Information Technology
Infrastructure Library (ITIL) Overview

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08 September 2010
Agenda

- Introduction and Key Concepts
- Service Lifecycle
- Service Strategy
- Service Design
- Service Transition
- Service Operation
- Continual Service Improvement
INTRODUCTION AND KEY CONCEPTS
Why We Are Here?

Need to balance:

- Fewer resources
- Need to get more done
- Need to deliver higher quality services

Need to be relevant
Customer Viewpoint

• Not interested in processes
• Could care less about underlying technology
• More interested in service quality than cost
• Not always focused on business value of service
• Just want to use the service to achieve business goals
Leadership Viewpoint

• Services should –
  – Create value for the University
  – Create value for the customer
  – Reduce cost or increase productivity
  – Achieve University goals
  – Manage costs and risks more effectively
Definition of Service

A service is a means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.

SOURCE: ITIL Service Strategy Publication, p.16
Best Practice vs. Good Practice

• Best practice provides generic guidelines based on successful experiences of a number of organizations

• Good practice is the application of a best practice or an input into a best practice by the University
What is Service Management?

Service Management is a set of specialized organizational capabilities for providing value to customers in the form of services.

These capabilities include processes, functions, and roles for managing services over their lifecycle.
Objective of Service Management

Ensure that IT services are aligned to business needs and actively support them.

SOURCE: ITIL Service Strategy Publication, p.3
Process

• A process is a set of activities designed to accomplish a specific objective
• It takes defined inputs and turns them into defined outputs
• May include roles, responsibilities, tools, and management controls
Characteristics of a Process

- Measurable
- Delivers specific results
- Delivers primary results to customers or stakeholders (and meet expectations)
- Responds to specific events
Business Process Evolution

Manual processes
<1970

Single-function applications*
1970s to early 90s

Integrated applications**
Early 90s to present

Composite applications
Present to 2015+

*CIM = Customer Inventory Management, AR = Accounts Receivable, AP = Accounts Payable, GL = General Ledger
**CRM = Customer Relationship Management, SCM = Supply Chain Management, ERP = Enterprise Resource Planning

SOURCE: ITIL Service Strategy Publication, p.19
Functions and Roles

- Function is a team or group of people and the tools that they use to carry out one or more processes or activities.

- Role is a set of responsibilities, activities, and authorities granted to a person or a team.
What is ITIL?

• Most widely adopted approach for IT Service Management
• Framework of Best Practice guidance for identifying, planning, delivering, and supporting IT services to the business

SOURCE: www.itil-officialsite.com/AboutITIL/WhatIsITIL.asp
Brief History of ITIL

• 1980s – UK Government set out to document how the most successful organizations approached service management
• Version 1 published between 1989 – 1995 (31 books)
• Currently in Version 3 (5 books) since 1987
ITIL Benefits

- Improved IT services
- Reduced costs
- Improved customer satisfaction through a more professional approach to service delivery
- Improved productivity
- Improved use of skills and experience
- Improved delivery of third party service

SOURCE: www.itil-officialsite.com/AboutITIL/WhatsITIL.asp
Service Lifecycle

Five publications

• Service Strategy
• Service Design
• Service Transition
• Service Operation
• Continual Service Improvement
Publication Contents

• Business case argument of the need for the lifecycle stage
• Policies and governance aspects of the lifecycle stage
• Identification of processes and the activities needed to carry them out
• Organizational roles and responsibilities needed to manage the lifecycle stage

• Recommendations on areas to focus automation
• Best ways to implement the lifecycle stage
• Highlights common challenges, risks, and success factors experienced by other organizations
• Other frameworks aligned with lifecycle stage
• Templates and examples of how lifecycle stage can be applied

Service Management Across Lifecycle

Source: ITIL Service Strategy Publication, p.27
Maturity in Technology Management

<table>
<thead>
<tr>
<th>Level</th>
<th>Strategic Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 5</td>
<td>• IT is measured in terms of its contribution to the business</td>
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<tr>
<td></td>
<td>• All services are measured by their ability to add value</td>
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<td></td>
<td>• Technology is subordinate to the business function it enables</td>
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<td>• Service Portfolio drives investment and performance targets</td>
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<td>• Technology expertise is so entrenched in everyday operations it is viewed as a utility by the business</td>
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<tr>
<td>Level 4</td>
<td>• Services are quantified and initiatives aimed at delivering appropriate levels</td>
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<td>• Service requirements and technology constraints drive procurement</td>
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<td></td>
<td>• Service Design specifies performance requirements and operational norms</td>
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<td></td>
<td>• Consolidated systems support multiple services</td>
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<td></td>
<td>• All technology is mapped to services and is managed to service requirements</td>
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<tr>
<td></td>
<td>• Change Management covers both development and operations</td>
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<td>Level 3</td>
<td>• Critical services have been identified together with their technological dependencies</td>
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<td>• Systems are integrated to provide required performance, availability and recovery for those services</td>
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<td></td>
<td>• More focus on measuring performance across multiple devices and even platforms</td>
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<td>• Virtual mapping of Configuration and Asset data with single Change Management for operations</td>
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<td></td>
<td>• Consolidated Availability and Capacity Planning on some services</td>
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<td></td>
<td>• Integrated Disaster Recovery Planning</td>
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<td>• Systems are consolidated to save cost</td>
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<td>Level 2</td>
<td>• Initiatives are aimed at achieving control and increasing the stability of the infrastructure</td>
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<td>• IT has identified most technology components and understands what each is used for</td>
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<td>• Technical management focuses on achieving high performance of each component regardless of its function</td>
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<td>• Availability of components is measured and reported</td>
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<td></td>
<td>• Reactive Problem Management and Inventory control are performed</td>
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<td></td>
<td>• Change control is performed on ‘mission critical’ components</td>
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<td>• Point solutions are used to automate those processes that are in place, usually on a platform-by-platform basis</td>
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<tr>
<td>Level 1</td>
<td>• IT is driven by technology and most initiatives are aimed at trying to understand the infrastructure and deal with exceptions</td>
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<td>• Technology management is performed by technical experts, and only they understand how to manage each device or platform</td>
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<td>• Most teams are driven by incidents, and most improvements are aimed at making management easier – not to improve services</td>
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<td>• Organizations entrench technology specializations and do not encourage interaction with other groups</td>
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<td>• Management tools are aimed at managing single technologies, resulting in duplication</td>
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<td>• Incident Management processes start being created</td>
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SOURCE: ITIL Service Operation Publication, p.81
Service Strategy

