WAVESTONE

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DEVELOPING INTELLIGENT CLIENT CAPABILITIES
THROUGH SIAM

**HM GOVERNMENT IT STRATEGY SETS OUT THE WAY IT- ENABLED BUSINESS CHANGE IS DELIVERED SUCH THAT IT INVESTMENTS SUPPORT THE DELIVERY OF PUBLIC POLICY TO BENEFIT UK CITIZENS.**

In developing the strategy, Government has recognised that there is a requirement to:

/   transition away from large/monolithic IT projects and operating models;

/   improve the way Government procures IT;

/   develop a skilled workforce, capable and experienced in exploiting and improving IT.
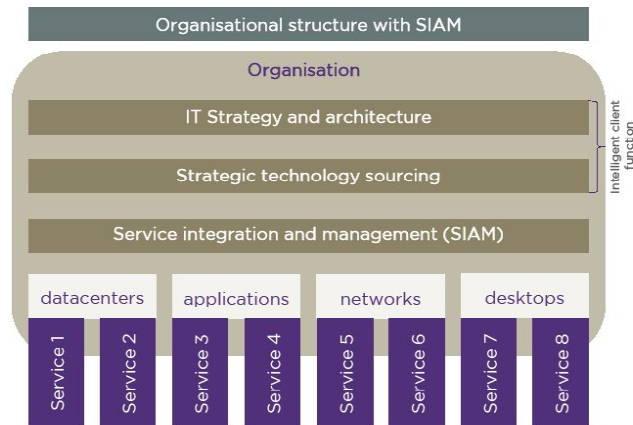
The concept of an 'intelligent client' emerged from an admission of previous IT programme failures and the need for Government to take on a more strategic role. An intelligent client should focus on the definition of IT strategy and architecture, the effective management of cost drivers and key vendor management rather than on the 'nuts and bolts' of IT delivery. The IT industry as a whole has witnessed a move towards 'best of breed' demand- led multi-sourcing models. In this regard, Government departments have started to examine and adopt the Service Integration and Management (SIAM) function.

The SIAM function operates as a service integrator and a gatekeeper between service providers organised into towers (e.g. data, applications, networks, and desktop) of service provisions and the intelligent client.

Depending on how developed the intelligent client is, the SIAM function can either be 'thick' or 'thin' fundamentally ensuring that:

/ requirements gathered in a service area are reviewed across the end to end process;

/ suppliers have timely access to relevant, accurate demand and management information;

/ contract governance is robust, minimises complexity and incentivises supplier performance;

/ changes to supplier provisions are managed and implemented with minimal business disruption.

SIAM ensures that the service towers, shown in the figure above, are managed to eliminate gaps and duplications in service provisions. It also ensures the end-to-end delivery of Service Level Agreements (SLAs). There are three main SIAM operating models, particularly used by private sector organisations, described as following:

/ **Independent service integrator model:** the service integrator role is outsourced to an organisation independent from a tower provider

- **Opportunities:** facilitates intelligentclient development; consistent reporting of SLAs across all servicetowers; thin resource requirements on client organisations

- **Challenges:** duplication of activities between client and service integrator; may result in slippage to a 'prime supplier' model; integrator accountability can be vague

/ **In-house service integrator:** the service integrator role is retained in-house interfacing both with suppliers and the organisation's various business units

- **Opportunities:** high organisational contact with suppliers; detailed visibility of day to day risks and issues; develops in-house operational expertise

- **Challenges:** large set up costs and resource; and intensive; limits the development of the intelligent client function; requires ongoing training to maintain awareness of market trends.

/ **Prime suppler integrator:** an existing tower provider in the multisourced environment acts as the service integrator

- **Opportunities:** ability to leverage prime supplier capabilities and expertise; standardise the offer of the prime supplier across to other supplier;

- **Challenges:** potential conflict of interest; could disproportionately favour larger providers; integrator expertise skewed towards areas that are their core capabilities

CONCLUSION

The move towards the independent service integrator model is building up a 'head of steam' within Central Government, as witnessed by a number of recent procurements including the Ministry of Justice and Foreign and Commonwealth Office and the likely Government Procurement Services framework tender.

