Enterprise Digital Podcast
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Barclay Rae and Ian Aitchison

Episode 3: The "Measuring Outcomes" Episode.

Welcome.

During the last week, we both presented on an itSMF online event. Interesting topics from that

> 1 - Automation is relevant everywhere and comes up a lot
> 2 - The topic of Product Management and ITSM - are they converging?

BR: ITIL has Product Management concepts included throughout, and its an interesting subject, so we'll come back to that in future to talk more about this.
Onto the main topics.

Last week we talked about the Core Functions in ESM, and we mentioned OKRs and XLAs and KPIs so this week lets explore... methods of measurement.

Let's start with OKRs

IA: Yup, OKRs are Objectives and Key Results. "OKRs". Industry-standard, an aspirational outcome-based model for achieving goals. As used by big tech companies (Google etc).

A good book on OKRs : [Measure What Matters](#).

Onto the real content…

OKRs come in sets of 3 - 5, each made of an Objective and 3 -5 Key Results.
Starts at the top of an Org. Fluffy, simple, often hard to measure, however they then break down across the whole business, where every department has their own OKRs that map upward.

Each Objective has a series of real measurable key results which can be used to prove that this goal has been achieved.

This differ from SMART goals, particularly because OKRs are time-boxed and measure each step in an improvement roadmap or strategy. They are also worked out by each time in advance, by the team itself, and the team all align and understand those OKRs.

Also the objectives are in customer terms wherever possible.

BR: yes these same similar to the KPI model cascading down, with a summary high-level goal that breaks down into 3 or 4 levels where it becomes tangible and transactional. Breaks down to a simple visualisation level.

SDI standards have these with vision, mission and goals cascading.

BR: I do think that it is interesting bundling multiple goals, some that are more than transactional. Yet in the commercial environment, focussing on the transaction only takes away from understanding the overarching goals.

IA: yes, and OKRs should be aspirational and improvement. OKRS are not about spinning plates. They are about pushing for autonomy in improvement.

BR: Yes, that's where the connection with Service Management and Product Management comes in maybe? A focus on how can we improve, and moving beyond 'stuff happening and how we respond'.

I've been looking recently at combining metrics. There are Transactional Metrics, there are Service Experience metrics such as customer satisfaction and NPS and advocacy. Then IT employee experience metrics to matters too (are we killing our staff). And finally, the last bundle of metrics is looking at the Outcome part. Did we actually help the customer, Yes or No? The only question you need to ask the customer is what's the relative value to you of these 4 metrics and weighting them into a simple 4 bundle view that includes experiences and outcomes with transactional metrics.

IA: I get sensitive with complex balanced scorecards that can be so complicated and difficult to build and maintain. Especially across other business departments.

BR: But that's my point - you show only 4 things, not complexity. Go simple. A lot of the problems with traditional IT performance reporting come down to trust. Need to be able to show that what needed to happen, did happen.

IA: yes, we're into XLAs. I'd call them also PLAs because Perception is so important.
BR: you need both - perception and also measurable data. You need to combine them.
IA: Yes, you need the Facts and the Feelings.

And that opens the thought experiment. If I perceive that my IT service is good, does it matter that it is actually not as good as the IT experience at another organisation? Good is relative and subjective.

BR: Yes the Service Provider needs to be able to gather this data but also understand the cost. the best service experience in the world might come with a heavy cost.
That said, we're in Golden Moment at the moment. IT and Service Management has been seen very positively over the last 12 months. Many people have seen how valuable IT services are. They've kept us going over the last 12months. We need to capitalise on that. And back to the measurement topic, the whole cascade of business goals is important in driving better value going forward.

IA: So maybe the 'portable core' of ESM we talked about needs to include a predefined set of directional, outcome-based metrics to allow any department to set goals and prove progress on those and the delivery of value with those.

BR: I see that many organisations simply can't do that linking up to the top. I've heard people say 'we didn't know how connected everything is. Causality and dependency. An individual metric is useless on its own.

IA: yes, absolutely. Also as you look at 'where you are trying to get to' there might be a different approach for different departments that might struggle with ESM and OKRs due to the nature of the function.

BR: don't forget ITSM is not internal facing only

IA: Absolutely, it's all about Serving Customers. <thinks>... yeah, OK, <Ian admits he is going down a rabbit hole and backs up rapidly>.

BR: OK, backing up :-)

In summary, metrics and measures on their own are useless. they need context and we need to find ways that this works across a whole organisation and knows what part they play in achieving the organisation goals.

To wrap up, in summary, talked OKRs and SLAs to death. Where do we go next? Podcasts go public next week ... ('welcome'). And we're looking to bring guests into sessions. What topics next week?

IA: Well, there's the product management thing, but I've been thinking a lot about why 'self-service' is so important for ESM. The first thing you need in ESM is... self-service. Above all else.

BR: Great, that's good for next time.
And that's a wrap. thanks all, bye!

Reference:-

If you want to read more about OKRs, you can check out this article on Ian's Blog: Implementing Real-World OKRs.
https://aitchisoninsights.com/implementing-real-world-okrs/
The book: Measure What Matters by John Doerr
You can also view BR's blog about Outcome and experience-based metrics here:
https://www.barclayrae.com/outcome-and-experience-metrics-oxms-beyond-the-watermelon/