



# The Way Forward – ITIL V3

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# What is IT Service Management

- The management of IT services to support one or more business areas
- A set of processes and procedures aimed at the provision of high quality, cost effective IT Services
  - Driven by business dependency upon IT
- The best definition and independent guidelines for IT Service Management can be found in ITIL

# The Four Ps

- IT Service Management (ITSM) is all about the efficient, effective and economical use of:
  - People
    - Customers, Users & IT Staff
  - Processes
    - ITIL
  - Products
    - Tools and technology
  - Partners
    - Vendors and Suppliers

# The Drivers for High Quality IT Services

- Organizations increasingly dependent on IT service provision
- Higher visibility of failure
- More exacting User requirements
- Increased complexity of the infrastructure
- Charging for IT services
- Competition for Customers
- Legislative/regulatory drivers

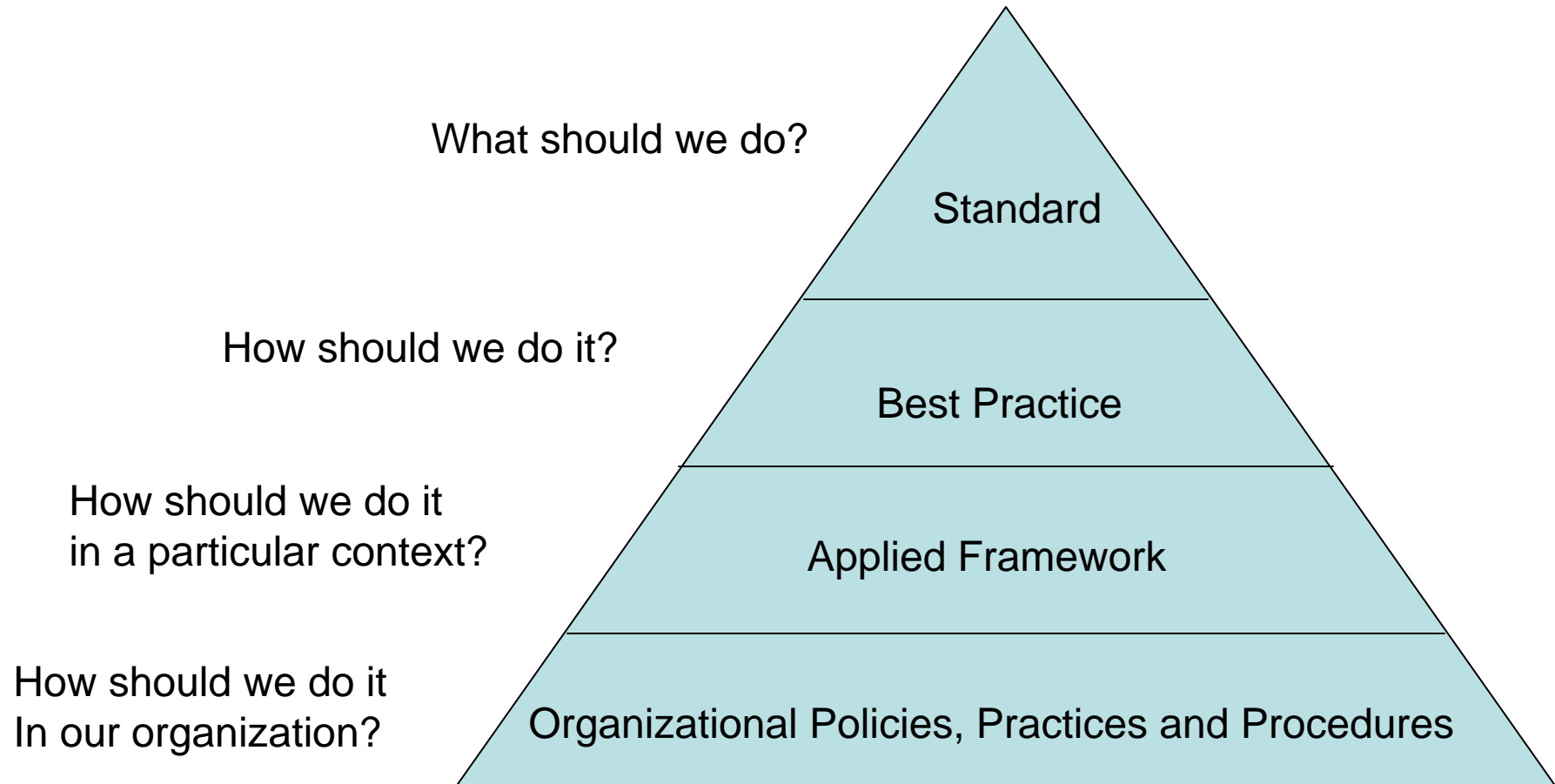
# What is Best Practice?

