ICT SERVICE STRATEGY
2022 - 2027

MBHASHE MUNICIPALITY
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1. Introduction

An ICT service strategy is a plan of action to create an information technology capability for maximum, and sustainable value for an organization. An ICT Strategy helps create shareholder value, that is, it helps maximize the return on IT investments.

For the Mbhashe Local Municipality (herein referred to as MLM) the ICT Service strategy is the process of defining how to design and manage ICT services to meet community and stakeholder needs. In addition, this strategy will outline how the municipality plans to meet its strategic objectives using ICT.

1.1 Objectives

To define service quality for the municipality – the following must do the following:

- Identify services and target customers
- Create and capture value for customers and differentiate from competitors
- Strategic decision making and make a case for strategic investments by using financial management to provide visibility and control over value-creation
- Efficient allocation of resources across a portfolio of services and resolve conflicting demands for resources

1.2 Purpose

The purpose of a service strategy is;

- Transform service management into a strategic asset which ensures that the ICT unit thinks and acts in a strategic manner
- It helps to clarify the relationships between various services, systems or processes and the business models, strategies or objectives they support
- Establish the direction and guiding principles for service management activities in the municipality by setting goals, policies, guidelines, and processes and measures of performance.

1.3 Benefits to business

The following benefits can be derived if an ICT service strategy is implemented effectively;

- ICT service strategy guides how to design, and put in place service management as a strategic asset
- It supports the ability to link activities performed by the municipality to outcomes that are critical to internal or external customers
- It enables the municipality to have a clear understanding of what types and levels of service will make its customers successful and then organize itself optimally to deliver and support those services.

- Enables the municipality to respond quickly and effectively to changes in the business environment, ensuring increased competitive advantage over time
- Provide the means for the municipality to organize itself so that it can provide services efficiently and effectively.

2. Service strategy principles

The management of opposing dynamics in service provision is what protects organisations from failure. This includes the ability to react and predict, adapt and plan. Thus, the 4P's of the service strategy are:

4P's of service strategy

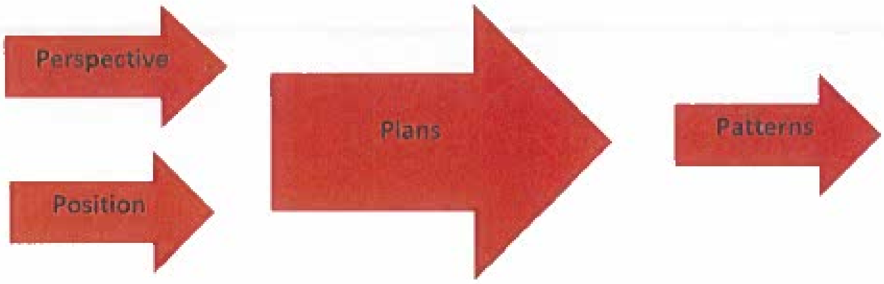


Figure 1: The four Ps *Source: The four Ps (Mintzberg)*

These 4Ps are applied in ICT service strategy in determining the direction to be taken into consideration for designing ICT service strategy. The perspective is seen in how the municipality documents its situational analysis; its past performance "position" then informs the plans for the IDP cycles. In turn, patterns/ trends have to be identified to ensure that the subsequent planning cycles take into account the perspective and position of the organization.

A high-performance service strategy is one that enables an organisation to consistently out-perform competing alternatives over time, across business cycles, industry disruptions and changes in leadership. It comprises both the ability to succeed today and positioning for the future by:

- Meeting business outcomes subject to constraints
- Trade-offs involved in strategic choices
- Superior performance versus competing alternatives.

Though MLM is not operating in a competitive industry, it is expected that ICT planning will be done to ensure effective and efficient delivery of services to consumers within MLM.

3. Defining ICT service

A service is a means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.

3.1 Outcomes

The term is used to refer to intended results, as well as to actual results. Outcomes are often referred to as *Business & Customer outcomes*. Business outcomes usually refer to the context of internal customers, where the outcome for the customer represents the overall business objectives of both the business unit and the ICT unit. It is envisaged that by implementing this ICT service strategy and other ICT artefacts, the MLM will be able to derive outcomes both internally and externally.

