

# How to launch digital business services

## What's in this Success Playbook

Our experience with digital transformation across customers has surfaced a three-stage framework for launching digital business services, regardless of the business line or whether the service customer is an employee, customer, or supplier. In this Success Playbook, you'll learn how to:

- Establish a system of engagement for digital business services
- Define clear processes and roles for digital business services
- Build insight and integration across digital business services

## Key takeaways

### The most important things to know

- The construction of a digital business service begins with the customer—by developing a system of engagement built around the organization's most viable digitization use cases.
- To deliver an outcome to a customer, a digital business service requires a baseline set of defined processes for support and governance and clear roles and responsibilities to support them.
- You can unlock the full value of digitization with insight. Service and process owners should collaborate to develop performance measures and integrate with related systems.

### The payoff of getting this right

With digital business services, you can bring new efficiencies and better decision-making to core business processes across your enterprise.

### What you need to get started

#### Prerequisites

You need an initial understanding of key enterprise service management (ESM) concepts so you can educate your business partners effectively.

## Playbook overview

Follow these stages to launch your organization's digital services:

**Stage 1** – Establish a system of engagement

**Stage 2** – Convert engagement to action

**Stage 3** – Build insight and integration

## Stage 1 – Establish a system of engagement

The construction of a digital business service begins with the customer—by developing a system of engagement built around the organization’s most viable digitization use cases.

### KEY INSIGHT

- First define the system of engagement—how a capability is consumed according to use cases.

To be effective, digital business services need a common “home”—in other words, a system of engagement that consolidates and simplifies how customers access services and information. The system of engagement—whether it’s an employee portal, customer service portal, or supplier service portal—must deliver three functions:

- 1. Order products and services** – At its simplest, customers have to be able to transact with the business service in a simple and automated way.
- 2. Find useful information and news about products and services** – Make policies, guides, and other information available to guide the transaction decision.
- 3. Connect with the enterprise around products and services** – Make communication channels available to help answer questions about the transaction decision.

During the transaction is when the definition of a digital business service begins: What will the customer need to order? Can it be simplified and automated?

Many organizations use their business capability maps as a starting point for thinking through digital transformation, but they may neglect to ask the questions implied by the three functions above: For this capability, what products or services will customers order? What information about those products and services will be most useful?

Table 1 provides the most typical use cases for common business capabilities, along with the information customers often request.

| BUSINESS CAPABILITY/SERVICE                        | TYPICAL TRANSACTIONS/USE CASES AND REQUESTED INFORMATION   |
|--|--|
| Human resources/employee experience/hire-to-retain | <p><b>Typical transactions/use cases:</b></p> <ul style="list-style-type: none"> <li>• Preboarding</li> <li>• Onboarding</li> <li>• Managing office and geographic locations and organizational moves</li> <li>• Handling expatriation</li> <li>• Updating personal information (marriage, divorce, birth, death)</li> <li>• Promoting and demoting</li> <li>• Offboarding</li> <li>• Managing retirement and post-retirement</li> <li>• Updating cross-system employee master data</li> </ul> <p><b>Typical requested information:</b></p> <ul style="list-style-type: none"> <li>• Information related to the use cases above</li> <li>• Information related to retirement or pension plans, insurance and benefits, holidays, absences, training and conference attendance, and travel and expenses</li> </ul>  |
| Procurement/purchase to pay/source to pay          | <p><b>Typical transactions/use cases:</b></p> <ul style="list-style-type: none"> <li>• Orchestrating purchase to pay</li> <li>• Onboarding and offboarding vendors</li> <li>• Updating vendor master data</li> <li>• Creating and orchestrating RFIs/RFPs</li> <li>• Creating NDAs</li> <li>• Creating and modifying contracts</li> <li>• Reviewing vendors and suppliers' performance</li> <li>• Assessing and managing vendor risk</li> </ul> <p><b>Typical requested information:</b></p> <ul style="list-style-type: none"> <li>• Information related to the use cases above</li> <li>• Information related to specific vendors, contracts, and invoices</li> </ul>  |
| Facilities/general services/smart campus           | <p><b>Typical transactions/use cases:</b></p> <ul style="list-style-type: none"> <li>• Facilities and security services related to employee onboarding, transitioning, and offboarding</li> <li>• Maintaining buildings, equipment, rooms, furniture, extinguishers, sensors, etc.</li> <li>• Integrating with IoT devices to automate maintenance actions and requests (e.g., smart trash bin)</li> <li>• Canteen, catering, and restaurant services</li> <li>• Visitors, guest, and security services</li> <li>• Organizing events, conferences, and town halls</li> <li>• Management and maintenance of the organization's fleet of cars</li> </ul> <p><b>Typical requested information:</b></p> <ul style="list-style-type: none"> <li>• Information related to the use cases above</li> <li>• Information related to specific facilities</li> </ul> |
| Finance/costing/record to report                   | <p><b>Typical transactions/use cases:</b></p> <ul style="list-style-type: none"> <li>• Orchestrating financial period closing activities</li> <li>• Requesting ad hoc financial reports</li> <li>• Handling of credit card disputes</li> </ul> <p><b>Typical requested information:</b></p> <ul style="list-style-type: none"> <li>• Information related to the use cases above</li> </ul>   |

