

The 6th South-East Europe itSMF Conference

Delivering Professional IT Services; Mind the gap of Cultural Risks



In Brief

Professional services delivery management can have strategic value, when there is link between the level of effectiveness and the efficiency with which services delivery is accomplished and when the project's outcomes (product or services), can provide overall business value.

Quite often, due to **cultural inconsistencies** the whole process can fail. For example: if services delivery requirement(s) change dramatically increases the risk of failure then, it is logical to avoid a decision leading to its ratification.

Agenda

1 Significance

2 Risk(s) Overview

3 Cultural Factor

4 Summary

5 Change Risk Assessment Model (CRAM); Survey Participation

Significance

- Market needs are constantly changing; market adaptation, strategic business planning, flexibility, speed, cultural adaptation are more than mandatory.
- The main difficulty arises from the fact that culture itself is difficult to be defined because it differs among organisations and individuals. Cultural differences or even cross cultural interactions can affect not only the ways business is conducted internationally but can influence the ways people operate with people.
- Too much emphasis on deliverables or outcomes (e.g. Service capabilities) which on their own do not deliver specific benefits, or even in the processes (the way things have to be done).
- People in different cultures respond in differently ways as they do in different organisational environments. In a larger extent it can influence those people who operate in services management team and may lead to optimum collaboration or on the other hand to conflict.

Cultural Influence(s)



MIND THE GAP

Leadership

1

A project is more successful if it fits with the services' manager personality.

Communication

2

The language needs to be understandable by all stakeholders.

Successful Services Delivery

3

Culture may be seen as the “glue” between people and processes.

The culture among stakeholders can foster trust, teamwork, and open communication in way that overall services delivery success can be promoted.

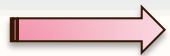
People have different skills, attitudes and experiences, in effect they also have different views of what is priority or important.

Culture can impact the speed of working, the decision-making process, and the impulse to act without appropriate planning. This may lead to conflict and stress in some organisations, thereby affecting the performance of the services delivery.

The vision (what the organisation intends to become in the future) can influence culture and strategic planning.

Risk(s)

- Potential risks can be found everywhere. The difficult part is not only to identify them (hidden risks are more difficult to be found) but also to control them.
- Risk : A possible event that could cause harm or loss, or affect the ability to achieve objectives (Service Transition v.3, p.243).
- A simplistic definition of risk in terms of probability of occurrence is:



Risk = Probability x Impact

- Organisation's cultural risks can influence services performance and consequently services deliverables.