How to design, develop, and implement service management not only as an organizational capability but also as a strategic asset

SOURCE: ITIL Service Strategy Publication, p. 8
Service Strategy Goals

- Transforms Service Management into strategic asset
- University thinks and acts in a strategic manner
- Clarifies relationships between services, systems, or processes and the business models, strategies, or objectives they support
Key Concepts and Processes

• Concepts
  – Value Creation
  – Utility and Warranty
  – Service Portfolio
  – Risk Management

• Processes
  – Financial Management
  – Demand Management
Service Strategy Questions

• What services should we offer and to whom?
• How do we differentiate ourselves from competing alternatives?
• How do we create value for our customers?
• How can we make a case for strategic investments?
• How should we define quality?
• How do we resolve conflicting demands for shared resources?

SOURCE: ITIL Service Strategy Publication, p. 9-10
Four Ps of Strategy

• Perspective – vision and direction
• Position – what we are going to focus on
• Plan – how to go from “as is” to “to be”
• Pattern – series of consistent decisions and actions over time

SOURCE: ITIL Service Strategy Publication, p.56-57
Value Creation

• Utility and Warranty define services and work together to create value for the customer

• Utility
  – Service the customer gets
  – “Fit for purpose”

• Warranty
  – How the service is delivered
  – “Fit for use”
Example of Utility and Warranty

SOURCE: ITIL Service Strategy Publication, p.16
Utility and Warranty

SOURCE: ITIL Service Strategy Publication, p.17
Assets

• Two types of assets
• Resources
  – Direct inputs for production
• Capabilities
  – Ability to coordinate, control, and deploy resources
Service Management Model

SOURCE: ITIL Service Strategy Publication, p.80
Value of a Service

SOURCE: ITIL Service Strategy Publication, p.32
Types of Service Providers

• Type I
• Type II
• Type III
Type I: Internal Service Provider

(Corporate business function)

Marketing
R&D Strategic planning
Government Affairs

Coatings (BU)
- Human resources
- Finance & admin
- Customer care
- IT

Plastics (BU)
- Human resources
- Finance & admin
- Customer care
- IT

Textiles (BU)
- Human resources
- Finance & admin
- Customer care
- IT

Corporate

SOURCE: ITIL Service Strategy Publication, p.42
Type II: Shared Services Unit

Source: ITIL Service Strategy Publication, p.43
Type III: External Service Provider

SOURCE: ITIL Service Strategy Publication, p.44
Value Creation Viewpoint

- Customers will choose a service provider type
- Service providers should look at services from customer’s perspective rather than focusing on production of services
- Need to look at the balance of services from across all customers – not just requestor
Viewing Customers via Marketing Eyes

- What is our business?
- Who is our customer?
- What does the customer value?
- Who depends on our services?
- How do they use our services?
- Why are they valuable to them?
Value Network

A web of relationships that generates tangible and intangible value through complex dynamic exchanges through two or more organizations.

SOURCE: ITIL Service Strategy Publication, p.48
Advantages of Value Network

- Marshal external talent
- Reduce costs
- Change focal point of distinctiveness
- Increase demand for complimentary services
- Collaborate

SOURCE: ITIL Service Strategy Publication, p.48
Services across Value Network

SOURCE: ITIL Service Strategy Publication, p.124
Service Portfolio

The commitments and investments made by a service provider across all customers and market spaces

• Current contractual commitments
• New service development
• Ongoing service improvement

SOURCE: ITIL Service Strategy Publication, p.73
Service Portfolio

SOURCE: ITIL Service Strategy Publication, p.74
Service Portfolio

Source: ITIL Service Design Publication, p. 34
Service Portfolio vs. Service Catalog

**Service Portfolio**
- Description
- Value proposition
- Business cases
- Priorities
- Risks
- Offerings and packages
- Cost and pricing

**Service Catalogue(s)**
- Services
- Supported products
- Policies
- Ordering and request procedures
- Support terms and conditions
- Entry points and escalations
- Pricing and chargeback

SOURCE: ITIL Service Strategy Publication, p.75
Strategic Assessment

• Strengths and weaknesses
• Distinctive competencies
• Business strategy
• Critical success factors
• Threats and opportunities

SOURCE: ITIL Service Strategy Publication, p.84
Risk Analysis and Management

Define a framework

- Embed and review
- Gain assurances about effectiveness
- Implement responses

- Identify the risks
- Identify probable risk owners
- Evaluate the risks
- Set acceptable levels of risk (tolerance/"appetite")
- Identify suitable responses to risk

Risk management
Risk analysis

SOURCE: ITIL Service Strategy Publication, p.200
Financial Management

- Visibility and accountability
- Compliance and control
- Cost of providing services
- Value customers get from services
- Operational control
- Enhanced decision making

Demand Management

- Understand customer service requirements and how they vary over the business cycle
- Ensure provision of appropriate level of service
- Ensure warranty and utility matches customer needs
Up Next

Service Design