Best Practice is a set of guidelines based on the best experiences of the most qualified and experienced professionals in a particular field.

Best Practice is based on:

- More than one person
- More than one organization
- More than one technology
- More than one event

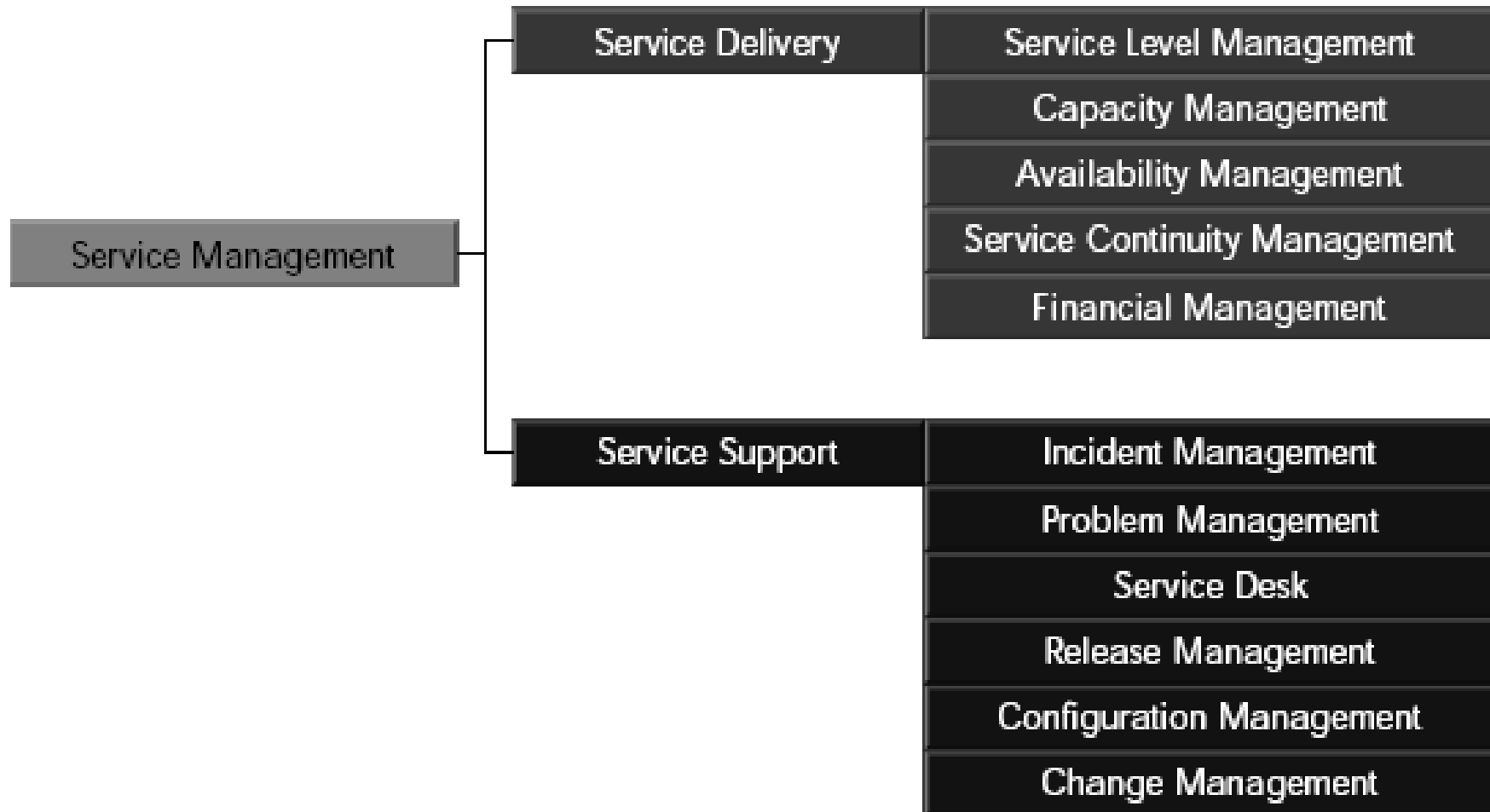
# Where Does Best Practice Fit?