|   |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>• Information related to reporting and control</li> <li>• Information related to accounts payable and receivable</li> <li>• Information related to credit cards</li> <li>• Information related to tax and compliance</li> <li>• Information related to material management and invoice disputes (as part of the order to cash and source to pay processes)</li> </ul>  |
| Master data management                              | <p><b>Typical transactions/use cases:</b></p> <ul style="list-style-type: none"> <li>• Exposing master data management services provided to the enterprise</li> <li>• Orchestrating activities and approvals required across departments and systems to create, edit, or enrich master data</li> </ul> <p><b>Typical requested information:</b></p> <ul style="list-style-type: none"> <li>• Information related to the use cases above</li> <li>• Information related to master data errors and quality issues</li> <li>• Information related to master data compliance issues</li> </ul>  |
| Customer service/customer support/post-sale support | <p><b>Typical transactions/use cases:</b></p> <ul style="list-style-type: none"> <li>• Customer onboarding and offboarding</li> <li>• Customer master data management</li> <li>• Modifying a customer order and delivery (shipping address, delivery date, etc.)</li> <li>• Providing a copy of an invoice or contract</li> <li>• Exposing services offered to customers (industry specific), e.g., arrange a visit or maintenance, handle a warranty case, provide training or support for a product, etc.</li> </ul> <p><b>By industry:</b></p> <ul style="list-style-type: none"> <li>• <b>Pharmaceuticals:</b> <ul style="list-style-type: none"> <li>• Digital clinical trial processes and services</li> <li>• Digital patient services</li> <li>• Health care professionals services</li> </ul> </li> <li>• <b>Automotive:</b> <ul style="list-style-type: none"> <li>• Mass recall of specific model(s) for safety fix/check</li> </ul> </li> <li>• <b>Tech/media/telecommunications:</b> <ul style="list-style-type: none"> <li>• Subscription to a new service, software, or solution</li> </ul> </li> <li>• <b>All:</b> <ul style="list-style-type: none"> <li>• GDPR – Request the right to be forgotten</li> </ul> </li> </ul> <p><b>Typical requested information:</b></p> <ul style="list-style-type: none"> <li>• Information related to the use cases above</li> <li>• Information related to orders, invoices, contracts, products, and services</li> </ul> |

Table 1: Typical use cases and requested information for business capabilities/services

Once you've selected your use cases, describe them in a service catalog, using the terms a customer would use. In most cases, you should map out the digital means for engaging with a service—how the customer learns about and transacts a use case—before you map the workflows for fulfillment. See our Success Playbook on [designing a world-class service catalog](#) for more insight.

