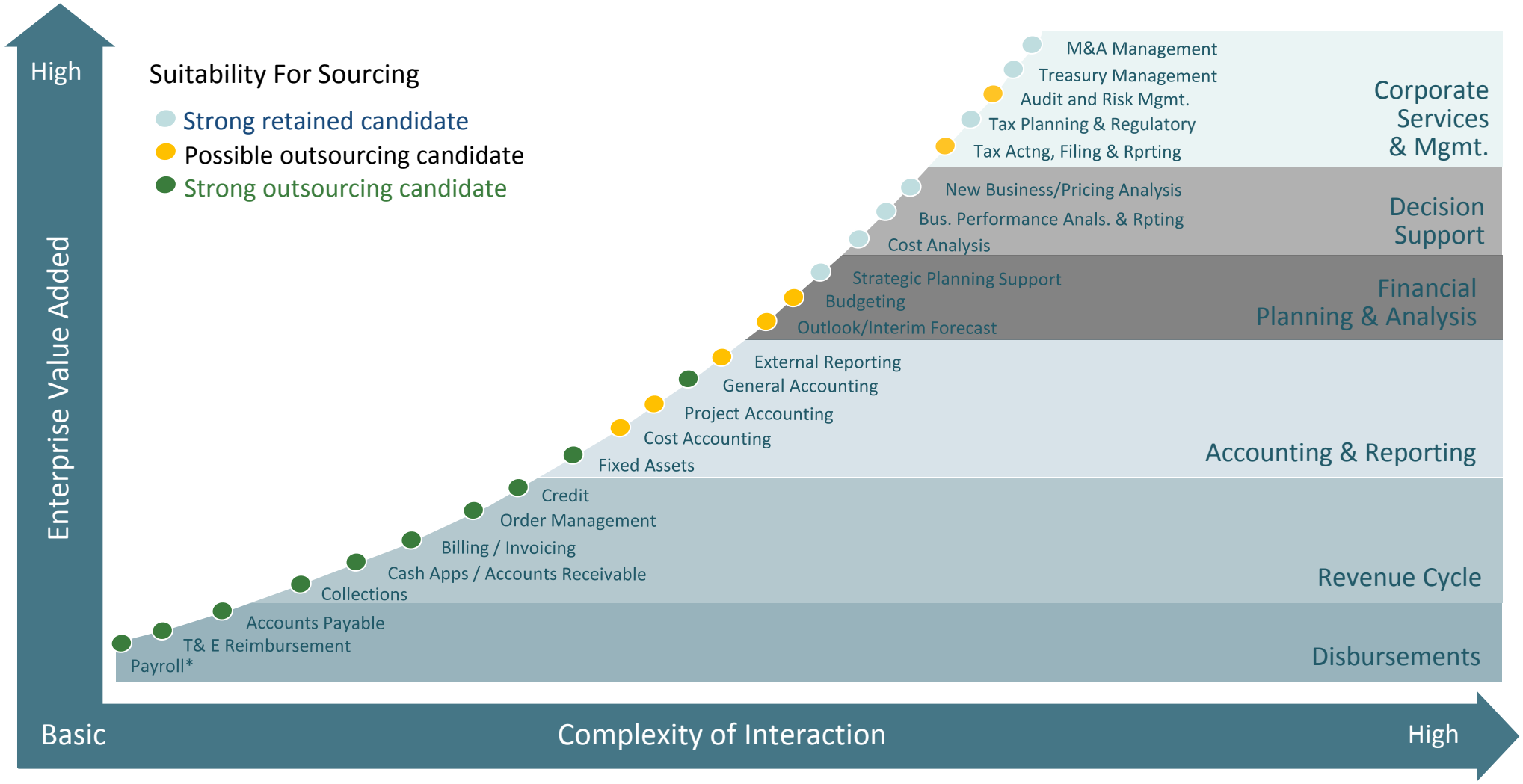
Performance Management
P01 Performance Analysis
P02 Service Delivery Management
P03 Service Level Management
P04 Service Requests & Authorization
P05 Security Management
P06 Architecture & Standards Management
P07 Risk Management
P08 Asset Management

Relationship Management
R01 Governance
R02 Innovation Governance
R04 Regulatory & Tax Compliance
R05 Forecast & Demand Management
R06 Workplace Services
R07 Customer Satisfaction Survey Management
R08 Communications Management

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Conceptualizing Services Across Service Areas

Example:
Finance & Accounting Services



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With Outsourcing CEMEX Created a Common Framework for Service Areas from Different Nature, Scope and Complexity

Finance and Accounting



Contact Center Services



Application Development & Support



Human Resources



Contract Management

Financial Management

Performance Management

Relationship Management

Infrastructure



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We are Just Making the Next Logical Step in Our Journey

