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Data-Driven ITSM Strategy

Leveraging Analytics to Deliver CSI

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Agenda

- Cardinal Health's Catalyst for Data-Driven CSI
- Continuous Service Improvement Success Stories – powered by Analytics
  - Incident Management
  - Problem Management
  - Change Management

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Speaker Introduction



NAME: Benjamin Sapp

TITLE: Director of IT Service Management

FUNCTION: IT Shared Services

COMPANY: Cardinal Health, Inc.

EXPERIENCE: 22 years in IT industry, 6 years in IT Service Management

EXPERTISE: Business Applications, EDI, Data Warehousing, Data Integration, Analytics, IT Process Management, Dev Ops, Enterprise Monitoring, Automation, CMDB

ACHIEVEMENTS: Transformed IT Process Governance from a necessary evil, to an organizational enabler of success

CURRENT PROJECTS: Improving client experience, developing executive level analytics and KPIs, integration of cloud computing activities into standard IT processes

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My Company



NAME: Cardinal Health, Inc.

INDUSTRY: Healthcare

MARKET FOCUS: Acute Care, Physician's Office, Retail Pharmacy, Payer and Manufacturer

COMPANY'S PRIMARY PRODUCTS/SOLUTIONS: Integrated Healthcare Products and Services, Pharmaceutical Logistics, Medical Products, Home Healthcare Services

COMPANY-WIDE INITIATIVES: Get to the Cloud, Global Expansion, Technology Modernization

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Session Overview



Objectives

- Display the power of leveraging ITSM analytics to improve your IT process governance and organizational performance



What You Will Learn

- The application of analytics for the purpose of enabling IT to achieve success
- Case studies on data driven CSI for Incident, Problem and Change
- Examples of process data perspectives to drive insights
- Deployed continuous service improvements, and corresponding results

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Cardinal Health's Catalyst for Data-Driven CSI

- IT Process Governance was ineffective:
  - Processes were too reactive
  - Minimal focus on service improvement
  - Perceived as low-value overhead
  - Not leveraged as a enabler of organizational performance
- Rapid growth through acquisition was introducing instability
- Significant increases in change, problem and incident demand
- Lack of organizational accountability for IT process adherence

We needed to harvest our ServiceNow data to drive CSI, enhance leadership accountability, and empower Enterprise IT!

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Incident Management Case Study

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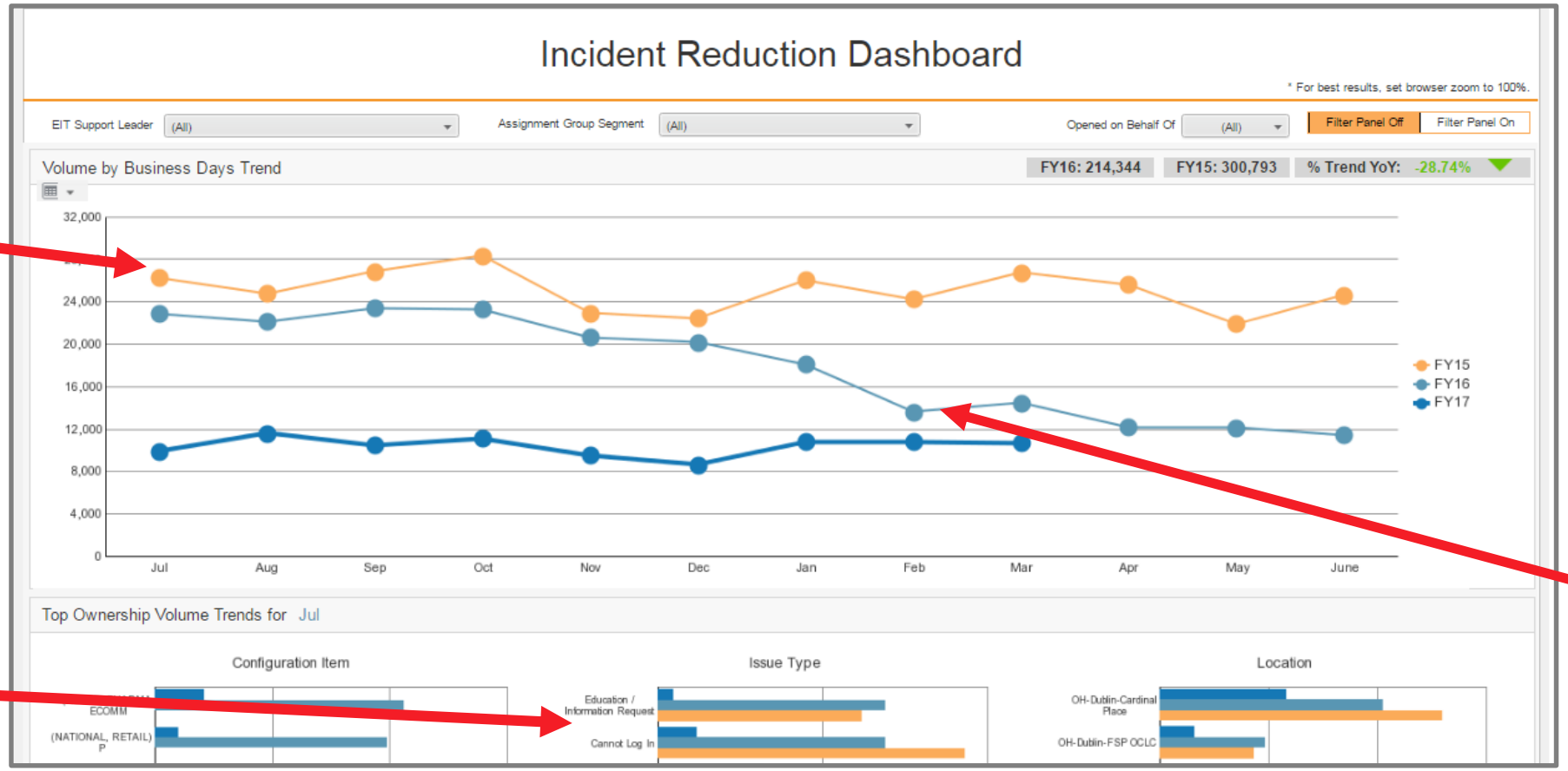
Incident Volume Reduction Challenge