# ITIL Objectives

- Reduce *Costs*
- Improve *Availability*
- Tune *Capacity*
- Increase *Throughput*
- Optimize resource *Utilization*
- Improve *Scalability*

# The Core Components



# Service Support

- These are the more “Day to Day” processes which supports Service Management
- Typically tend to be more “Reactive” than “Proactive”
- Made up of 5 Processes and 1 Function
  - Service Desk (Function)
  - Incident Management
  - Problem Management
  - Configuration Management
  - Change Management
  - Release Management

# Service Delivery

- These are the more longer term planning type processes which support Service Management
- Typically tend to be more “Proactive” than “Reactive”
- Made up of 5 Processes
  - Service Level Management
  - IT Service Continuity Management
  - Finance for IT Management
  - Availability Management
  - Capacity Management

# Who Is Doing This?

- Government
- Financial services
- Insurance
- Manufacturing
- Publishing
- Outsourcing companies
- Utilities

# Management of Expectations (1 of 3)

- When implementing ITIL it is vital to manage the expectations of the organization in terms of:
  - Deliverables
  - Timescales
  - Changes to the Organization's Roles and Responsibilities
  - Saving

# Management of Expectations (2 of 3)

- Deliverables
  - Set out what you want to achieve (i.e. have a Goal)
  - Build “Achievements” rather than “Everything in One Go”
- Timescales
  - Be realistic, most processes require 18-24 months for full effectiveness/savings to be achieved, i.e. the processes mature
  - Set out a timeline of what you want to have achieved, by when

# Management of Expectations (3 of 3)

- Roles & Responsibilities
  - ITIL emphasizes “Roles” not Managerial positions, i.e. you do not necessarily need to recruit a whole new batch of people
  - ITIL will change peoples’ jobs and roles, make sure this is managed, and doesn’t occur as just as an offshoot.
- Savings
  - You may need to initially increase your costs
  - Be aware that the saving may not be experienced at the point of cost, but at another point in the process/organization
  - Increased IT expenditure may be required to deliver Business benefits (e.g. increased profit margins, decreased turn around times, faster times to market etc)

# The “Way Forward”

- ITIL is “Adopt and Adapt” so is not prescriptive about which process to implement first.
- It is also not prescriptive about how you should design your organization or what tools you should use.
- All about “What is best, and makes most sense for your organization”.
- However:
  - Look for quick wins
  - Look for processes that can be introduced together as a package e.g. Configuration and Change
  - You don’t need to complete one before starting another, “build” them a stage at a time (e.g. start small and expand coverage /depth)
  - Use your existing staff wisely, and you probably don’t need to radically increase your head count, in fact you may reduce it over time.
  - If at first you don’t succeed – DON’T give up!
  - AND don’t run before you can walk!