Risk Curve

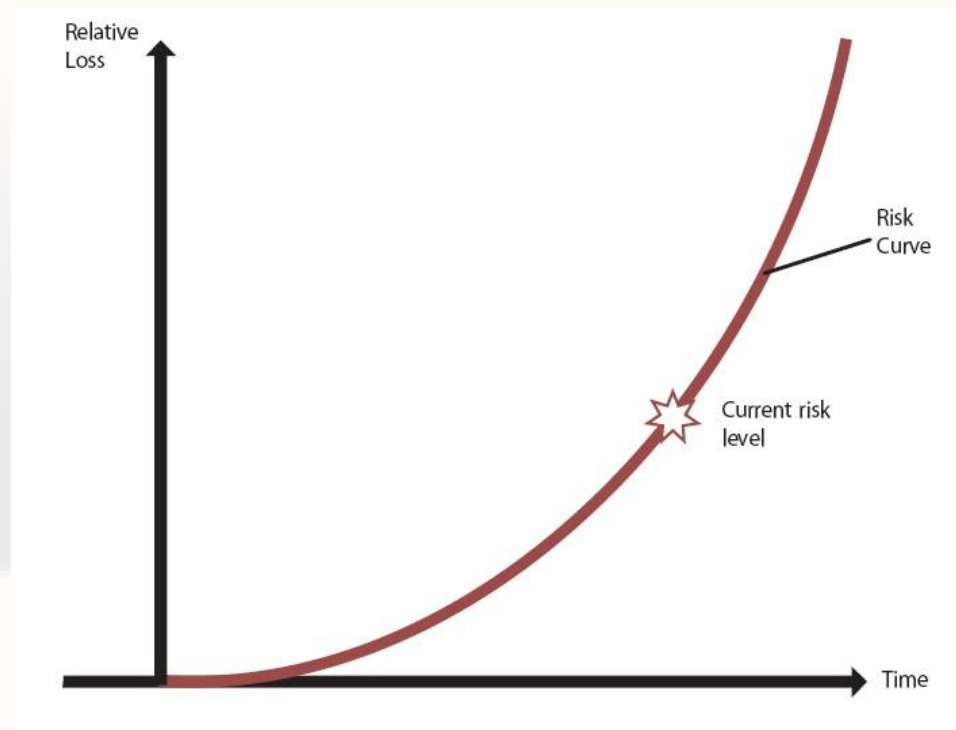


Figure 1: Risk Profile

Risks have a tendency to grow exponentially with time if left unmanaged.

PRINCE2 Risks Facilitation

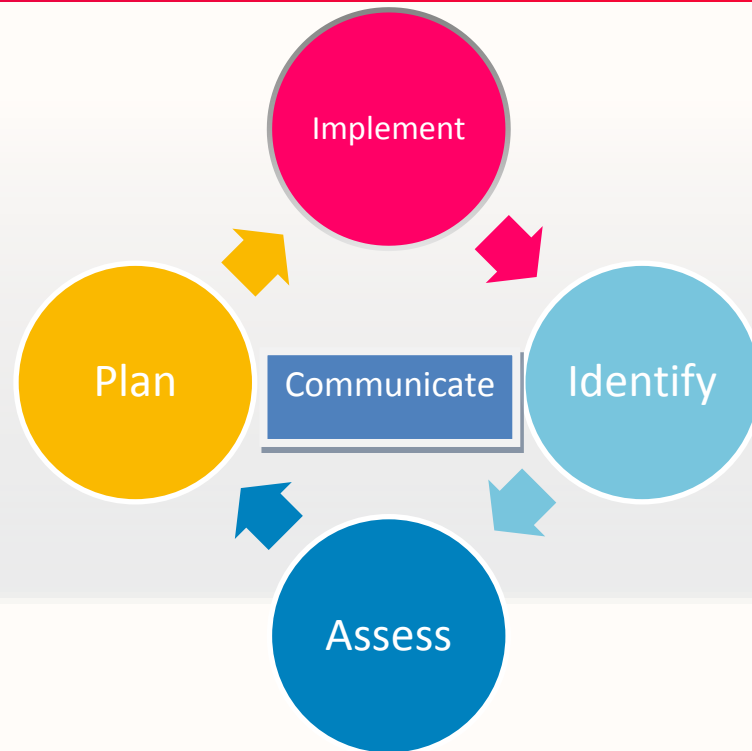


Figure 2: The Risk Management Procedure

PRINCE2 explains that projects bring about change and consequently change incurs risk; more specifically, risk taking in projects is inevitable.

PRINCE2 Risk Responses

- Avoid (threat)
- Reduce (threat)
- Fallback (threat)
- Transfer (threat)
- Accept (threat)
- Share (threat or opportunity)
- Exploit (opportunity)
- Enhance (opportunity)
- Reject (opportunity)

Threat: an uncertain event that could have a negative impact on objectives.

Opportunity: an uncertain event that could have a favourable impact on objectives.

OGC, PRINCE2 Guide, 2009, p. 77

- Overall, risk management has to take the form of a systematic process and as PRINCE2 explains, it should not be based on chance.