1. In FY15 we were averaging 26K incidents per month

2. We set an organizational goal to reduce incidents by 50%!

3. This led us to begin analyzing our top incident trends

4. Our first low-hanging fruits were “Informational” and “Password Reset” calls



5. The analytics highlighted that we were using Incidents records for every call

6. This insight led us to implement the SN Call Module for Informational and Password Resets

7. Our incident volume dropped to 13k (-50%) overnight

8. We identified that in order to continue to improve we needed better data

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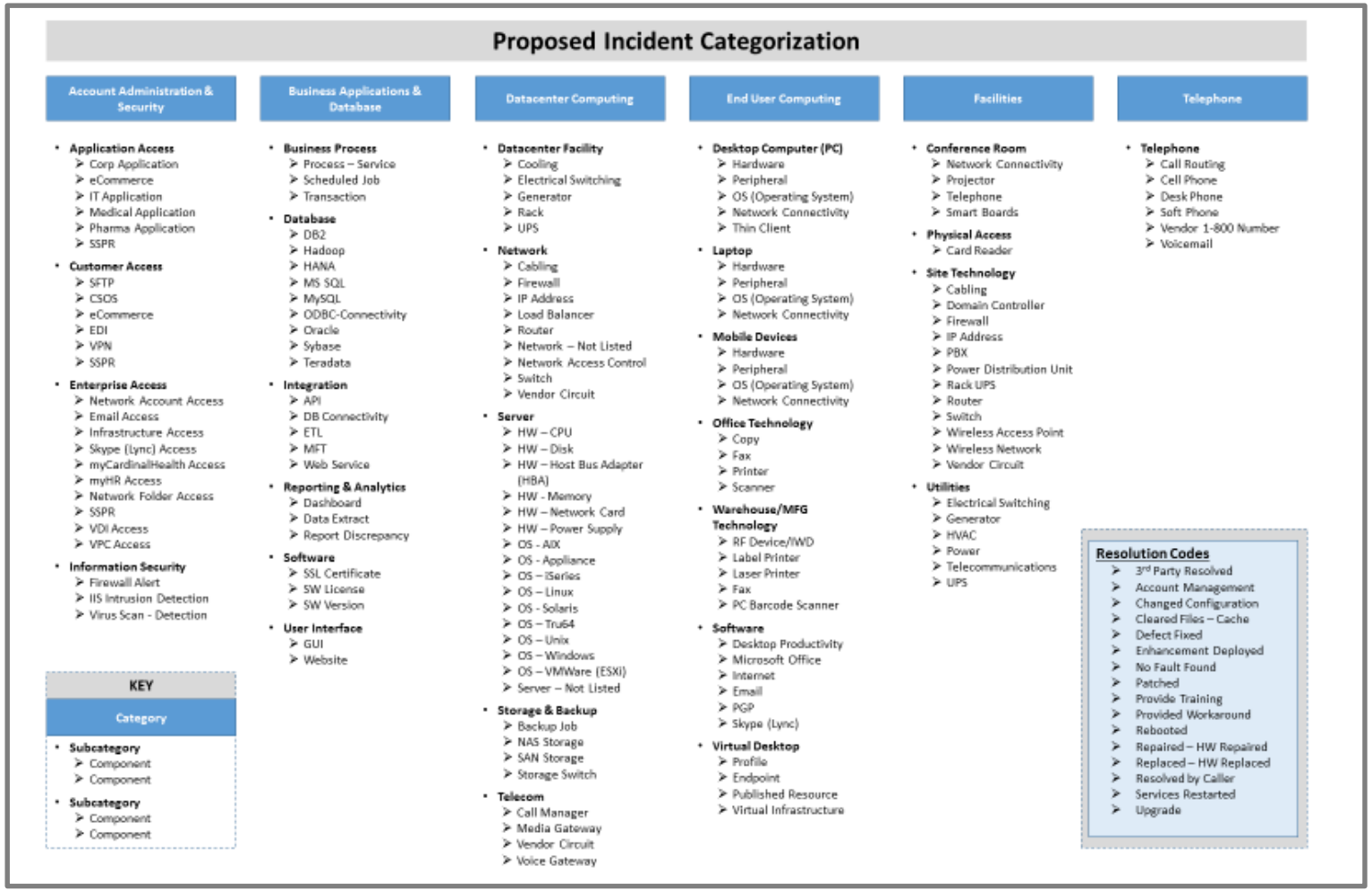
Incident Categorization

We determined that our current incident categorization method did not enable analytics