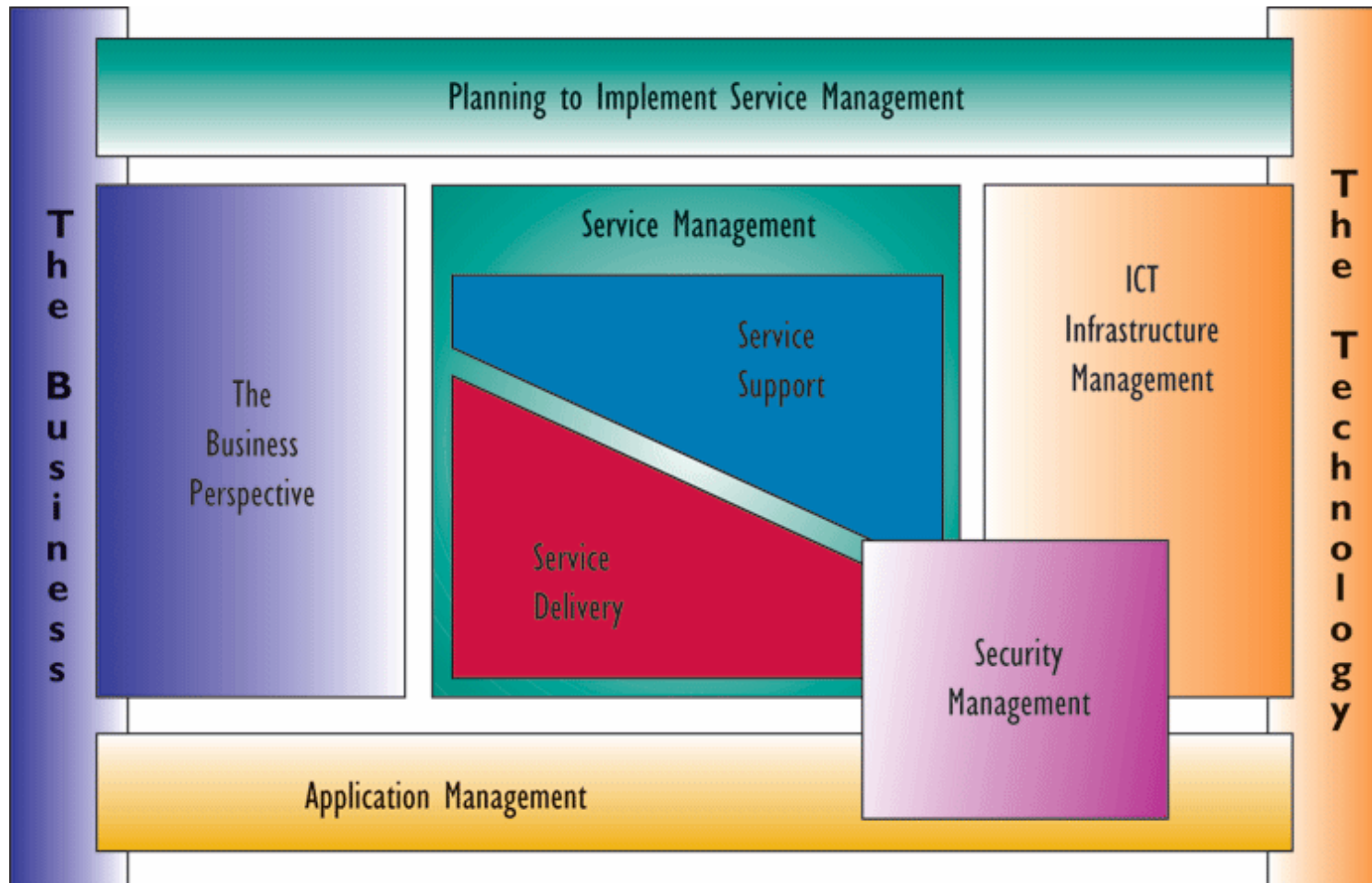
# The Purpose of V3

- Meet the needs of today and tomorrow
- Evolve SM practices to the next level of maturity
- Address current practice gaps
- Embed solid processes into a service lifecycle
- Stronger connection to converging frameworks
  - Governance
  - Standards
  - Management

