How Cisco IT Customer Care Created a Successful ITaaS Organization

Merging three teams into a single successful "Customer Care as a Service" team built a stronger internal team and better client results.

EXECUTIVE SUMMARY

CHALLENGE
- Merge three teams that comprise delivery arm of Connected IT Services while improving level of service
- Create unified team that implements IT as a Service framework and leverages new service roles as part of organizational design

SOLUTION
- Discover and use combined expertise from three teams through workshops over ten weeks
- Leverage leadership and key individual contributors to create functional operating model, aligned to both theory and practice
- Incorporate feedback from key stakeholders, partners, and clients into final solution

RESULTS
- One year later, **98** percent of overall combined team remains intact; initially 54 percent of team shifted roles, managers, or both as result of design
- Employee engagement composite scores (83) higher than overall Cisco average (80), manager index scores remained even throughout the year (89)
- **Seven** new service roles created, Community of Practice founded to share model and best practices across Cisco IT
- Client satisfaction ratings overall remained steady Q/Q, increases gained with clients in responsiveness and engagement

LESSONS LEARNED
- Conduct periodic check-ins with individuals in service roles, provide ongoing support and training to help ensure success
- Review operational success of overall model after 6 months to test implementation effectiveness , make adjustments as needed

NEXT STEPS
- Revise Client Satisfaction Survey
- Provide additional rotations and mentoring for key team members identified as successors

Background

In April 2011, the senior leadership of Cisco IT unveiled a new organizational structure that would better support the Cisco principle whereby IT employees have explicit ownership and accountability for the services being provided to customers. In an announcement to the organization after the first year of ITaaS migration, Rebecca Jacoby, Cisco CIO, stated that "our 'services everything' approach is proving to be the right strategy … [and] to that end, the IT leadership team has determined that now is the time to aggressively align our resources behind our critical services and the foundational elements required for world class delivery." These changes, supported by the implementation of a services-based framework, further defined the scope and delivery of services, as well as ownership and associated metrics for success.

"Our 'services everything' approach is proving to be the right strategy."

—Rebecca Jacoby, CIO, Cisco

As part of the new organizational structure, the Connected IT Services division was formed, to help ensure that IT delivery of customer services would be unified and architecturally-led. As part of the new CITS organization, the delivery arm of Connected IT Services, Customer Care Large Scale Services (CC-LSS), was created by joining three existing teams. Vijay Ponukumati, senior director of the group, says, "The Customer Care LSS organization was formed to address the need for simplification of the operational capabilities for Cisco Services, a $10B business entity in Cisco with tremendous growth potential. Delivering accelerated business results necessitates a team that is built on a foundation of trust, forthrightness, empowerment, and accountability."

Challenge

In 2010, Cisco IT had three separate teams to support our customers.   When these three teams were brought together in April 2011, leadership believed that multiple challenges could arise in providing continuity and improving client experience by aligning to a services-based model: there was overlap in leadership roles and responsibilities, the clients were confused about who their point of contact should be, and the teams did not utilize service roles as part of their current design.   In addition, team members brought varying organizational cultures and standards of behavior and reward. Although leadership knew that changes needed to be made, the number and depth of the changes were not apparent until the organizational design work began.

Figure 1.   Before: Customer Care Organization as Teams Initially Joined, Before Restructuring
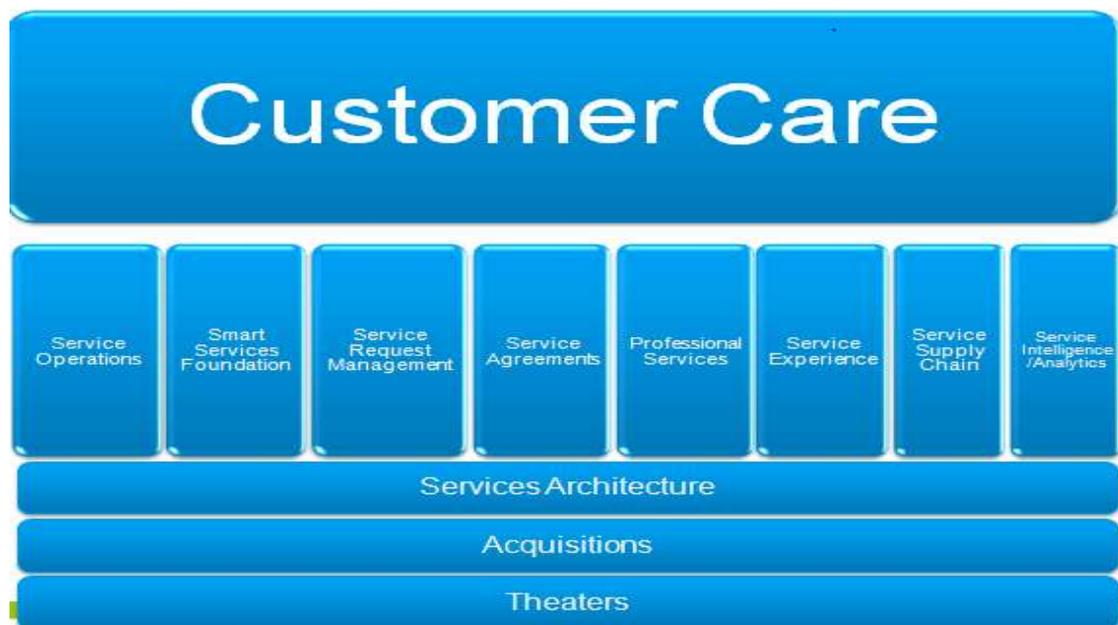
Solution

