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2009 Customer Conference ITSM Overview And ITIL® Service Strategy

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- **Currently supporting DISA Network Services**
- **25 years IT consulting**
- **11 years Data & Telecommunications Management in a Manufacturing plant**
- **7 years leading large Process Transformation Programs, both commercial and federal**
- **Certified ITIL V2 Service Manager, V3 Foundations, soon V3 Expert**
- **Certified PMP, Lean Six Sigma Master Black Belt, MCSE, CNA ... more**

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- **ITIL Educational Awareness only**
- **Not intended to reflect specific initiatives within DISA**
- **ITIL standards and methods are being used as guidelines only within DISA, not a rigid roadmap**

What is IT Service Management (ITSM)?

- **Aligns business goals with IT goals and investments**
- **Organizes and maintains a set of specialized capabilities for the design, implementation, and operation of IT services**
- **Based on widely accepted standards and frameworks that have been proven to ensure delivery of customer value**

What is the IT Infrastructure Library (ITIL)?

Key Attributes

- Non-proprietary
- Non-prescriptive
- Best practice
- Good practice

ITIL provides guidance in implementation and maintenance of proven, repeatable, and consistent processes for IT services

Value Proposition

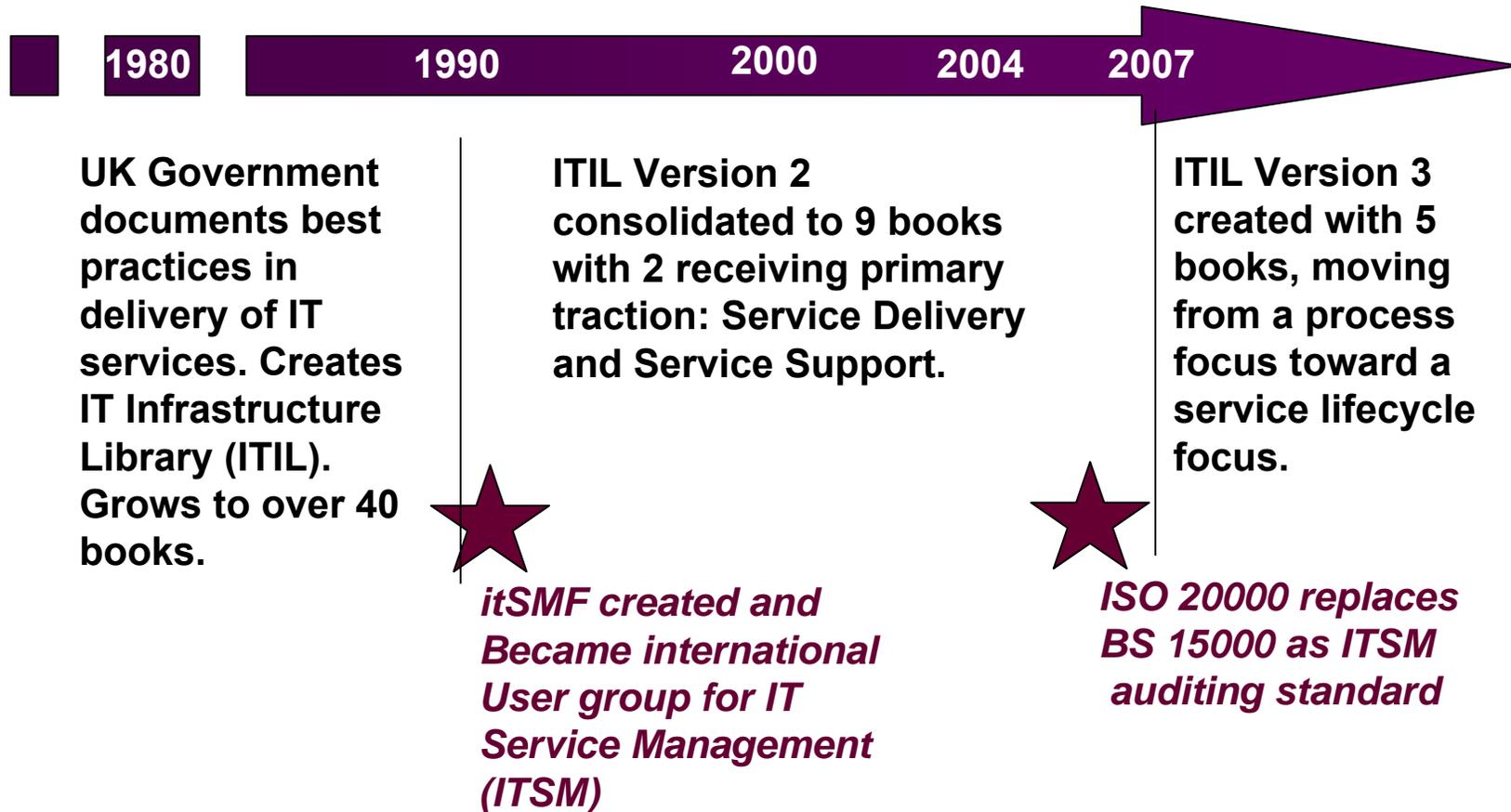
- Predicting customer needs
Through analysis of service usage patterns
- Use of proven, consistent, and measurable practices
- Continuous fine tuning of service performance

