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Why IT Service Management Should Matter To You

by Evelyn Hubbert

for IT Infrastructure & Operations Professionals

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Stop Running IT For The Geeks And Start Running IT For The Bill Payers

by Evelyn Hubbert
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EXECUTIVE SUMMARY

IT service management (ITSM) has made its way onto the agendas of both global businesses and large and medium enterprises. Yet there are many companies that don't fully understand what service management involves and what it can deliver to your entire company (including IT). There are also many organizations that think they have implemented ITSM, when in reality all they have done is implemented a service desk. Others have adopted additional best practices from the Information Technology Infrastructure Library (ITIL) foundation and are well on their way to the journey of service management. Unfortunately, too few companies fall into the latter category, leaving a great deal of confusion still surrounding ITSM.

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NOTES & RESOURCES

Forrester drew data from Forrester's Enterprise And SMB Hardware Survey, North America And Europe, Q3 2007.

Related Research Documents
"Problem Manager: A New IT Service Management Role"
March 28, 2008

"ITIL V3: The Evolution From Process To Service Model"
October 1, 2007

"BSM Is Coming Of Age: Time To Define What It Is"
February 1, 2006

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WHAT IS IT SERVICE MANAGEMENT?

ITIL defines IT service management as:

> *The delivery and support of IT services that are appropriate to the business requirements of an organization.*

ITIL provides a comprehensive, consistent, and coherent set of best practice processes for ITSM, promoting a quality approach to achieving business effectiveness and efficiency in the use of information systems.

However, before you can truly understand what's involved in the management of services, you must first understand the types of services being managed. Several types are:

- **Technical services.** These focus on the delivery of the service related to a technical subject area. Examples include voice and network services, database services, backup and restore services, desktop services, and Windows administration services.

- **Organizational services.** These focus on a specific organization or role in the company. Examples are sales support services, human resource services, marketing services, and research and development services.

- **Application services.** These focus on a particular end-user business application. Examples are email services and ERP services. Sometimes they're even more specific, and the name of the particular business application appears in the name of the service, such as SAP services.[1]

Typically, the firms that have defined services have a good understanding in regard to the requirements of the service, the resources it uses, and how to deliver it. The difficulty arises when services are dependent on or have an impact on other services. This is exactly what service management is about.
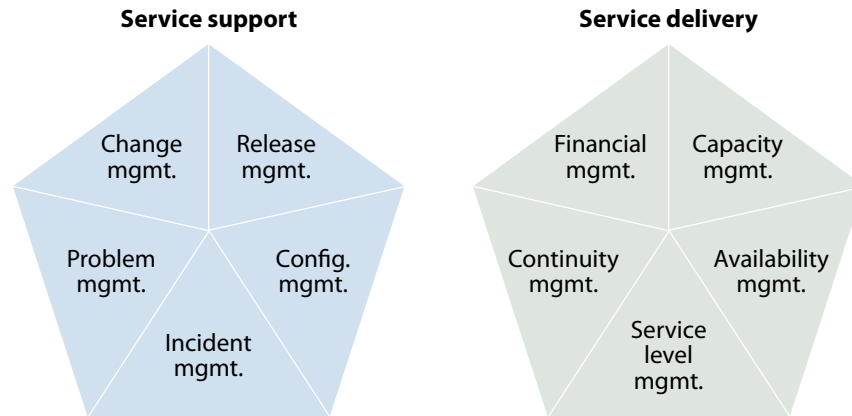
EFFECTIVE ITSM

While many Forrester clients utilize many ITSM processes, not all have adopted the complete picture of ITIL V2 service support and service delivery (see Figure 1).