When you follow this “customer back” approach, you design your fulfillment workflows around the use case *the customer wants* resulting in targeted automation and less wasted effort. Enterprise architecture teams should be involved from the beginning to define the architecture

connecting the system of engagement with a digital business service to the system of action for fulfillment.

Figure 1 shows a construct for defining use cases by the service consumer—employees, customers, suppliers, and connected devices.

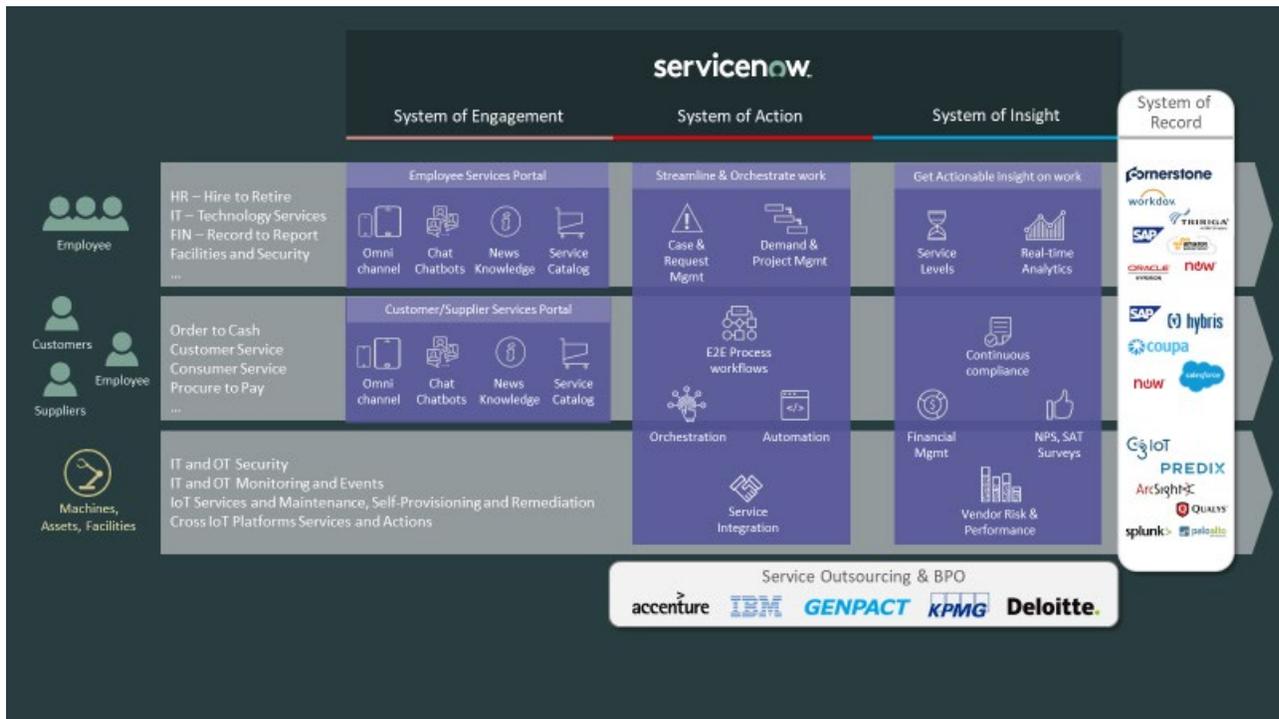


Figure 1: Digital business services by a service consumer

The internet of things (IoT) means that devices and machines will consume a growing number of services rather than humans. IoT-connected devices can directly connect to a system of action to generate a task, action, or workflow that may be automated or assigned to a process user.

### The new service consumers: Smart devices, connected devices, and the internet of things

Examples of these kinds of services include:

**Maintenance services** – IoT-connected devices may notify process users that maintenance is required. For example, a device requires a periodic maintenance check or has reached the end of its life.

