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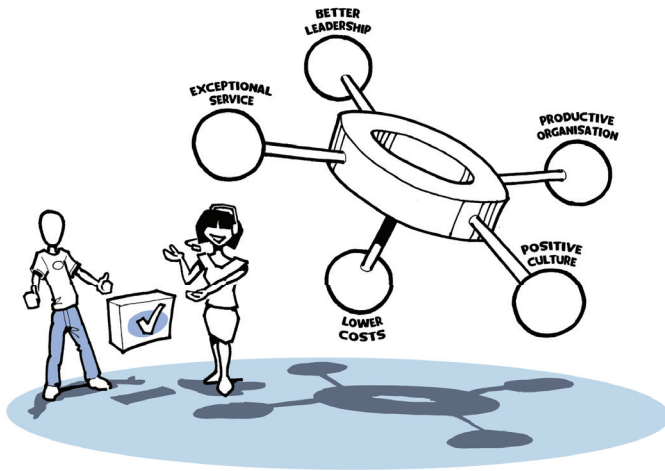
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## CASE STUDIES WITH REAL TANGIBLE RESULTS

Many books have been written about how to improve service, leadership, and culture, but very few attempt to link theory and ideas with actual, specific outcomes. Some may make general claims of a significant increase in productivity or efficiency, but do not provide supporting data.

We believe it is important to provide this data, so, in addition to the examples and case studies provided in previous articles and chapters, we have included several case studies here that describe in concrete terms the astonishing results achieved when progressive leaders have reconceived service delivery, leadership, and culture to create more positively viewed and productive service organisations.

## CASE STUDY 2: IT SERVICE MANAGEMENT

Most organisations rely on various IT services for their operations. If there is an unplanned interruption or degradation in function in IT services, it can hinder both the user's ability to do their work and customer's ability to get their demand met from a service.

To minimise disruption, organisations typically have a well-defined Incident Management process to restore IT services to their normal state as quickly as possible. Restoration may sometimes include implementing a workaround until a permanent solution is provided.

In one private sector organisation, they adopted and implemented industry best-practice frameworks and procedures for Incident Management and Problem Management. They also purchased the top-rated cloud-based service management software and digitised workflows. In the eventuality an incident interrupted normal operation in one or more IT services, these frameworks, processes, and digitised workflows would be enacted. Despite the significant financial investment in this service management software, and the considerable effort expended on documenting and digitising workflows and training staff in frameworks, incidents would often still take too long to resolve, or, in some cases, not be resolved at all.

We worked with the IT leadership to help them gain a customer's and user's perspective of service management as a prelude to improvement. Through an experiential exercise, they learned first-hand:

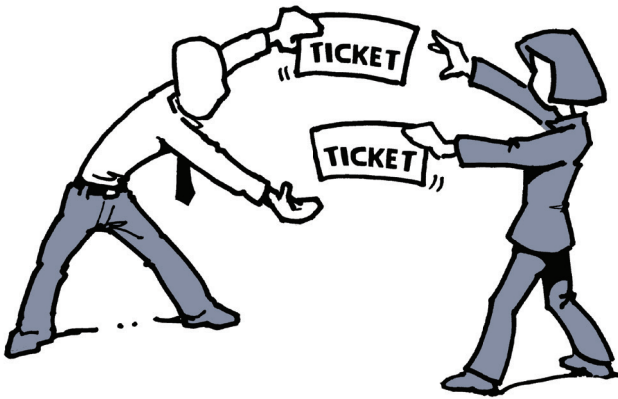
- The typical and predictable demands placed on service management, and how well their services were designed to deliver value for each of those demands
- The amount of unproductive activity (cost) inherent in the current organisational systems and structures, and, more importantly, the causes of these costs

- The impact the organisational systems and structures had on productive behaviour and activity
- How people experienced their work, their leader, and the IT department
- Shared mythologies underpinning existing culture

The Incident Management process started with the organisation's service desk (also known as the help desk). Either a user or customer would notice that something wasn't working as it should and would contact the service desk to report the issue and seek assistance. Incidents ranged from basic troubleshooting to major incidents that significantly disrupted IT services. The service desk consultant would raise a ticket in the service management software; identify, log, categorise, and prioritise the incident; and then attempt to triage or restore IT services to normal working levels.

If the incident required advanced support, the service desk consultant would inform the user or customer that their issue would need to be escalated and investigated. An automated ticket number would also be sent in an email to the person who reported the issue, so they could track progress. The service desk consultant would raise a new ticket and assign it to second-level specialists in the service management software. Based on categorisation, a predefined notification and escalation procedure would ensue.

The IT leaders were told by the service desk manager that over 45 per cent of tickets were resolved and closed by the service desk, 'one stop' (known internally as first contact resolution). When they dug a little deeper, the leaders learned that what one stop actually meant was 'We can't do anything further with it and have to pass it onto someone else'. When the leaders looked at how many tickets were *actually* completed by one stop, they found it was less than 10 per cent. Most tickets were either passed back to the customer or user for more information or handed off to second-level specialists.



