

Demonstrate to Differentiate

.....Value, Value, Value

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Speaker Profile

IT Experience



Industry Bodies



Conference Speaker

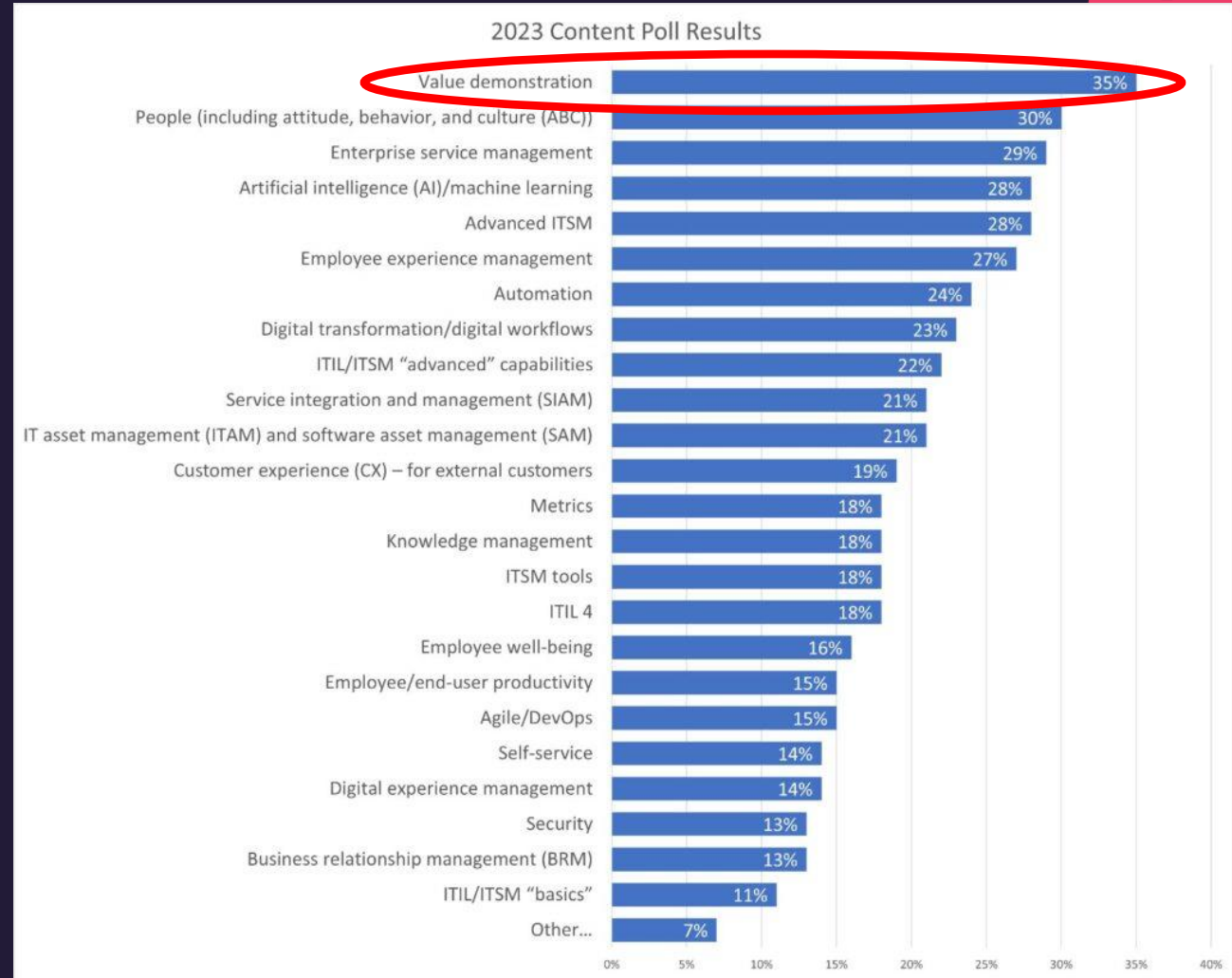


Author & Awards



Before we start: Hottest ITSM Trends & Topics for 2023

No 1: Value Demonstration



Source: ITSM Tools

Purpose

ITSMF UK: 'Thought Leadership'
paper available on request

- To understand how Value is determined
- To recognise the differing perspectives of Value
- To recognise the IT 'Value Inhibitors' and challenges that IT Service Providers have in demonstrating value
- How to develop a Value Strategy
- To outline some Value Enablers that will convey value to your customers

What is Value?



Definition:

“The perceived benefits, usefulness or importance of something”

Some Key Characteristics:

- Value is defined by the customer
- Value can be subjective
- Value is influenced (+/-) by customer perceptions
- Value is not always measured in financial terms

The image features a dark blue background with a decorative border in the corners. The border consists of colorful, abstract shapes in shades of pink, yellow, light blue, and white, arranged in a pattern that resembles a stylized, interconnected network or a series of overlapping organic forms. The shapes are primarily located in the top-right and bottom-left corners, with some extending slightly into the central area.

