DOYEN CONSULTING, INC.

THE NEWSLETTER

Volume 2, Issue 2

2nd Quarter, 2007

INSIDE THIS ISSUE:

Special Points of Interest:

HIMSS Advocacy Center is the place to go for all of your legislative needs: http://www.himss.org/advocacy

HIMSS 2008 Conference:
Orlando, FL Feb. 24-28
Mark you calendar!

HIMSS Chapters—Get Involved
http://www.himss.org/ASP/chaptershome.asp

For additional Healthcare Industry news, check out:

www.himss.org

www.modernhealthcare.com

www.doyenci.com

Contents of our newsletter is provided to us from various sources, including:

www.himss.org

www.techrepublic.com

www.gartner.com

www.cio.com

Measuring for Service Level Management

By Harris Kern

Providing the basis for managing relationships between the IT service organization and its customers, service level management deals with how user service requirements are understood and managed. Service level management covers a variety of activities related to planning, monitoring, and reporting. In this article, I describe the minimum set of data and measurements required for effective service level management. Then, I'll list factors critical to the success of data gathering and measurement. With the ongoing monitoring and evaluation of key indicators and metrics, the IT service organization is in a better position to ensure the required quality of service is provided in cost-effective ways.

Benefits of service level management

Many benefits can be realized from a well-implemented service level management discipline:

Harmony between the user and the IT organization - The most important benefit is that the IT organization gets an accurate picture of what the users need. This may sound trivial, but the lack of well-implemented service level management disciplines causes most of the rifts between IT and users. A Service Level Agreement (SLA) is a give-and-take relationship between IT and users; users articulate what they need, and IT gains support in getting the resources needed to provide it. Both parties must realize that any requested service may be provided, but none come free.

Efficiency of IT operations - Another advantage of having a SLA is that IT can allocate just enough resources towards what the users really need. The SLA reminds IT of what really matters to the business, so it does not waste resources providing services that are no longer needed, or are too complex and advanced for users. I have seen many IT organizations spend a fortune on technology products that users don't need, simply to create the illusion that IT is on the cutting edge. However, any admiration from users is short-lived if they do not gain any business advantage from those advanced products or services.

Improved user satisfaction - A user of any computing resource will be satisfied if his perceived satisfaction level is exceeded. With a SLA, IT has an opportunity to set this expectation level realistically. IT now has a better chance to satisfy its users, since satisfaction is no longer arbitrary or subjective.

Data and measurement requirements

In this section, I describe the minimum set of data and measurements required for effective Service Level Management. Then, I list factors critical to the success of data gathering and measurement.

System configuration data - This is made up of the hardware, software, and other system components installed; the system connection diagram; and information on how the separate components interact with one another. This information is essential for understanding the costs of achieving target service levels.

Cost of system operation - This includes the operational costs of running the system, such as:

- Staff requirements
- Recurring costs of hardware, software, and supplies
- Vendor support requirements (e.g., maintenance contracts)
- Power, air conditioning, and other environmental costs

(Continued on page 2)

SLM'S CONT'D

Service level measures - The measurements related to the service level targets specified in the SLA:

- **Industry benchmarks -** Performance targets accepted in the industry as practical and achievable
- **Problem history data -** Information to aid in analysis and reevaluation of the SLA

I recommend the following measures with respect to the performance of service level management:

- **End-user satisfaction rating -** A measurement derived from periodic surveys asking users how satisfied they are with the service provided by the IT organization.

Attainment of service level targets - A measurement of how often the IT organization was able to achieve the service level targets documented in the SLA. Data factors that are critical to the success of service level management are:

Essential service performance measures are available - I have seen service level planning sessions become a waste of time because IT did not prepare sufficient system historical performance data. Without this information, users will have no restraints as to what target to ask for, and IT can neither validate nor argue against user requests.

Industry performance benchmarks on hand to validate set targets - IT will naturally set a low target, whereas users will always ask for a high target. Industry benchmarks assist in the service level negotiation process, because they provide objective values that have been achieved elsewhere. Service targets based on industry benchmarks should be more easily acceptable to both IT and users.

Users appreciate the costs of desired service levels - Users always ask for the earth and sky, so you must make them aware that they will pay the cost directly or indirectly. By doing this, you require users to evaluate what they want versus what the business can afford. Treating IT as a business—with its own cost and revenue infrastructure—reinforces the cost issues to users.

Organizational requirements

People responsible for service level management should have the technical skills to understand the capabilities of the existing computer system as well as the alternatives currently available in the market. They should also have data gathering skills to collate measurements related to service levels. During the creation of the service level document, negotiation skills play a crucial role in its success. Management should choose the right participants in the service level negotiation activities and give them full authority to decide on behalf of all the other users.

The following organizational factors are critical to the success of service level management:

Support from senior management - The SLA should be a covenant between the highest management of both the IT organization and the users. This ensures that it will be backed with the proper focus, attention, and resource allocation.

