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# Composing Adaptive and Scalable IT Shared Services

Timothy Olsen

Georgia State University, [timothy.olsen@ceprin.org](mailto:timothy.olsen@ceprin.org)

Richard Welke

Georgia State University, [rwelke@ceprin.org](mailto:rwelke@ceprin.org)

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## Composing Adaptive and Scalable IT Shared Services

Timothy Olsen

Georgia State University, USA

Richard Welke

Georgia State University, USA

### Abstract

IT units are often perceived as ineffective by other business units who, as a result, often choose to obtain services from external providers. In an effort to remain competitive, many IT units are turning to a shared service model, wherein they are operated like an independent company, maintaining transparent costs and constructing formal service level agreements. However, divergent requirements and continuous change requests of customers limit the ability to achieve the economies of scale enjoyed by external service providers. Given these pressures how can an IT unit compose services that are adaptive to customer needs, yet still achieve economies of scale? Based on an exploratory case study of an organization (Public\_IT) which has undergone a shared services transformation, we elaborate an analysis of how such services become aligned with end-user needs through three phases necessary to achieve process repeatability.

**Keywords:** services, service-orientation, service management, IT Management, BPM, BPMN

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# Composing Adaptive and Scalable IT Shared Services

Timothy Olsen, Richard Welke  
Georgia State University

## ABSTRACT

IT units are often perceived as ineffective by other business units who, as a result, often choose to obtain services from external providers. In an effort to remain competitive, many IT units are turning to a shared service model, wherein they are operated like an independent company, maintaining transparent costs and constructing formal service level agreements. However, divergent requirements and continuous change requests of customers limit the ability to achieve the economies of scale enjoyed by external service providers. Given these pressures how can an IT unit compose services that are adaptive to customer needs, yet still achieve economies of scale?

Based on an exploratory case study of an organization (Public\_IT) which has undergone a shared services transformation, we elaborate an analysis of how such services become aligned with end-user needs through three phases necessary to achieve process repeatability.

In the first phase, every manager and team leader enumerated each service which they provided or could “*sell*” internally. This constituted a radical departure from traditional thinking about what one “*does*” in a job role. Eventually, all services were described and then combined into one database to produce a service catalog with respective prices based on internal rates. This enabled benchmarking of prices with services available in the external market.

In the second phase, a ‘walkthrough’ was conducted which consists of an external sales agent (IT\_Consultant) who determines what a particular customer needs (service requirements), brings this back to Public\_IT, and with the input of the shared services managers, formulates a composition of existing services (determined in the first phase) to meet the requirements of the end-user. As these walkthroughs accumulate, they begin to form patterns that are, in turn, informally re-used and modified to respond to other service requests, in-effect becoming an “adaptive” business process model.

In the third phase, the resulting process model is codified, enabling execution and modification at will, using standard business process management models and “suites.” This enables the user to have direct access to service offerings without the need of external sales agents.

In this paper we examine the conceptual model behind the development of IT shared services, the means to deliver them, the benefits to both the organization as well as the shared services unit, and how this model was experimentally implemented at Public\_IT.

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