Perspectives of Value

Service Provider Perspective

Key Message:

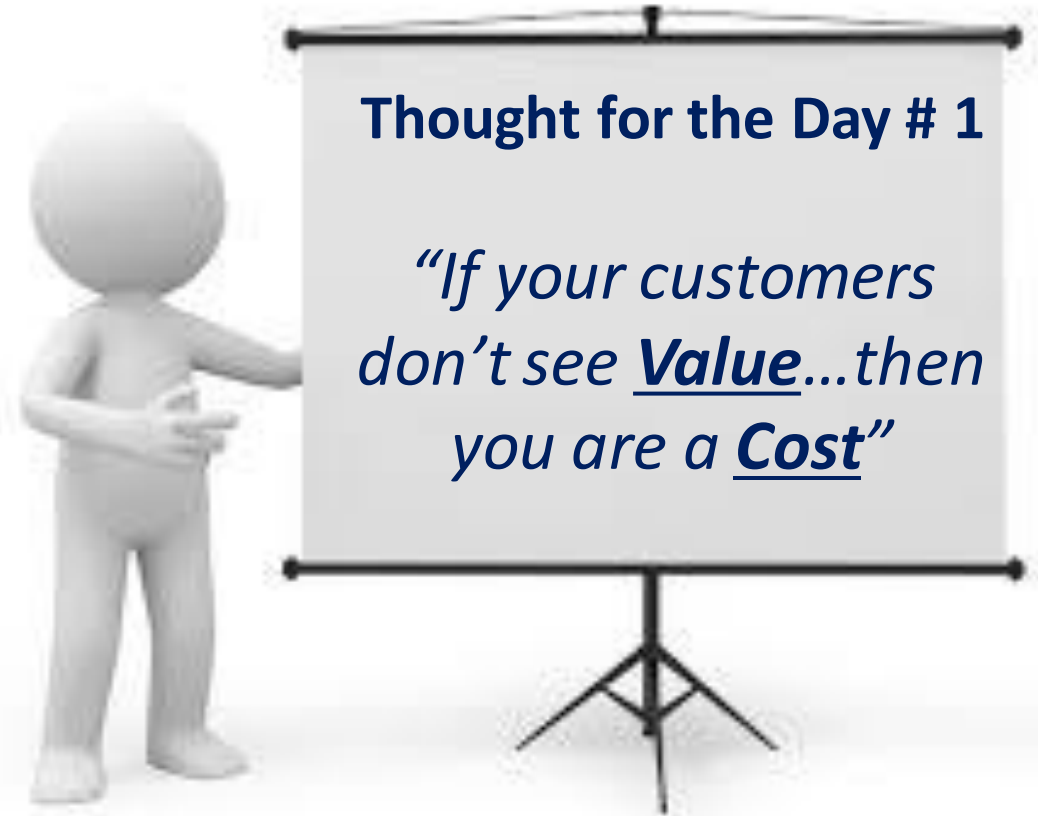
The purpose of the (IT Service Provider) organisation is to create value for its stakeholders