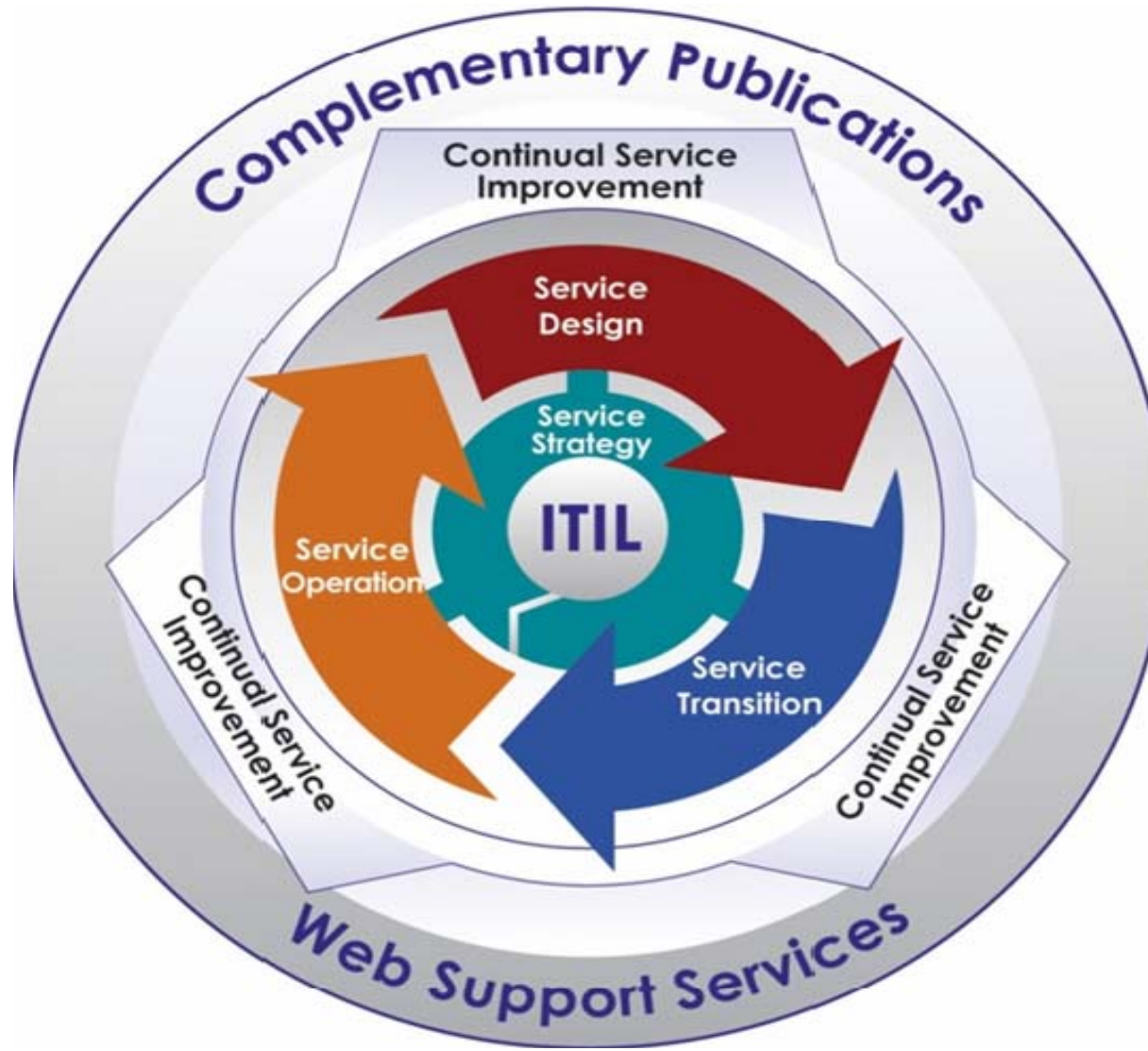
# The need for change

- More practical 'how to' guidance
- Improved consistency and comprehensiveness
- Extend the focus to measurable **business value**
- Visible links to other industry practices
- Guidance in context to current needs

# ITIL V2 Publication Framework



# Core Structure



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# Key Change

- Repositioning of the framework from the previous emphasis on process lifecycle and alignment of IT to "the business", to the management of the lifecycle of the services provided by IT, and the importance of creating business value rather than just the execution of processes.
- Include more reference to ROI.

# Critiques common to process Frameworks

- History teaches us that process frameworks don't solve everything. In fact, they often bring their own set of challenges.
- Left ignored, these challenges work against the long-term success of the organization.
- "...transformed our organization from functional silos to process silos."
- "...oversimplified an increasingly complex business environment."
- "...offered only a basic pragmatism."
- "...potpourri of loosely interconnected, and often redundant, vignettes in search of a framework."
- "...ignored swings in priorities such as cost reduction, revenue growth, competitive advantage, profit or market domination."