In June 2011, the 17 member leadership team was brought together to begin the process of organizational design. Although the team knew that designing an organization with 17 people participating would be exceedingly difficult, if not impossible, they decided to work inclusively to leverage the knowledge and experience that the team brought with them. "The oneness of this vision required us to take a disciplined, yet an unorthodox approach to organization design," says Vijay Ponukumati, senior director of the group. All of the leadership team had been through at least one organizational redesign before, although few team members had actively participated in the creation of an organization. Several members had expertise in operations, organizational development, and the ITaaS framework, and these members took key roles in driving the conversations with the rest of the team. "Creating a services-based organization is more than simply adding service roles to the team," says Heather Yurko, cultural architect of the Customer Care team. "You need to consider your clients' needs, your team's long term vision and goals, as well as the services you provide, then use commonalities as guiding principles: incorporate them into the very structure."

> "Creating a services-based organization is more than simply adding service roles to the team. You need to consider your clients' needs, your team's long-term vision and goals, as well as the services you provide, then use commonalities as guiding principles: incorporate them into the very structure."
>
> **--Heather Yurko, Cultural Architect, Customer Care**

The leadership team began the design process by discussing their team vision and goals. Because the members had come from different organizations with very different histories and processes, it was critically important to be explicit about the "why" behind the existence of the team, to help ensure that everyone was considering the organization's design under a common vision of success. Too often teams begin by attempting to determine the processes before defining the overall goals that they can all agree on. "The process was fantastic for integrating three separate teams into a cohesive unit in a relatively short amount of time," says Matt Hardcastle, lead of Service Delivery. "Sure, it was not all easy, but the end result was fantastic."

After two workshops, the team had decided on some common goals and could continue the foundational work by talking about their IT partner and client stakeholders' needs. After clearly identifying partners and stakeholders across the three previous teams, members were able to collectively recognize overlap and call out common stakeholder needs that should be addressed through the new organization design. Commonalities were then identified between the team goals and stakeholder needs. These commonalities became the guiding principles for building the organizational structure of Customer Care.

Figure 2. Commonalities between Team Goals and Stakeholder Needs Become Guiding Principles for Organization Design


After the guiding principles had been agreed upon, the team began considering organizational structures that could best support them. Knowing that they wanted to create a structure that was aligned to their clients' needs, with customer service, trust, simplification, and innovation at its heart, members broke into groups (each consisting of members from all three original teams) that would focus on various approaches to the structure. One group focused on a structure that mirrored the clients' organizational design, while a second team created a structure based on a recognized user experience model. The final team considered incorporating services roles and basing the structure on the basic service functions the team provided to clients.