- The category levels were too shallow, and our values were obsolete
- We weren't collecting resolution codes and root cause information

In order to enable incident CSI, we decided to implement a new categorization strategy

- We implemented a hierarchy of: Category / Subcategory / Component / CI / Resolution Code
- This provided the context that we needed to better analyze our incident workload



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Incident Workload Analytics

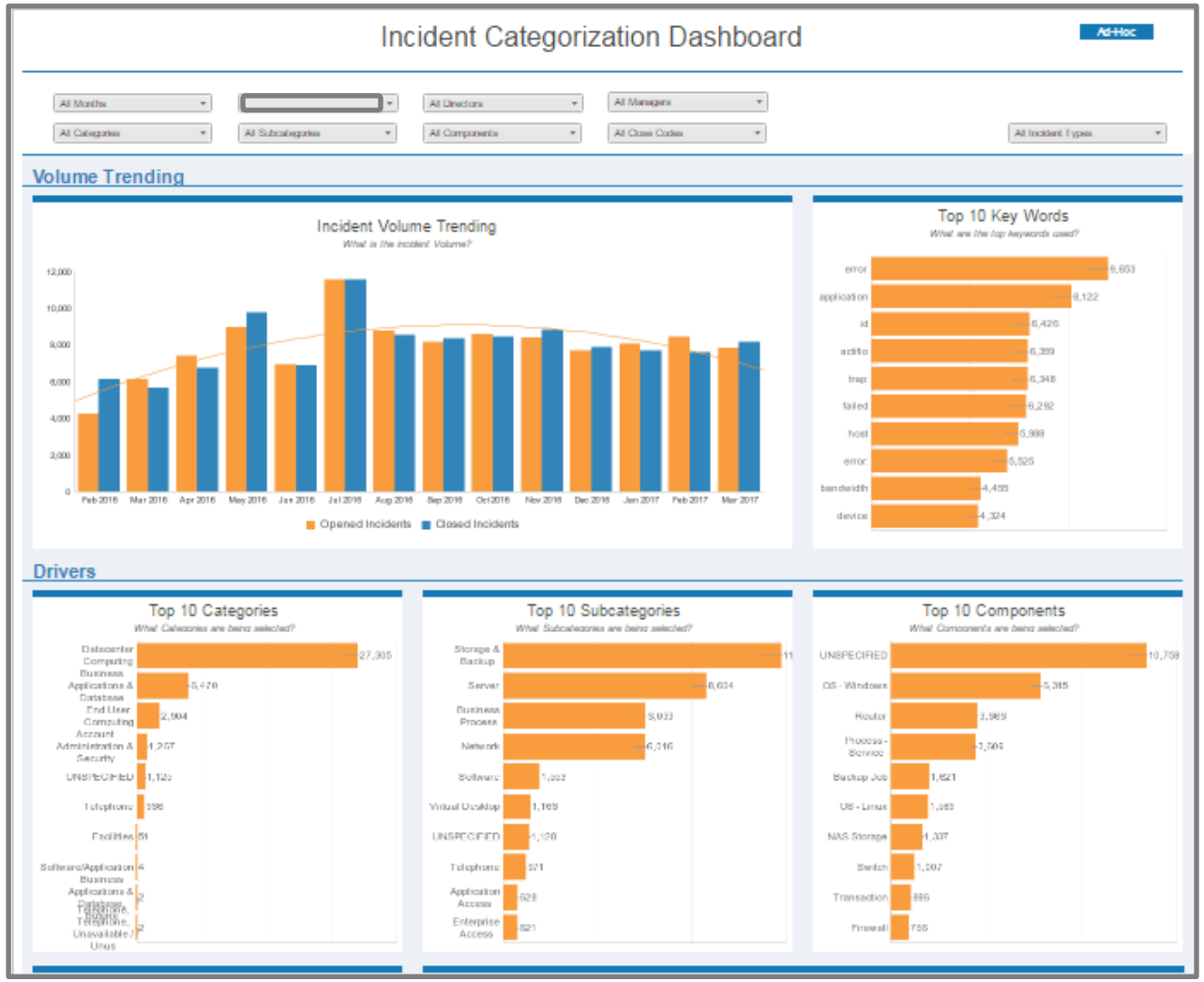
Once we had enough volume using the new categorization, we developed an analytics dashboard to provide insights

- Display incident volume and trending
- Text analytics of incident description
- Ability to quickly see the high volume areas
- Top Components and CIs driving incident workload
- Understanding of the major resolution steps

Theses insights were put into action, to drive our strategy for optimization, workload reduction, and automation

Analytics:

- What is causing the majority of my team's work?
- What "noise" is causing my team to waste resource cycles?