ITIL is the primary domain in ITSM for IT Service Lifecycle Management

Service Objectives:

- Fit for purpose
- Fit for use
- Stable
- Reliable

ITIL History



Continually refined and updated

ITIL V3 Publications



**Service
Strategy**



**Service
Design**



**Service
Transition**



**Service
Operation**



**Continual
Service
Improvement**

Each volume contains:

- Practice fundamentals
- Practice principles
- Lifecycle processes and activities
- Supporting organization structures and roles
- Technology considerations
- Practice implementation
- Challenges, risks, and critical success factors

Consistency and standardization

What is a Service?

A means of delivering value by facilitating outcomes customers want to achieve without ownership of specific costs and risks

Examples:

- Airlines
- Banks
- Hotels
- Phone companies

Facilitates Desired Outcomes by:

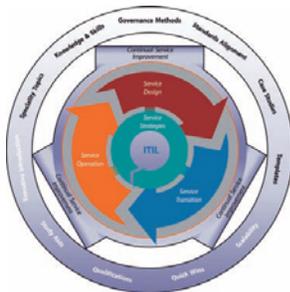
- Enhancing performance
- Reducing Constraints

IT Service Providers supplies end-to-end services to customers

The Service Lifecycle

Service Management must initiate, enable and maintain, and mature each Service to ensure its alignment with customer goals and positive contribution of value.

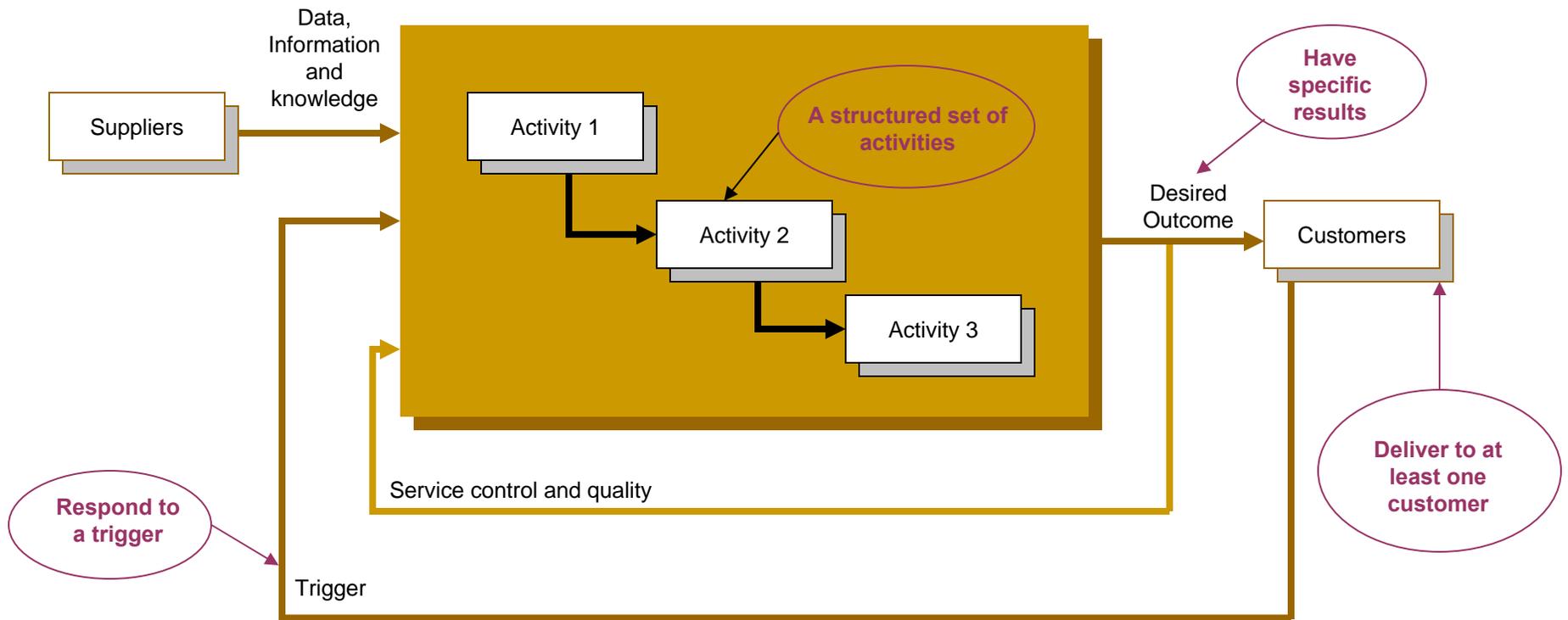
Service provisioning activities are iterative, repeating across the Service Lifecycle, continuing as long as the Service provides value