The choice, however, between which model to adopt should be made following a detailed assessment of the organisation's core capabilities, complexity of its multi-source environment and their objectives in transitioning to an intelligent client. The SIAM model is not an 'off the shelf' solution to ensure success of all IT programmes but instead the next evolution in managing complex services.
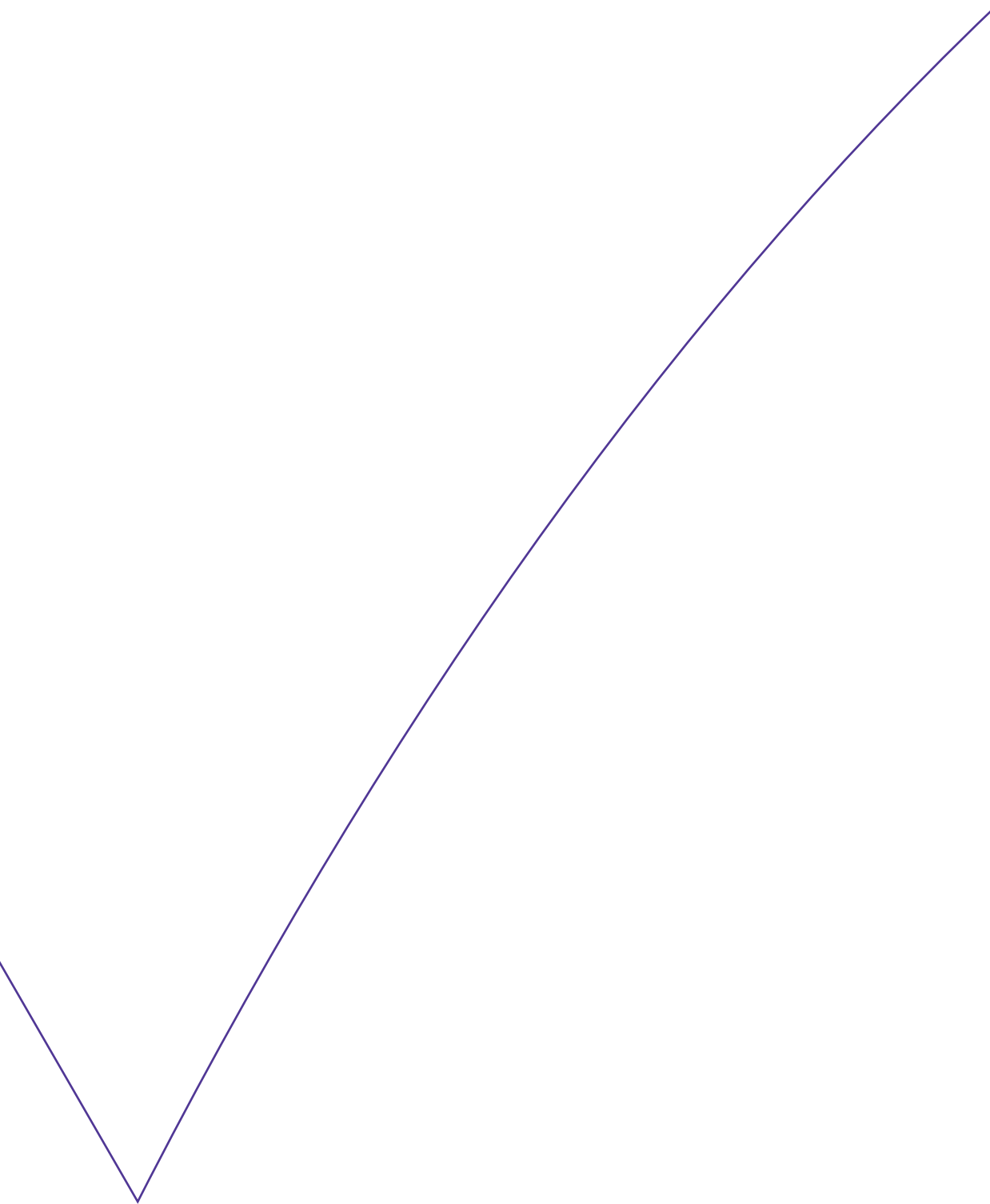
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