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Top Insights

- We had a high volume of incident mass closures, caused by active-alerting during maintenance activity, and lack of alert throttling (EVENT DEDUPLICATION)
- Found a high volume of incidents closed with "No Fault Found", caused primarily by informational alerts, and overly sensitive monitoring
  - EXAMPLE: 1,000 INCIDENTS A MONTH FROM BROCADE INFORMATIONAL ALERTS; OUR LEVEL 1 TEAM WAS BLINDLY CLOSING THESE TICKETS WITHOUT QUESTIONING WHY THE WERE GENERATED, WE DISABLED THESE ALERTS AND INCIDENT VOLUME DROPPED BY 1K A MONTH INSTANTLY!
- Identified that another 45% of our incidents could be eliminated through process improvements, smarter monitoring, and automated incident response
  - CURRENTLY WORKING ON IMPLEMENTING THE IDENTIFIED SOLUTIONS

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Problem Management Case Study

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Problem Age

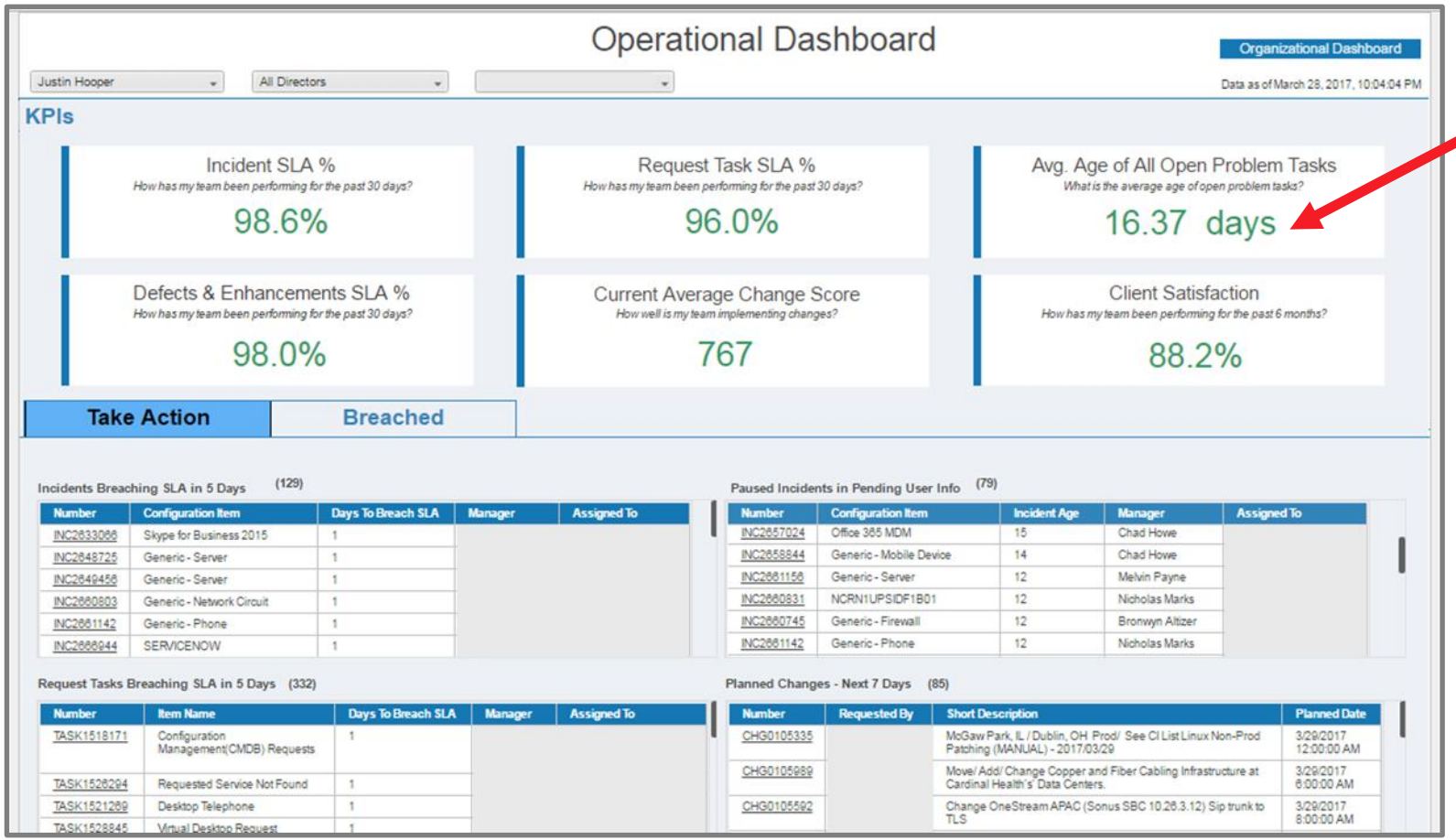
- We had an issue with the length of time that a problem remained open, and risk of reoccurrence (avg. 120 days)
- Primary causes included:
  - Lack of organizational focus and accountability
  - Lack of participation in the Daily Incident Review process
  - Inadequate problem governance leadership



- We shared this data with senior leadership, who supported declaring an MBO related to Average Problem Age
- In support of this MBO we developed a daily ops dashboard to provide organizational transparency of problem resolution performance

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Problem Age Transparency



- The ops dashboard provides teams with visibility to their problem MBO performance
- This enables teams to better manage their problem tasks and performance, on a daily basis
- It also provides organizational transparency to team level performance, to drive public accountability

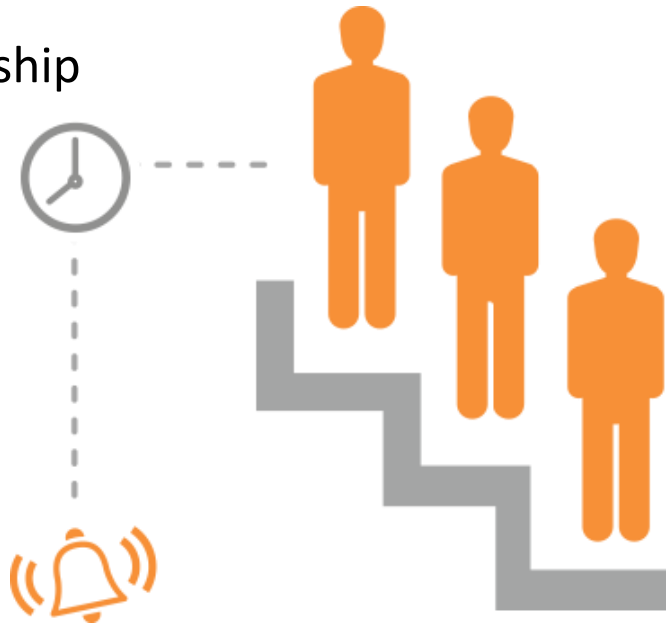
Analytics:

- What teams are taking too long to resolve problems?
- How does one org's performance compare to the EIT average?