In a recent survey of enterprises across North America and Europe, only 17% had already implemented parts of ITIL or COBIT, and 16% were planning on implementing ITIL or COBIT within the next 12 months.[2] This means that these companies are currently going through this transition (see Figure 2). In many client inquiries, Forrester finds that IT organizations have implemented aspects of ITIL but fail to call it ITIL. The major benefits of leveraging ITIL are its structured approach to managing IT, the delivery of its services, and the introduction of a common

language across the different domains or working groups. Additionally, almost all of the IT management software vendors have adopted ITIL language into the naming and grouping of their solutions. The effective use of service management can bring a lot of benefits to the organization, and through service management an alignment of IT and business is possible.
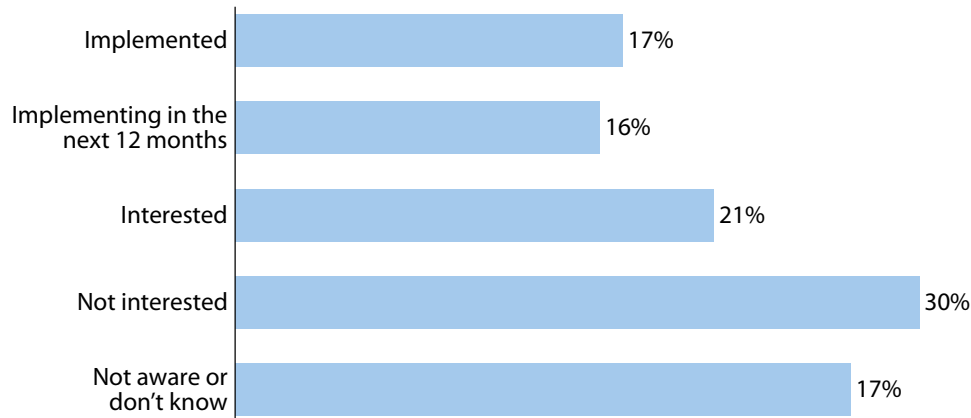
Figure 1 ITIL V2 Key Elements

Service support

Change mgmt.
Release mgmt.
Problem mgmt.
Config. mgmt.
Incident mgmt.

Service delivery

Financial mgmt.
Capacity mgmt.
Continuity mgmt.
Availability mgmt.
Service level mgmt.

46464   Source: Forrester Research, Inc.

Figure 2 ITIL Or COBIT Adoption In 2007

"How would you describe your awareness or interest in formalizing your IT processes using methodologies such as ITIL or COBIT?"

Implemented 17%
Implementing in the next 12 months 16%
Interested 21%
Not interested 30%
Not aware or don't know 17%

Base: 230 systems management decision-makers at North American and European enterprises (percentages do not total 100 because of rounding)
Source: Enterprise And SMB Hardware Survey, North America And Europe, Q3 2007

46464   Source: Forrester Research, Inc.

How Is ITSM Different From Business Service Management (BSM)?

ITSM and BSM are similar but are often confused as being the same thing; however, there are two key differences:

- **ITSM is about moving from IT support to service delivery.** ITSM aids the change of an IT organization from a support group to a service group in which ITIL processes are introduced. This reorganizes the IT group from technical domains (e.g., network management) into process groups. New roles such as the business relationship manager, who is responsible for managing the relationship between IT and a particular line of business, are inserted into IT. Introducing ITSM into IT improves how the IT shop runs.

- **BSM is an IT service that is visible to and consumed by a business user outside of IT.** BSM is the true alignment of IT to the business, as it lets business users know how well their business is running. BSM is the next level of maturity and a logical progression after the ITSM stage has been reached. Forrester defines BSM as follows:[3]

  Business service management dynamically links business-focused IT services to the underlying IT infrastructure. A business-focused IT service may be a specific IT service or part of a business process, but it must support a significant, visible business metric for a business owner.

ITIL V3 — introduced in June 2007 — has a BSM flavor, as it addresses the strategy, design, and transition of a service into operations. The operational aspect was defined in ITIL V2 via the service delivery and service support frameworks, which included, among others, incident, problem, change, configuration, service level, and financial management.

How Are ITSM, ITIL, And British Standard Institute (BSI) Related?