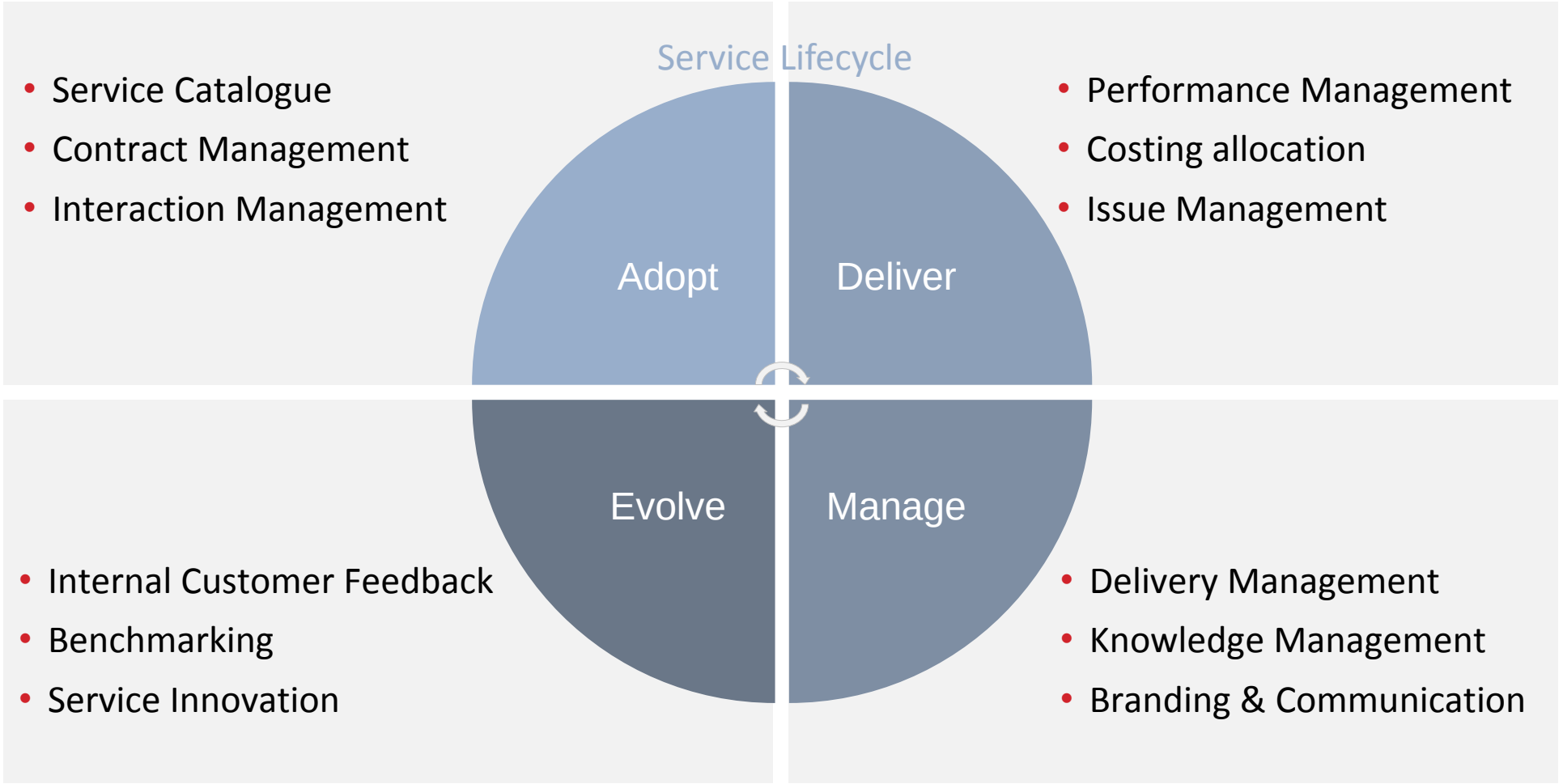
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2012 ->	Outsourcing	• Generating additional business scale with multi-tower, multi-country outsourcing
2015 ->	Service Digitalization	• Transform internal & external service areas towards visibility and customer focus



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If it Works: Replicate it !! and Make it Better !!

The CEMEX Service Management Framework



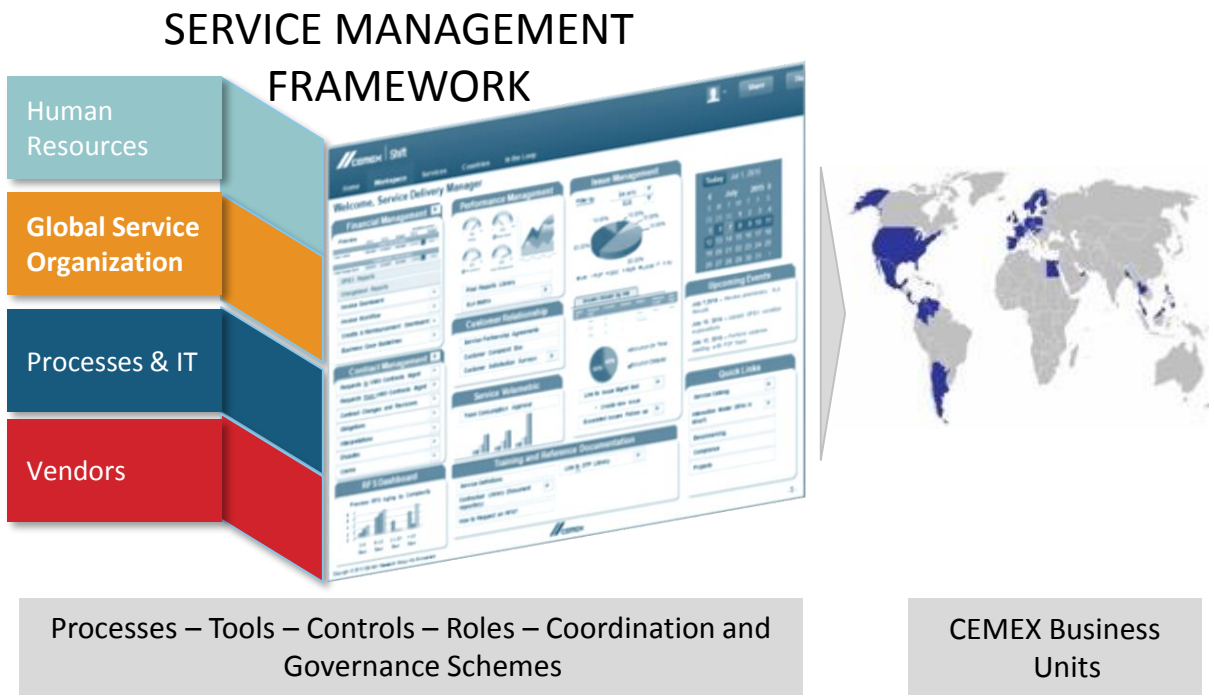
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Service Framework Deployed Using a ‘Franchise’ Model

