

Pershing

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"[With ITIL] we now have the ability to assess how we are performing at any point in time," says Suresh Kumar, CIO of the brokerage firm Pershing. "As a result, we can continuously improve our processes. We've identified [where we had problem] bottlenecks, and now the total number of problems is going down. And we have evidence to show people that we are improving."

When someone at Pershing has an IT systems or hardware problem, he calls the service desk and is directed to one of four specialty areas: desktop, network, mainframe or distributed systems. Thanks to ITIL, which Pershing adopted in January 2004, the specialty staffer who answers the phone has a list of previous similar incidents and how they were fixed. If the issue has not been resolved after 10 minutes, a service desk menu automatically identifies and pages the appropriate subject matter expert. That person gets one hour; if the incident hasn't been fixed by the end of the hour, the IT department's senior management, including Kumar, get involved via a conference call. After two hours, Kumar calls the business unit heads to discuss the incident's implications and what action to take.

Since the service desk was restructured according to ITIL guidelines 12 months ago, Pershing's incident response time has dropped by 50 percent. Additionally, since incidents are tracked and managed every time they recur, it's easy for IT staff to spot trends and eliminate many previously chronic problems by performing a root-cause analysis. Similar processes for making system changes and installing new releases prevent many system conflicts from ever happening in the first place.

When the IT department at Pershing can't solve a problem after two hours, CIO Kumar has to call the company's top executives—even if the time limit happens in the middle of the night. "It can be very uncomfortable calling the CEO at 2 a.m.," he says. Yet he's done it several times. Recently, a settlement clearinghouse (an outside company that reconciles a day's trades in overnight batches for brokerage firms) suffered a system crash. Pershing needs to complete approximately 12,000 batch jobs every night to update its books and records, prepare online systems for the next day, back up databases and files, receive and send electronic transmissions, and produce electronic and paper reports. Kumar arranged a middle-of-the-night conference call with about 30 executives, running the gamut from legal issues to manual workload processing requirements, to decide on the best course of action.

"If we have 9,000 [updates] that won't get run, it is difficult to understand all the implications," says Kumar. "Usually no one person has the answers, so we try to have a good representation." In this case, the consensus was to have managers come in early, assess the workload and staff their areas accordingly, while the IT department looked for a solution to work around the problem and support the business areas by generating additional reports. "I have found that people are never upset" when he calls in the middle of the night, says Kumar. "They understand that there is a problem and that we have to fix it."