**Repair services** – IoT-connected devices may indicate when they're experiencing performance anomalies requiring repair.

**Check services** – IoT-connected devices may experience anomalous environmental conditions requiring investigation, such as increasing temperatures.

**Refill services** – IoT-connected devices that provide or store materials can indicate when refills are required. For example, a smart fuel tank indicates when it reaches empty.

For identified use cases, the services organization should subsequently define:

- A statement of business goals and expected benefits that includes how benefits are measured and where accountability is assigned for benefits realization
- Any associated compliance requirements
- Key stakeholders, including sourcing partners involved in the fulfillment or management of the use case

This information provides the necessary baseline for converting engagement around the use case to action and a defined delivery model for the digital business service.

### Use Agile development techniques to develop the right system of engagement

Digital business services are like products—and in some organizations, they're even referred to as product lines because they can be piloted and built out using Agile development. The use case for a digital business service can, in effect, represent an epic that can be broken down into user stories that reflect the transaction you need set up, the information or knowledge you need to make available, and the communication channels you need in place around the service.

Agile's iterative nature ensures that the system of engagement set up around the service is effective before you start building the delivery model or system of action.

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**EXPERT TIP**

Don't rely solely on business capability or process owners to identify use cases. Test engagement with your intended audience. Is your use case clear? Have you identified the right transactions and knowledge the service consumer needs?

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## Stage 2 – Convert engagement to action

To deliver an outcome to a customer, a digital business service requires a baseline set of defined processes for support and governance and clear roles and responsibilities to support them.

### KEY INSIGHT

- Build a system of action for delivering digital services based on six processes.

Your system of action for the delivery of your digital business services needs a common framework of processes and roles to ensure consistency and efficiency in delivery. Service organizations can extend existing process frameworks such as ITIL, ISO, COBIT, or TOGAF. The framework you choose matters less than your need to institute a baseline of processes for effective service delivery. Initially, you need to define and implement the processes described in Table 2.

| PROCESS   | IMPLEMENTATION CONSIDERATIONS  |
|---|--|
| Service catalog management  | <p>Define and document your organization 's process for how it will catalog digital business services and communicate about them with customers, typically about provisioning policies, service level options, cost, and ordering steps.</p> <p><b>Key question to ask:</b> What's our standard template for communicating digital business service offerings to customers?</p>  |
| Service level management  | <p>Put a process in place for ensuring that service delivery meets your customers' functional and technical requirements. This means that a digital business service must be mapped to its underlying dependencies (both technical and organizational) so your organization can validate if your customers' required service levels are technically and economically feasible.</p> <p><b>Key question to ask:</b> What's our process for determining the service levels we can offer to customers?</p> |
| Data, services, and taxonomy management (defined in ITIL as "Service Portfolio Management") | <p>Create a process for managing a portfolio of digital business services, including:</p> <ul style="list-style-type: none"> <li>• Prioritizing investments in data and service development to meet customer use case needs</li> <li>• Modifying and/or retiring existing services and data assets as required</li> </ul> <p><b>Key question to ask:</b> What's our process for introducing new digital business services or for changing digital business services we already have?</p>               |
| Incident and request management   | <p>Create case- and task-based processes for both managing incidents associated with the performance of the service as well as with fulfilling service transactions.</p> <p><b>Key question to ask:</b> What's our process for fulfilling service transactions requested through the catalog? How do we respond to, manage, and resolve incidents with the service?</p>  |
| Knowledge management  | <p>Create a defined and documented process for how it reliably collects, maintains, and dispenses information about the digital business service throughout its lifecycle. This includes identifying relevant knowledge for target audiences and ensuring methods are in place to publish, store, and refresh this knowledge.</p> <p><b>Key question to ask:</b> What knowledge is most critical for customers to make the right service transactions?</p>   |

|  |  |
|--|--|
| <p>Continuous service improvement management</p> | <p>Create a process for measuring service effectiveness and efficiency and for defining and implementing service improvement plans in response to the trends you've identified through measurement.</p> <p><b>Key question to ask:</b> What metrics will tell us if the service is delivering value to customers and where we can improve value?</p> |
|--|--|

Table 2: Baseline processes required for a digital business service

Assign a process owner for each of the processes outlined in Table 2. The process owner's responsibilities include process design, execution, and improvement. Depending on the size and complexity of the organization, process owners may be supported by regional or business unit process managers. Process owners can support multiple digital business services, but individual services should have clear and distinct service owners, as shown in Figure 2.