Franchise model will have a mandatory set of practices, but will allow a level of customization by area and/or geography to create the best fit for purpose according with local conditions

The Service Management Framework (SMF) consists of 5 key elements…

1. Processes to manage services consistently across services and geographies
2. Tools to maximize internal efficiency and quickly resolve issues affecting our clients
3. Controls to certify our behavior and conformance to process requirements
4. Roles to play functions locally or centrally depending on best fit for the purpose
5. Coordination and governance schemes to have the right accountability in the right place



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One Key Reason Behind Unsuccessful Frameworks

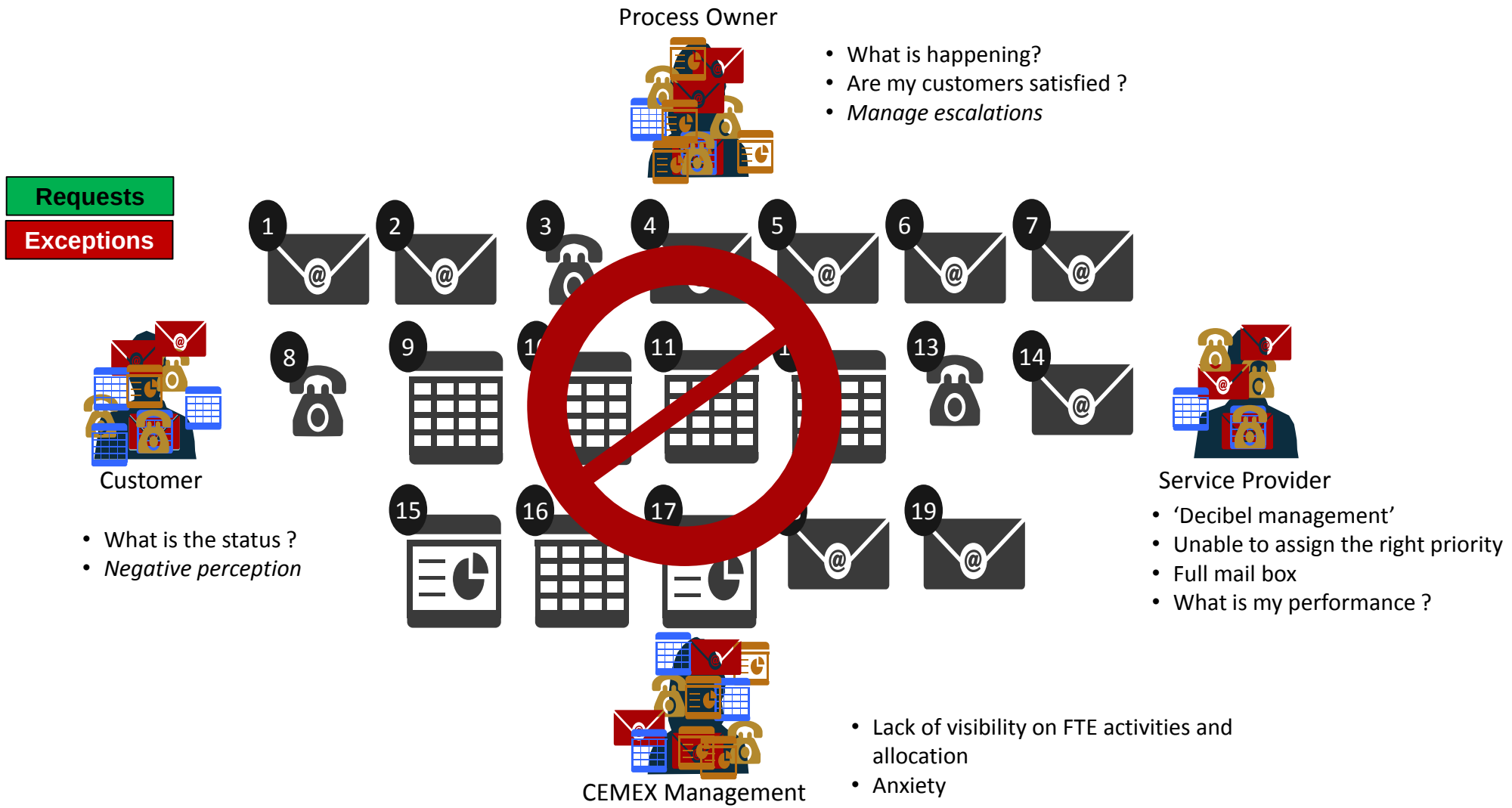


Key lesson learned:

