# of DIGITALFUEL

Capability Overview

Digital Fuel Service Quality Management

Are You Delivering On Customer Commitments?

Whether you are an Enterprise transitioning to a Broker of IT Services model or you are a commercial Service Provider delivering mobility, communications, networking or other services; you know the importance of getting a definitive answer to that question. Today's competitive market mandates that you deliver on customer service commitments like never before. Customers are demanding a continuously updated and accurate view of performance against your Service Level Agreements. This document is focused on explaining the role that Digital Fuel can play in helping you meet the demanding expectations of your customers relative to the quality of the services you deliver.

Digital Fuel provides transparency and control over the cost and quality of IT services. By providing a business context to the services IT offers, Digital Fuel helps IT organizations shift from a technology orientation to a service orientation - delivering a portfolio of services aligned to the needs of line of business stakeholders. With IT benchmarks providing objective evidence, Digital Fuel provides the fact-based approach needed to minimize the cost of IT while maximizing the value IT delivers.

"With this vendor management system in place, we can now drive vendor behavior proactively and empower the vendor selection process with more quantitative insights. We make decisions now based on facts rather than just instinct."

**IT Executive, Global Banking &
Financial Services Firm**

Service Quality Management and Digital Fuel

More often than not, the ability to understand the performance of the services you deliver is extremely difficult since performance metrics are typically buried deep within multiple operational systems. The ability to compare service performance from multiple vendors is even more challenging.

Digital Fuel delivers two key capabilities necessary for successful Service Quality Management:
1. Service Level Management
2. Vendor Management

Taken together these capabilities enable you to set, track, report, and analyze IT performance and value measures for all your services, vendors, and customers; as well as perform root cause and business impact analysis. Digital Fuel also provides a control mechanism for vendor agreements so that you can proactively govern contractual commitments and compare performance across vendors supporting the need to find the most cost/value effective solution for your company.

Detailed Service Quality Management Key Features

- Visually define, collect, and manage service levels and operational compliance / quality metrics in the context of IT services

- Create and manage workflows to orchestrate, track, and approve agreements, commitments, sign-offs and capture auditable adjustments

- Alert when an SLA, OLA, KPI, or UC commitment is in danger of being missed

- Publish monthly service reports and booklets covering performance along with root cause and business impact reports to identify remedial action

- Automatically track, validate and manage vendor invoices on an ongoing basis against contract terms, actual spending, and service performance/value metrics

To help you be productive immediately, we include a broad range of out-of-the-box reports. Below is a sampling of reports.

- Top 5 breaches by performance, top 5 KPIs, year-to-date credits, and more with views by vendor and SLA

- SLA compliance and KPI forecasting reports

- Balanced scorecard showing risk, performance, contract issues, and charges

- Credit and Earnback reports summarizing specific SLAs

- Forecasting reports covering KPI performance, credits, and earnbacks

- Audit reports for vendor managers to review and manage vendor results

- Digital Fuel correlates the cost of services with performance against SLAs so IT can better understand the true value of the services delivered to line-of-business owners.

Next let's look at each of the two major requirement areas, Service Level Management and Vendor Management that are fundamental to Service Quality Management.

Service Level Management

Service Level Management capabilities delivered as part of Digital Fuel enable organizations to proactively manage, monitor, review, and forecast all operational and business service level commitments alongside service cost information to ensure delivery of business value.

The solution provides IT and the lines of business the tangible information required to make both IT and their customers successful by consistently delivering the right level of service at the agreed upon price.

Digital Fuel: Service Level Management

Solution capabilities go beyond managing metrics driven from tickets or incidents at a service component level and allow organizations to effectively manage the overall service envelope. The solution correlates information from multiple disparate data sources, each holding a small piece of the overall performance picture, into a coherent view of performance at a business service level.

With Digital Fuel you can also manage the full lifecycle of your service agreements (SLA's, OLA's, Contracts, etc) by managing the business processes that surround those agreements including workflow, collaboration, and approvals.

Digital Fuel solution makes it easy to integrate performance metrics with other meta data related to the services you deliver through the use of a "Visual Designer". The use of this visual designer supports the ability to configure SLM reporting on services without the need to code or script the correlations. We also give you the capabilities to integrate data from many disparate sources and ITSM processes in order to provide a complete view of service performance.

Finally we deliver the capabilities to report on how well you or your vendors are performing around SLA achievement through a reporting platform that allows you to report on services across a broad set of service dimensions.