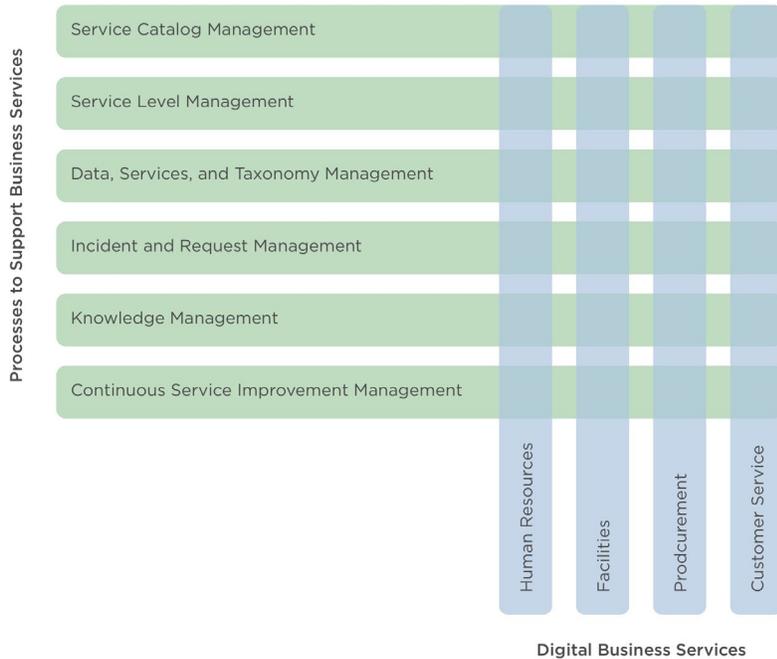


Figure 2: Matrix relationship between digital business services and processes required to support services

The processes listed in Table 2 and Figure 2 are the minimum set necessary to convert a system of engagement for a digital business service into a system of action. As services mature, the organization should consider adding the following additional processes:

- Problem management
- Risk and compliance management
- Vendor risk and performance management

- Demand and project management
- Service financial management

You should add the first three processes in the list to guard against risks to service delivery. These three may also be more urgent for digital business services that are critical to business operations or are associated with significant compliance requirements. The last two processes are essential to ensuring that the digital business service can scale with customer demand.

Figure 3 provides an example overview of process requirements (like unexpected requests) that need to be addressed by a system of action for digital business services.