Source: ITIL 4 Foundation Publication

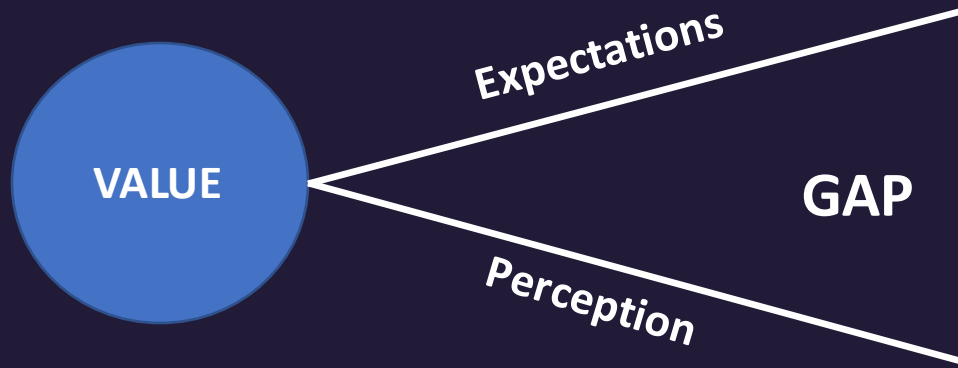
**everything is
easier said
than done**

**Hottest ITSM Trends &
Topics for 2023**

**No 1: Value
Demonstration**



Customer Perspective

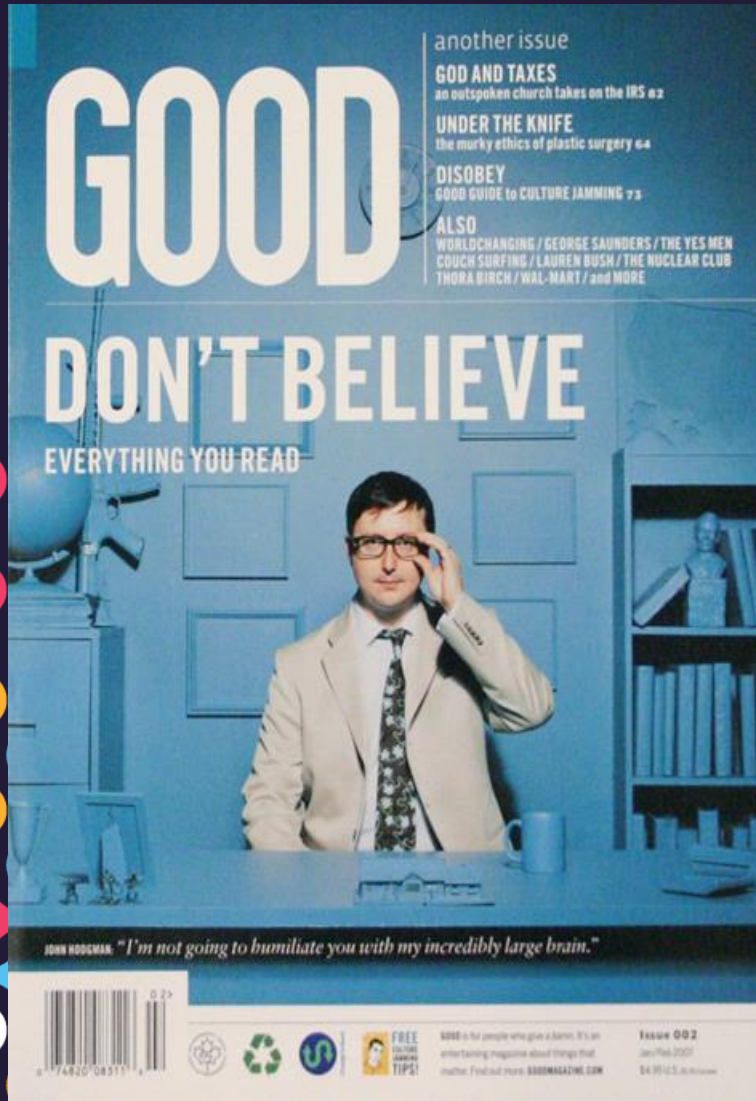


Customers will make a judgement on 'Value' based on the difference between *Expectation* and *Perception*



“No matter how much the IT service provider promotes the worth of their services the ultimate decision on 'Value' remains with the customer.”

Commercial Perspective



- Thinking you are 'Good' is no longer enough
- Your Customer determines what is 'Value' not you
- The competitive marketplace offers Customers choice
- Competitors will claim to be "***Faster, Better, Cheaper***"
- The ability to differentiate yourself from competitors is key
- Demonstrating the Value you provide to your customer is now a commercial imperative
- Perception is Reality: If your customers don't see or feel ***Value*** then you are a ***Cost***

Srvision23 Delegate Perspective

Conference Expectations

- *Relevant Agenda*
- *Good Speakers*
- *Insightful sessions*
- *Practical 'Takeaways'*
- *Networking Opportunities*
- *Social Events*
- *Venue*



The 'Value-Ometer'

| Expectations | MET | PARTIALLY | NOT MET |
|--------------|--------------------|----------------------------------|--------------------------------|
| Value | Promoters | Passives | Detractors |
| Cost | The Price of Value | Is there a cheaper alternative ? | You wont see me at Srvision24! |

| | | | |
|-----------------|--|--|--|
| Value For Money | | | |
|-----------------|--|--|--|

Value can be subjective!

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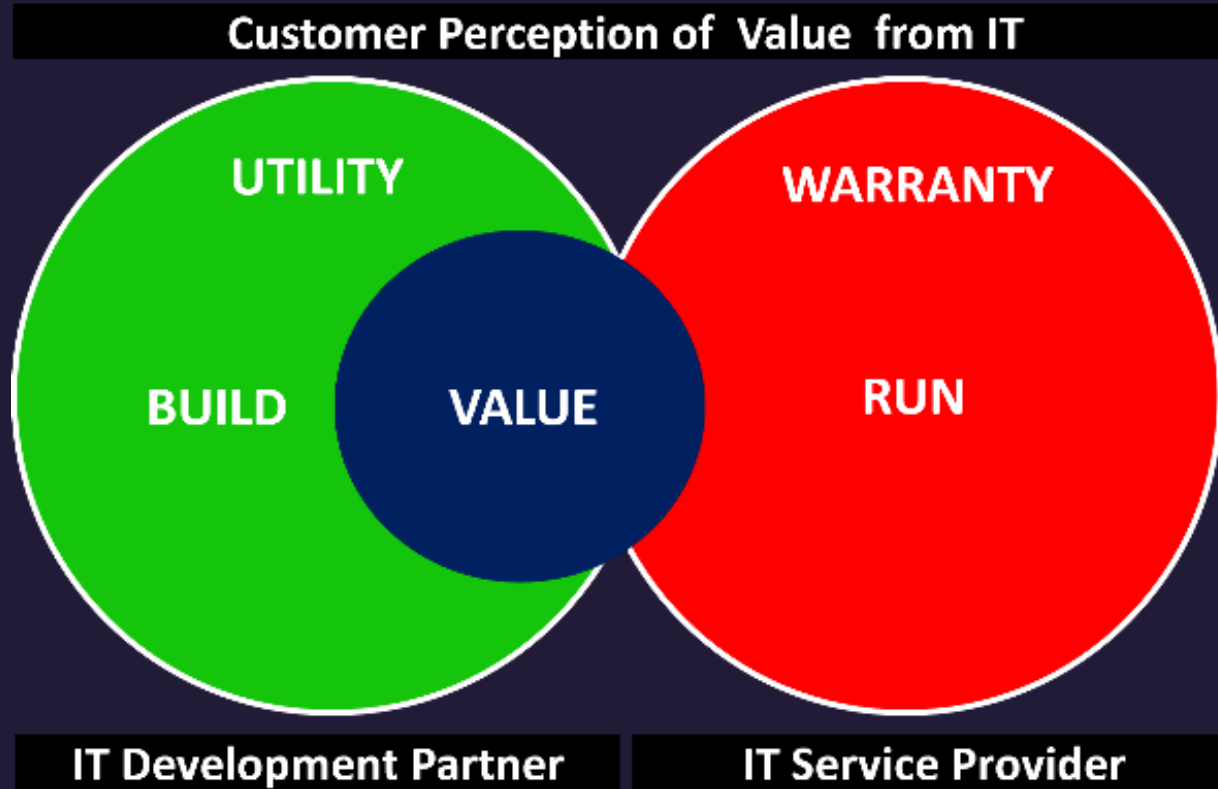
Value Inhibitors

Why we fail to demonstrate Value (Despite doing good stuff!)