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Daily Incident Review

- The Daily Incident Review (DIR) is used to collect information about the prior day's issues, and assign Problem Ownership
- We had difficulty getting key people to attend the meeting
  - This was affecting the quality of our problem information and ownership
  - We began to track DIR attendance and report the results to Senior Leadership
- We provided attendance analytics by leader to highlight repeat offenders **Report examples not provided to protect the innocent*



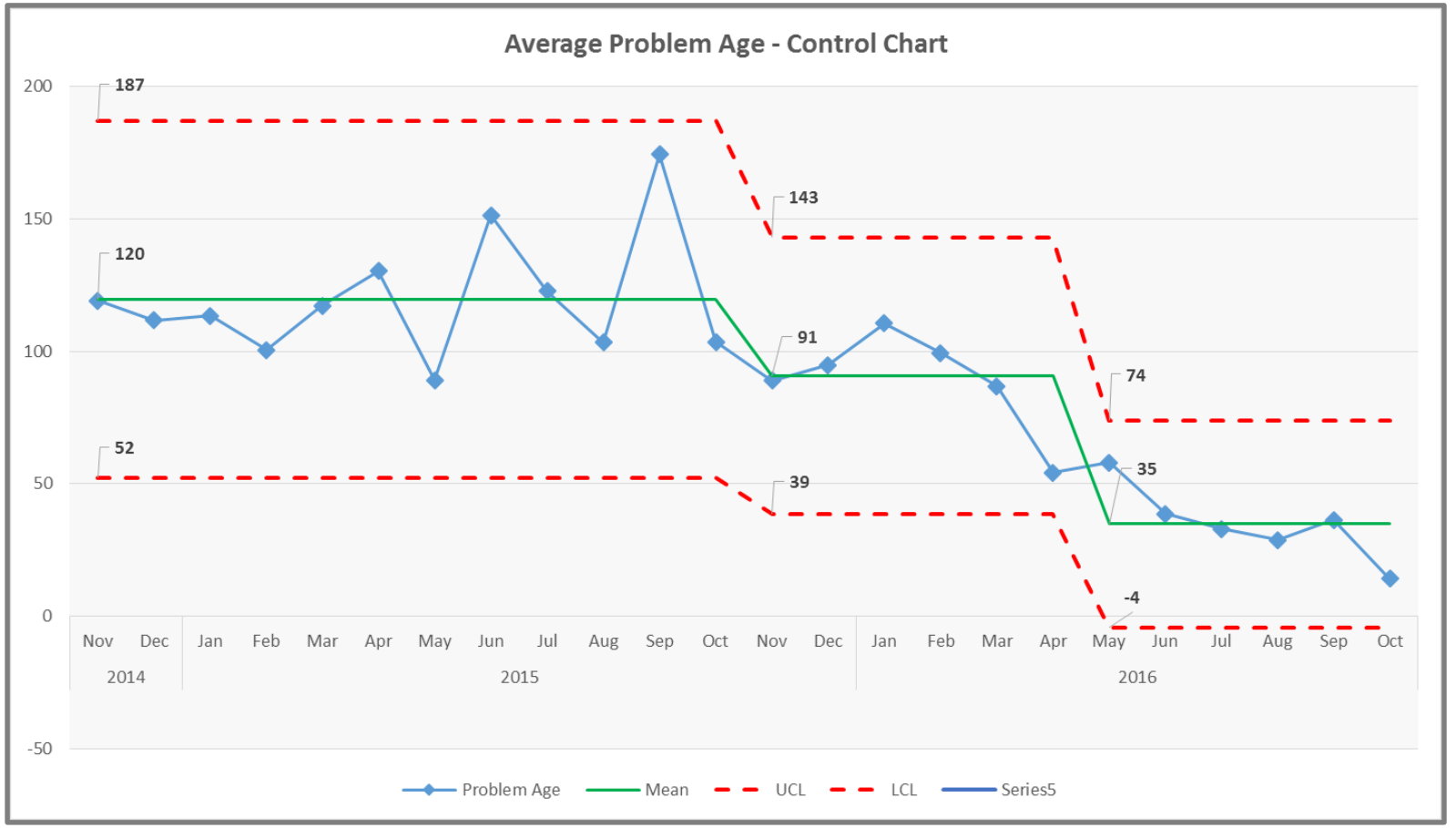
Within three months the DIR attendance issues disappeared, and data quality improved!