3.2 Value

In designing and ICT strategy, value creation must be designed and clearly articulated. The following questions must be answered;

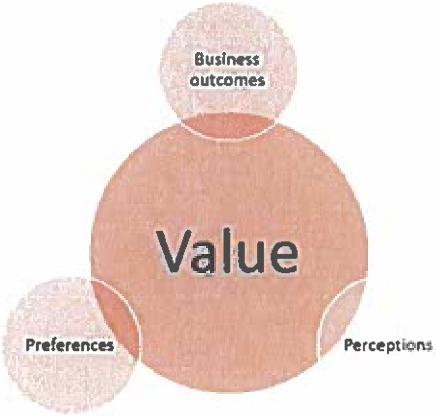
- Value is defined by customers
- Value is an affordable mix of features
- Value is the achievement of objectives
- Value changes over time and circumstance Service contribute value to an organization only when their value is perceived to be higher than the cost of obtaining the service.

IT requires three pieces of information. They are:

1. What service(s) did ICT provide?
2. What did the service(s) achieve?
3. How much did the service(s) cost – or what is the price of the service(s)?

Generally, a customer's perception of an organization and the derived value is influenced by,

- The attributes of the services delivered
- The customer's present and prior experience of similar attributes
- The relative capability of the organisation's competitors
- The customer's self-image and position in its market



Rules that apply for adding value are as follows:

- The amount of value-added can only be calculated once the value has been realized
- The value realized must be greater than money spent, otherwise, there is no value-added.

In the context of MLM, value creation is part of the IDP process. The IDP cycle allows the municipalities to solicit the views of its consumers and customers through the public participation forums. When used effectively, these meetings can be indicative of the technology and communication needs of the communities.

4. Strategy management for ICT services

In defining the service management for MLM, the following demand issues have been established;

Table 1: MLM Infrastructure demand

No	Category	Dutywa Main building	New Community Services (Tesko)	Dutywa Town Hall (Community Services)	Customer Care	Dutywa TRC	Dutywa Workshop	Willowvale	Elliotdale	Dutywa Pound
1	Computer users	90	7	12	10	11	7	5	15	0
2	# of buildings	4	1	3	1	1	2	2	2	1
3	Current connection type	MPLS (main building) 3 parkhomes wireless	MPLS	Wireless to Customer care	MPLS	Wireless to Main Building Dutywa	MPLS and Fibre	MPLS and Fibre	MPLS and Wireless	No connection
4	Approx # of network points	149	9	20	20	18	13	28	21	12
5	# of buildings connected on the network	4	1	3	1	1	2	2	2	No connection
6	# of network printers	18	1	2	1	1	1	1	2	0
7	# of telephones per site	75	6	13	8	4	6	4	14	0

MLM has multiple buildings and sites; this alone poses a challenge and places a demand on the ICT Unit team and the current resources. Challenges have already been identified in service management especially in the remote sites.

In applying the best practices to service strategy implementation, the following approaches are noted;

4.1 ITIL Service management approach

ITIL, *(Information Technology Infrastructure Library)* is a set of practices for IT service management that focuses on aligning IT services with the needs of the business. ITIL describes processes, procedures, tasks, and checklists which can be applied by an organization toward strategy, delivering value, and maintaining a minimum level of competency.

The ITIL lifecycles are depicted below. The lifecycle services are meant to describe the process of how ICT services are to be initiated and maintained within organisations. The implementation of the ITIL lifecycles ensures that services are implemented and managed with optimal efficiency and efficacy. The ITIL Lifecycle is as follows:

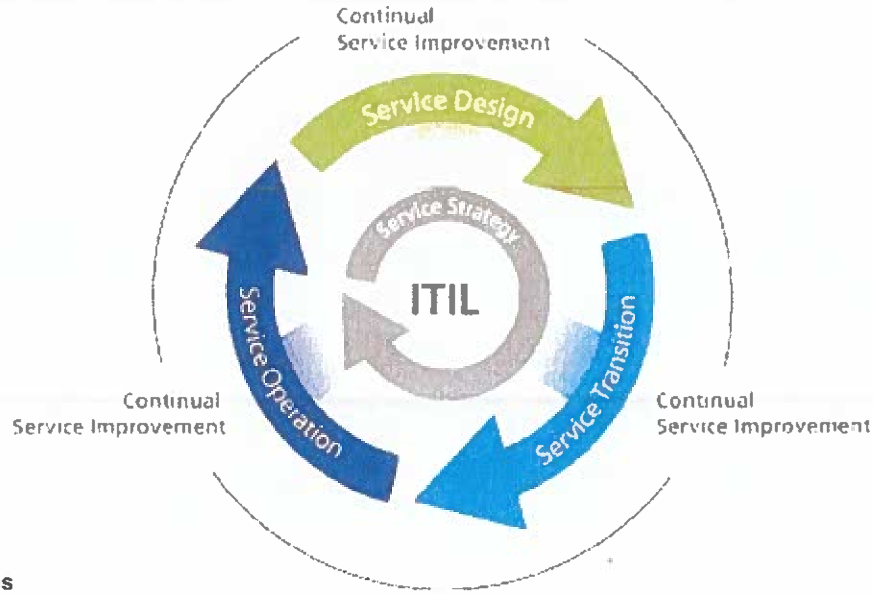

Continual Service Improvement
Service Design
Service Strategy
ITIL
Service Operation
Service Transition
Continual Service Improvement
Continual Service Improvement

Figure 2: ITIL Lifecycles

The activities that are carried out in each of the phases are:

Service strategy

- This is the core of the ITIL lifecycle services
- The municipal objectives and strategies should be aligned ICT vision
- Service Strategy stage describes the guidelines and objectives for the management of IT services that are aligned with the organization's business objectives.

While the Service Strategy stage is meant to align IT strategies with business strategies, in a municipal context, sufficient research is done during IDP planning and Public participation phase to ensure that the needs of the customers/ constituency are understood.

Service design

- Strategies and actions identified in the service strategy stage are turned into action
- Services and processes are designed and plans are implemented to have better service management
- Service owners can design services that would best delight customers

The Service Design stage is aligned with the ICT Governance framework process, which sets the tone for ICT investments in Mbhashe. following directly on the ITIL Service Strategy stage, all the aspects of the service are designed. It is here where the ICT Manager must ensure that no non-value adds, unnecessary costs or risks are funnelled through to the customer in the way that the service is designed.

Service transition

- Services and processes designed in the Service Design stage are put into a live environment

- Testing should be done before going into the live environment
- All tests for all possible scenarios that may arise in the live environment should be done.

Service operation

- Management of the services that have gone live is done in Service Operation lifecycle stage
- Organisations must ensure that customers are satisfied with the services that have been launched.
- Any issues that arise are then reported and resolved.
- In this phase, the organization is implementing service level agreements with other stakeholders and customers.

Continuous service improvement

- Better service management requires progressive monitoring and controlling of services
- Key performance indicators are designed to determine whether the service is running optimally
- The service that has been designed comply with the strategic targets as designed in the strategy phase.

During the Continual Service Improvement (CSI) stage, the service measurement and performance review is done through the ICT steering committee and Audit Committee meetings. If there are any weaknesses in the service that detracts from the value that is supposed to be offered to the customer, such is discussed at the Management Committee, ICT Steering Committee, Risk and (or) Audit Committee meetings. These committees ensure that there is continuous monitoring of ICT strategies and actions.

It is important to highlight that service management cannot be implemented outside of the ambit of business and strategy setting. This means that in Mbhashe, ICT service management must be a key delivery during the IDP planning phase. This will ensure that service standards are measured and improved annually by using the feedback received from customers to do so

4.2 MLM ICT Service maturity

The ICT planning and service management has been assessed to be at Level 2, as depicted below.

Table 2: Maturity model explained

No	Process maturity	Description of the maturity level
Level 1	Initial	ICT service management implementation is at an initial stage
Level 2	Repeatable	ICT service management implementation occurs but is not defined, though it is repeatable
Level 3	Defined	ICT service management implementation is defined and implemented.
Level 4	Managed	ICT service management implementation is established and is capable of consistently achieving outcomes
Level 5	Optimised	ICT service management implementation operates within defined limits and is measured.