to excel in service execution, having everything well defined and documented is not enough…

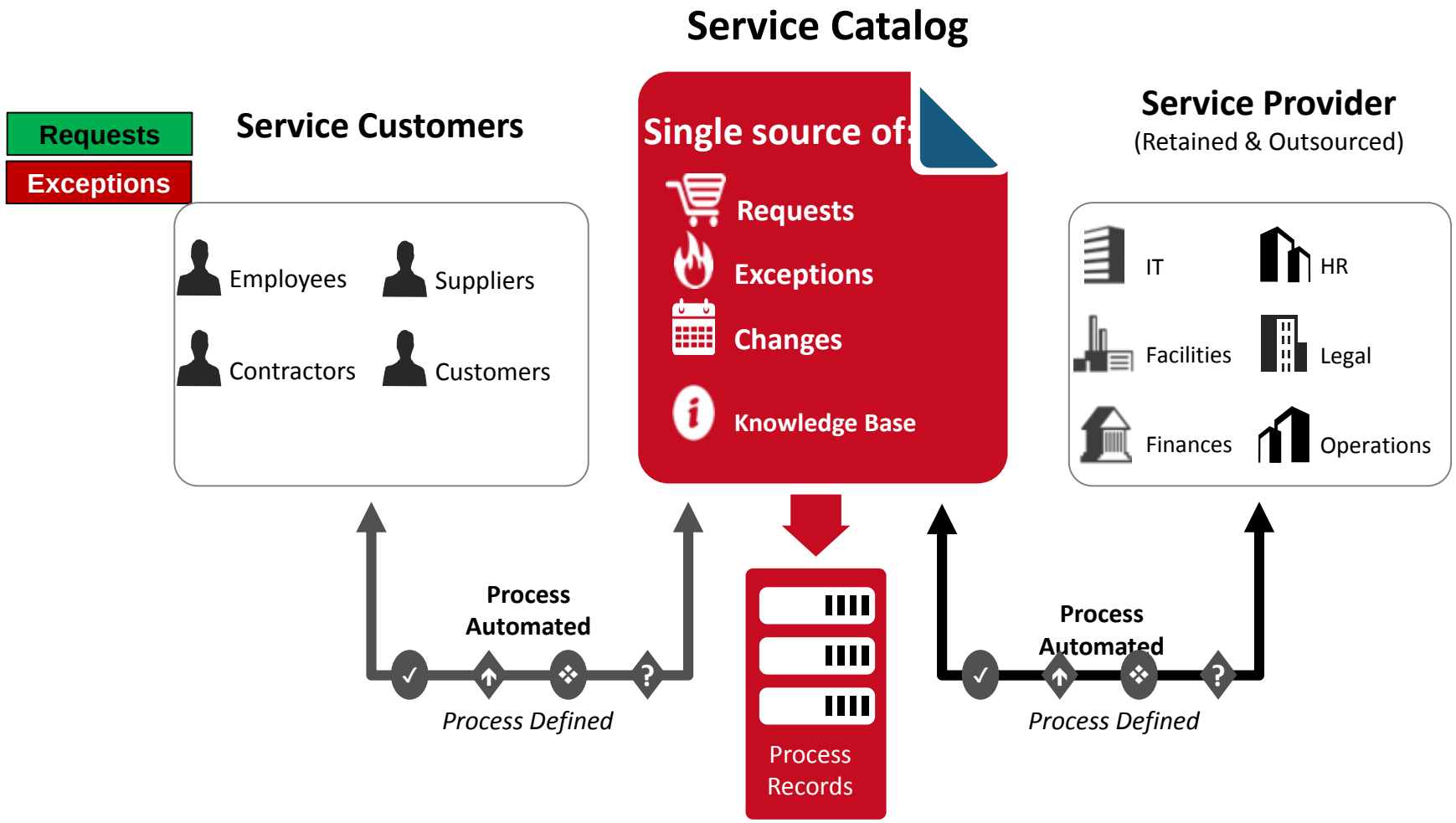
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What Happened when We Implemented Our 1st Framework



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... Digitalizing Execution is a Must to Excel in Service Delivery



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Our Story in this Journey Towards Service Digitalization

1

Top management commitment towards an Operative Model and Enterprise Architecture paved the way for this journey

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We are in the next logical step: extending a cross-functional framework to internal/external services areas