# Why a Lifecycle?

- Building on a great practice base
- Enabling integration with business process
- Managing services from cradle to grave
- Removing process silos
- Reflecting the public feedback for holistic lifecycle focus

# Business Benefits of V3

- Improved use of IT investments
- Integration of business and IT value
- Portfolio driven service assets
- Clear demonstration of ROI and ROV
- Agile adaptation and flexible service models
- Performance and measures that are business value based
- IT Service Assets linked to business services

# ITIL v3 core volumes (1 of 2)

- **Service Strategy**

- focuses on the identification of market opportunities for which services could be developed in order to meet a requirement on the part of internal or external customers.
- The output is a strategy for the design, implementation, maintenance and continual improvement of the service as an organizational capability and a strategic asset.
- Key areas of this volume are: Service Portfolio Management and Financial Management

- **Service Design**

- develop the strategy into a design document which addresses all aspects of the proposed service, as well as the processes intended to support it
- Key areas of this volume are: Availability Management, Capacity Management, Continuity Management and Security Management

# ITIL v3 core volumes (2 of 2)

- **Service Transition**
  - implementation of service design activity outputs
  - creation of a production service or modification of an existing service
  - An area of overlap between Service Transition and Service Operation
  - Key areas of this volume are: Change Management, Release Management, Configuration Management and Service Knowledge Management.
- **Service Operation**
  - focuses on the activities required to operate the services
  - maintain functionality as defined in SLAs with the customers
  - Key areas of this volume are: Incident Management, Problem Management and Request Fulfillment
- **Continual Service Improvement**
  - ability to deliver **continual improvement**
  - increase quality of services that the IT organization delivers to the business
  - Key areas of this volume are: Service Reporting, Service Measurement and Service Level Management

# What is a Service?

Services are a 'means of delivering value to customers by facilitating outcomes customers want to achieve, without the ownership of specific costs and risks'.

# Why should CIOs care about ITILv3?

*Whilst CIO's will still care about achieving 'operational excellence' in order to deliver robust services to the Business and its Customers...*

- Unacceptable levels of Service availability
- Unclear and uncontrolled Service costs
- Inability to respond to changing Business needs
- Ineffective Service improvement Programs
- Inconsistent reporting of Service performance
- Inability to react effectively to major Service Events or Crisis
- Perception of poor quality and inconsistent ways of working
- Unclear compliance against Software License Agreements
- Complex infrastructure and unclear end-to-end IT Services
- Inability to demonstrate regulatory compliance (eg SOX)

# Why should CIOs care about ITILv3?

*...they will also need to understand how to shape service strategies that create value for Business and its Customers. The new Service Strategy volume deals with these 'C-Level' Business concepts.*

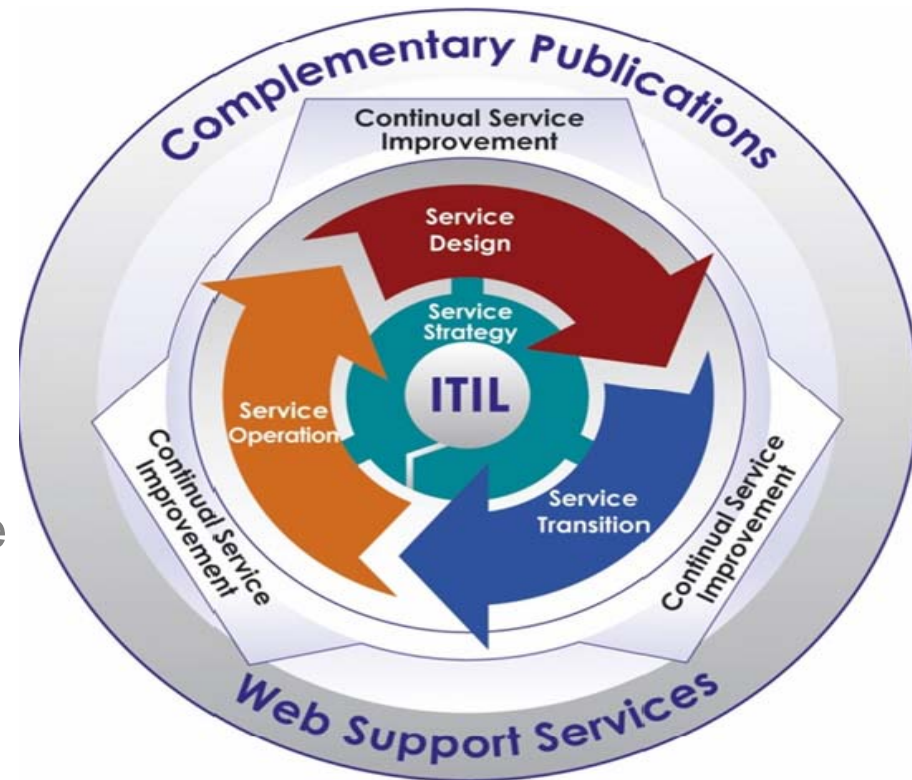
- Defining Services;
- Defining Strategy;
- Value Networks, Value Creation and Value Capture;
- Market Spaces and Solution Spaces;
- Business and IT Service Management;
- Service Portfolios;
- Enterprise Architecture and Service Oriented Architecture;
- Types of Service Providers;
- The Business Case for building Service Assets and Service Management Capabilities;
- Measuring Service Performance.