Figure 3.   Team 3 DRAFT: Service Role + Basic Service Function Approach to Organizational Structure
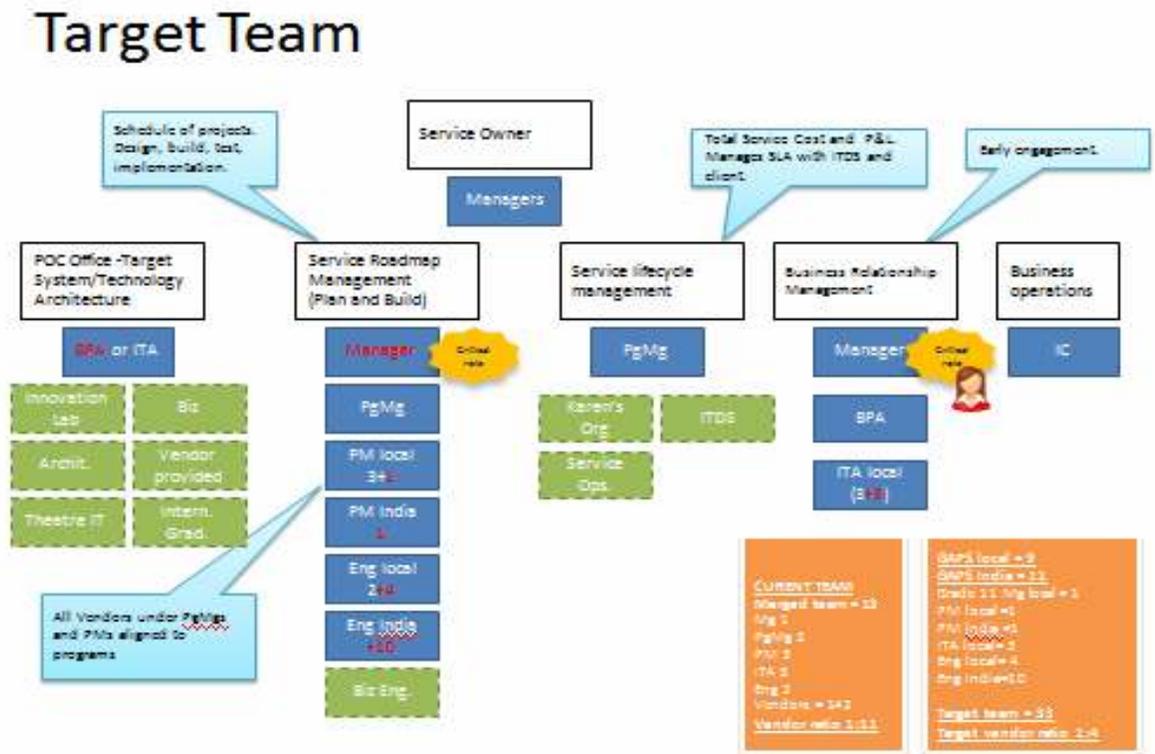
After the three teams had finalized their organizational structures, the entire team came together and reviewed the benefits and vulnerabilities of each design. In the end, the team took the best of each design and incorporated it into the final structure, which focused on grouping teams based on the services that they provided to clients, incorporating new service roles, helping enable innovation and user-centric design, and providing single points of contact for clients. "This was a phenomenal process," says Pete Manibo, lead of Service Planning and Management. "We were allowed to participate in organizational design, an opportunity that isn't often there for a management team. The net of the exercise produced a team that was positioned and aligned for where we were going in IT to support the Services organization.   As a result of this exercise, we fully understand the role we play as a Service Owner, leading toward acquiring the 'General Manager' mindset in FY13."