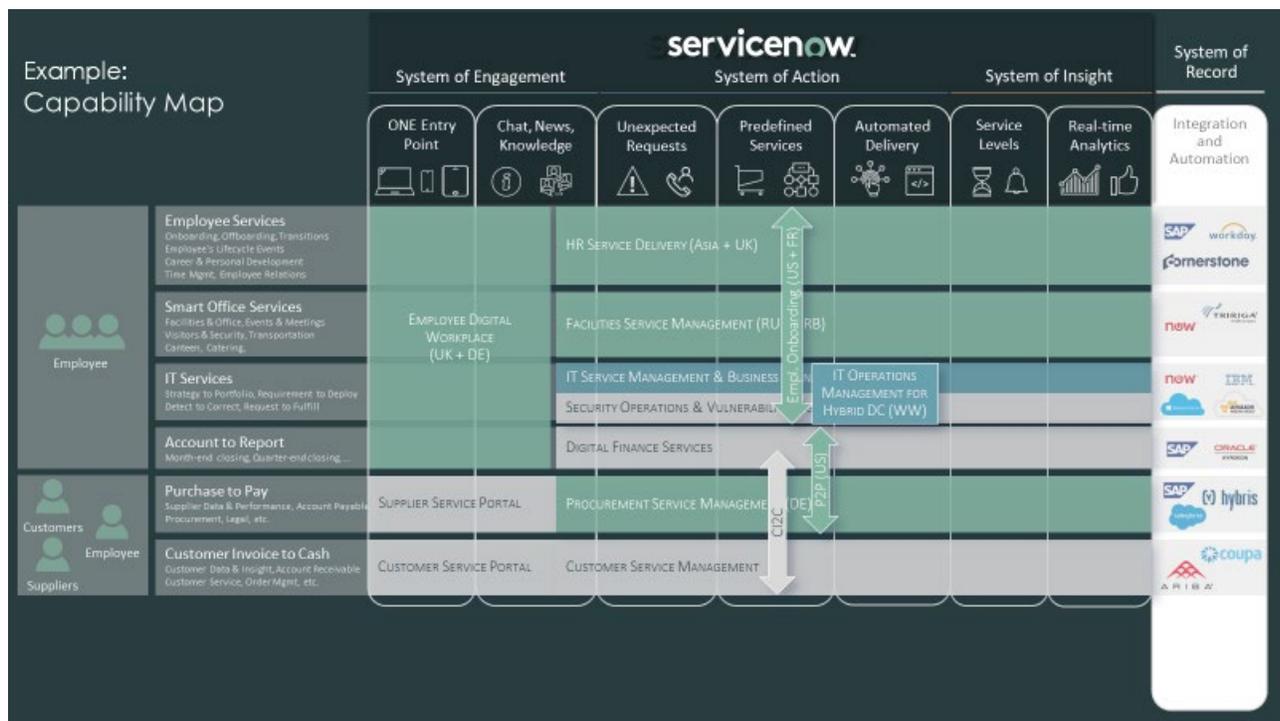


Figure 3: Example digital services capability map with supporting processes

Most organizations already have business processes associated with these (like project management processes). But you should be cautious about assuming that these business processes should stay as they are when you launch a digital business service.

The business process as it currently exists may not support effective service delivery—there may be multiple (and unnecessary) handoffs, process steps that are only in place due to a lack of automation, and approvals that aren't really mitigating risk.

If you adopt an existing process to support a digital business service, you should first conduct some form of analysis—like value stream mapping—to identify where your organization can amend that process to support digital service delivery.

Fundamentally, the point behind these processes is to begin running the digital business service as a business. Baseline processes ensure that you can conduct and fulfill transactions with your customer base. More mature processes look to scale the offering and guard against risk, much as any business-line processes would do. For further insight, see our [checklist, playbook, and process design guide](#) on reimagining how you want your work processes to flow.

With this in mind, the service owner should act as the owner of the digital business service offering, responsible for both the effectiveness of its performance and efficiency of its cost structure, regardless of how the service is provisioned. The service owner may report to an executive sponsor for the service (such as a CHRO for digital HR services), a chief digital officer, or potentially a head of shared services.

### The role of user experience in digital business services

Digital business services elevate the importance of the user experience (UX) as a measure of effectiveness: If a digital business service is defined based on a customer's use case, then the UX should be a key benchmark for understanding how well the service delivers on that use case. The services organization needs a full-time UX owner who can act as a customer advocate and promote a consistent, seamless experience across services. The UX owner should collaborate with process owners to answer these questions:

- Do we have the right services in place, the services that reflect our customers' most urgent and important use cases?
- Do our service catalog definitions reflect the voice of our customers and include all the information they need to make an effective transaction?
- Can our customers navigate effortlessly across our services, or have we put obstacles in their way?

The UX owner should also be able to define [human-centered design \(HCD\) methods](#) for architecting both the service engagement and fulfillment model based on the needs of consumers and providers.