Customer Perception of Value from IT



- BUILD**
- Viewed as trusted partner
 - Functionality provides an Integral link with the Business Strategy
 - Cost and Value proposition clear to the customer



- RUN**
- Viewed as a supplier in a competitive marketplace
 - Perceived value of Infrastructure often divorced from the value of application functionality
 - Cost and value proposition less clear to the customer

The COSTS of IT Service Consumption

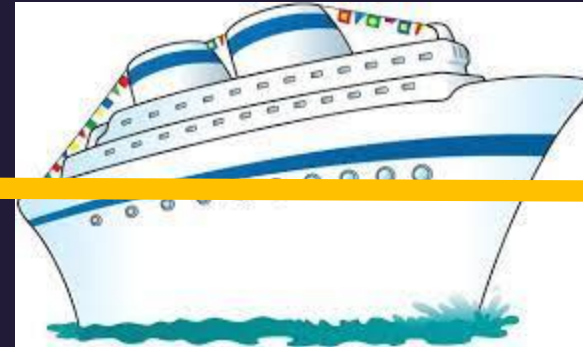


Thought for the Day # 2

Even if your costs are competitive assume your customers believe they are paying too much

Customers readily recognise these Costs

Top Deck



Service Focus

Below Deck

Technology Focus

Customers don't fully understand these Costs

Value must be affordable: If costs are not understood and perceived to be expensive then customers do not believe they are getting Value For Money (VFM)

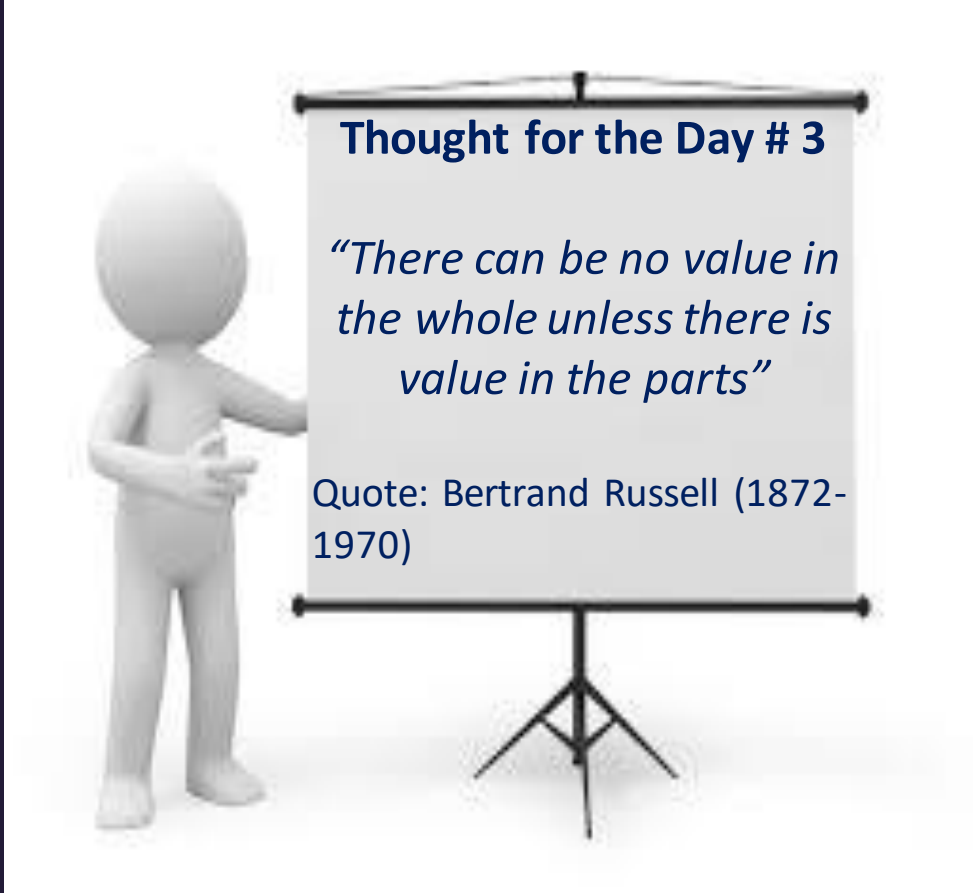
Technology Orientation: Inside Out Thinking



The 'Top Deck' functions alone cannot convey the Value of the IT Service Provider



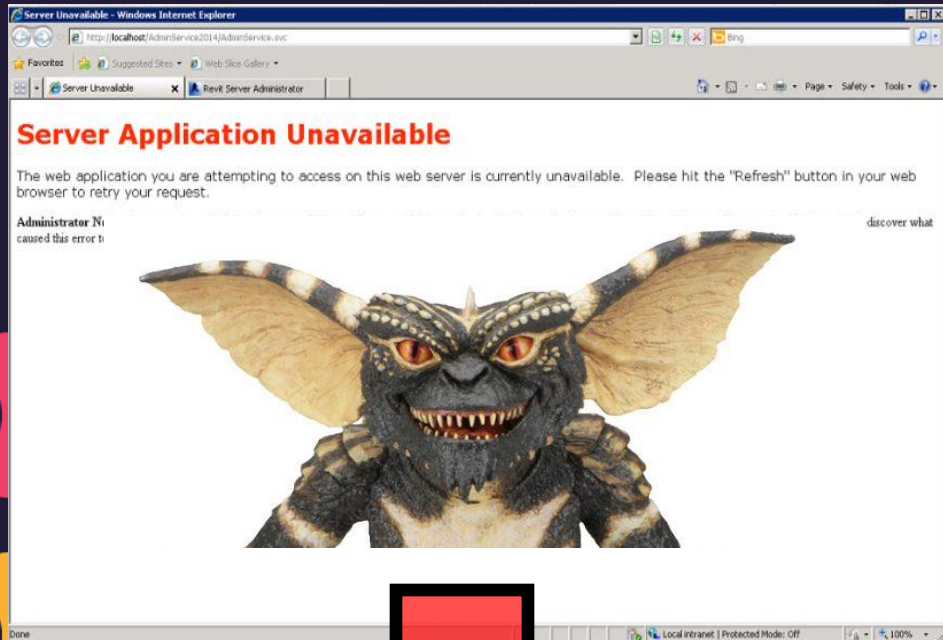
The 'below deck' capabilities can deliver significant value when a strong Customer Orientation exists