Figure 4. Final Level-One (Pillars) Organizational Structure
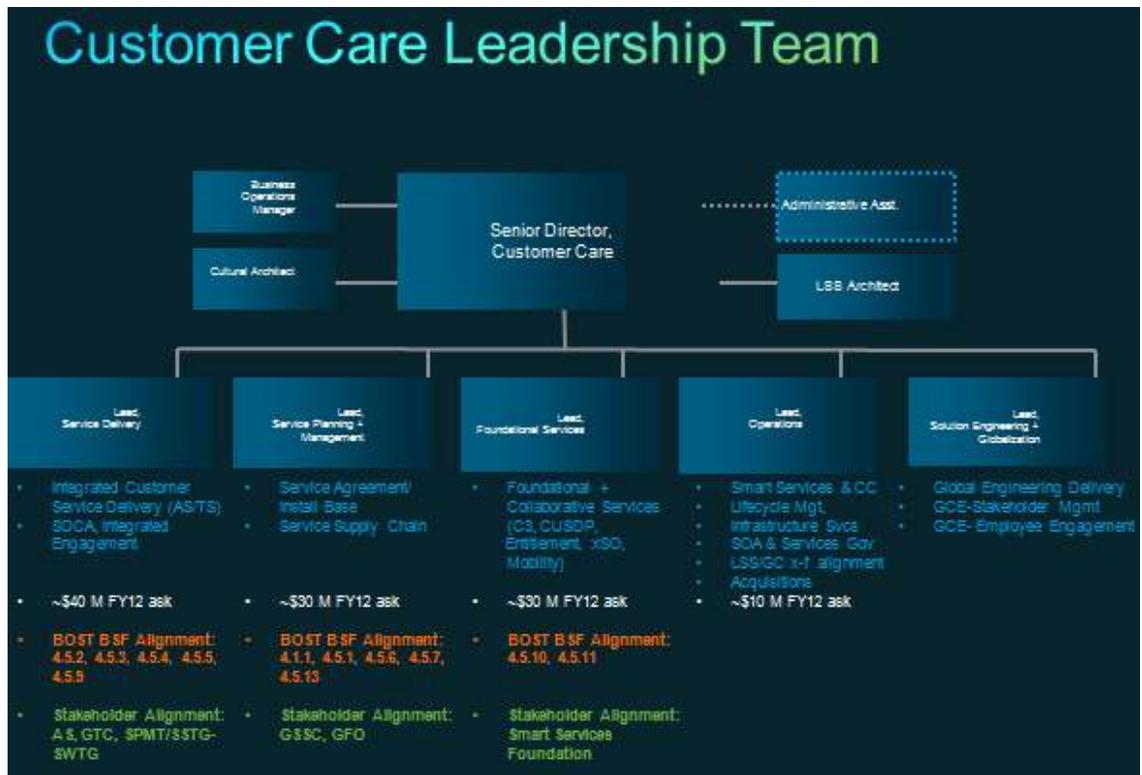
Now that the Level-One structure was decided, the time had come for the most difficult part of the design: selecting who would lead each of the pillars that were created in the new framework as new Service Owners. Although senior leadership of the Connected IT Services organization had the right to veto the nominations, the Customer Care leadership team was tasked with the challenge of self-selecting the new leaders from among themselves. Initially many of the team members were hesitant, so the teams were broken into smaller groups, based on the services they were currently providing, or were interested in providing. Wendy Grande, lead of Operational Services, says, "We were forced to examine our leadership capabilities, how we compare to each other and where there were best fits with the teams and clients. We had direct conversations with each other about what made sense to us as an organization and where we felt our contributions would benefit the new organization. These direct conversations helped us to establish trusting relationships, which we leveraged as the organization was built and reduced the 'storming' time." Vijay agrees. "While many people view the organization

"We were forced to examine our leadership capabilities, how we compare to each other, and where there were best fits with teams and clients. We had direct conversations with each other about what made sense to us as an organization and where we felt our contributions would benefit the new organization".
--Wendy Grande, Senior Manager, Operational Services, Customer Care

defined roles and responsibilities as the product of the organizational design process, I view this as the byproduct. The process helped unify the team, built trusting peer relationships, and established our cultural principles. "

Once the overall leadership team was broken into these smaller Service Family groupings, the teams were able to self-select a potential Service Owner. After the Service Owners were nominated, the management team was distributed across the Service Family pillars based on skills, expertise, and area of interest.

The leadership team's job was now half done. They spent the remaining five weeks on several critical activities:

- conducting a talent review of the 122 individual contributors on the team to help ensure that their skills, expertise, areas of interest, and current work assignments were taken into consideration for their placements;

- broadly defining the new individual contributor service roles and identifying potential candidates for these new positions from within the team;

- finalizing the overall reporting structure for the team, while taking into consideration the guidance given from CEO John Chambers: any team's overall span of control should be 8 x 8 (no one should be more than eight reporting layers from Chambers' directs; every manager should have a minimum of eight individual contributors on the team); and

- reviewing the proposed structure and team member alignments with Connected IT Services senior leadership, as well as key partners, stakeholders, and clients, and incorporating their feedback into the design.