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Problem Management CSI Results

Results:

- Average Problem Age dropped from 120 days to less than 30!
- Problem ownership and data quality improved significantly
- Overall reduction in issue reoccurrence



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Change Management Case Study

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Change Accountability

- 67% of our problems were being caused by change activity
- Primary causes included:
  - Lack of organizational accountability for change impact
  - Inability to identify low performing teams
  - Change approval process did not consider team performance as risk

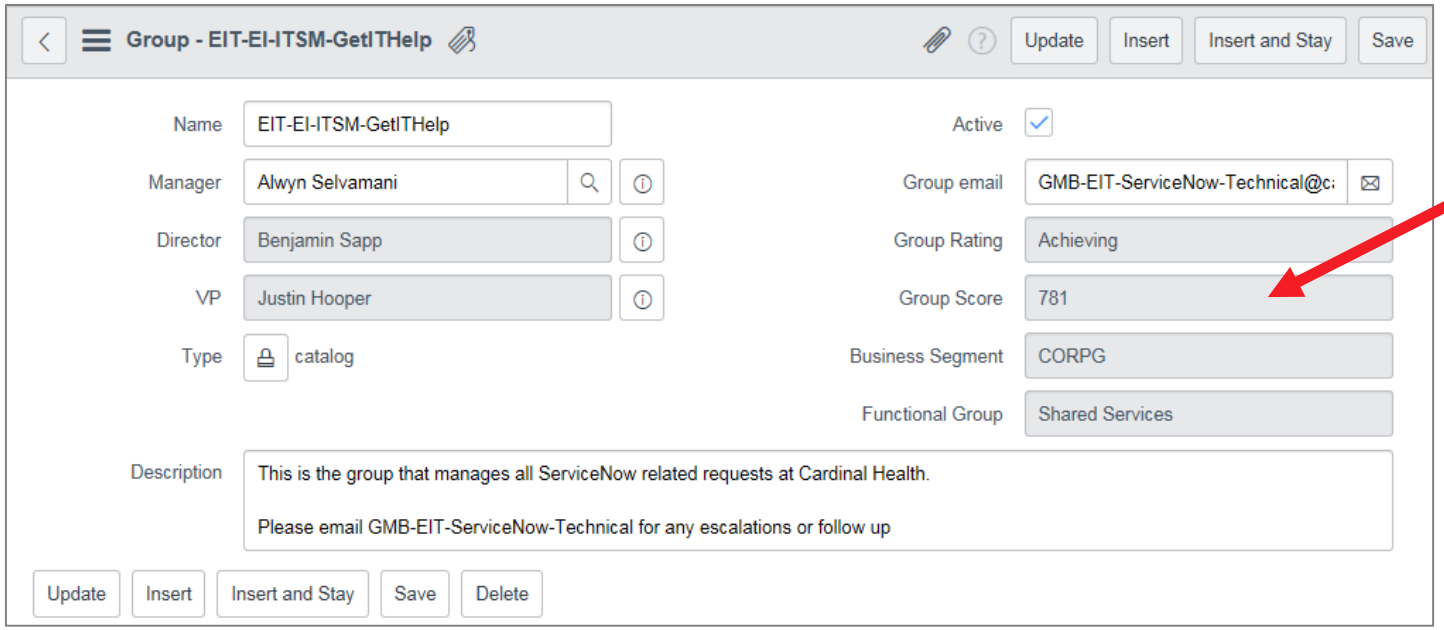


- We implemented a “Change Credit Score” as an index to measure our trust in a team’s ability to make changes without impact

CHANGE CREDIT SCORE = Change Related Customer Impacting Events + Change Related Problems + Change Deployment Success

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Change Credit Score



- We calculated the credit score in ServiceNow daily, and embedded it into the Assignment Group Record
- This laid the foundation to use the credit score in operational dashboards, workflow logic, and change risk assessment

