

The Warehouse Group Discounts IT Downtime with FrontRange IT Service Management

CASE STUDY

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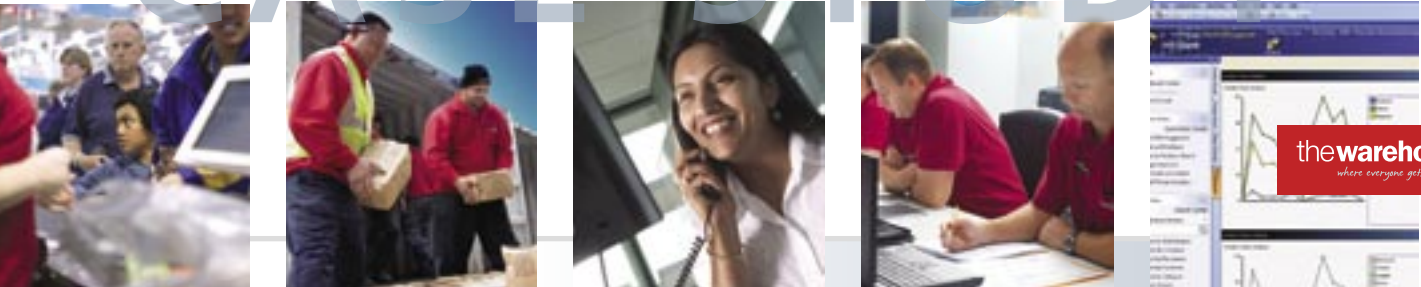
Communication
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SOLUTIONS

CASE STUDY



Challenges

- Limited scope of existing infrastructure for Incident Management, leading to decentralised system management and a lack of visibility and accountability for business management

Solution

- IT Service Management from FrontRange Solutions

Results

- 50 percent increase in ITIL® process maturity rating for incidents, problems and overall service desk
- Increased transparency and visibility over incidents, problems, changes and asset information
- Strategic shift from systems to service

Background

The Warehouse Group is an iconic, NZ-listed retail discount group with over 125 stores in New Zealand and 2005 revenues in excess of NZ\$2.2 billion.

It consists of two retail businesses: The Warehouse New Zealand, which sells general merchandise, apparel and dried foods through a network of 85 stores across the country; and Warehouse Stationery, which sells furniture and stationery through 42 stores in New Zealand.

The group has 11 service desk staff members in New Zealand to handle call volumes from 3,500 to over 4,000 per month. First-tier call resolution rates are approximately 40 percent.

The service desk provides IT support for a range of retail-specific systems, from its in-house merchandising, receiving and ordering system, Technology Used Intelligently (TUI), to Electronic Funds Transfer Point of Sale (EFTPOS), label and advertising printer and barcode scanner

faults. It also handles a small number of Microsoft-related calls.

Challenges

After embarking on an evaluation of its organisational processes in mid-2004, The Warehouse Group decided to address future process improvements using the IT Infrastructure Library (ITIL) best practice framework.

As Shubha Raniga, IS services manager at The Warehouse Group, explains, "With the expiry of the maintenance period on

our existing help desk tool—Computer Associates AHD version 4.5—we knew that even if we moved to AHD version 6.0, we'd have to re-implement it, so it was a good opportunity to go out to the market and see what else was out there."

At the same time, after three years of using AHD, there were increasing internal frustrations with the limitations caused by the tool's implementation.

"Because AHD was only implemented for Incident Management and didn't incorporate any other processes, we were handling the other processes using individual [Microsoft] Excel spreadsheets in each retail brand. The spreadsheets weren't shared between the different businesses or integrated with the central AHD system," explained Raniga.

She added, "Incidents would come to the help desk either by e-mail or phone, and we'd log, categorise and assign them a priority based on urgency rather than business impact. Without an integrated Service Level Management module, we didn't have the capability to set targets and start measuring our performance against the expectations of the business. We couldn't even tell our people how long it would take to resolve a particular issue because we couldn't measure that in the tool."

Such limitations also prevented The Warehouse Group's help desk from achieving a higher independent

benchmark based on ITIL, the customisable best practice framework developed by the UK Office of Government Commerce (OGC).