Figure 5. Service Role Definitions

Introducing our Service Roles

Service Role	Description
Service Owner	Responsible for end-to-end service delivery including all service offerings, in particular the value that the service delivers.
Business Relationship Management (BRM)	Responsible for the client relationship with respect to the set of IT services consumed by the client. Plays the role of account manager—understands needs, aggregates requirements across client base, represents requirements to the service owner(s), and partners closely with the service owner to ensure delivery.
Service Offering Management	Responsible for driving the cost, quality, adoption, and use/reuse of one or more specific service offerings which clients acquire or to which they subscribe. Drives overall service offering cost optimization, and continuous improvements.
System / Technology Architecture	Responsible for end-to-end architecture for the service, incorporating the business architecture and technical architecture requirements. Creates the architectural roadmap for the service in alignment with service strategy; responsible for systemic qualities (e.g. Scalability, agility, availability etc.).
Service RoadMap Management (Delivery)	Responsible for the design, build, test, and implementation of service offering changes.
Service LifeCycle Management	Optimizes a service across all offerings and ensures consistent service management across all service lifecycle phases and offerings. Focuses on achieving service targets.

For more information, please visit our Customer Care Service Portfolio IWE Page
(IT Service Roles Handbook, Customer Care RACI)

Concurrent with the organizational design work, a few members of Customer Care leadership invited a 27-person project team consisting of pillar leads (Service Owners), management (Service Offering Managers and Service Roadmap Managers), and individual contributors to create the operating model and RACI (denotes who is **R**esponsible, **A**ccountable, **C**onsulted, or **I**nformed for any given step in a process) for the organization's new service roles, based on the Services Roles Handbook.

This team spent five weeks further defining the roles listed in Figure 5, and creating a working model of how these roles would interact with each other and with partners and clients throughout the Service Lifecycle.   Additionally, the team arranged for the creation of a weekly "Community of Practice" meeting, playbook, instructional videos, and trainings for people in these new roles as a means of establishing ongoing support, leveraging feedback, and making adjustments as needed to the newly created roles. This support proved to be critical to the success of the service role team members, because the team had few other organizations that had fully adopted Service Roles to whom they could turn for guidance or best practices. "Working with a team of 27 senior individual contributors and managers from the global team was the one of the best things we did as part of this org design," says Ravi Hirematad, a senior manager with the team. "This concerted effort brought fantastic ideas to light, and brought lots of energy and enthusiasm to the team. Needless to say, the participants became change agents, who drove the spirit of our new organization. Because of this, the entire organization embraced the change quickly and effectively like never before."

"Working with a team of 27 senior individual contributors and managers from the global team was one of the best things we did as part of this org design. The participants became change agents…[and] the entire organization embraced the change quickly and effectively."
—Ravi Hirematad, Senior Manager, Solutions Engineering + Globalization, Customer Care

Figure 6.   RACI for Customer Care Service Roles

Phase	Deliverable	Service Executive	Service Owner (Offering)	Bus Relationship Mgmt	Service Offering Mgmt	System/Tech/Arch	Service Roadmap Mgmt	Service Lifecycle Mgmt	Client/Stakeholder	IT PLC (Exit Phase)	IT Operating Model
Strategize	Critical Value Conversation - Strategy Alignment	A	R	AR	R	C	C	C	R	BC	Vision and Strategy
	Identify changes in the client needs (Industry Trends)		A	AR	R	R	C	R	R	BC	
	Evaluate Service Demand		A/C	AR	R	C	R	C	C	BC	
	Recommend changes to the IT Service Portfolio		A/C	AR	R	C	R	C	C	BC	
	Portfolio prioritization	I/C	A	AR	R	C	R	C	R	BC	
	Manage change approval process for IT Service Portfolio		A	C	AR	C	R	C	C	BC	
	Create, deliver, coordinate Service Roadmap		A/C	C	AR	R	R	C	C	BC	
	Manage change approval process for Service Roadmap		A	C	AR	C	R	C	I	BC	
	Establish KPI/Metrics (in line with discussions with Biz and Arch)			C	AR	R	R	C	R	BC	
Plan	Critical Value Conversation - Portfolio Planning	C	A	R	AR	C	C	C	R	CC	Architecture, Planning, Release Management & Operations & Support
	Identify and document service requirements		A	R	AR	C	C	C	C	CC	
	Architect new service		C	I	C	AR	R	C	I	CC	
	Identify and document architecture and technology roadmap		C	I	C	AR	R	C	I	CC	
	Ensure alignment of business and IT architectures		C	R	A	R	R	C	R	CC	
	Ensure alignment with Service Management and Serviceability Framework			C	A	C	R	R	R	CC	
	Manage change approval process for service proposal, requirements and design package		A	C	AR	C	R	C	C	CC	
	Manage change approval process for change to project portfolio		A	R	AR	C	R	C	C	CC	
	Develop Service Implementation Plan		I	C	AR	C	R	C	C	CC	
Implement	Critical Value Conversation -Architectural Reviews	C	C	R	R	R	AR	C	R	EC	
	Submit Service change request		I	C	R	AR	R	C	C	EC	
	Authorize Service Change/release		I	C	R	AR	R	C	I	EC	
	Update existing architecture		I	C	R	C	AR	C	I	EC	
	Design service change and reuse		I	C	R	C	AR	R	C	DR	
	Build, test and implement service change/release			C	R	R	AR	C	C	RR	
	Prepare clients for serivce deployment (training, chg mgmt, comms)		I	C	C	C	AR	R	R	RR	
	Prepare for transition to service operations and support		I	C	C	I	R	A,R	I	RR	
	Update and maintain the service portfolio records		I	R	R	C	AR	R	R	RR	
Operate	Support ongoing service operations		C	I	C	I	C	AR	I	PPA	Operations & Support
	Manage service events, incidents and problems		C	I	C	I	C	AR	I	PPA	
	Manage vendor relationships (purchased software)		R	I	C	I	C	AR	I	PPA	
	Monitor and report service performance		C	I	C	I	C	AR	I	PPA	
	Review service performance with client		C	R	C	I	C	A	I	PPA	
	Critical Value Conversation - Quarterly Value Discussion	A	R	AR	C	C	C	R	R	PPA	
Optimize	Identify requirements for service improvements		C	C	R	C	C	AR	R	PPA	Operations & Support
	Approve Service improvements		C	C	A	C	C	R	R	PPA	
	Update the service Roadmap		C	C	A	I	R	C	I	PPA	
	Benchmark Service Performance		C	I	R	I	I	AR	I	PPA	
	Manage internal feedback to the IT Service team		C	I	I	I	I	AR	I	PPA	
	Manage and report service budget		C	I	C	I	I	AR	I	PPA	
	Critical Value Conversation -Aggregate Conversation	A	R	R	C	C	C	AR	R	PPA	