It's essential to understand the relationship between ITIL, ITSM, and other important frameworks. The BSI and the International Organization for Standardization (ISO) are responsible for the publication of BS 15000 and the ISO 20000 publications. The ISO 20000 (formerly known as BS15000/BS 15000) is the first standard for ITSM and is actually based on the original pair of documents, BS15000-1 and BS15000-2, published by the BSI in 2002 and 2003 respectively. As standards evolve, many of the ISO 20000 pieces are based on ITIL (see Figure 3).
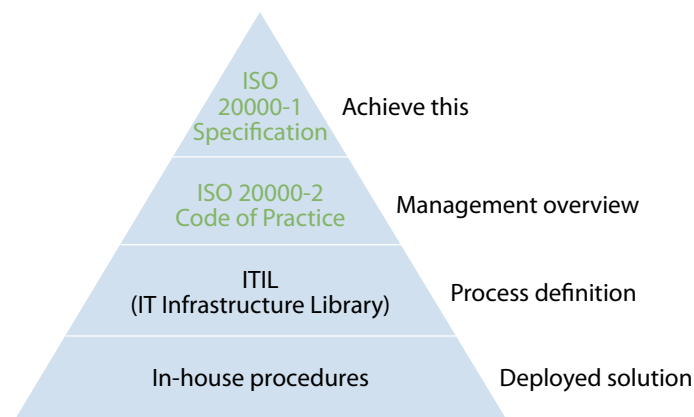
What Does ITSM Involve?

The simplest explanation is that ITSM embraces a set of well-defined best practices, like ITIL, that facilitates the delivery of cost-effective and quality IT services to the lines of business. ITSM supports the change of an IT organization from a technology silo into an organization that leverages processes to deliver IT services to its customers. These ITIL best practices should be adopted by the IT organization with a combination of people, processes, and tools (sometimes called technology). Some vendors make us believe that by adopting their ITIL-certified solution it will shift IT to ITSM.

From a tools perspective that might be the case, but unfortunately processes need to be inserted, adopted, or changed. A variety of different roles and possible organizational changes need to occur for effective ITSM.[4]

The ITIL framework provides best practices for aligning IT services with the current and future needs of the business. Through the adoption of the different processes, it can improve the quality and reduce costs of IT services. The framework comes in two parts — service support and service delivery. The newer version, ITIL V3, combines these two subject areas into service operations.[5]

Figure 3 Relationship Between ISO, ITIL, And Procedures

ISO
20000-1
Specification   Achieve this

ISO 20000-2
Code of Practice   Management overview

ITIL
(IT Infrastructure Library)   Process definition

In-house procedures   Deployed solution

Source: ISO 20000 Central Repository

46464   Source: Forrester Research, Inc.

WHAT ARE THE BENEFITS OF ITSM?

While implementing ITSM promises a variety of benefits, it's important to know that to pay off, all ITSM initiatives need senior management support. The major benefits of ITSM are (see Figure 4):

- **Improved efficiency and quality of IT service.** ITIL encourages clearly defined roles and responsibilities of an IT organization, plus inputs and outputs from one process to another. This is then combined with the steps in the specific tasks, and with the measurements of the tasks' output the IT organization can plan the workload of employees, adding automation to become more efficient. Because of clear ownership and measurements, the quality of the service can be tracked and improved.

- **Enhanced customer satisfaction and customer service.** One example of a process that enhances customer satisfaction is incident management. Effective flow and connection to the problem and change management process reduces resolution time of an incident and improves customer satisfaction.