Services Life Cycle

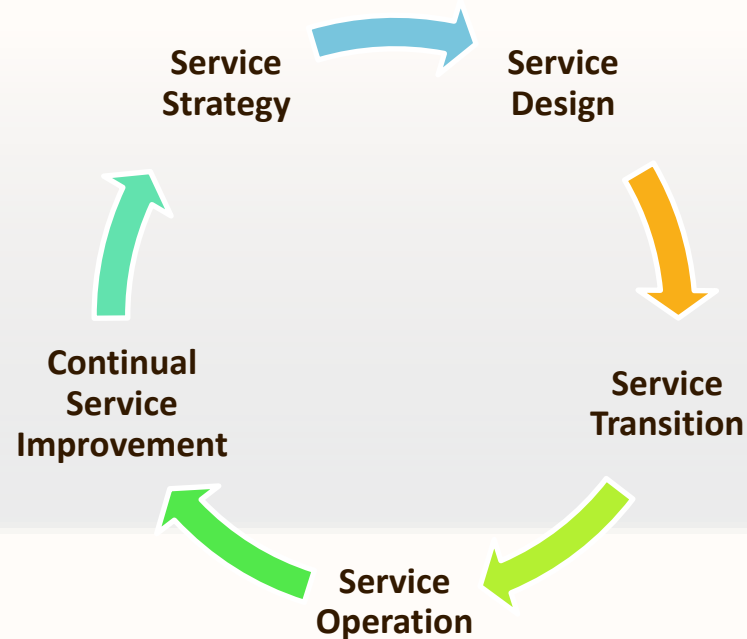


Figure 3: The ITIL Core

- Cultural or even cross-cultural risk issues can happen during the whole services life cycle.

Culture

- Culture can be related (but not limited to): characteristics and assumptions of the organisation related to behaviour, values, norms, decisions and rules.
- *Organizational culture is “the set of shared values and norms that control the IT organization’s interactions with each other and customers. Just as an organizational structure can improve performance, so, too, can an organization’s culture increase organizational effectiveness” (ITIL v.3 Service Strategy).*
- Culture **is transmitted** to staff through socialization, training programmes, stories, ceremonies and language.
- The cultural factor is evident in culturally diverse multinational business environments, where the different ways of thinking and behaving sometimes contradict but sometimes reinforce successful adaptation. Therefore, a positive organisational culture can result in high services team performance and in effect success.

Culture Governance Framework Influence

- According to Rivard (2011), there are six factors that can affect the design of a governance framework for ITSM/ITIL including Culture.
 - Culture;
 - Communications, Training and Education;
 - Executive Support and Buy-in;
 - Governance Structure;
 - Roles and Responsibilities;
 - Measurement and Reporting.
-
- The service management process maturity framework mentions an assessment against five areas (vision and steering, process, people, technology and **culture**).

Change Management and Risk Management – Two Culture-Driven Processes

- Cultural change is related also to a degree of potential risk. This is because no one can guarantee the level of change adaptation and overall success.
- People do not like to change their routine, but changes in a business environment cannot be avoided, since the business circumstances also do change.
- It is not rare the fact that, small organisations can achieve better results, more quickly. This is because; the same individual undertakes multiple roles and has several responsibilities associated with.
- IT Service Management is about service configuration to become as customer-oriented as possible. This configuration might necessitate the use of tools such as strategic planning on the set of technologies to be utilised by an organisation.
- Change and Risk management integration seems necessary.

Culture at the Core

- The larger the size of organisations, the greater the complexity of services operations within the same organisation. Nevertheless, should be kept at the core of services processes.
- The cultural factor is evident in culturally diverse multinational business environments, where the different ways of thinking and behaving sometimes contradict but sometimes reinforce successful cultural and organisational integration.