Results

People

Under the new Customer Care organizational structure, 54 percent of the team members had a new role, a new manager or both. Both the giving and the receiving managers prepared their team members for the transition with 1:1 conversations about their new manager and/or why they were selected for the role (giving manager) and set clear expectations about new roles, responsibilities, and team culture (receiving manager). Most team members were retained in their current positions until the natural work flow and completion of projects allowed for a smooth transition. As a result of this preparation of the team members, combined with ongoing support, training, and incorporated feedback loops, 98 percent of the original team remains intact (~2% attrition) a year after the organizational structure was implemented.

In addition to outstanding retention rates, overall employee engagement scores (see Table 1, following) have remained positive, showing a five point variance in composite score in the year since implementation. The most exciting result is that the Manager Index scores (those that show satisfaction levels with their immediate work environment and supervisor) have remained steady and high (~1 point variance) across the year during a time of frequent change and uncertainty regarding the scope of work needing to be delivered, due to a consistent growth rate in the amount of work being requested by their clients.

Table 1.   Employee Engagement + Culture Score, Before and After Organizational Design

Employee Engagement Category	4Q11	1Q12
Innovation + Excellence	92	94
Career Development	88	95
Recognition	79	78
Manager Index (Culture)	89	89
Composite	**87**	**89**

"The changes you are putting in place will let us move more quickly, with clearer accountability," says client Glenn Schleicher of the Software Technology Group. "I commend your leadership team on taking the time to work through this new model. Change takes courage and a willingness to disrupt, and you've shown both."

> "The changes you are putting in place will let us move more quickly, with clearer accountability."
> **-Glenn Schleicher, Senior Director – Software Technology Group**

Process

Creation of the new service roles and the supporting responsibilities and processes established clear ownership and accountability for each step of the service lifecycle. In addition, having roles dedicated to the services lifecycle led to the following benefits:

- Helps ensure that any given project or deliverable is on track and within the framework of the overall operating model through a **prioritized, architecture-aligned roadmap.**

- Provides **consistent fiscal accountability** (having a "GM mindset"): each Service Owner, as part of "owning" a service, must understand, be able to speak to, set targets for, and improve metrics for his/her service.

- **Establishes a services lifecycle** that tracks services assets from concept through end-of-life. Lifecycle Managers (LCMs) track the success metrics of these assets and partner with the Service Offering Managers and Service Roadmap Managers to determine when additional resources may be needed, or may need to be shed.