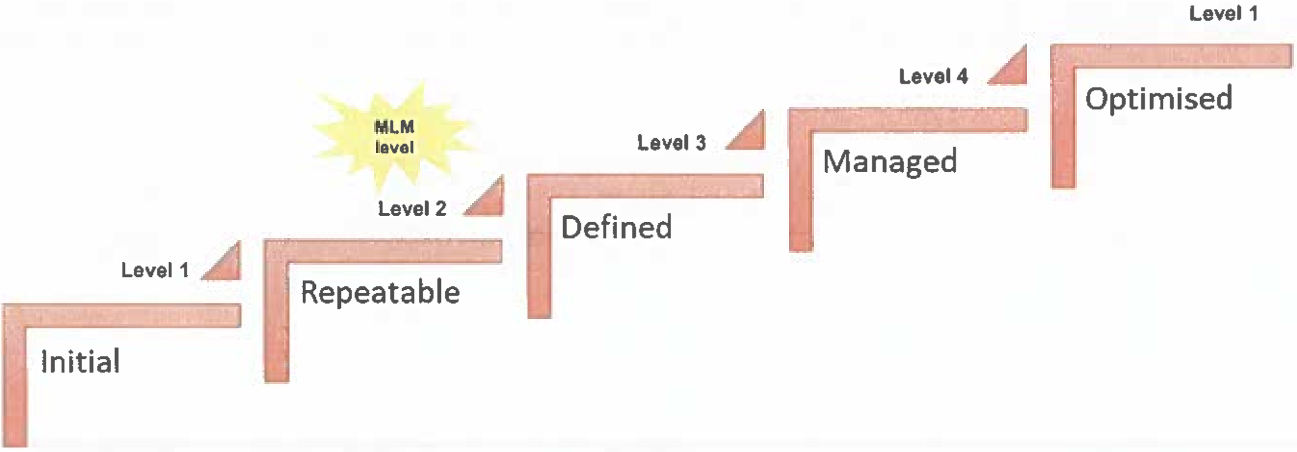


Figure 3: MLM ICT service maturity model

Issues determining the MLM maturity at Level 2 are as follows:

- Some management commitment exists in ICT investments
- The activities are formally resourced
- Goals and objectives are defined
- Procedures exist but are not fully documented
- Procedures are usually followed by may vary from person to person
- Performance is measured and reports are circulated at least internally
- People performing the role receive basic training – though specialized training is required for them to perform at their peak
- Some stakeholder feedback is provided through the ICT Steering committee and other forums though more can be done
- Customer-centric activities are not yet fully defined to ensure that ICT is positioned to improve customer service
- Structures for managing changes are established through specific processes for ICT changes are yet to be defined

In comparison, the activities to be fully achieved at maturity level 1 and 3 are noted below. This outline is made for context and to justify MLM's current service management maturity at Level 2;

Table 3: Maturity level differences

Level 1	Level 3
There is little management commitment	Management commitment is visible and evident
No process of governance exists	The activities are appropriately resourced, although occasionally inadequate
There is no defined vision	There is starting to be a focus on operating proactively although the majority of work is reactive
Activities respond only reactively to appropriate triggers; there is no pro-activity	Important documents are vision numbered and subject to change control
There are few if any documented procedures	Activities are carried out with a reasonable degree of consistency
There is no definition of process or functional roles	Outcomes are increasingly predictable and usually meet stakeholder needs

Level 1	**Level 3**
Performance of activities varies according to who undertakes them	Performance is measured in a range of metrics
There is little or no automation of any activities	
Few, if any, records are kept of performance	Variations between teams and individuals performing activities are minimal
There is no formal procedure for making improvements	Feedback from stakeholders is actively sought and acted on
People performing the role receive little training beyond the on-the-job training	People performing the role receive both initial and on-going training
Performance of activities is subject to only basic measures such as volumes and failure rate	There is a formal method for managing changes to the process and function
Activities have a technical rather customer or service focus	Routine activities are automated
No stakeholder feedback is gathered or sought	Procedures and activities are tested for compliance and clear exceptions logged and used as a basis for improvement
	The internal technical and external (customer) focus is balanced

4.3 ITIL approach in service desk management

For MLM, the immediate need is in setting up a service desk. It cannot be understated how critical a service desk is to the success of any IT organization. Customer demands are always increasing especially in the era of 4IR – the demand for the delivery of a world-class service is now high. As outlined above, MLM has various buildings and sites which poses a challenge in the management of incidences and service requests.