A shared services center or office, whether established internally or outsourced, typically supports a number of digital business services that need to be orchestrated to deliver a complete, end-to-end service experience.

Onboarding an employee is one example of this—this task requires HR, facilities, and IT services. This implies that a shared services center or office should be defined by the customer audience—an organization might have one shared services center for employees and a second for end customers, suppliers, and/or partners.

Overall, onboarding requires an evaluation of the full list of business services you plan to offer and how they interact with and depend on each other. Table 3 provides an overview of the roles you should assign when launching a digital business service.

| ROLE                                   | RESPONSIBILITY AND AUTHORITY   |
|--|--|
| Service owner                          | <ul style="list-style-type: none"> <li>Responsible for service performance and cost outcomes</li> <li>Should have authority for how investment is allocated and prioritized for development of the service (e.g., functionality, enhancement, project prioritization)</li> </ul> |
| Process owner                          | <ul style="list-style-type: none"> <li>Responsible for the development and performance of a standard process (e.g., service catalog management) across digital business services</li> <li>Should have authority over process definition and exceptions</li> </ul>                |
| UX owner                               | <ul style="list-style-type: none"> <li>Responsible for representing the voice of the customer across the digital business service and for promoting a consistent, seamless experience across services</li> <li>Should have authority over defining UX standards</li> </ul>       |
| Service architect/enterprise architect | <ul style="list-style-type: none"> <li>Responsible for mapping the system of engagement to the systems of action and insight for a digital business service</li> <li>Should have authority over definition of reference architectures</li> </ul>                                 |
| Executive sponsor                      | <ul style="list-style-type: none"> <li>Responsible for oversight and assigning resources and decision authorities for a digital business service (e.g., the CHRO may act as sponsor for digital HR services)</li> </ul>  |

Table 3: Overview of roles associated with launching a digital business service

**EXPERT TIP**

Service owners should identify the most critical KPIs in business terms like cost savings or transaction speed. Then cross-reference this against the KPIs for your process owners. Ask, where should processes weight across our services, for example, should we process speed relative to cost efficiency or quality?

## Stage 3 – Build insight and integration

You can unlock the full value of digitization with insight. Service and process owners should collaborate to develop performance measures and integrate with related systems.

### KEY INSIGHTS

- Define performance metrics and an integration plan to build insight.

Digitizing a service transaction delivers only part of the potential value of a digital business service. For most organizations, the real potential of digital business services is in the ability to connect a system of engagement and action to a system of insight. This involves following two key steps.

### Step 1: Pair service-level management and continuous service improvement with real-time analytics

Process owners for service level management and continuous service improvement should define a common set of metrics for the performance of a digital business service and ensure that the right architecture is in place to track these metrics in real time or near real time.

Metrics selected should deliver insight at three levels of performance:

- **Outcome** – Are services meeting the performance thresholds we set with service owners? At a baseline level, this requires monitoring, event, and incident management tools that can deliver insight into service availability and mean time to resolve an issue or restore service
- **Diagnostic** – Can we identify the root causes of service performance shortfalls, cost leakage, or customer dissatisfaction? Can we evaluate opportunities for continuous service improvement? This can include a range of tools and measures—start with the development of hypotheses you can validate through data. For example, a service desk can investigate the percentage of problems that are reassigned at least once to determine whether the root cause of problem backlog growth is due to incorrect or unclear workflow assignments across teams. For employee services, you can use quick surveys to find where employees are dissatisfied to ensure your service improvements are targeted appropriately.
- **Proactive/predictive** – Can we detect the “signals” of service performance shortfalls, cost leakage, or customer dissatisfaction before they result in business impact? At a baseline level, teams can use historical data, subject matter experts, and known error databases to build automated incident workflows and remediation measures for alerts signaling performance problems—before the calls start coming in to the service desk.