The company had an ITIL maturity assessment conducted on its processes to highlight what could and could not be achieved without swapping out AHD version 4.5.

"You can't go above a 1.5 maturity [rating] unless you have the technology to capture certain information in a centralised way. With AHD 4.5 and its limited use of just Incident Management, much less embodying the ITIL framework, the assessment highlighted the business case for a technology change," said Raniga.

Solution

The Warehouse Group initially evaluated several help desk solutions before selecting the IT Service Management (ITSM) solution from FrontRange Solutions.

IT Service Management is an integrated modular service management solution comprised of a series of ITIL-based modules.

"We engaged FrontRange to do a proof of concept for us before we actually signed off on the solution due to the size and complexity of our then three-brand, trans-Tasman structure. It wasn't a typical ITSM implementation," explained Raniga.

"We now have the ability to stop thinking system and start thinking service, which has fundamentally changed the way we look at ourselves and align ourselves to the business."



"We went live with Incident Management, Problem Management and Service Level Management in July 2005, and followed with Change Management, Release Management and Availability Management in November 2005. We also expect to be live with Knowledge Management and Self Service soon," she said.

The Warehouse Group selected FrontRange Solutions due to its process integration and extensive mapping to the ITIL methodologies.

“We chose FrontRange because we wanted to do our process review hand-in-hand with the solution using its predefined ITIL processes as a jump-start, rather than redefining our processes and not necessarily achieving best practice or mapping them effectively into the new tool,” Raniga said.

“FrontRange performed very well in their interactions with us, particularly their speed of response [and their] willingness to accommodate a proof of concept and really learn about our business to be able to respond effectively. We definitely found the support from FrontRange during the implementation to be extremely good,” Raniga added.

Results

Since implementing IT Service Management, The Warehouse Group has achieved significant ITIL maturity increases across its processes.

“Before implementing IT Service Management, our service desk maturity was rated two out of five, and our incident management rated one out of five. Within a week of going live with FrontRange, the maturity of both processes was worth three out of five,” exclaimed Raniga.

“In addition, we have now achieved a very high four out of the possible five rating for our change management process, due to the way we vet and approve changes within the business. Using IT Service Management, we can now capture and

prioritise change requests with complete visibility across all three brands, which enables us to report on all the changes IT is working on as opposed to just those changes for this or that system,” continued Raniga.

Management reporting has also been a significant benefit for The Warehouse Group. “The dashboards within the solution are great. We will also use MicroStrategy as our enterprise-wide reporting tool, and are currently working on integrating it with IT Service Management,” explained Raniga.

Process maturity is also translating into increased customer satisfaction, a measure that is calculated independently of IT service management.

“Our customer satisfaction scores are on the rise—some of that is to do with the process improvements and some more due to the sheer fact that there is more transparency and visibility in the system, which is aiding our management of the business’s expectations,” claimed Raniga.

The addition of a formal, integrated Service Level Management process and technology has been a key contributor to managing expectations.

“We have only just started to engage with the business around service levels because AHD didn’t allow us to track time and put targets in. We have now put some SLA target time frames into IT Service Management that are based on industry

“Our customer satisfaction scores are on the rise—”

standards, so now is also the time that the business will start to measure our performance and benchmark us against the rest of the industry,” said Raniga.

More significantly, the implementation of Service Level Management signifies a fundamental shift in the way the help desk operates.

“We now have the ability to stop thinking system and start thinking service, which has fundamentally changed the way we look at ourselves and align ourselves to the business. At the same time, having one tool as opposed to multiple spreadsheets and systems, the increased visibility and integration aspects of IT Service Management, has also been a huge gain for the business,” she added.

Conclusion

The Warehouse Group has seen productivity gains and enhanced customer service ratings which have translated into ROI savings.

“The operational maturity and therefore efficiency and effectiveness with which we’re dealing with things will start to get reflected in our results, and we can then translate that into cost savings. Overall we’ll be particularly interested to see how much more we are delivering in IT Service Management for the same dollar value,” she added.