- **Governs changes by KPI/ROI:** the team's Key Performance Indicators were established to align to client needs and provide a clear Return on Investment: Quality, Total Cost of Ownership, Time to Capability, Adoption Rates, Service Oriented Architecture Creation + Re-use, and Operational Efficiency.

- **Creates Quarterly Client Satisfaction Surveys + Service Reviews:** this ongoing cycle of measuring (and reporting on) the progress of the team's services, as well as the people providing them, has led to

improved communications and understanding of client needs, thus helping ensure more aligned delivery and an improved client experience.

- **Creates an IT Advisory Group:** the creation of a feedback loop between the Service Owners and the senior leadership of their clients builds better relationships and understanding of customer needs.

One of the team's clients, Sunil Kripalani from the Customer Solutions Technology Group, appreciates these changes. "Great move forward. This lays the foundation for us to create joint MBOs between the business owners and IT."

> "Great move forward. This lays the foundation for us to create joint MBOs between the business owners and IT."
> **--Sunil Kripalani, VP- Customer Solutions Technology Group**

Clients

As process and design drafts were being finalized, the documentation and rationale behind it were shared with key clients, to gather their input and answer their questions or concerns. After this "org design roadshow" with key clients, announcements were made across stakeholders (team members, partners, vendors, and clients alike). As a result of this inclusive design and messaging, the feedback that the team received from clients was very positive. "The process your team utilized could be very enlightening to other teams, Large Scale Services or otherwise," said Terry Clark, a director from Cisco Smart Web Technology Group?].

Once changes were implemented in the organizational structure, new cyclical processes began, including the inception of quarterly reviews and Client Satisfaction (CSAT) surveys. The quarterly service reviews examined the key performance indicators for each service with the clients and determined progress to goal for each metric such as "Total Cost of Ownership", "Resiliency," and "Speed of Delivery," as well as comparison to industry through benchmarks. In addition to reviewing metrics associated with direct business impact through services, the team also reviewed organizational health with their clients, looking at measures such as employee engagement, training plans, and talent strategy put in place to help ensure a positive experience for their employees, and access to optimal skills, expertise, and results for their clients.

**Figure 7.** Executive Summary of Service Review, 2Q12
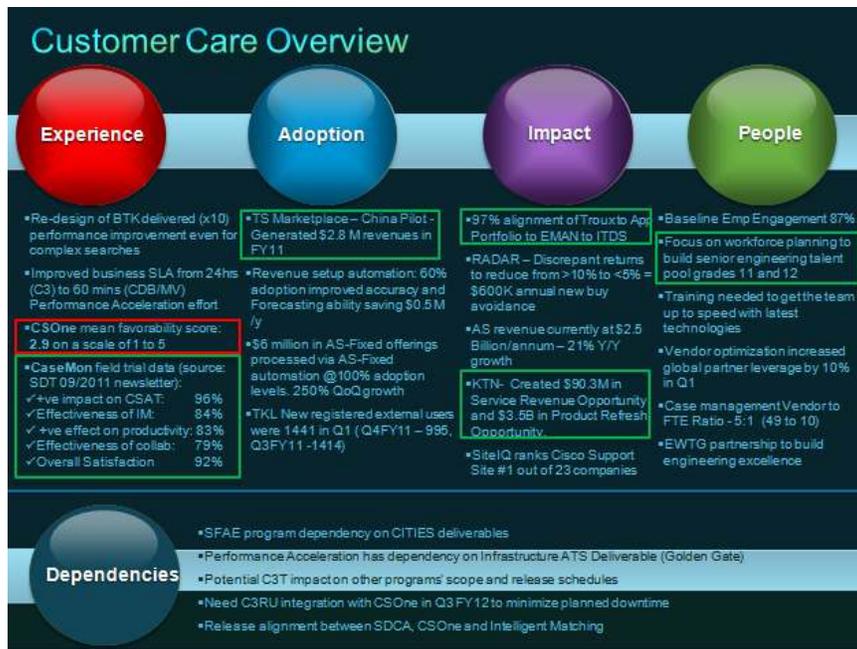
In addition to the quarterly reviews, the team also began measuring Client Satisfaction, a practice new to the overall IT organization. Based on industry standards of satisfaction and success, the team created a survey that reviewed the categories of responsiveness, engagement, quality of service, skills + knowledge, and business value. Sent to key stakeholders at the end of each quarter, this CSAT survey has been able to identify key areas of strength, as well as areas of opportunity for the team over the year. The Customer Care leadership team has been able to partner with their clients to create action plans for improvement, and they expect to see increased CSAT in those areas over the next few quarters.