Dilbert helps provide an extreme view on the dangers of being too internally focussed (Inside Out Thinking)

Service Failure

Digitalisation now makes High Availability an essential business imperative



VALUE LEAKAGE

IT failures may be less frequent but inevitably will occur

When IT STOPS the business STOPS

Thought for the Day # 4

“Your only as good as your last Major Incident”

Beware this Negative Association

If your customer doesn't recognise the value of their IT Service Provider they will recognise Value Leakage



Measurement and Reporting

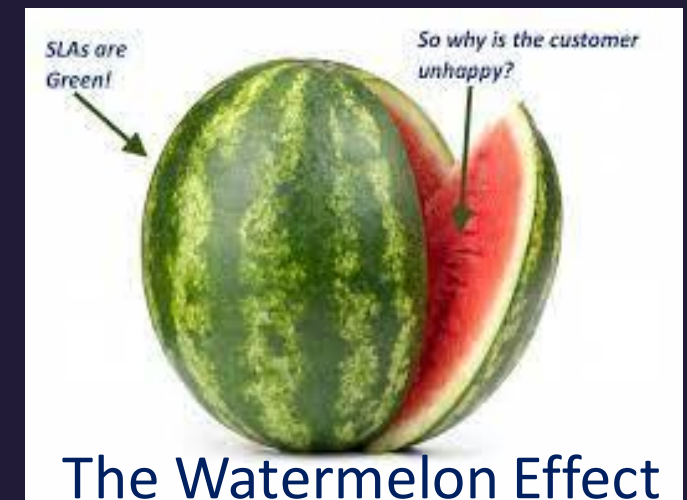
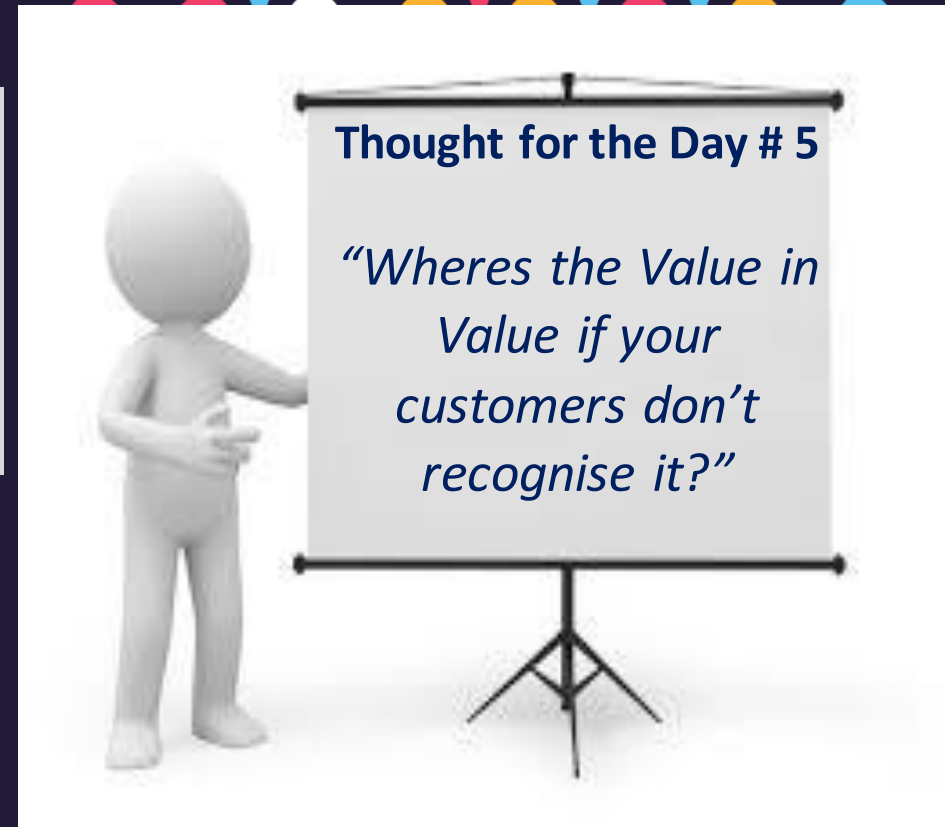
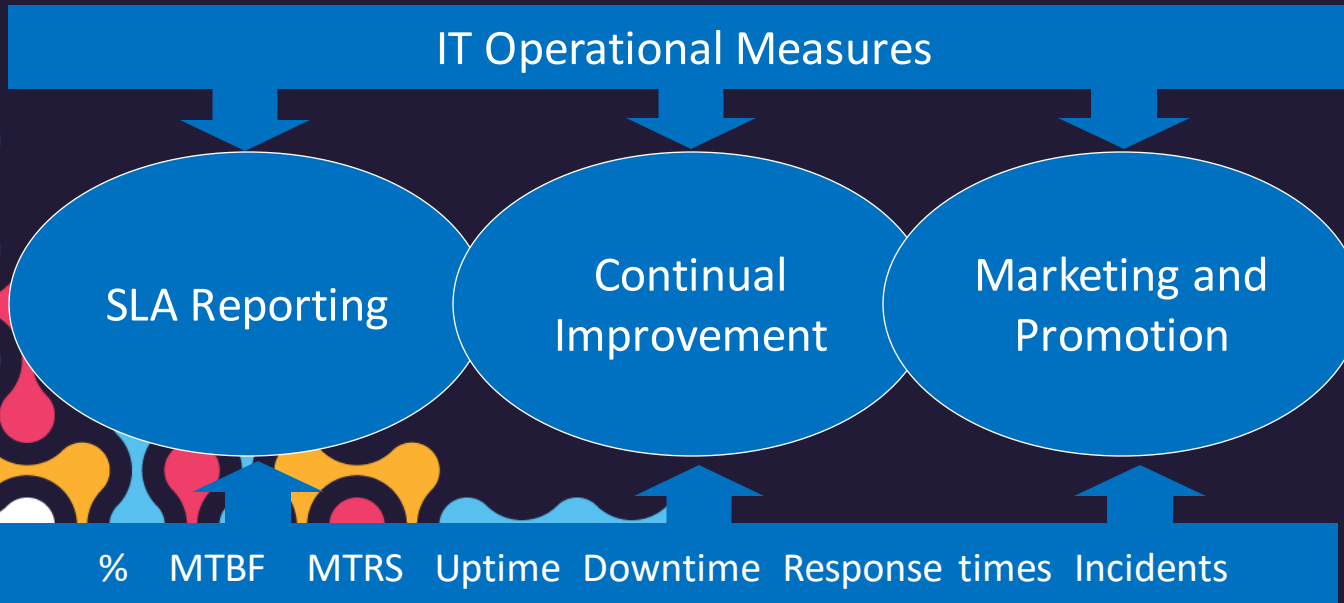
Definition: Service