3

Leveraging ServiceNow as an enabler platform

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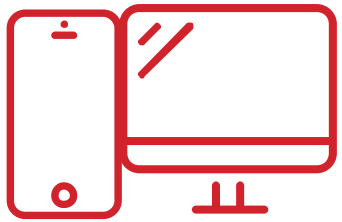
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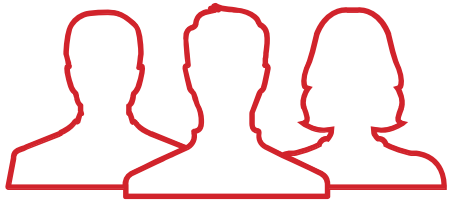
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Conceptualizing CEMEX Service Suite

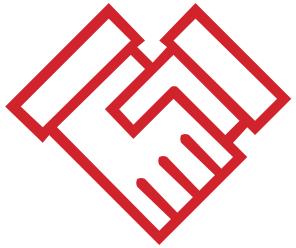
ServicePortal

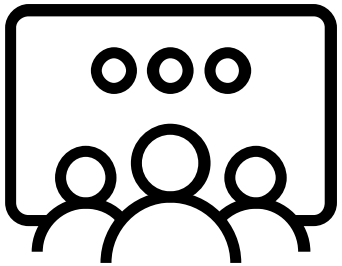




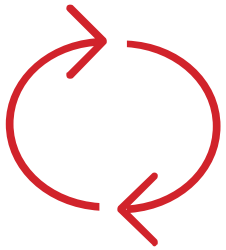
Service Groups

Service Interaction

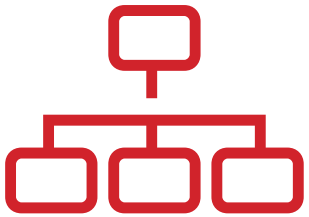




SERVICE CATALOGUE



Accelerators



Service Mapping



Analytics

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Levaring Accelerators with Pre-Packated Business Logic



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Adopting the Concept of ‘Productor Owner’ and ‘Customer’

3 key roles to Enable a Service in our CEMEX Service Suite

1. Who will ensure the end-to-end automation will meet expectations?

PRODUCT OWNER

- Central Governance
- Oversee product adoption
- Replicate best practices

2. Who will test the development to validate the process flows as per design?

CUSTOMER

- Service Owner
- Specifications for Customization
- Replicate best practices

3. Who will Enable the Products at the CEMEX Service Suite?

DEVELOPMENT TEAM

- Define priorities
- Ensure common Suite Architecture
- Manage Product Enablement

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Key Principles for Our Enablement Process

- MVP – “Minimum Valuable Product”
  - Divide process automation in stages, where the 1st stage will involve a basic workflow to fulfill a request
- Parallel implementation
  - Breaking down products into pieces to facilitate the parallel development of different products
- Short time cycles
  - Fast delivery of added-value to any product
- Agile Methodology
  - Setting up a Roadmap with dates for Releases and Sprints to facilitate the planning and the rapid enablement

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Planning Process for Continous Enablement