"I believe completely that the right cultural foundation and transformation is being put in place. Many things take time to come to fruition, but I want to thank the team for making these changes and for your partnership and flexibility in working in new ways across our teams. We value the growing trust and collaborative delivery approaches to some projects."
--Anonymous response on 3Q12 CSAT survey

Figure 8.   3Q12 Technical Services CSAT Survey Dashboard
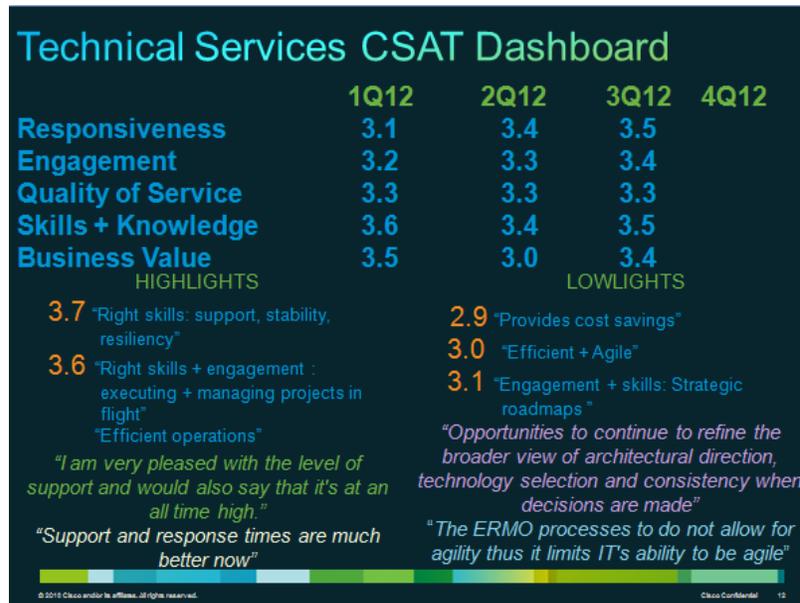
Lessons Learned

Through this unique, partnership-based process, the Customer Care team learned that organizational design and measurement can be a team sport. Great improvements to client relationships and business results were made in a relatively short period of time through a continuous improvement feedback loop, and through collaborative solutions.

Additionally, the team conducted periodic check-ins with individuals in service roles, and provided ongoing support and training to help ensure success. The creation of a Community of Practice (CoP), which hosted fortnightly meetings and created a playbook, instructional videos, and trainings for people in these new roles, proved to be critical, because very few employees were in service roles outside of this team to whom team members could turn for advice. This CoP created a means of establishing ongoing support, leveraging feedback, and making adjustments to the roles as needed.

Finally, reviewing the operational success of the overall model at the six-month mark to test implementation effectiveness allowed the team to make adjustments to the overall operating model, roles, and responsibilities as needed. This review further improved upon the initial model design and effectiveness of the team. Vijay Ponukumati, senior director of the team, sums it up best: "A proof point of our conviction of delivering excellence in results is that in less than a year, the Customer Care team delivered on a complex business transformation initiative: the largest ERP implementation on Cisco Unified Computing platform exceeding even the most optimistic expectations."

Next Steps

Customer Care plans to take additional steps to further improve the operating model and create a pipeline of talent for the team. In FY13, steps will be taken to provide additional rotations and mentoring for key team members identified as successors for service roles in the organization. This plan includes the creation of individual

development plans, mentoring partnerships with Service Owners and other key service roles, and allocation of funds for training opportunities.

Furthermore, plans are in place to revise the Client Satisfaction survey, to help ensure tight alignment with emerging client measures of success for FY13 (ease of doing business) and tying Customer Satisfaction to specific Customer Care-owned applications. This step will clearly connect Customer sentiment to products delivered through the Customer Care team.

References:

For more on IT as a Service Roles inside Cisco IT, see:
http://www.cisco.com/web/about/ciscoitatwork/business_of_it/it_as_services_organization.html.

Note

This publication describes how Cisco has benefited from the deployment of its own processes. Many factors may have contributed to the results and benefits described; Cisco does not guarantee comparable results elsewhere.

CISCO PROVIDES THIS PUBLICATION AS IS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Some jurisdictions do not allow disclaimer of express or implied warranties, therefore this disclaimer may not apply to you.