(Continued on page 3)

A "Word" from the President:

Create

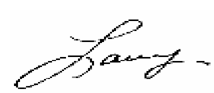
This is one of God's greatest gifts: We get to create! Like a kid with finger-paint and a blank canvas, I sit in front of my computer and I can create stuff. I can create solutions for clients. I can create solutions for Doyen Consulting. I can create email threads. I can create widgets. I can create meetings. I can create master files. Without the assistance of my computer, I can create music. I can create conversation. I can create voice-mails. I can create joy. I can create free-time. I can create fun time. I can create quiet time. I can create peace. I can create dinner. I can create partnerships. I can create paper. I can create drawings. I can create parties. I can create gatherings. I can create landscapes. I can create open space. I can create hope. I can create laughter. I can create conversation. I can create smiles. I can create THINGS. I can create memories.

On the other hand, I can (and have) create headaches. I can (and have) also create problems. I can (and have) create messes. I can (and have) create havoc. I can (and have) create frowns. But, these are mistakes that I can learn from.

Best of all, I/We can create friendships.

I know that I CAN create. We all can.

Larry



The Ideal PMO Model is a Balancing Act

By: Ted Stephens

Among corporate IT executives, there is a growing consciousness of the need for a project management office (PMO) to provide project management guidance to the organization. Too often, IT organizations tend to choose between the extremes of two PMO models: one emphasizing a support role and one emphasizing a supervisory role. In fact, the two functions are not mutually exclusive, and the ideal model combines the best of both.

Company X added a PMO to its IT organization and gave it a support role. Creativity flourished as PMO staff helped stimulate the development of many new projects. However, there was little control; projects sprang up everywhere, each developing a life of its own. When the company's overall business objectives changed, the projects continued regardless of whether or not they were in line with the company's new directions. Millions of dollars were spent on projects that were obsolete or marginal to the company's evolving needs.

Company Y took a different approach. To ensure that the project portfolio aligned with overall goals, the PMO was

tied to the CIO's office and empowered to supervise and coordinate projects across the organization. All projects costing more than $1,000 had to go through an approval process. As a result, projects were slow to start with many small projects taking longer to approve than carry out. The organization's staff felt their creativity stifled by bureaucratic hurdles.

Company X and Company Y's approaches represent two attempts to employ PMOs. Each model has its strengths and weaknesses, but once a PMO develops along one line or the other, there is a tendency to resist change. Company X's model is often adopted by organizations as the initial step in developing a PMO because it costs less to implement and tends not to rock the boat.

How it works

According to this model, the PMO functions primarily in a support role instilling project-management skills into the organization. PMO staff are cast in a mentor relationships vis à vis existing project managers (PMs). For example, they might train PMs in the organization in a common methodology or process. Another role for the PMO is to provide the tools, templates & training PMs need to do their

(Continued on page 4)

Service Level Management… *Continued*

All users are represented during negotiations - Since the aim of a SLA is to cover all services provided to users, it is but fair that all user groups are represented. If one or two are neglected, sooner or later their complaints will reach high management, and you would have to redo your SLA. This is because any additional service to be provided to users will impact the IT organization's overall capability of meeting the entire SLA.

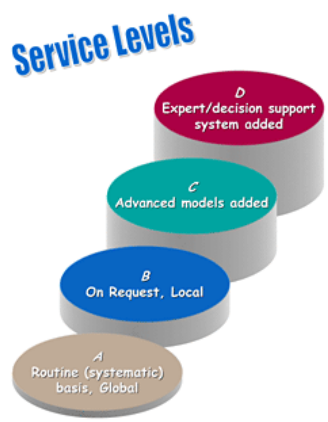
Tools requirements

Apart from the typical office productivity tools needed during the creation of the SLA, many of the tools required for

Service Level Management measure specific service targets. It is difficult to manually measure from the user's point of view—either users must perform the measurements themselves, or an IT representative must go to the user location, interrupt the user, and perform the measurement. There are few tools to help; those that are available simulate user keystrokes and record response times. These automated measurement tools must be deployed judiciously, as too many online measurements can degrade system performance.

Tool-related issues critical to the success of service level management are:

Service level document accessible to all users - The SLA should be read and understood by all members of the IT organization, as it forms the basis for how they will be judged by the users. Users should also have access to this document in case they would like to know more about the system that they use and what to expect (e.g., when



the application is available, and how fast it should run.)

Measurement of service level targets done with minimal intervention - When IT staff find themselves too busy (as is often the case), they set aside monitoring and measuring activities all too often. Worse, if measurements are performed manually, there is greater risk of error, whether accidental or intentional. Accordingly, measurement should be automated whenever possible.

> **"Management discussions never end with conclusions. They end with next steps,…"**
>
> **-Joan Magretta**

The Ideal PMO...*Continued*

(Continued from page 3)

work. The PMO might develop software tools for specific tasks, as well as standard documents such as a project charter or project plan that is uniform across the organization. In addition, the PMO staff can be a backup source for groups in need of help with project management, particularly in cases where there is trouble in the PM ranks.