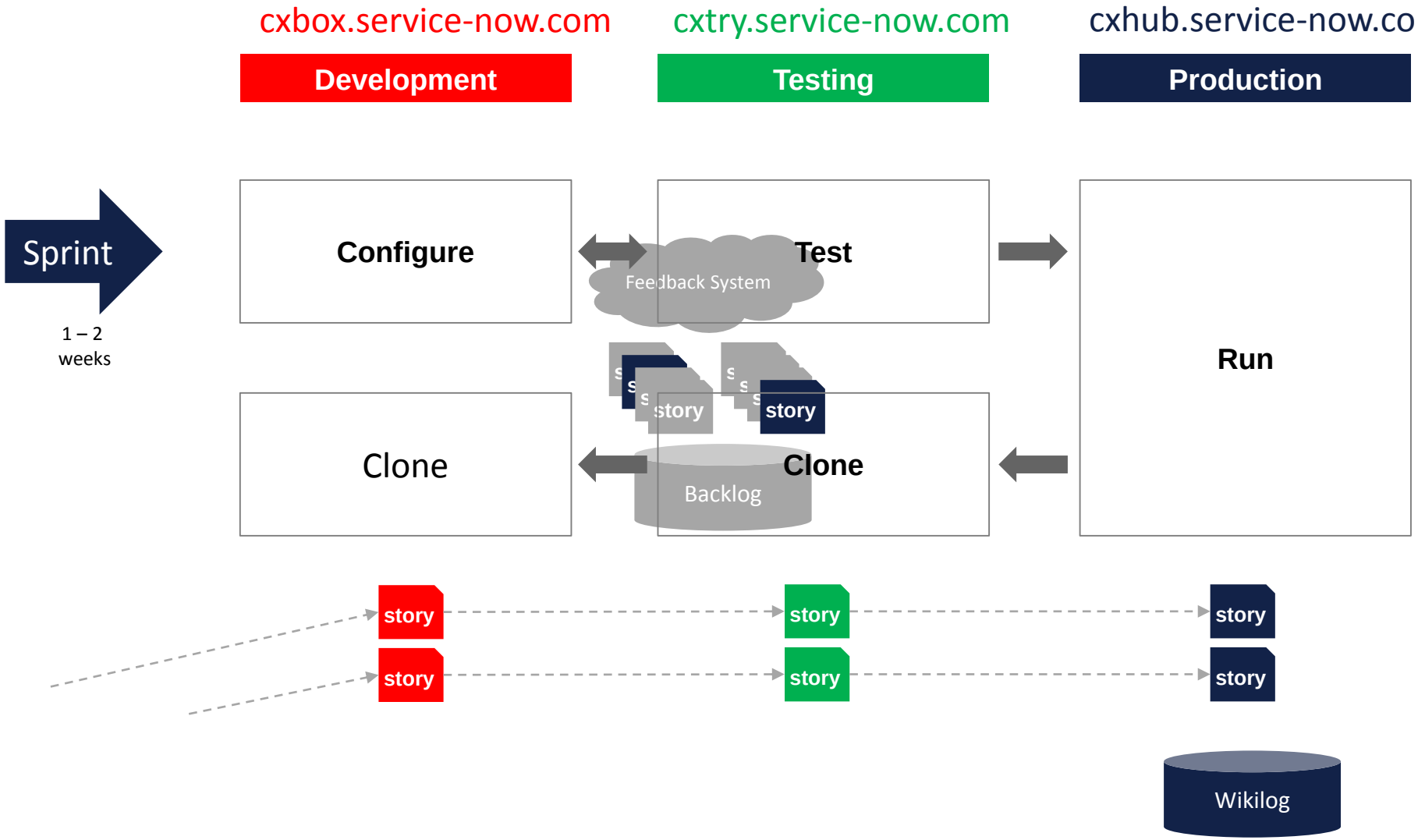


Daily Scrum Sessions to follow-up on development and ensure lack of roadblocks

Planning Sessions

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Leveraging ServiceNow to Bring Feedback to Life in Quick Iterations



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Leveraging ServiceNow to Bring Feedback to Life in Quick Iterations

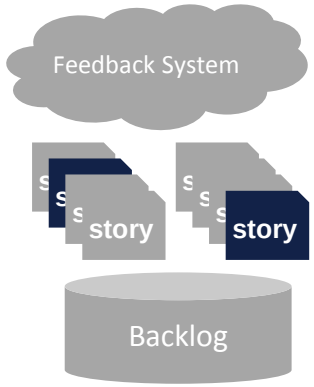
cxbox.service-now.com | cxtry.service-now.com | cxhub.service-now.com

