

# HORIZON

## TECHNOLOGY PROCUREMENT & SIAM

THE OFTEN-OVERLOOKED CRITICAL RELATIONSHIP  
BETWEEN TECHNOLOGY PROCUREMENT AND SIAM.



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## INTRODUCTION

It never ceases to amaze me how many **organisations fail to recognise the importance of the Service Integration and Management model** when procuring new technology services and products. And sometimes it amazes me even more that organisations don't have an effective SIAM model and operation.

**Every technology purchase ultimately needs to plug into the organisations SIAM operation.** Without this operational integration, landing technology solutions effectively into your organisation will be like trying to plug your hair dryer into jelly – messy and ineffective.

**We cannot expect technology services to run in isolation once we've bought them,** and yet considering the 'run' needs of the solution is often forgotten during the procurement process and thrown over the wall at the IT Service Management function once bought.

**So why do so many organisations fail to consider both the SIAM and target operating model that will receive the newly procured technology?**

# WHAT IS NEEDED?

## UNDERSTANDING AND INTEGRATION

**An effective SIAM operating model is a recipe for success** when it comes to integrating different sources of technology supply, whether that's big service solutions which may have been outsourced like service desk or hosted managed services, SaaS services or software subscriptions – all technology products and services need a docking station to plug into.

Effectively considering your organisation's SIAM model during procurement means **understanding how your new product or service will be supported** once the contract is signed, and impact the rest of your technology estate.

**SIAM is an important assessment criterion** for making your technology selection and shouldn't be neglected compared to say, the lowest price.

Good procurement should practically 'road-test' what living with your new product or service looks like. It goes beyond the SLAs that can be negotiated and gets into 'how' the product or service will practically be supported in life.



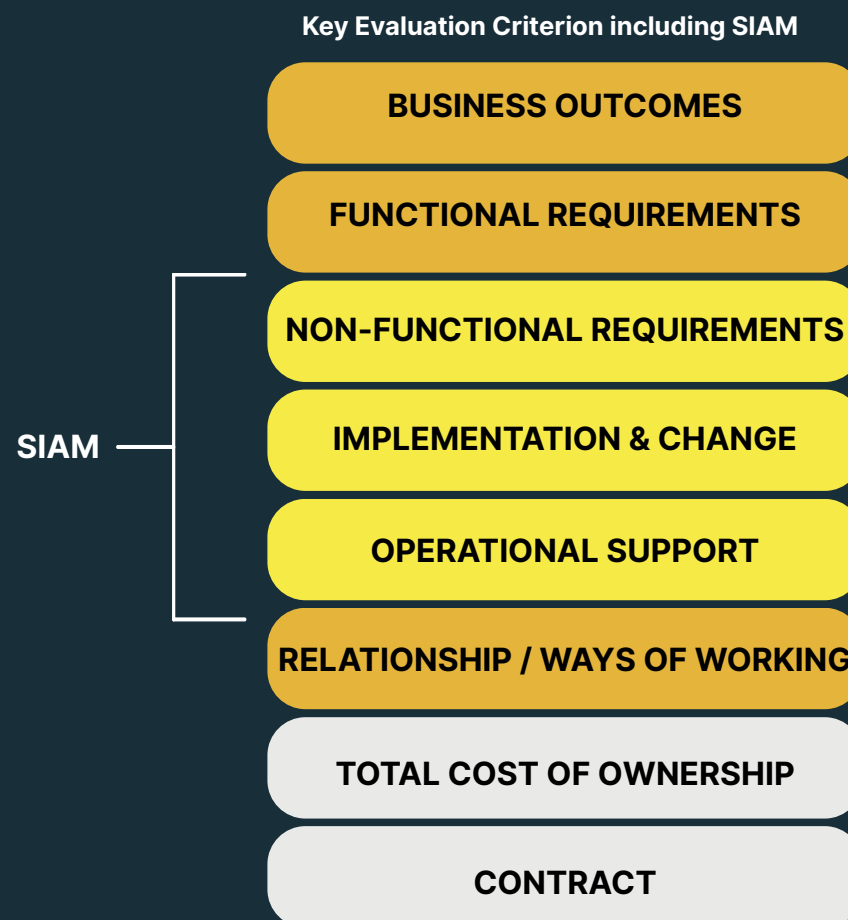
# WHY SHOULD WE CONSIDER SIAM KEY CRITERION?

## COMPARED TO PRICE

**SIAM model requirements are often neglected** in the key criteria for making technology procurement decisions.

It is not seen as important as other criteria like functionality and price for example, which tend to have greater sponsorship in procurement. However, we always recommend to our clients that **SIAM should be considered as a key category** alongside other important evaluation criterion.

There are four good reasons why SIAM is so important to technology procurement, **so why are organisations continuing to neglect SIAM** when it comes to technology procurement?