A means of **enabling value** co-creation by facilitating **outcomes** that customers want to achieve without the customer having to manage specific costs and risks.

Source: ITIL 4 Foundation Publication



If the Value of IT Services is how they facilitate business outcomes....Why don't we measure and report this Value!



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Creating a Value Strategy

Developing a Value Strategy



Customer Insight is key to developing a successful Value Strategy

To create and demonstrate 'Value' requires you to look at your services from a customer perspective

- Look at what you provide from the customers viewpoint
- Put yourselves in the shoes of your customers (CX/UX)
- Customers have expectations
- These need to be understood
- Devise Strategies on how these will be managed
- Customer perception needs to be positively influenced (ongoing)

Different Thinking: Outside In

The focus is on the customer and looks at the services provided 'through the eyes of the customer' to understand how services can be improved and greater value delivered.



*An **Outside In** approach helps convey the 'Value' of the Service Provider*

"Deliver Value to our customers"

An Outside In approach helps achieve:-

- Outcome based service reporting
- A customer led approach to service improvement and optimisation
- Ongoing improvement to the CX/UX
- Customer recognises tangible benefits from Continual Improvement initiatives
- Continual Improvement positively influences the Customer perception of 'Value' from their Service Provider

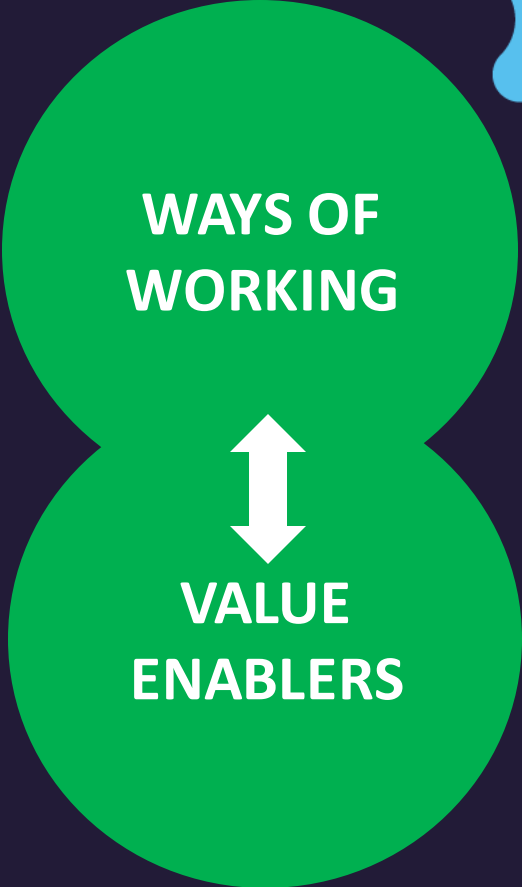
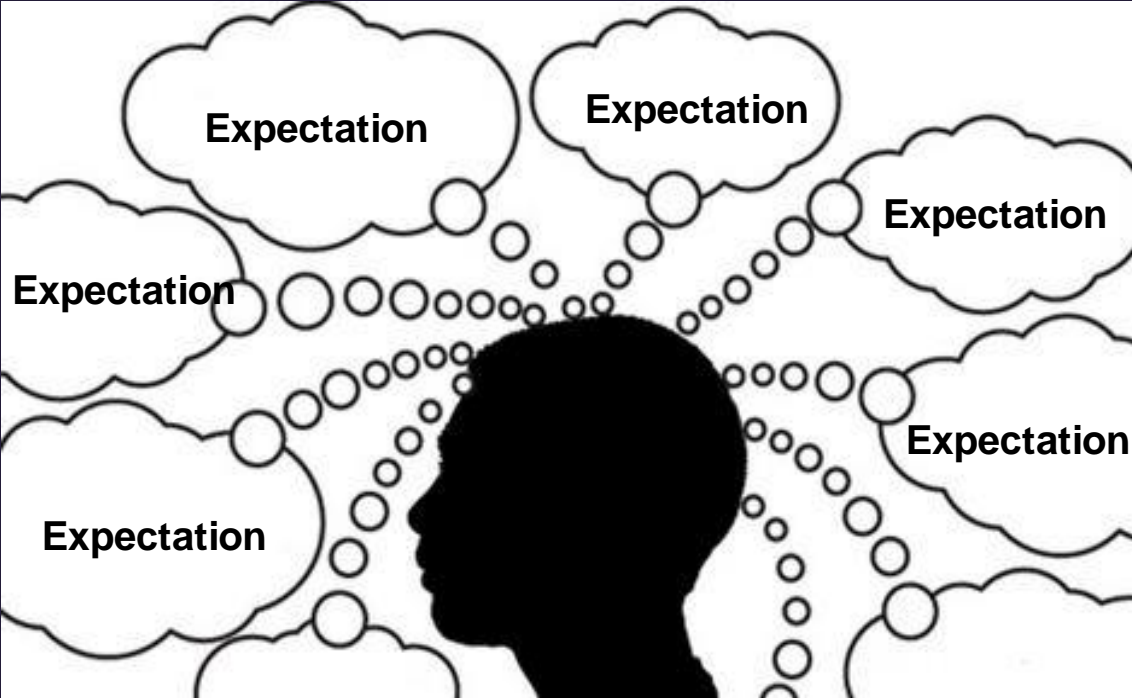
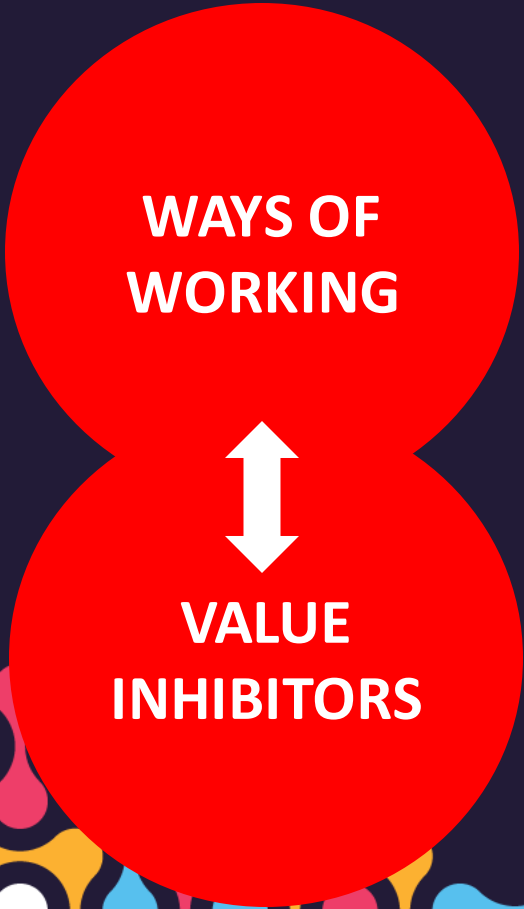
Understanding Expectations: 7 Givens



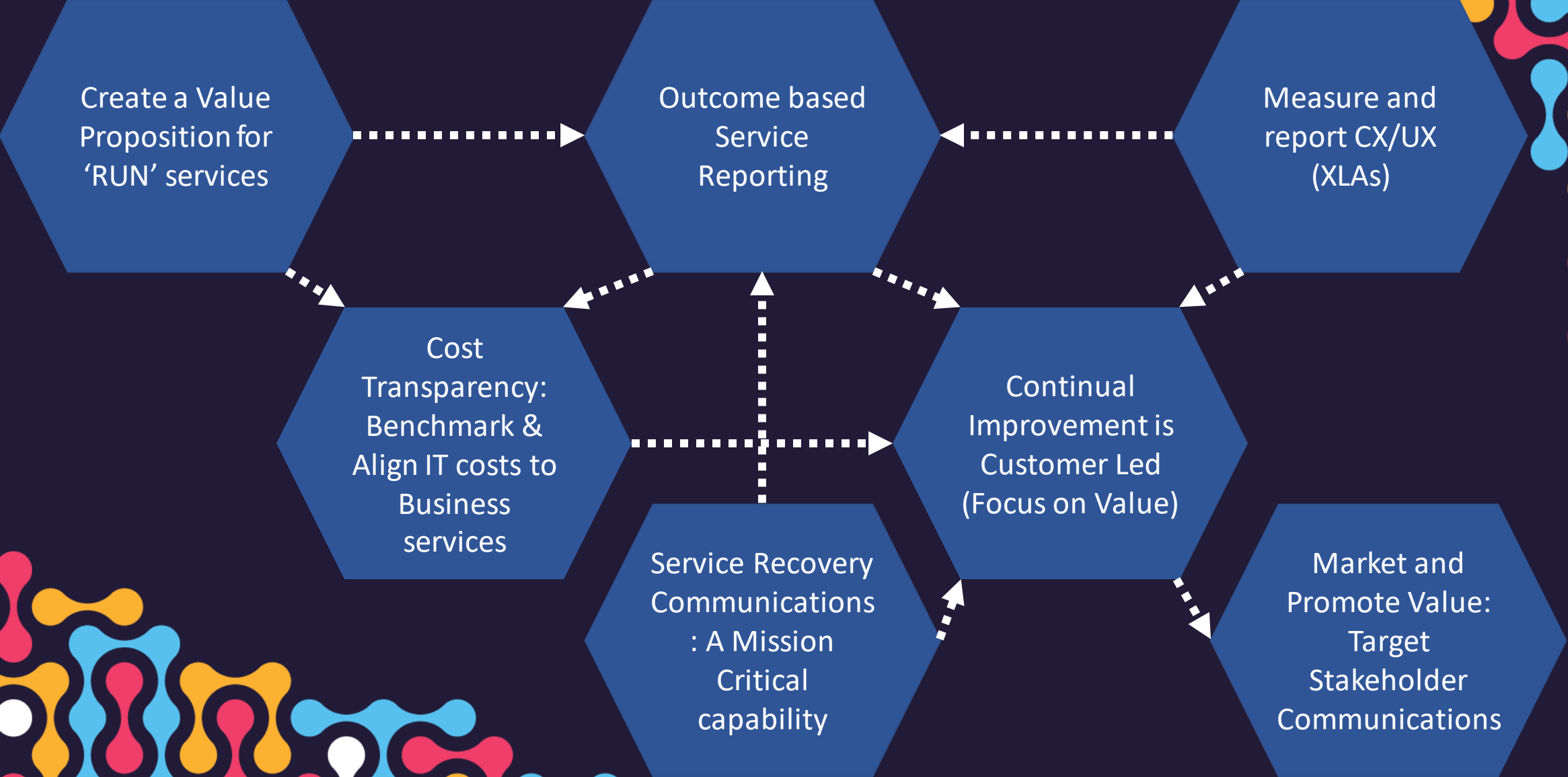
Based on my
experience over
many years
working with
customers