# Service strategy of ITIL v2

- A model whereby **the strategy is the optimization of work tasks.**
- The parameters of value are contained within the walls of IT
- Value means making whatever you want more efficiently.
- Not wrong, but **are you making the right things to begin with, or can you create more value by undertaking broader or narrower missions?**

# Service strategy of ITILv3

- It is a model whereby the strategy begins with the customer's desired outcomes.
- “Customers don't buy products, they buy the satisfaction of particular needs.”
- This means that what the customer values is often different from what the service provider thinks he or she provides.
- Acknowledges that every service provider is subject to competitive forces



# Service Strategy

- Operational efficiency is necessary but not sufficient.
- Service strategies are required to create long-term value for Customers and Stakeholders.
- IT services are now part of the fabric of the business and customers expect guaranteed levels of service

# The five aspects of Service Design

- *Design of the service solutions*
- *Design of the Service Management Tools (and other supporting systems)*
- *Design of the technology architectures and management systems*
- *Design of the processes*
- *Design of the measurement systems, methods and metrics*

# What is Service Transition?

- Taking the design and transitioning the *Service* into operations – focused on *Service*
- Delivering in the actual circumstances
- Practices to:
  - Make it easier for to adopt and manage change
  - Standardize transition activities
  - Maintain the integrity of configurations as they evolve
  - Expedite effective decisions
  - Ensure new / changed services will be deployable, manageable, maintainable, cost-effective

# Service Transition

## Moving ITIL Forward

- Value to the business
  - Integrate/align new or changed services with the customer's business
  - Ensure that the changed service can be used in a way that maximizes value to the business operations
  - Deliver more change successfully
    - Across the customer base
    - Reduce unpredicted impact and risks
    - Reduce variation - 'estimated' v. 'actuals'
    - Services - fit for purpose, fit for use

# Service Transition

## Moving ITIL Forward

- Delivering what the business needs
- Services fit for purpose, fit for use
- Integrated, holistic, standard approach
- Reduce variation predicted vs actual
  - Quality, Cost, Time
  - Capabilities, Resources, Capacity
  - Risks, Errors and incidents
- More IT enabled change that adds value to the customer's business

# Service Operation

- Stability but not stagnation
- Realizing value
- Responding to operational needs in **Business** and Technology
- Great design is worth little if it can not be delivered
- Achieving balance

# Continual Service Improvement

- CSI is not a new concept. Organizations have talked about it for many years; but, for most, the concept has not moved beyond the discussion stage.
- For many organizations, CSI becomes a project when something has failed and severely impacted the business.
- When the issue is resolved, the concept is promptly forgotten until the next major failure occurs