Development | **Testing** | **Production**

Sprint

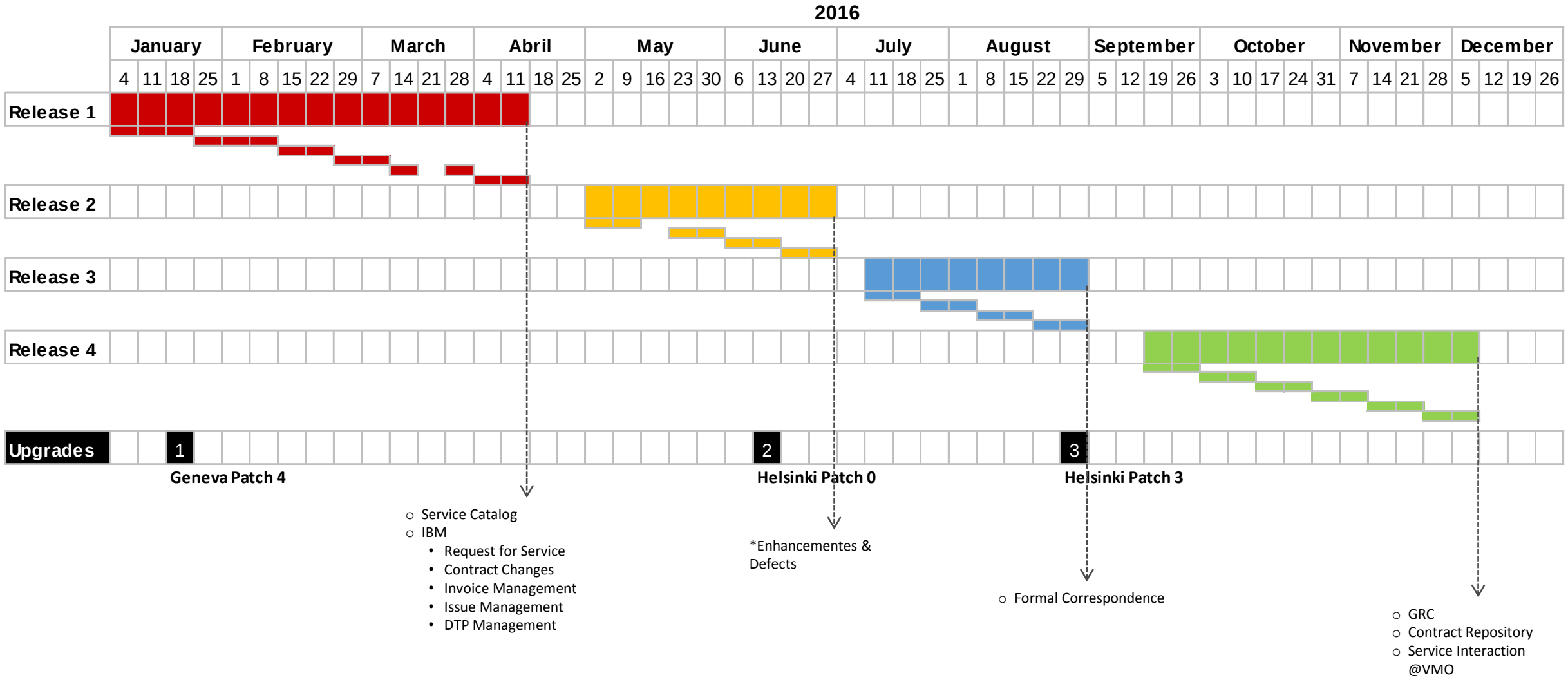
1 – 2 weeks

Configure



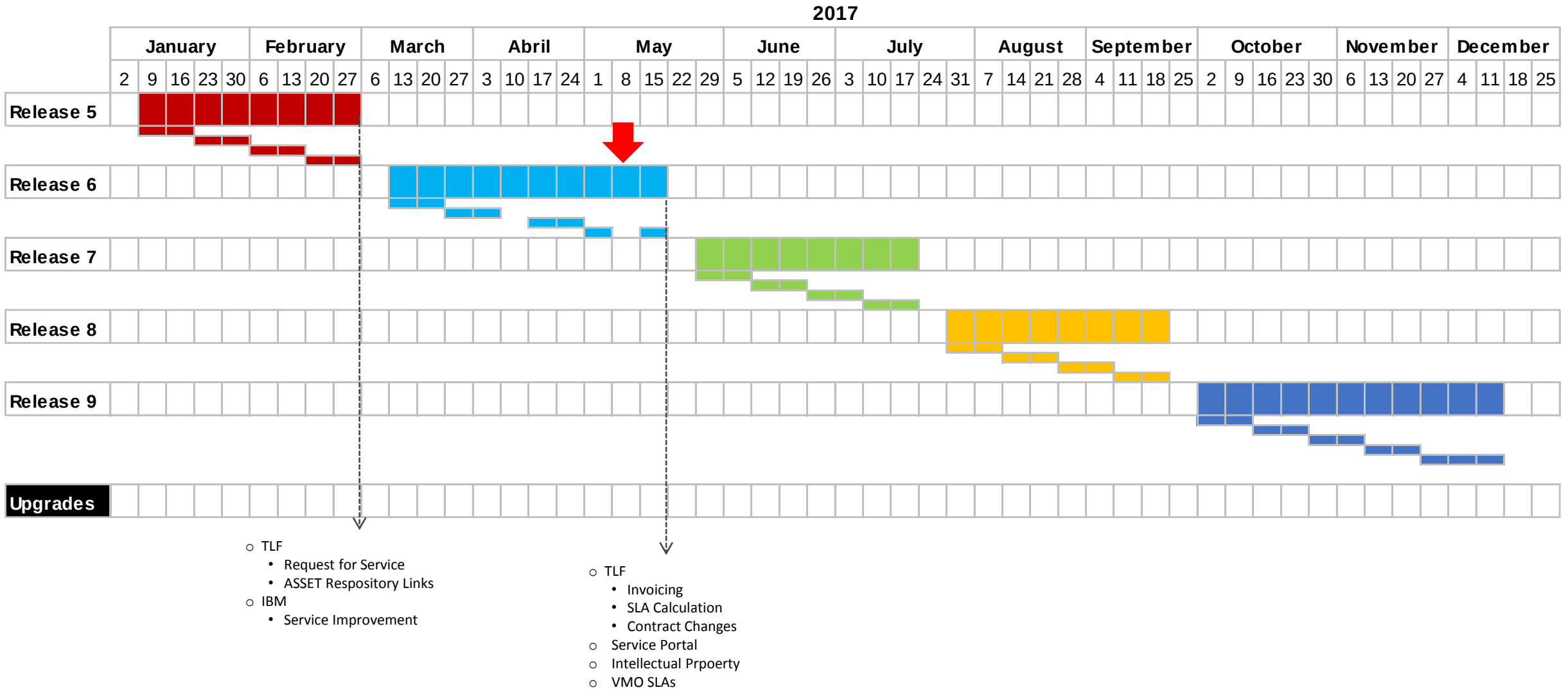
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In the Begining there were 4 Releases



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2017 Release Planning



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Lessons Learned

- Leave room for the unexpected
- Consider optimization before implementation
- Focus : deliver incremental value
- Communication : visibility & feedback

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We are in the next logical step: extending a cross-functional framework to internal/external services areas

3

ServiceNow has proved to be an agile platform to digitalize our service framework in an iterative model with short release cycles