Figure 4 Major Benefits Of ITSM

Benefit detail	Example and application
Improved efficiency and quality of IT service	
Increased productivity of staff members	Process automation or run-book automation, which provides the automation of a variety of workflows
Increased operational efficiency of staff members	Clear role definitions — possible leverage of RACI charts
Reduced resolution time	Embed knowledge bases into service desk solutions for fast resolution time or immediate handover to the next level support of incident with incident details attached.
Improved effectiveness of IT function	Current reputation can be improved by reducing the ratio of new projects to ongoing maintenance and operations (currently 32% focus is on new projects; 62% focus is on maintaining and operating the existing environment).*
Enhanced customer satisfaction and improved customer services	
Quality of service through improved responsiveness	Through the definition of service levels, IT knows what the customer expects and can respond accordingly.
Reduced downtime	Through the implementation of a problem management process (and/or role), the root problems for incidents can be identified and resolved. This can also include the identification of past service performance to avoid problems in the future.
Agility in adopting changes as demanded by the business or other constituencies	
Reduced downtime and speed of implementation of changes	Through change and configuration management, changes can be implemented without causing downtime, rework, or rollbacks.
Cost reduction	
Optimization of service-level agreements	If services are managed based on service levels, penalties can be avoided.
Utilization of resources across IT	Through asset tracking, portfolio management and project management assets (people, infrastructure, licenses, etc.) can be effectively utilized.
Compliance and corporate governance improvements	
Policies and procedures are repeatable, documented and controlled.	Documentation is necessary for all ITIL processes, which in turn provide visibility and control.
Enhanced image of IT as a business partner	
Enabling the IT function to demonstrate its value	Relationship processes such as supplier management and business relationship management will (above all other items mentioned above) give IT a new or different reputation.

* Source: Enterprise And SMB Hardware Survey, North America And Europe, Q3 2007

46464   Source: Forrester Research, Inc.

- **Rapid adoption and integration of new business processes.** ITSM processes enable IT functions to use existing resources more efficiently and leverage automation to eliminate unnecessary manual processes. Through the adoption of operation control processes, such as change and configuration management process, IT functions work more proactively and therefore have the bandwidth for projects and programs that help the business.

- **Lower costs in asset expenses.** One example of lowering costs is in tracking assets where pertinent information is available regarding equipment usage, fault history, and warranty information. This information can be leveraged for optimum purchasing or license negotiation strategies.

- **Improved compliance and governance.** One example is the software licensing compliance, where license and usage monitoring tools and processes can ensure that a company is in line with its licenses.

- **IT perceived as a business partner.** There are many parts of ITIL that support the argument that IT is a business partner. The most powerful one is aligning the priorities of IT and the business processes IT supports. IT needs to stop running IT for the sake of the technologist and start running IT for the people who pay the bills.

ITSM Gives Us Control Of What?

There is no shortage of benefits for infrastructure and operations to leverage with ITSM. The most important is that if you start implementing ITSM, you introduce control to a variety of your own processes and in turn assist the business function. No other organization inside the value delivery chain of an organization has to prove its value to the business except IT. This is still the case even though you've been hearing about the alignment of IT to the business. IT is everywhere — from entering the corporate office to embedding business rules inside applications to accessing corporate email — making IT a risk in itself. This risk is what keeps CIOs up at night. By adopting ITSM, infrastructure and operations professionals can control the operations inside IT and reduce this risk.

What's In It For You?

By leveraging best practices such as incident, problem, change, configuration, and release management, the work of IT operations becomes easier. However, it's even more important that IT operations be seen as a peer to your business partners. Enhanced customer satisfaction and improvements in efficiency won't automatically put you with the "in" group; however, through the adoption of ITSM you will have the chance to align yourselves with the business and become a service partner instead of staying a utility organization. ITSM is about delivering services that meet the needs of the organizations.

LEVERAGE THE VENDOR TOOLS PORTFOLIO

ITIL best practices are technology-agnostic, because they address processes that apply to all technologies (e.g., servers, networks, storage, mainframe, desktops, etc.). At the core of ITSM is provisioning services to the business so that the business can achieve its goals. This service concept is important to understand, as it drives the behavior of the organization. IT must act as a service provider. Technology certainly plays a role, but it's not the only offering. All major vendors in the ITSM market have a variety of solutions that add technology to the service delivery and service support subject areas. Some vendors are focused on the entire ITSM subject area, providing solutions for all of the ITIL processes described in ITIL V2 and V3.

Many smaller vendors have solutions that focus on specific emerging technology domains or complementary subject areas. Usually clients use a combination of major vendors and smaller vendors. Forrester recommends that you carefully manage your tool portfolio.