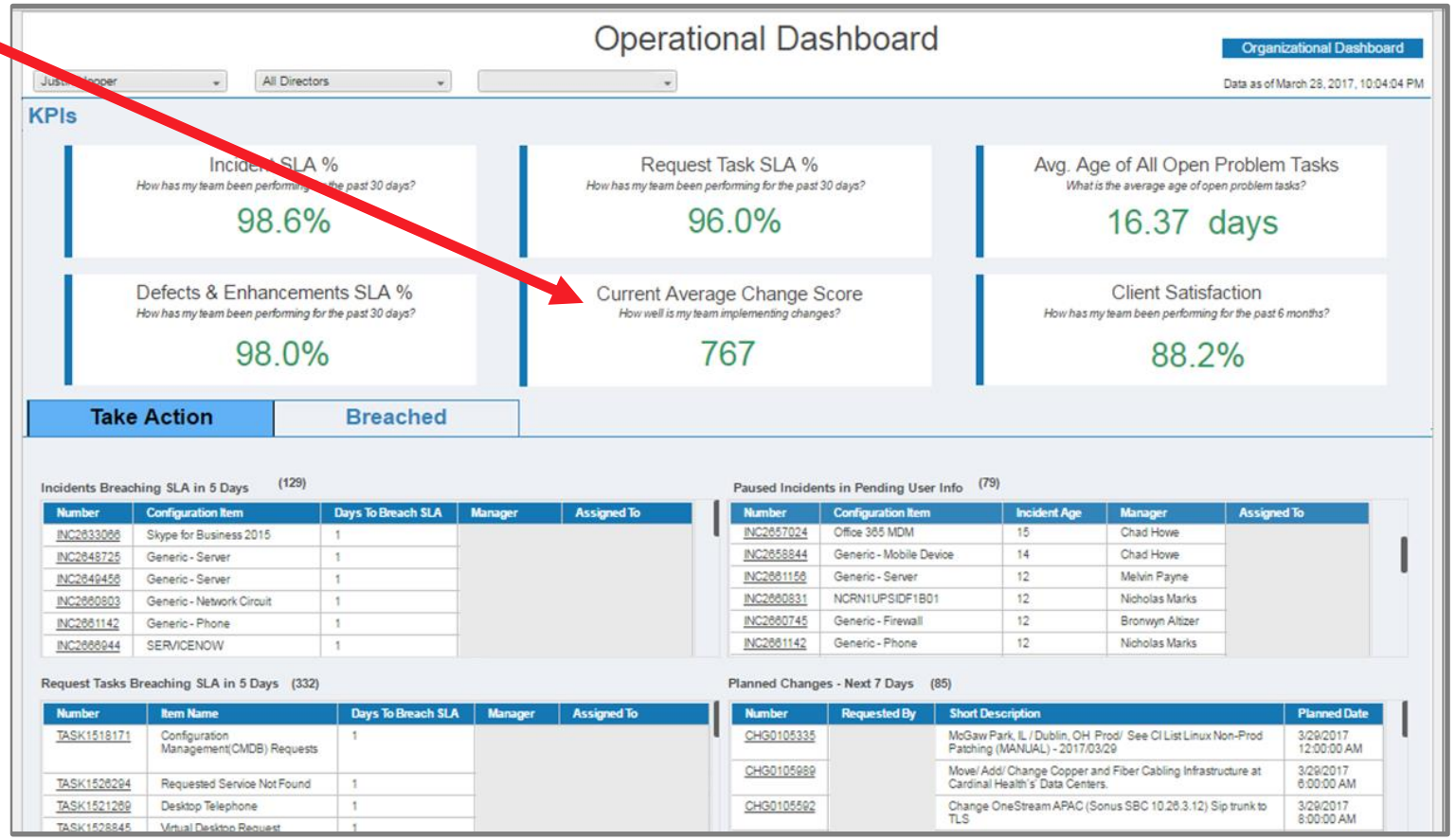
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Change Credit Transparency

- We included the Change Credit Score on the ops dashboard
- This enabled team-level visibility to Credit Score performance on a daily basis
- It provided a common single metric to drive change management accountability across Enterprise IT

Analytics:

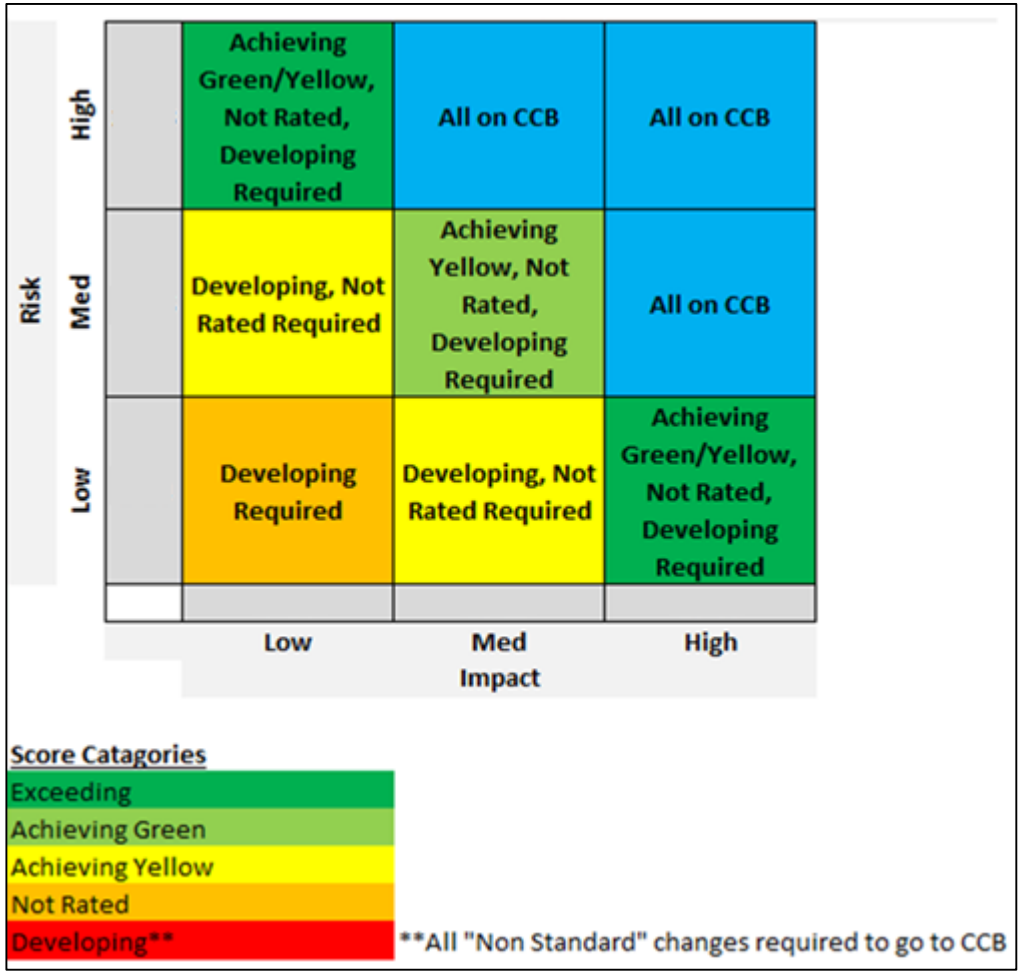
- What teams do we trust to make production changes?
- What teams need assistance to improve the change processes?