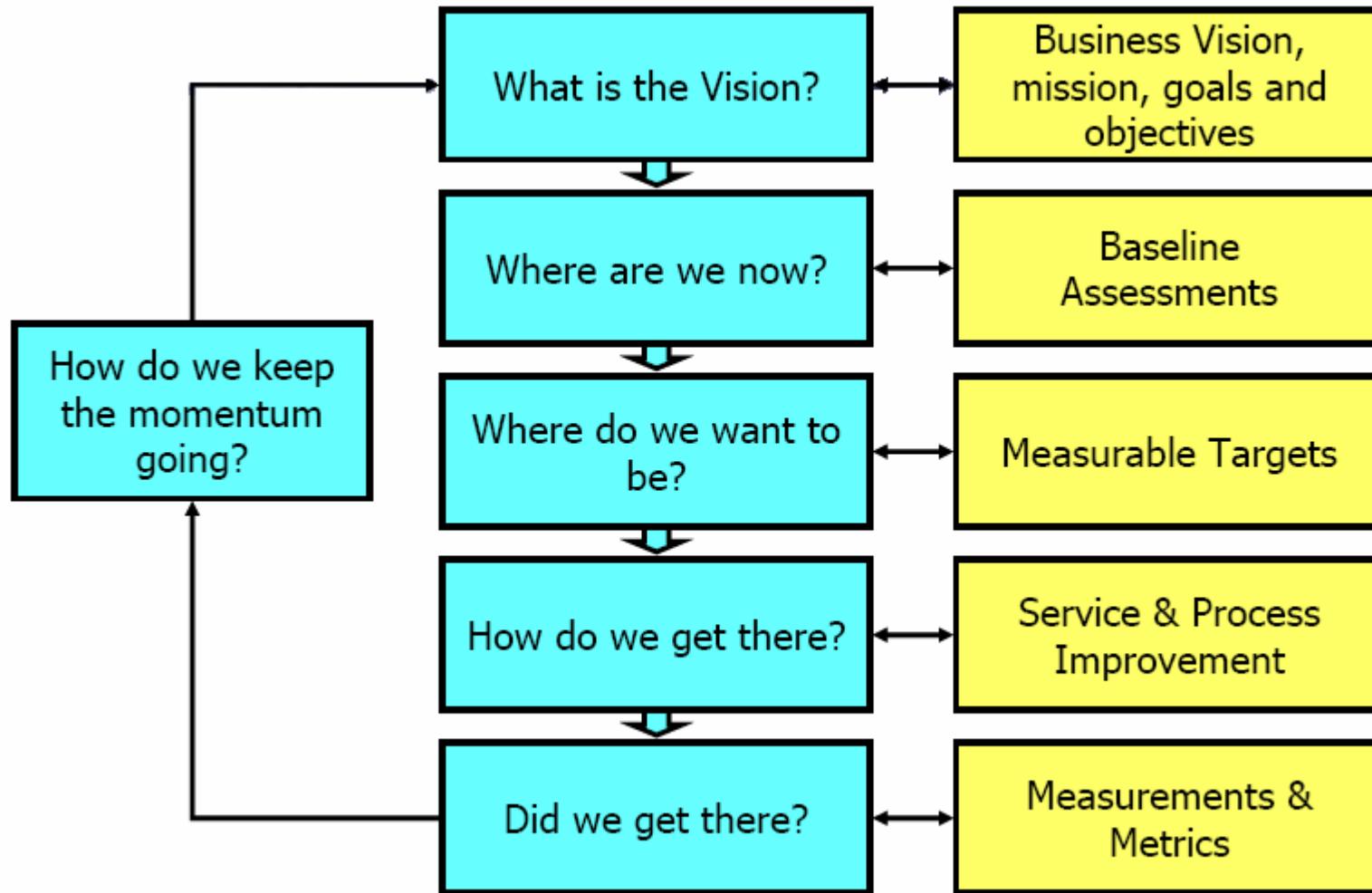
# CSI - What's Different in v3?

- Most everything
- CSI was only addressed as part of Service Level Management in v2
- Addressed as part of the overall Service Lifecycle
- Improvement Model in v3
- Continual Improvement Process in v3

# CSI Objectives

- Review, analyze and make recommendations on improvement opportunities in each lifecycle phase: Service Strategies, Service Design, Service Transition, and Service Operations
- Review and analyze Service Level Achievement results
- Identify and implement improvement activities to improve IT Service quality and improve the efficiency and effectiveness of ITSM processes
- Improve cost effectiveness of delivering IT Services
- Identify and implement improvement activities of the ITSM processes and supporting tools
- Ensure applicable quality management methods are used to support continual improvement activities

# CSI Model



# Continual Improvement



# CSI Review

- Key Messages
  - Everyone has responsibility for continual improvement
  - Each handoff can provide an opportunity for improvement
  - Relies on other service management processes
- Needs to be treated just like any other process
  - Policies
  - Roles and responsibilities
  - Procedures
  - Management information and reporting

# Thank You

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