Process owners for service level management and continuous service improvement should develop a set of metrics, in consultation with the service owner, starting from a prioritized list of objectives—what matters most—for the digital business service.

Outcome metrics are the starting point—keep these limited and focused and change them only when the service owner's objectives change. Process owners should then select diagnostic metrics to help them test hypotheses around trends in performance, cost, or satisfaction, and to spot opportunities for improvement.

Because trends change, process owners should look to a variety of diagnostic measures to help them derive the insight most needed for that service. This understanding should then lead to a more permanent set of proactive/predictive metrics that provide early warning of emerging trends or shortfalls.

## Step 2: Build an integration plan aligned with the service use case

For deeper insight, you may need to integrate ServiceNow with additional systems of record (for example, HCM, ERP, or CRM systems). This requires a definition of integration requirements based on:

- **The use case(s) for a digital business service** – The service may rely on—or build insight from—data drawn from multiple systems of record. To develop this, you should have a strong partnership with enterprise architecture to define the integration architecture that best supports the business architecture for digital business services.
- **An evaluation of integration complexity versus adding value** – How much insight will the integration of data from another system add to the digital business service? Is the means of integration simple to build and maintain? You should apply this simple cost-benefit lens with service owners and ensure you set a high bar for the value that additional integration delivers: As a rule, keep the number of technologies involved in a digital business service relatively small to ensure a seamless user experience and reduce performance and cost risks.

The service owner's approach to insight and integration should be incorporated within an annual (or more frequent) strategic plan for the service and reflect needs based on changes in how the service is consumed or delivered to consumers.

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### EXPERT TIP

Don't track more metrics than you need to develop insight—KPIs should focus on what matters most to the value of the digital business service. Revisit this quarterly as part of an overall business review for the service.

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## The takeaway

Digital business services offer tremendous potential to the enterprise, including cost savings, improved employee and customer experience, faster speed to market, and risk reduction. But many organizations have been challenged to deliver on this promise because they tend to get mired in the *framework* for business, enterprise, or shared services when they should instead run immediately to delivering on the most promising use cases.

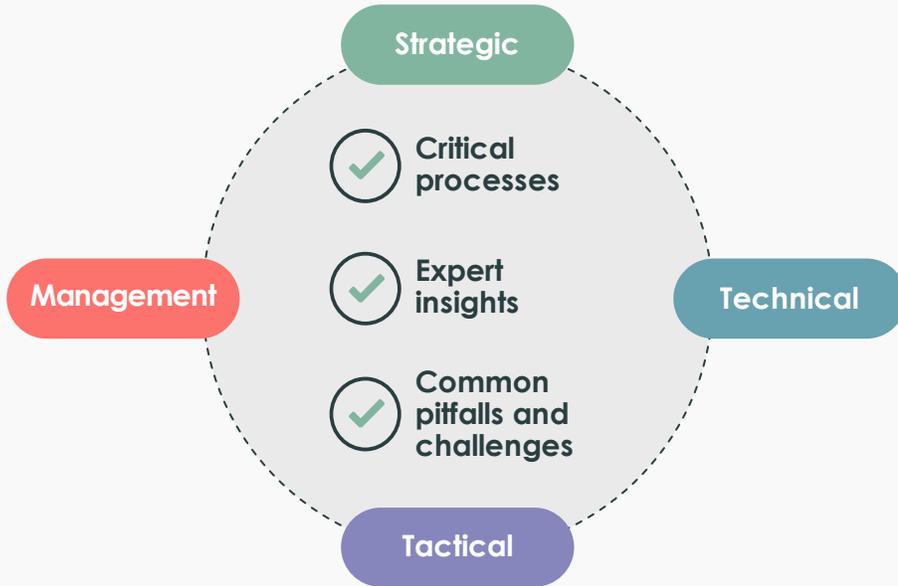
Rather than focusing on a framework, focus on a *method*—one that can take use cases with clear value and build strong systems of engagement, action, and insight around them.

# Customer Success Best Practices

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