



CMMI[®] Institute
AN ISACA ENTERPRISE

Creating and Delivering High-Performance Services for the Customer Experience Age

Almost every enterprise now provides services in some form — and those services play a major role in driving revenue and shaping the customer experience.

In many industries, enterprises are emphasizing services as a way to create new revenue streams and differentiate themselves from the competition. Manufacturers, for example, are shifting from product-based to service-based revenue as their product margins face growing pressure in an intensely competitive global market, forcing them to look for new ways to attract customers and forge closer customer relationships. Rolls-Royce even sells airplane engines as a service: customers pay a fixed rate per flying hour instead of buying the engines outright¹, so the manufacturer is rewarded for maximizing reliability — the attribute its customers value most highly. Technology firms are focusing on services too: Major tech companies are using their platforms as a springboard for diversification into new revenue-generating services, and most software companies now also offer services.

With this profound shift, services become even more critical to the organization's overall success. The combination of services and products creates the overall customer experience — and according to Gartner, more than two-thirds of companies compete primarily on the basis of customer experience, with that number expected to rise to more than 80 percent.² As a seminal *Harvard Business Review* article, "Welcome to the Experience Economy," put it: "an experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event."³

But creating, delivering, and optimizing services presents challenges for any company and requires a fundamental change in thinking. Without a strong service delivery strategy, it is easy to over-promise and under-deliver. How do you ensure that you build the services that your customers really want? How do you make sure those services meet their expectations? How do you recover when the inevitable problems cause service disruptions? How do you leverage those services to generate experiences that truly "wow" your customers?

CMMI V2.0 Services helps organizations in any industry answer these questions. Included in [Capability Maturity Model Integration \(CMMI\) V2.0](#), the Services model view is an integrated set of best practices designed to help companies deliver services that meet market and customer needs. It includes four comprehensive Practice Areas covering every aspect of building and managing services, from defining new services to managing service levels and preventing and recovering from problems.

In a continually changing business landscape, it is critical to focus not only on optimizing today's services, but also on the services that you'll need tomorrow. You can be sure that your competitors will evolve new services, even if you don't. If you continue to focus only on the services that are your bread and butter today, will you be out of business in a few years? Remember the now-defunct companies that built their businesses on renting VHS videos – and then fast-forward to today's efforts by media companies to manage the transition from traditional TV to streaming services. Or think about retail, where companies that rely on traditional truck delivery services face online competitors that are experimenting with drones to drive down cost and get goods to customers even faster.

How do you determine what new services should look like, and how you will support them? CMMI V2.0 Services helps companies analyze their strengths, weaknesses, and opportunities to determine how to develop services that people actually want both now and in the future. It helps develop effective processes for identifying innovative services, determining the likelihood that they will be successful, and how they'll fit with existing services and products. Some of the answers may lie in data that you already have, such as trends in customer usage of your existing services. Or you may get ideas from benchmarking against competitors to see where they are gaining an advantage.

The ability to analyze the resources needed for new and existing services is also critical. A new service launched with inadequate resources may fail to meet customer expectations, potentially damaging your company's reputation. On the other hand, older services may face declining use and eventually become obsolete; at some point, they won't justify the resources needed to support them. How do you determine when to phase out a service? A cost or revenue threshold? The number of customers using the service?

With any service, problems are inevitable. The way that you handle those problems and minimize disruption is key to keeping your customers happy. CMMI V2.0 Services includes best practices for responding to temporary issues like system outages and preventing future impacts, and for dealing with catastrophic events such as natural disasters.

Analyzing the root cause of problems can be extremely challenging, especially when services are complex and involve multiple companies. That was the case for one nationwide helpdesk system, in which multiple collaborating suppliers serviced a torrent of requests from regional systems built by different companies and supporting millions of users in total. In some cases, the system was failing to escalate service tickets that hadn't been resolved; in others, support specialists were closing out tickets even though the problem hadn't been fixed. Their target Service Level Agreement was to close 95% of all Severity Level 1 Help Desk trouble tickets within 30 days, but they continually kept missing this SLA. Using content from CMMI V2.0 Services, troubleshooters drilled down into the problems to pinpoint the root causes, which included a failure to keep track of the original ticket creation time as tickets moved between different support layers in the complex network of suppliers. This brought the ticket closure performance rate up consistently month-by-month within 5% of the threshold.

In another case, one major company used CMMI V2.0 Services to identify and correct a fundamental mismatch between the way they delivered their services and the way they developed related products in parallel. As a result of the analysis of their service delivery and development metrics, they rethought and modified their development and service delivery approach, ensuring that the two integrated more closely and enabling them to deliver a better customer experience.

Today, services are critical to the success of almost every enterprise. CMMI V2.0 Services is designed to help you deliver today's services successfully – and build services that will be game-changers in the future. So enterprises can offer customer experiences that truly create competitive advantages.

¹ "Power by the Hour," Rolls Royce; <https://www.rolls-royce.com/media/our-stories/discover/2017/totalcare.aspx>

² "Key Findings From the Gartner Customer Experience Survey," Gartner;

<https://www.gartner.com/smarterwithgartner/key-findings-from-the-gartner-customer-experience-survey/>

³ "Welcome to the Experience Economy," Harvard Business Review; <https://hbr.org/1998/07/welcome-to-the-experience-economy>