Process flow for Service Level Management using Digital Fuel

SLM Value Delivered

- Reduce cost of manual error-prone efforts
- Reduce IT spending by identifying most cost/value effective alternatives
- Improve business value of services
- Reduce time to improve service

Service Quality Management

SLM Key Features

- Visually define, negotiate, and revise IT quality, operational, and value commitments
- Create workflows to orchestrate, track, and approve agreements and commitments
- Perform service level monitoring and compliance management
- Receive automatic alerts when an SLA, OLA, KPI, or UC commitment is in danger of being missed
- Generate root cause (drill down to the actual business rule to understand what caused a SLA breach) and business impact reports to identify remedial action
- Create "what if" scenarios to identify best course of action
- Conduct monthly reviews
- Use workflows to orchestrate, track, and sign off on compliance results
- Make auditable adjustments to results
- Generate and distribute formatted monthly service reports and booklets

SLM Value Delivered

- IT dashboards that provide a bird's eye view across all applications and systems, including key statistics such as the worst five KPIs
- Customer dashboard provides high-level information with drilldowns on topics such as Top Five Breaches by Performance and Top Five KPIs
- SLA compliance report summarizes all the compliance information for a specific SLA
- Credits report summarizes credits information for a specific SLA
- Forecasting reports provide forecast information for KPI performance
- Audit reports to review and change results
- Includes OOTB reports that allow you to visualize performance against services from multiple dimensions.
- Digital Fuel SLA compliance capabilities enable you to monitor all compliance information for a specific SLA

Vendor Management

Vendor Management capabilities delivered as part of Digital Fuel set clear, measurable, expectations and commitments for vendors. It provides a resource for comparing different vendors and options to find the best solution for your business. Additionally, the solution offers detailed visibility into vendor charges by automatically tracking and validating performance, value, invoices, credits, and earnbacks.

By empowering vendor managers to proactively manage, monitor, review, and forecast their suppliers' commitments, you can ensure that you receive the service for which you pay. As well as enabling the management of individual suppliers, Digital Fuel consolidates the different service components from those suppliers to assure the overall business service. Digital Fuel helps cultivate a collaborative business relationship where both parties benefit.

Vendor Management Process Flow within Digital Fuel

Vendor Management Value Delivered

- Optimize services cost and value by comparing among vendor alternatives and holding vendors accountable to commitments
- Prevent over-spending by reconciliation of invoices and value guaranties
- Prevent unnecessary spend by aligning business needs with vendor delivery
- Avoid costly disputes with suppliers by means of ongoing common management framework
- Mitigate risk and insure compliance by managing all aspects of supplier performance and commitments
- Reduce cost of ever-growing and error-prone manual vendor management efforts
- Save time and money by fastest time-to-value with out-of-the-box content and processes
- Ensure that you are getting the value from the outsource relationship that you expected to avoid value leakage
- Maintain a central system of record for contract changes and disputes

Vendor Management Key Features

- Define, negotiate, and revise agreements (with full history of changes)
- Workflow to orchestrate, track and approve, and maintain agreements
- Service level monitoring and compliance management
- Automatic alerts when an SLA, Cost, and Value commitment is in danger of being missed
- Root cause and business impact reports to identify remedial action
- Monthly reviews
- Workflow to orchestrate, track, and sign off compliance results
- Auditable adjustment of results
- Issue and dispute resolution management
- Automatic calculation of service credits
- Service request compliance tracking
- Automatically tracks, validates and manages vendor invoices on an ongoing basis against contract terms, actual spending and service performance/value metrics.

Vendor Management Out-of-the-Box Reports

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- Vendor Management Dashboard provides a bird's eye view across all suppliers, including key statistics such as worst 5 KPIs

- Vendor Dashboard provides information that is more detailed for a specific supplier, such as Top 5 Breaches by performance, Top 5 KPIs, Year to date Credits

- Balanced Scorecard shows risk, performance, contract issues, and charges

- SLA Compliance Report summarizes all the compliance information for a specific SLA

- Credits Report summarizes credits information for a specific SLA

- Earnback Report summarizes earnback information for a specific SLA

- Forecasting Report provides forecast information for KPI performance, credits, and earnbacks

- Audit Report allows vendor managers to review and change results

- Approve Report allows vendor managers to share KPI information with their suppliers

- Budgeting Report shows actual charges compared to plan

- Relationship management reports summarize satisfaction and with historical views into issues and disputes

Path to Value Best Practices

Digital Fuel promotes a three step approach to achieving value around Service Quality Management: (1) Transparency; (2) Planning & Control, and (3) Optimization & Alignment. The first step is to gain transparency around the IT Services that are being delivered and the drivers of those services, including Service Contracts, KPIs, and Escalation Paths. One transparency is achieved, the second step is to plan and control the Quality of those services by managing Service Tiers, implementing Vendor Management, and establishing Invoice Validation. Finally, to gain competitive advantage, in the third step services must be optimized and aligned with business priorities by balancing the tradeoff between quality and cost and making decisions around in sourcing versus out sourcing.

Running IT Like a Business

The tradeoff between cost and quality seems straightforward, but it is actually quite complex. Some services offer dramatic cost savings with small reductions in quality; others operate more like fixed-cost services. To take costs out of IT and run it more like a business, you need to understand the hard facts behind this tradeoff. Business customers frequently oppose service-level reductions until you present the corresponding cost reduction. Service-level tiers are a great way to manage cost or service-conscious customers while reducing and optimizing your IT spending.

Service Quality Management also applies to vendors you use for entire services or portions of a service. By tracking the business agreement and automating the service flows, KPIs and escalation paths, you'll find yourself well positioned to start or accelerate your transformation to a service broker—ensuring that IT is minimizing costs while maximizing value.