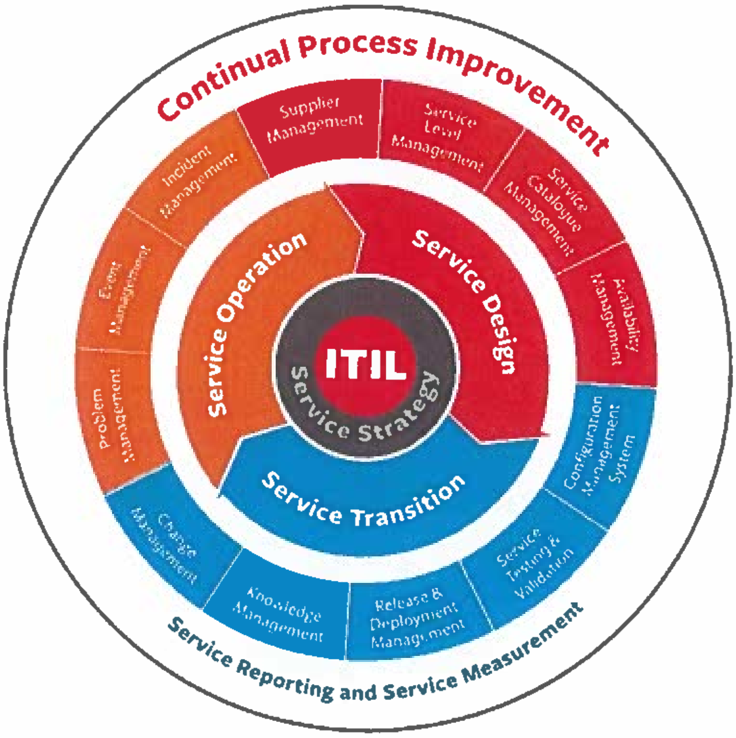

Continual Process Improvement
Supplier Management
Service Level Management
Service Catalogue Management
Availability Management
Incident Management
Event Management
Problem Management
Service Operation
Service Design
ITIL
Service Strategy
Service Transition
Configuration Management System
Service Testing & Validation
Release & Deployment Management
Knowledge Management
Change Management
Service Reporting and Service Measurement

Figure 4: ITIL approach in detail

Many organisations have adopted the service desk approach as it is a critical success factor for achieving IT service support and associated business objectives. Implementing a service desk ensures that the municipality will have a central point of contact for handling customer and user issues along with others related to IT service provision.

Naturally, when a service desk approach is implemented effectively, customers and users call the service desk when an incident occurs or when they have a query or issue. Traditionally, organisations were using the paper-based approach and this has proved to be impractical. Currently, organisations use software to support this activity.

The benefits of using a service desk are:

- Improves the quality of the IT service provision
- Effective in resolving queries, incidents and problems
- A point of human contact that is seen as knowledgeable and capable
- Provides timely responses to queries, incidents and problems as defined in SLAs
- Provides reliable information that improves staff confidence and reduces conflicts
- Gives the impression that the business is making the best use of its IT services.

Besides, performance management trends show that establishing data-driven performance measures is very key. This enables factually based decisions to be made by Senior Management regarding the improvement of ICT service provision. Also, this enables the municipality to achieve the following key objectives:

- Service is focused on customers and users
- Information is held centrally
- Information is used for auditing and reporting
- Generating statistics to assist in reporting and planning
- Reducing the number of calls through analysis and training
- Service is seen as being cost-effective
- Faster incident resolution
- Improved skill levels supporting IT services
- Improved IT services and better resilience
- The information available to allow preventive measures to be developed

In comparison, the other approach for service strategy is the ITSM approach.

4.4 ITSM approach in service desk management

IT service management is also often referred to as ITSM. This refers to simply how IT teams manage the end-to-end delivery of IT services to customers. This includes all the processes and activities to design, create, deliver, and support IT services.