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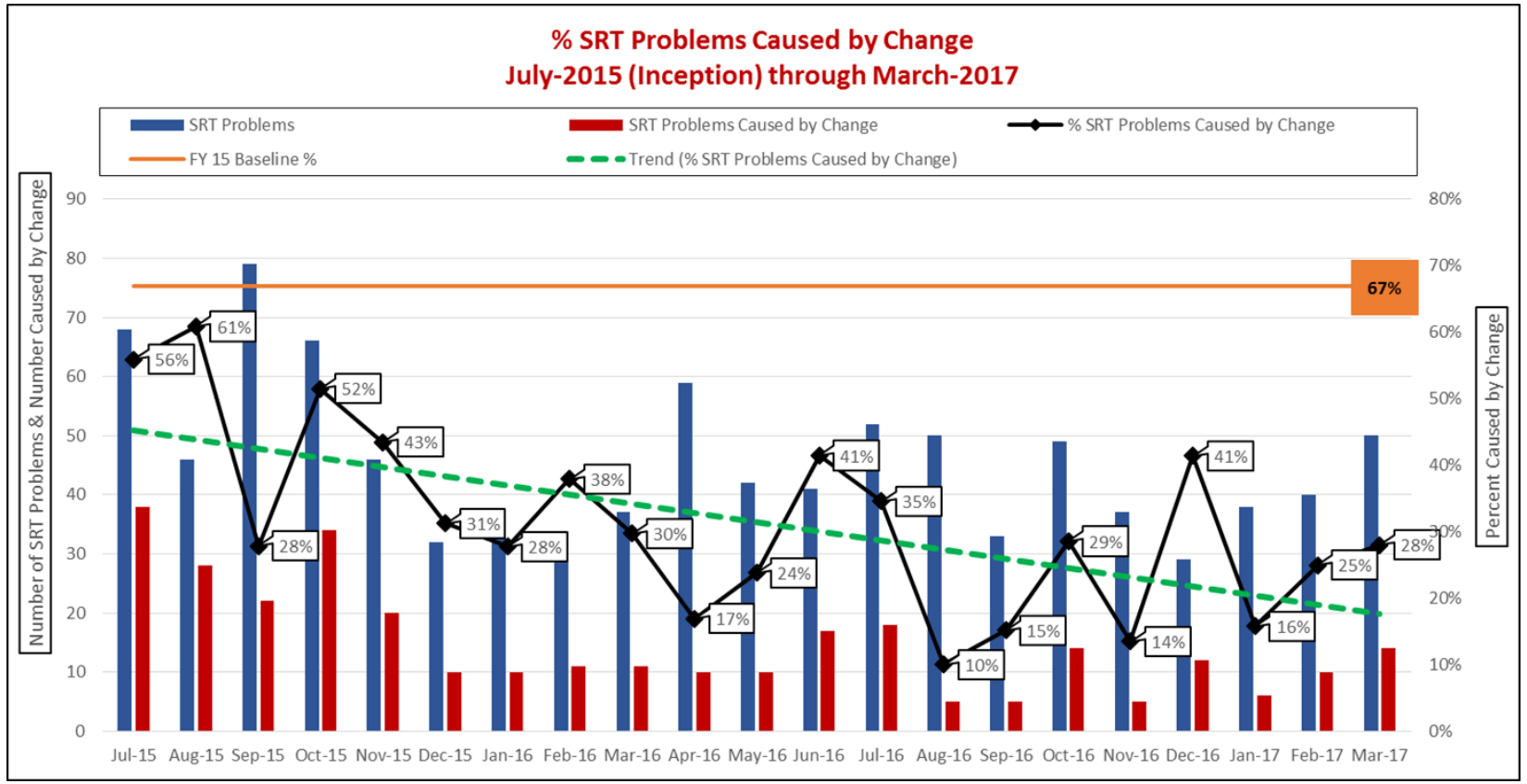
Change Risk Matrix

- We incorporated the requesting team's credit score into our change risk matrix
- This allowed us to automatically flag changes for control board review
- High performing teams are rewarded with less scrutiny



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Change Management CSI Results



Results:

- Change related problems dropped from 67% to less than 24% in 15 months!
- The length of the CCB meeting reduced from 2 ½ hours to under 60 minutes.
- Overall customer, and business impact decreased significantly

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Lessons Learned

1. Your ServiceNow instance has a wealth of valuable data to enable analytics
2. You may need to enhance your ITIL processes to collect the right information
3. Start small and continue to build on top of your successes
4. People do not like to be held publicly accountable; be prepared for resistance, they will start by attacking your data
5. Transparency and leadership support are the keys to driving positive behavioral changes

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Our Next Steps

- Labor and Total Cost of Ownership (TCO) analytics
- Executive-level KPIs and analytic dashboards
- Enrichment of daily ops meetings
- Supporting LEAN and Six Sigma programs with ITSM analytics

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Top Takeaways

1

ITSM analytics allows you to unlock the potential of your organization, and investment in ServiceNow

2

Follow the data, let it lead you to your CSI opportunities; leverage analytics to quantify success achieved

3

Data-driven process governance can serve as a force multiplier of organizational performance

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Thank You

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Q & A

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