The leaders had assumed that implementing a self-service portal for users and customers would reduce demand for the service desk; however, they learned the opposite was true. Demand had grown by 203 per cent. The IT leaders learned that the reason for the increase wasn't due to more incidents being raised; it was due to their current organisational systems and structures that caused high levels of failure demand into the service desk. (See chapter 11, Failure demand – The invisible expense.) A high proportion of demand was found to be customers and users who were restating that they were still unable to do what they needed to do with their IT services (which had already been logged) or were chasing a previously raised ticket. Each time progress was chased, a service desk consultant created a new ticket and sent it to level two again. A standard 'We are working on it' response was given to the person chasing. The consequence of the system design meant that, effectively, the service desk had, more often than not, just become an intermediary between the person who raised the incident and the second-level specialist.

The IT leaders went on to discover what happened to tickets that were escalated beyond the service desk. Working to service level agreements, a second-level specialist would pick up a ticket from their work queue. They were tasked to investigate the cause and possible solutions for each incident. They, too, would attempt to resolve each incident in their queue. The leaders learned that less

than 15 per cent of incidents were resolved by level-two specialists. The majority of incidents required additional support from level-three specialists, such as Infrastructure, Security, Database Administration, and so on. Therefore, level-two specialists would complete their work, mark their tickets as closed, and then raise additional tickets for each level-three specialist required to resolve the incident.

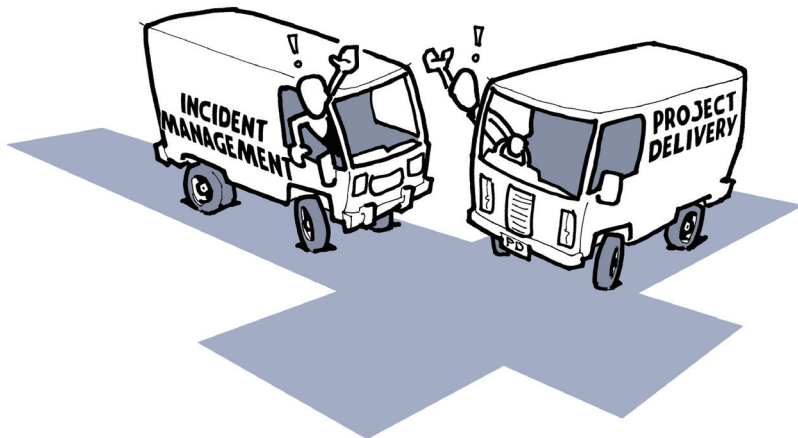
What started as one ticket created by the service desk often ballooned into numerous other tickets passed onto other IT specialists. After collating this data and putting it into a control chart (see chapter 16, *Are you running your organisation through the rear-view mirror?*), the leaders found that it was typical and predictable for one ticket to create up to 20 additional tickets that were farmed out around various areas within the IT department. As a result, the leaders learned that over 60 per cent of the tickets in the service management software were raised by IT themselves to get other IT colleagues to do work.



When tickets were distributed to various specialist teams, the assumption was that all tickets would arrive in the right place, the people where the tickets arrived would have the right skills, that the work would be done in the standard times, and that all tickets would pop back out again, clean. This assumption was based on a reliance on digitised workflows in the newly purchased service management software. When the IT leaders studied their service, we asked them to see how many of the distributed tickets between teams came back as clean. The answer was none. They were amazed to see the extent of unproductive activity that resulted through chasing, reworking, and duplication, with tens of people involved.

Problems also arose when tickets arrived at the various level-three specialist queues but the people tasked with restoring services didn't have all the skills needed to resolve an incident. When they needed help from specialists who did have the required skill sets, these people were often busy working on project delivery tasks. The leaders learned that there was a strong mythology among project managers that each time specialists were pulled away from their project tasks to help deal with an incident, project timelines slipped, which had negative consequences on delivery dates and budgets.

In other words, there were two conflicting internal de facto purposes at play in the organisation. The de facto purpose for people supporting the IT services was to manage an incident, whereas the de facto purpose for people managing projects was to deliver projects on time. Sharing resources to deliver these two different purposes caused inevitable confusion, waste of effort, and even conflict. Power structures had developed because managers were overstepping their authority. The IT leaders saw that the underlying causes for these conflicts were that roles were unclear, and authority and accountability weren't clearly defined.