THE DOWNSIDE

The PMO as a support group really plays a distributive role within the IT organization. It's not a governance force, since it has little or no control over which projects are funded, and no authority to ensure projects align with business needs.

PMO staff typically cannot compel project managers to accept their guidance. For example, they cannot force user groups to adopt a common methodology; they can only encourage them to do so. A particular PM or department can ignore the PMO's advice—especially if the group has been successful in the past—and continue its existing operations without change.

The centralized model: The PMO in a supervisory role

Company Y's model is sometimes adopted after projects and budgets have gotten out of hand. PMO staff are given a supervisory role, with budgetary authority to determine which projects get funded and which do not. Project managers, instead of being attached to operational divisions, may be directly on the staff of the PMO and lent out to working groups on a project-specific basis. The PMO may even control who gets assigned to which projects. This centralized PMO compensates for some of the problems inherent in a strictly supportive role. The PMO can impose greater

discipline on the choice of projects and how they are carried out. Use of standard methodologies, processes, templates, and tools can be enforced. The PMO can decide when to terminate a project that isn't delivering. In short, the PMO plays a strong role in project governance.

Such a strong role enables the PMO to ensure that projects are tied to business goals. For example, if the company's goal is to increase sales by ten percent, then the PMO can decide that only projects aimed at developing enhanced sales tools will be supported. Company X's managers might be able to ignore the implications of such a policy because they control the funding for their teams' projects, but Company Y's managers have no choice but to adjust to the PMO's demands.

THE DOWNSIDE

Company Y's centralized PMO model works only within a highly structured environment, and to superimpose it upon a decentralized organization is to invite trouble. Taking away managers' authority and imposing decisions from above will produce culture clash and provoke resistance. Red tape in the approval process can throttle innovation throughout the firm since people accustomed to a degree of autonomy don't want the hassle of filling out forms and waiting for approval.

The facilitating model: PMO in a consulting role

How can a project management office encourage innovation and still make it possible to recognize and shut down failing projects? We believe the best model is one in which the PMO takes a facilitating role, working to bring business planners and IT together for joint decisions governing project investments. Project managers need to be given a shared sense of ownership and encouraged to see the need for prioritization in terms of overall business goals. The PMO can serve to facilitate this process. The PMO might also become a change agent,

identifying opportunities for change within the organization, determining the best approaches, and introducing the changes to the community. One PMO task should be to look outside the organization and identify other companies' ideas and best practices that can be applied. The PMO can communicate new ways of thinking, introduce new tools and processes, refine evaluative metrics, and work to constantly establish a new baseline of performance.

The PMO should also play a crucial role in knowledge management (KM), effectively becoming the organization's memory by keeping records of projects, i.e., what works and what doesn't, the steps through which certain processes must pass, and so on. Too often, different parts of an organization are unaware of what has been done by others, and new staff have no knowledge of what has gone before. Effective KM ensures that valuable lessons are retained and passed on to others.

Wrapping up

The PMO's role should entail both mentoring and supervising. The PMO should be a trusted adviser, a function that the company can call on to define goals or affect change. It should be able to serve as an interface between a company's business units and its IT department—there to soothe the sometimes antagonistic relations between them.

The PMO must be able to supervise processes without dictating them. Ideally, the PMO puts controls in place and monitors them in a consultative fashion. Such a task requires considerable people skills. Reason and persuasion, rather than carrots and sticks, are the tools most needed by PMO staff.

2007 JAN—JULY IN REVIEW

HIGHLIGHTS

- Doyen welcomes Ann Andrus as our new Executive Assistant
- MetroHealth goes LIVE with Doyen's eLearning solution
- Doyen welcomes Ochsner Clinic Foundation as newest client
- CTGHS announces new partnership with Doyen Consulting
- Doyen announces new Didget™ strategy
- Doyen attends HIMSS 2007 in New Orleans
- Doyen assists Metro with the revamping of their outpatient training program
- Doyen University begins search for new home
- Metro's Epic Team enjoys game day at Fifth Third Ballpark
- Doyen is now a member of the Chimes Global family
- Doyen is in discussions with Mount Sinai to assist with their eLearning strategy and build
- New/Improved Doyen (www.doyenci.com) Website is launched

Are you interested in becoming a Doyen?

Doyen has worked extremely hard building our consulting practices. We are currently seeking experienced resources for a variety of Epic, Siemens, and McKesson applications. If you, or someone else you know, might be interested in becoming a Doyen and work with the these product lines, please contact us at:

616-459-8105

Change is inevitable…embrace the challenge and begin the transition

DOYEN CONSULTING, INC.
...agents of change™

Doyen Consulting, Inc.
125 Ottawa -Suite 355
Grand Rapids, MI 49503
616-459-8105

www.doyenci.com