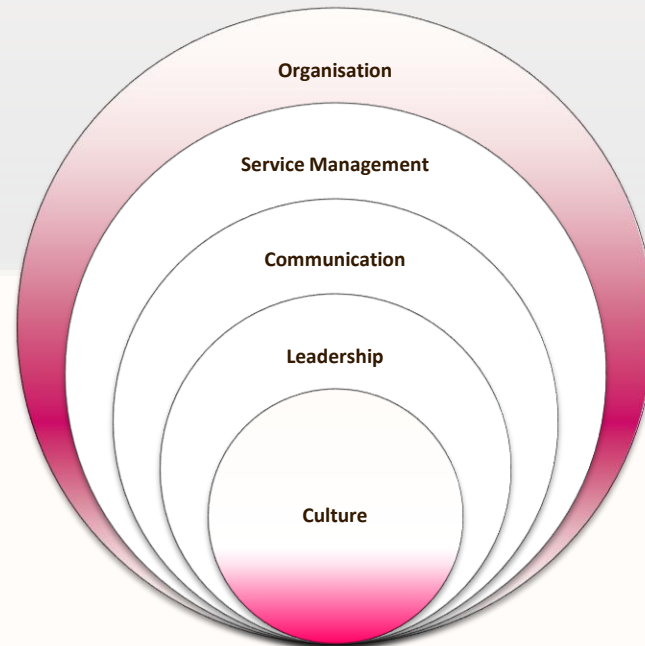


Figure 4: Culture: Core organisational element

Culture Integration

- Culture of the stakeholders differs in a variety of ways, as they might have their own individual culture of work which comes in conflict with respective organisation's one.
- Because different people have different characteristics (for example: knowledge, culture, perception, experience) they respond differently in different environments.
- Perhaps it is difficult to change the people of the project's service requirements. However it is easier to grasp the very best and capable people and encourage them, stressing that project success is reachable.

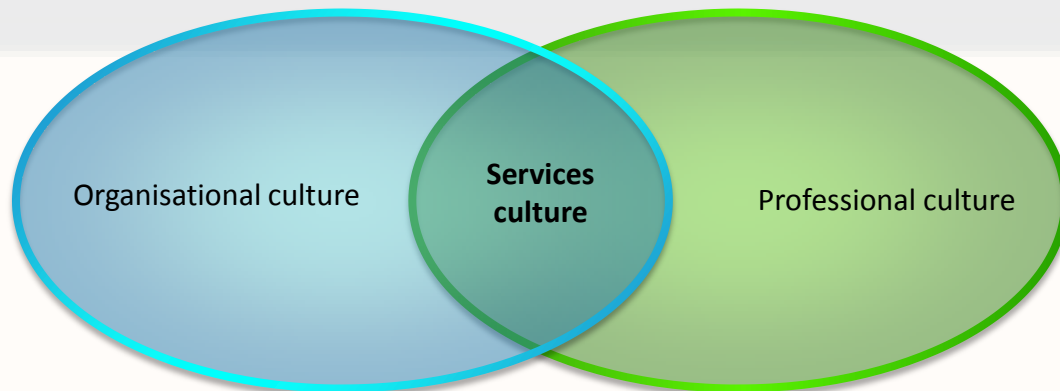


Figure 5: Organisational and Professional cultural integration

Summary

- 1 There is critical necessity organisations to adapt to specific customer requirements and concepts such as: strategic business planning, customer satisfaction, market adaptation, flexibility, and subsequently effective business culture management
- 2 It is not rare in large and complex projects involving a considerable number of teams from vendor(s) and/or client(s) that project managers of different ethnicity have to collaborate and work together (cross cultural consistency).
- 3 The cultural change process is a risky one, meaning the results are uncertain. Continuous improvement is the key to success. Formal policies should be followed that will ensure the utilisation and success of service delivery goals.
- 4 Since change and risks cannot be avoided, services stakeholders have to take into account the levels of risk they can tolerate.
- 5 Services Strategy can be proven useful in terms of influencing organisation's attitudes and culture towards the creation of 'customer value'.
- 6 A strategy to serve customers is not solely requirements based; should also integrate cultural norms and insights.
- 7 The need to improve performance while managing trade-offs should also consider cultural trade-offs.

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Thank You!

Questions?



Change Risk Assessment Model (CRAM)

- Are you interested in Change Management?
- Do you believe that Risk(s) can be identified and controlled?
- Can you spare 15-20 mins and take part in a survey?

then

- Take the chance and log on to www.changemodel.net