## 1. Realising the benefits of technology procurement

No matter how fantastic the functionality, how effective the price, how transformational the technology, **without effective integration with a good SIAM model the benefits are at risk** of unravelling if the new product or service cannot be effectively supported or integrated with the rest of the technology estate.

**Leaving the exercise** to understand how this integration will happen until after the procurement process **is a BIG mistake**, involving the SIAM professionals in your organisation too late, risks having to bootstrap the new service into your organisation with the inevitable 'clunky' sub-optimal service.

By including and testing SIAM requirements during procurement, the end-to-end run model including its support can be properly understood. Without it, the **benefits are at risk if the product, or solution cannot be properly supported**, or run effectively.

## 2. Uncovering hidden technology risks

By focusing only on the functional benefits, price and technology opportunities, we run the risk of not properly evaluating the non-functional requirements. **Big ticket items like security standards and data protection are often considered**, but the capability of the supplier to support the product, or service can be missed when SIAM is not considered up front.

Asking yourselves (and the suppliers) SIAM questions can be very revealing about how the product or service is architected – occasionally revealing some nasties you'll be happy to have the opportunity to consider before selecting your preferred option.



### 3. Service levels alone are not enough

Relying on service levels alone (even a good set) is not sufficient to test that your new product or service will meet the SIAM needs of your organisation. **SLAs alone will not compensate your organisation** when your product or service is unavailable, or instable, or you have no idea who to talk to for support at the supplier.

What is required is a thorough understanding of the makeup of the supplier organisation (assuming we're not talking Microsoft or Amazon here), and how they run their SIAM processes. **The greater the complexity of the service, the deeper you should dig** on how this is designed and operated.

Nevertheless, a good set of SLAs is still important and those should be carefully examined and the implications calculated to ensure that handoffs are properly handled and restore time is properly understood.

### 4. SIAM facilitates and identifies

**It's unusual that a technology product or service stands alone**, and has no touch points, dependencies on, or relationship with other products and or services.

Understanding those upfront are critical since the knock-on effect of the purchase may be changes to scope, scale or support elsewhere. **SIAM needs to understand this impact during the procurement process** and provide the impact assessment for each option since each may be different in its demands of the existing technology estate.

Getting this right will mean no surprises for the organisation or your other third parties, which are sometimes only discovered when the first incident occurs, which we all know delays resolutions and hits the internal and/or external customer satisfaction hard.

# THE EFFECTIVE SUPPLIER ENGAGEMENT FRAMEWORK



## WHAT'S IN IT FOR ME?

THE BENEFITS OF BETTER INTEGRATION BETWEEN PROCUREMENT AND SIAM

Practice tells us that **effective inclusion of SIAM during the procurement process gives exponential benefit** to realising results from technology procurement and successful integration with the existing and future planned technology estate.

One of the main issues we find is that many **organisations simply don't have a comprehensive and/or effective SIAM solution defined**. This can make it difficult to include SIAM requirements into tech procurement, which is a critical problem to be solved in any organisation.

# WHAT DOES GOOD SIAM LOOK LIKE?

## AND HOW SHOULD IT BE INTEGRATED

**A comprehensive SIAM model covers the end-to-end lifecycle** management of technology and thinks about the IT products and services from a supply and demand perspective.

**Good SIAM ties together the disparate parts** of technology via common practice, language, process, and tools to present a single/seamless engagement for all customers (internal and external).

Done well, it helps the organisation to achieve its technology and business goals;

- Achieves standard processes, tools and governance processes
- Manages competing priorities and demands on resources
- Builds an effective service ecosystem, focussed on business objectives
- Builds accountability and responsibility for end-to-end service
- Ensuring robust financial management to optimise cost
- Flexibility and scalability of service/resourcing Integrating niche demand quickly and effectively
- Transparency of the cost (TCO), Return on Investment (ROI) and quality of the delivered service
- Accountability for end-to-end controls (e.g. legal, regulatory and risk)
- Supplier collaboration to ensure service delivery optimisation
- Focus on service management, ensuring incentivisation on quality of end-to-end service
- Embedding change to ensure complete “adoption”



**Integrating SIAM into procurement processes is relatively straightforward**, provided SIAM is considered as a set of requirements that are effectively prioritised alongside other, more 'popular' requirements.

The key though is that SIAM is able to effectively set out its stall of standards and processes as a set of clear requirements, these can then be integrated into the assessment criterion of the product or service....Simples...



## FIVE KEY TAKEAWAYS

- SIAM is critically important, but often overlooked in technology procurement
- Every technology purchase must integrate into the organisation's existing SIAM model
- Organisations often neglect 'run' requirements during procurement
- Effective procurement requires understanding of how SIAM integrates with the new solution
- SIAM should be a core evaluation criterion, not an afterthought

**IN THE END, EVERY TECHNOLOGY DECISION IS AN INTEGRATION DECISION**  
THE ORGANISATIONS THAT RECOGNISE THIS WILL BE THE ONES WHOSE  
INVESTMENTS TRULY DELIVER

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