RECOMMENDATIONS

RECOGNIZE AND ADMIT — ITSM IS HERE TO STAY

ITIL is positioning ITSM as the bridge between IT and the business; to become a true ITSM shop, you need to carefully evaluate existing efforts and identify the next steps:

- **Foster business-IT alignment.** Start running IT like a business. This means concentrate on customer-focused metrics and performance management to meet demands and expectations and to support the business processes.

- **Provide transparency.** If you want to run IT as a business, the first thing you must do is provide transparency to the business sponsors. This means identifying and measuring the processes underlying your IT organization. Once you've done that, start to improve them, and track your progress.

- **Set up the right organization or insert change agents.** If your company has created the role of IT service manager, which is responsible for more than the service desk, you're on the right path to service management. If not, start by defining this role and allowing this function to act as a change agent.

- **Adopt above-and-beyond incident and problem management.** If you have already started on ITSM with the implementation of a service desk, you now need to incorporate all other areas of ITSM. The real benefits will be attained when the entire IT organization adopts the full range of service management processes.

- **Adopt or instill (and measure) a culture of service — the ABC of IT.** The IT organization needs to change its behavior from a technology to a service focus. It's very important to foster, encourage, and adopt a service culture. To do this, shift the metrics from measuring

technology availability — for example, server performance — to service availability. This shift in metrics enforces different behavior for the team managing the service running on a particular server. The service attitude, behavior, and culture of an IT organization are critical success factors for ITSM.

- **Don't worry too much about ITIL V2 or V3.** It's certainly good to have a discussion on ITIL V2 versus V3, but devote your energy to implementing the different processes in ITIL, starting with the service delivery and service support subject areas.

- **Assess your tools.** Once you have determined the roles and processes you want to address, you should evaluate your existing tools. See if they are supporting your processes and how easy they are to implement.

ENDNOTES

1 As more and more IT organizations improve their service delivery, they are turning their focus to presenting their business value more positively. These organizations are beginning to develop true business service management (BSM) systems by doing two things: understanding the metrics their business users employ to decide if IT is providing value, and linking these metrics and associated business services to IT infrastructure components. Vendors have been using — and abusing — the term BSM for a couple of years now, so clients are understandably confused about the inconsistent messages they receive from vendors. To cut through the confusion, Forrester now proposes a definition of BSM based on observations of many of our clients' BSM projects. See the February 1, 2006, "BSM Is Coming Of Age: Time To Define What It Is" report.

2 Source: Enterprise And SMB Hardware Survey, North America And Europe, Q3 2007.

3 More than 100 vendors use BSM in their marketing message — but they do not leverage it consistently and always relate it to the strengths of their own solution. Users find it difficult to separate the offerings and decide on the right solutions for their scenario. A business-focused IT service may be a specific IT service or part of a business process, but it must support a significant, visible business metric for a business owner. In the context of BSM, an IT service is not a business service if it is not visible to a business user or stakeholder outside of IT. See the February 1, 2006, "BSM Is Coming Of Age: Time To Define What It Is" report.

4 For an overview of the service manager role, see the September 3, 2008, "Role Overview: Service Manager" report. For an overview of the CMDB manager role, see the July 9, 2008, "Role Overview: CMDB Manager" report. For an overview of the problem manager role, see the March 28, 2008, "Problem Manager: A New IT Service Management Role" report.

5 The first version of the ITIL was created during the time period 1986 to 1992 and consisted of a variety of booklets based on work done by the UK Government Information Infrastructure Management Forum. The second version emerged over the years 1996 to 1998 with nine books; the two most widely read focused on service delivery and service support. These two books present the foundation for ITSM, which is a set

of 10 management processes that provide guidance and best practices on managing assets, bugs, changes, disasters, efficiency, and finances. The model shows the goals, general activities, inputs, and outputs of the various processes and facilitates communication and cooperation among various functions in IT. The newest version, ITIL V3, is fundamentally different from previous versions. ITIL V3 focuses on the entire service life cycle, taking the ultimate consumer of the services — the business — into consideration. See the October 1, 2007, "ITIL V3: The Evolution From Process To Service Model" report.

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