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The Value of Digitalization

Sub-processes	AS IS Workflow	AS IS Repository	AS IS Reports
Services Catalogue / Customer Map	N/A	N/A	N/A
Contracts Management			
Requests to VMO	E-mail	N/A	N/A
Requests from VMO	E-mail	N/A	N/A
Contract Changes and Revisions	G-PET	G-PET SharePoint	N/A
Obligations	G-PET	N/A	N/A
Interpretations	E-mail	N/A	N/A
Disputes	E-mail	N/A	N/A
Claims	G-PET	G-PET	N/A
Sourcing Guidelines	N/A	N/A	N/A
Financial Management			
Service Cost Analysis	N/A	N/A	N/A
Invoicing	E-mail	Shift	Excel
Credits and Reimbursement	E-mail	E-mail	Excel
Business Case Monitoring	N/A	N/A	Excel
Issue Management	Shift Forms	Shift	Shift
Performance Management			
SLA Calculation and Reporting	Service Flow	Shift	Serice Flow Excel/ PPT
Reporting Cycle (i.e. Excused Performance Approval)	E-mail	SharePoint	Excel/ PPT
Metric Definition Document Adjustment	E-mail	SharePoint	N/A
Customer Feedback	Several	N/A	N/A
Service Interaction Management	N/A	N/A	N/A
DTP Management	Shift Forms	Shift	Shift/ Excel
DTP Certification	N/A	N/A	Excel/ E-mail

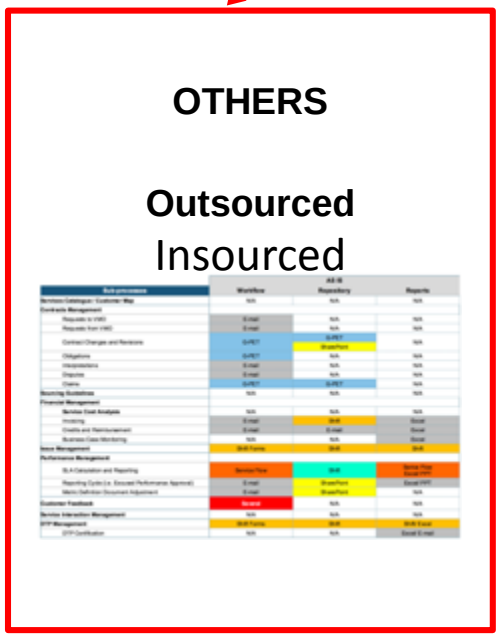
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Cross-supplier Service Interaction Simplified

- ~10 tools with different user and passwords
- Tons of emails and spreadsheets
- Exponential complexity and confusion when adding new supplier





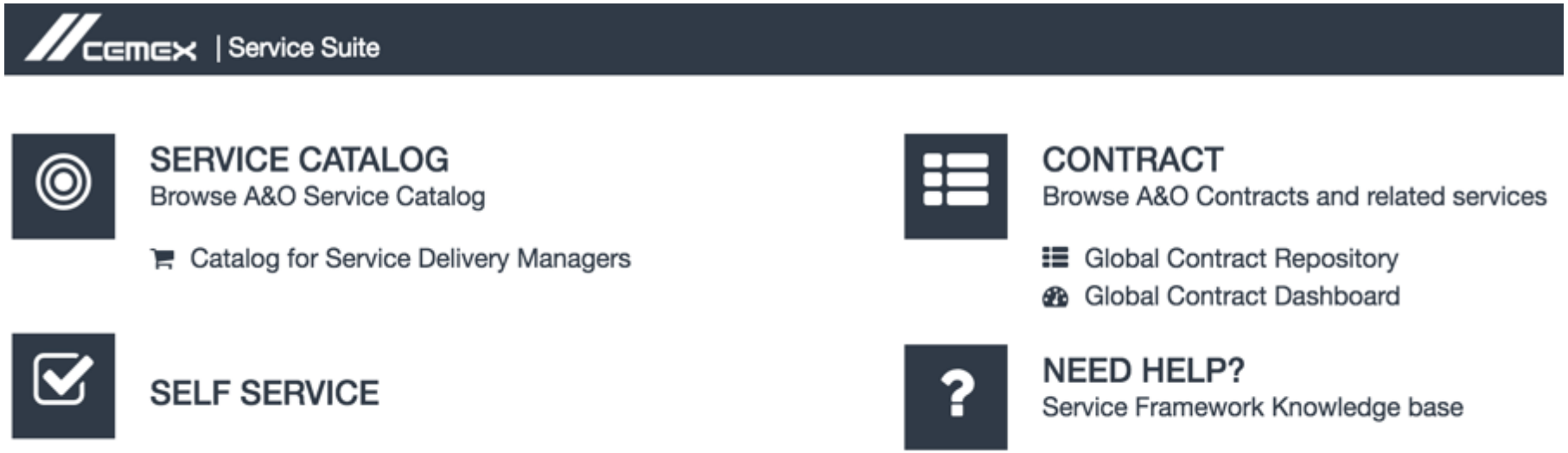


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Service Suite is Braking the Supplier/Customer Paradox

As Service Customers



As Service Providers

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Thank You

ANA C. GONZALEZ
PERFORMANCE ANALYST
CEMEX

JOSUÉ RODRIGUEZ
PERFORMANCE MANAGER
CEMEX

@anacatyg | @josuerdz | #Know17

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Q & A

ANA C. GONZALEZ
PERFORMANCE ANALYST
CEMEX

JOSUÉ RODRIGUEZ
PERFORMANCE MANAGER
CEMEX

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Thank You

ANA C. GONZALEZ

Performance Analyst

CEMEX

JOSUÉ RODRIGUEZ

Performance Manager

CEMEX

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