



## CASE STUDY

Bayer

# › TRANSFORMING GLOBAL SERVICE MANAGEMENT THROUGH ITIL AND VALUE CO-CREATION



# BACKGROUND

The Bayer brand has existed for more than 160 years. Today, its business operates across the fields of pharmaceuticals, consumer health, and crop science.

Its brand value, in 2026, is calculated at \$6.48 billion, occupying fourth place in its sector worldwide, including the most valuable agricultural brand, according to Brand Finance.

In recent years, the company's operating model shifted to Dynamic Shared Ownership (DSO): the concept is about creating a less hierarchical business to promote "faster innovation for the farmers, patients and consumers who depend on TeamBayer".

As a result, Bayer has organized thousands of customer and product teams in all areas of the company, which are "self-organized, entrepreneurial...to deliver faster innovation and a better experience" for customers.

For the company's teams, this placed responsibility for execution of activities and decision making with people at the front line, enabling the co-creation of value and freeing up creativity to facilitate outcomes more regularly.

Krzysztof Bona, BizDevOps Manager at Bayer, observed that the company's original DSO operating model natively incorporates key principles from agile, DevOps, and service management, as defined by ITIL.

In terms of IT product and service management teams, the DSO model now facilitates value co-creation with stakeholders to discuss business outcomes and how technology teams will enable them. In practice, this means shorter feedback loops, in which the most valuable activities are selected to support business outcomes and value.

Bona explained: "Everything is open for discussion, and it's an opportunity to have a different way of collaboration across the business. This fosters a different way of working, where IT is jointly responsible for business success."

He added that the DSO behaviors adopted by the company are reflected by the ITIL framework: changing employee behavior and impacting culture to trigger a wider change in the organization.

## CHALLENGES



### MANAGED SERVICE PROVIDER CONTRACTS

With Bayer's transition to the DSO model, this also prompted a review of contracts with managed service providers (MSPs).

This represented a significant milestone for the organization, involving four key global partners across the company's service landscape.

The traditional process for updating contracts involved the service management team meeting an MSP to confirm service level agreements (SLAs) and contracts, which were then presented to front-line teams for execution. However, the DSO context allowed people on the ground – experts dealing with issues, obstacles and contract flaws daily – to co-create contracts with colleagues from different parts of the organization. Leaders needed to support this change, recognizing that those closest to the problems knew best how the contracts should be adjusted to deliver greater value.



### COMBINING PRODUCT, SERVICE AND EXPERIENCE

The shift in how the organization would collaborate with MSPs required a new approach to combining products, services and experience together in a cohesive and accountable manner.



# OBJECTIVES

- › To create a new collaboration model across global applications.
- › To develop an operating model that combined products, services and experience.
- › To create end-to-end responsibility both internally and externally for products and services
- › To reshape critical components of MSP agreements, including SLA definitions and the structure of the service catalogue.

# SOLUTION

Identifying a solution to address the various challenges and objectives – led by Krzysztof Bona, at the time a senior service manager – was informed by three main factors:

## › Exposure to new ways of working

As an ITIL Ambassador with PeopleCert Plus membership, Bona was introduced to new ideas through conferences and online learning. The concepts he was exposed to in these forums provided early insight into what would become ITIL (Version 5).

## › Managing a DevOps-as-a-service team

This involved Bona leading the DevOps team as a team member, which included sharing expertise and providing helpful upskilling to collaborate and promote visibility when optimizing and modernizing 130 applications within the business.

## › Direct experience working on MSP contracts

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## THE ROLE OF ITIL IN REDESIGNING OPERATIONS

“ITIL played a central role in how we should operate, helping teams shape the collaboration model across our extensive portfolio of global applications. And the new ITIL (Version 5) framework supports this evolution exceptionally well,” Bona said.

“This included guiding the interpretation of service responsibilities, designing the shared workflows and ensuring that the new structure effectively supported business value.”

ITIL concepts were adopted by the organization to support the various changes. Examples include:



#### **NEW OPERATING MODEL AND END-TO-END RESPONSIBILITY**

A new operating model included a key change requiring end-to-end responsibility for a particular product assigned to the provider and corresponding end-to-end responsibility within the company for products or portfolios. This approach facilitated a different way of collaboration and interaction with the business and is a core concept within ITIL (Version 5).



#### **CHANGES TO PROBLEM MANAGEMENT KPIS – ITIL PROBLEM MANAGEMENT PRACTICE**

A specific example of updating agreements involved the ITIL problem management practice, significantly reducing the regulation of problem management to encourage partners to proactively seek more problems. By having full visibility of existing problems, the organization was able to make informed decisions to invest in fixes or changes. The new model also allowed for aligning small contract changes with the business, providing flexibility.



#### **ESTABLISHING PARTNER RELATIONSHIPS – ITIL RELATIONSHIP MANAGEMENT PRACTICE**

Working with providers to establish a relationship based on partnership took guidance from the ITIL relationship management practice. This translated into mutual obligations, addressing cultural differences, building trust and achieving mutually-beneficial agreements.



#### **ACHIEVING MINIMUM APPLICABLE SERVICE LEVELS – ITIL SERVICE LEVEL MANAGEMENT PRACTICE**

Service levels were adapted to be more precise and focused on the most valuable outcomes. This involved ensuring compliance with security and governance aspects across the organization, leading to a custom set of service levels. This was designed to track future needs and support the newly-established relationship of trust and deliver meaningful value for both sides of the partnership.



#### **SIMPLIFYING THE SERVICE CATALOGUE STRUCTURE – ITIL KNOWLEDGE MANAGEMENT PRACTICE**

The service catalogue structure was simplified using the ITIL service catalogue management practice while the ITIL knowledge management practice informed the vital data collected from the previous, seven-year contract. Existing learnings were combined with new concepts while generic language was replaced with concrete descriptions. The new structure addressed the lack of common understanding in the knowledge previously available in the service catalogue.



#### **MANAGING TRANSFORMATION STRATEGY – ITIL DIGITAL AND IT STRATEGY**

This ITIL module provided a strategy for transformation and applying governance structures, while providing a holistic approach to products and services – both within and beyond IT. This supported the organization's shift to the DSO model and its focus on more entrepreneurial employee behavior.

## RESULTS AND METRICS

The main aim of adopting the ITIL framework alongside Bayer's transformation to a DSO model was to deliver more value to products and services. Meanwhile, financial savings were achieved based on the new operating model.

Several specific outcomes were also achieved:

- A more **adaptive and transparent partnership model**, aligned with the company's strategic direction and better positioned to serve Bayer's global footprint.
- Greater **flexibility in delivering, operating and maintaining products**. Prioritizing changes and updates (such as system upgrades) that create value for the business, reducing time to deliver and sharing and reallocating resources across the business to meet requirements, especially in areas of the organization with seasonal variations.
- **Financial savings achieved through** MSPs being able to leverage resources more efficiently.
- **Harnessing the value of ITIL (Version 5) concepts**  
The organization's transition to a product-based structure, where every application and product delivers a service, aligns with the digital product and service lifecycle in ITIL (Version 5).

This facilitated breaking down silos between service management and product management teams, with the new structure combining people with skills and knowledge of both disciplines.

Business leaders acknowledged that the emerging ITIL (Version 5) model complements the organization's new structure.

Krzysztof Bona said: "The product-service-experience focus in ITIL (Version 5) makes total sense for our organization, especially after the changes we've made."

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