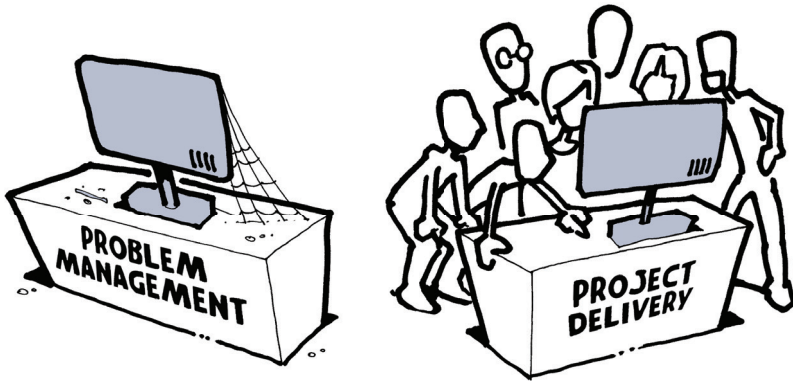


Leaders also asked people in the various teams how long it took to resolve an incident end to end – no one knew. They could only point to their own team's performance numbers, for example, the volume of calls, emails, and chats; the number of tickets closed by that team; the number of open tickets; and the number of service level breaches. When work was done to manually tie together tickets from different teams to establish true end-to-end times, it predictably took an average of three days, but could still take up to 11 days to resolve a critical incident, and over a year for lower priority incidents.

Once Incident Management actions were complete and IT services were restored, the incident was closed in the service management software, and a Problem task was created. The purpose of a Problem task was to identify the incident's root cause to prevent reoccurrence.

Problem Management was the responsibility of the manager of the service management office. IT leadership held her accountable for ensuring that the root cause of an incident was identified and rectified. However, Problem Management was regarded as low-priority work by those project managers whose resources were needed to complete these investigations. As was the case with the incident management process, project managers were focused on delivering projects on time. Their view was that taking time out of busy project-delivery schedules to work on root cause analysis was not a good investment of time and money. The thinking in the IT department was that it was better to resolve an incident and move on. What the IT leaders learned was that they were holding the manager of the service management office to account for something they didn't have the authority to impact. She had all the accountability, but none of the authority. As a result, problem tasks were logged in the service management software to gather dust and never be revisited.





The lack of root cause analysis had caused thousands of tickets to be automatically created daily by various robots that monitored IT services. Large TV screens adorned the walls where IT specialists were located. Each screen displayed hundreds of rows of alerts in a table. The IT leaders saw that most of these alerts were ignored. People had learned that if an alert was actioned, it would inevitably pop back up again the next day, so they felt it wasn't worth looking at them. Perplexed, the leaders turned their attention to the monitoring team. They had assumed that people in the monitoring team were accountable for monitoring the alerts. However, while the monitoring team *created* automatic alerts, they didn't *monitor* them, it was discovered. Monitoring was deemed the responsibility of other teams.

Adding to the issues the IT teams faced was a lack of clarity and agreement for the authority associated with each role. The inevitable result was people who predictably overstepped their authority. The use of power emerged in this organisation because making decisions beyond the limits of their authority was seen as the only way to get things done. The use of power was either inadvertent or deliberate, depending on the person or situation. In both cases, though, it had led to relationships within the IT department being built on poor foundations and resulted in poor operational outcomes.

As a result of their experiential learning process, we asked the IT leaders to reflect on the following:

1. Why is it like this?
2. What is the effect on users and customers?
3. How much is this costing the organisation?

The IT leaders had learned that their current organisational systems and structures were causing high levels of failure demand, lots of unproductive activity, excess and compressed layers of management, increased backlogs of work, and unneeded operational expense. They now understood first-hand why many customers and users had a negative view of the service.

They could now see that the implementation of best practice frameworks and top-rated service management software had not addressed the root causes of poor performance and had, instead, merely locked in inefficiencies and cost. They had learned that people implementing frameworks, digitising workflows, and configuring software had been focused on the technical domain, with little attention paid to the social domain. (See chapter 15, Turning intention into productive reality.)



The experiential learning process from both the customer and user perspectives had diagnosed significant and previously hidden improvement opportunities in how to better service customers and users, work more efficiently, reduce operating costs, and improve engagement. Therefore, the decision was taken to redesign both the organisational systems and structures so that when an incident occurred, resolution was a simple and seamless process.

A productive structure was designed and implemented. (See chapter 17, *Designing productive structures*.) As a result, excess managerial layers were removed, people at all levels gained a clearer understanding of what was expected of them, people were enabled to use their full capabilities in exercising judgement and discretion in roles that freed them to work productively (see chapter 15, *Turning intention into productive reality*), and a far more productive working environment was created, so that each person understood where each other's authority started and finished. (See the section *It is better to build relationships based on authority rather than power*, in chapter 17, page 195.) Existing organisational systems were diagnosed, redesigned, and implemented. (See chapter 14, *Liberating people and organisations from stultifying systems*.) Leaders worked to change and sustain culture by using three leadership tools: leadership behaviour, organisational system design, and symbols. (See chapter 18, *A cure for that déjà vu feeling of cultural resistance*.) As a result:

- 87 per cent of tickets were truly resolved at one stop, without requiring a handoff (previously, it was fewer than 10 per cent)
- turnaround times for incident resolution reduced by 67 per cent
- failure demand into the service desk reduced by 42 per cent
- service availability significantly increased
- operational expense reduced by 20 per cent
- when surveyed, both customers and users stated they were far more satisfied with the new service