- We can see the contribution to our business (+/-) from the IT services provided
- Our customer experience of the IT services provided is reflected in IT service reporting
- You understand our business and the impact on our customers when things go wrong
- You are proactive and show how you are improving our services
- We understand our IT costs and you can demonstrate these are competitive
- You provide us with options and choices on how to reduce our IT costs
- You care about us and our customers

Managing Customer Expectations



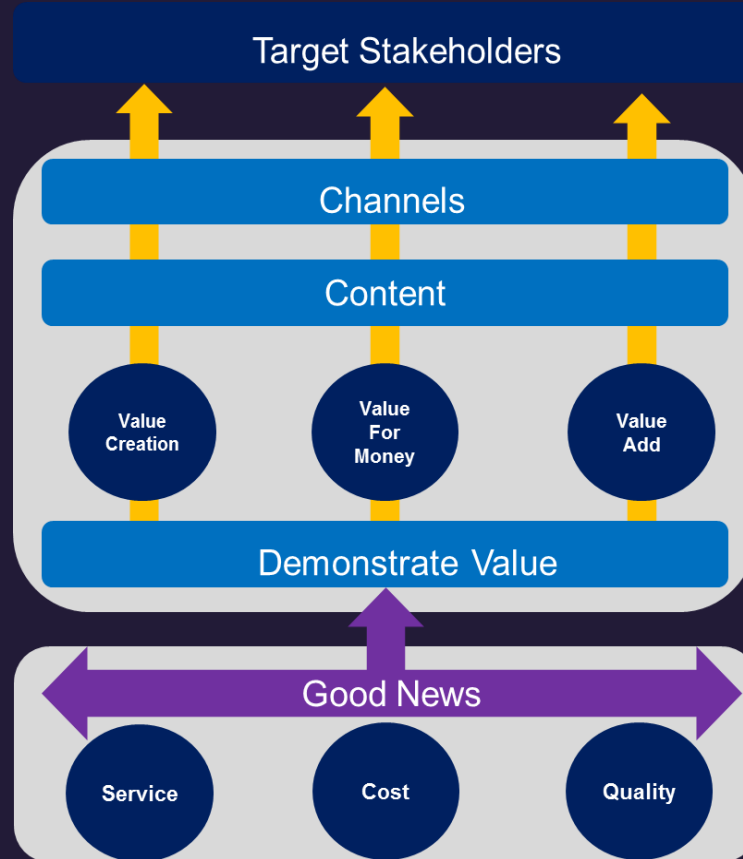
Value Enablers: The 7 Building Blocks



Influencing Perceptions of Value

Don't let your successes and achievements become a missed opportunity to promote the Value of IT and its People with your customers

Do you
COMMUNICATE
YOUR VALUE
Effectively?

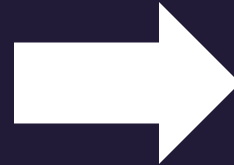


Provide re-affirmation to your people that the Value strategy is delivering value to your customers

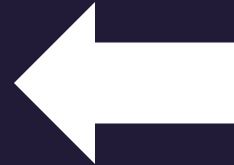
.....And Finally

The ability to differentiate the services you provide from your competitors is now becoming a commercial necessity for all IT service Providers

Competitors will claim to be ***“Faster, Better, Cheaper”***



Demonstrate to Differentiate...Value, Value, Value



*If your customers don't recognise **Value** from what you do, then you are a **Cost***

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www.linkedin.com/in/iankeithmacdonald/

ITSMF UK: 'Thought Leadership'
paper available on request



We are curious to know how you experienced the workshop/presentation! Scan the Qr-code now and let us know in 2 minutes.