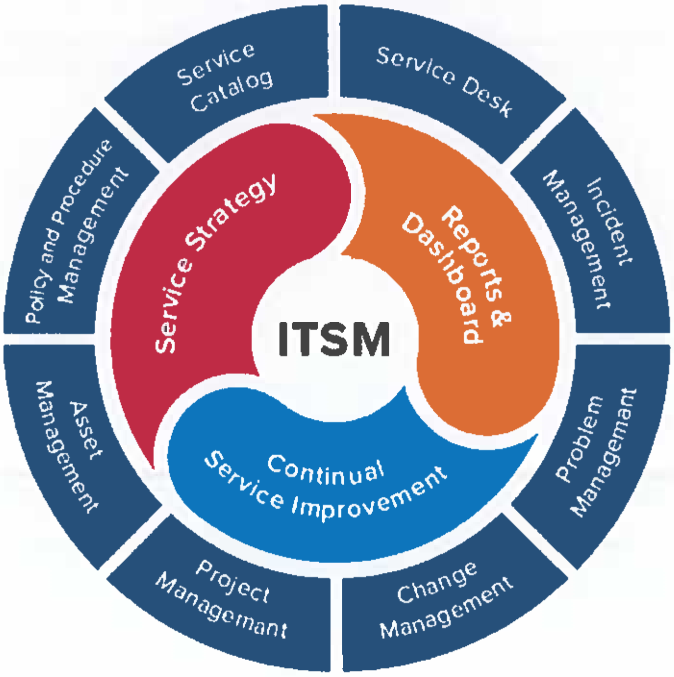

ITSM
Service Strategy
Reports & Dashboard
Continual Service Improvement
Service Catalog
Service Desk
Incident Management
Problem Managemant
Change Management
Project Managemant
Asset Management
Policy and Procedure Management

Figure 5: ITSM approach

The core concept of ITSM is the belief that IT should be delivered as a service. ITSM is based on the principle that ICT teams should be continually learning and improving. The success of the ITSM approach is that the ICT teams must feel valued and empowered to make a difference in the municipality. Rather than answering to rules imposed by a tiered reporting structure or rigid process, ICT teams can make informed decisions about things like adopting SLAs and which software to implement. It can be assumed that ICT teams enable productivity and digital transformation therefore, the strong ICT teams are critical to strong organizations. In short, the ICT team is at the centre of ITSM processes and technologies.

As with many ICT theories, a hybrid system of approaches is usually adopted in ensuring that benefits from both ends are realized in the organization.

4.5 Technical approach for MLM

For the context implementing service strategy in MLM, the initial focal point will be the implementation of a fully responsive service desk. However, it is important to outline that service strategy implementation usually has phases.

It is critical to note that consumer needs for municipalities are usually solicited and documented in the IDP set processes thus, for MLM, the IDP will be the guiding document for understanding customer needs.

Throughout the whole ITIL Service lifecycle, starting with its core, the ITIL Service Strategy phase, this key concept must be kept in mind. It is important to find out exactly:

- what the customer out of your service and, more importantly, what the customer wants.
- which features of service will be valuable?

One way of ensuring that ICT service only adds value is to review competitor products – in this case, to check what other municipalities are implementing to ensure that non-value-adding features can be removed from a service from a customer point of view. This will assist the MLM in adding value to its customers and improving communication-related issues. As documented in the ICT Master plan, the main challenges that MLM are facing with regards to ICT are as follows:

1. Lack of ICT awareness in the municipality
2. Inconsistent and manual processes across the municipality
3. Lack of easily accessible real-time relevant data
4. Poor customer-centric focus leading to poor customer service due to lack of IT-enabled customer view
5. Lack of transparency in service delivery reporting - no system capacity to update statuses and feedback to customers during project implementation
6. Multiple handovers to do simple ICT things (help desk related)
7. Poor ICT infrastructure
8. Inadequate processes for managing ICT user-related assets
9. Document management processes
10. Multiple, siloed, fragmented and unintegrated systems across the municipality

With this in mind, the service management approach to be implemented in MLM must respond fully to these challenges.

4.6 Implementation of a service desk

The proposed implementation plan is as follows:

Table 4: Service desk implementation plan

No	Actions to be implemented
1	Design service desk and incident management implementation procedure
2	Procure of a system – an integrated service management tool
3	Staff training
4	Communicate service level standards to all users in the municipality
5	Set up a monthly performance monitoring mechanism – with reports tabled at the ManCo meetings

5. Conclusion

The leading approaches in service management have been presented and adopted as a hybrid approach to improving ICT service standards in MLM. It is important to highlight that the gaps and issues identified in the ICT Master plan must be used as a baseline to create ICT service standards which will ensure that MLM customers receive superior service through the effective use of technology.