Initiate	Specify and design the Service to meet customer need
Enable & Maintain	Begin and sustain the Service activities
Mature	Continually improve Service effectiveness, efficiency and compliance. Terminate when Service value ceases.

A service must have a beginning and an end, and be useful in between 9

What is a Process?



Processes are measurable

Common Process Frameworks

Framework	Owner	Focus
IT Infrastructure Library (ITIL)	UK Government's Office of Government Commerce (OGC)	<ul style="list-style-type: none"> - Repository of industry best practices for IT SM - 27 processes over 5 phases
Control Objectives for Information and related Technology (CobIT)	Information Systems Audit and Control Association (ISACA)	<ul style="list-style-type: none"> - Primarily designed for IT Service Management auditing compliance - 34 processes in 5 domains
Capability Maturity Model Integration (CMMI)	Carnegie Mellon Software Engineering Institute (SEI)	<ul style="list-style-type: none"> - Original focus was software engineering but now includes systems engineering and product development - Designed to test for compliance and certify achievement of a maturity level - 22 processes in 4 groups
Enhanced Telecom Operations Map (eTOM)	TM Forum	<ul style="list-style-type: none"> - the most widely accepted standard for business processes in the telecommunications industry - eTOM Compliance is achieved through the TMF/GNOSS compliance program and is based on tools rather than organizations or processes

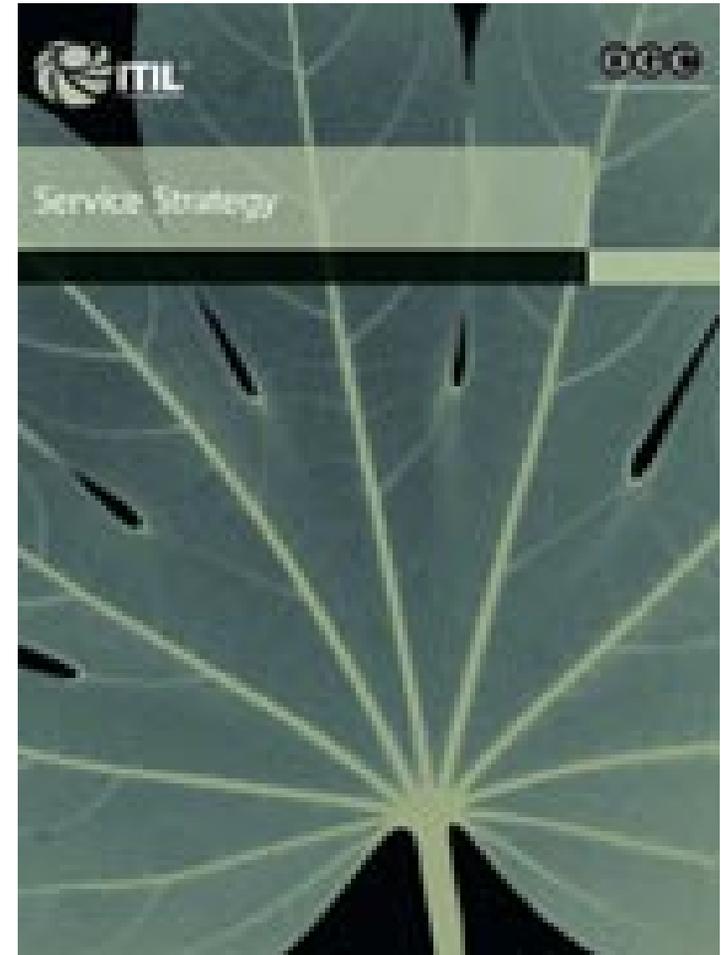
Integrates guidance from multiple frameworks and standards

Framework Overlaps

ITIL	CobiT	CMMI-DEV	E-TOM
<p>Service Strategy Demand Management Strategy Generation Service Portfolio Management IT Financial Management</p>	<p>Plan and Organize Define a Strategic Plan Define the Information Architecture Determine Technological Direction Define the IT Processes, Organization. . .</p>	<p>Process Management Organizational Process Definition + IPPD Organizational Process Focus Organizational Training Organizational Process Performance Organizational Innovation and Deployment</p>	<p>Strategy, Infrastructure & Product Strategy & Commit Infrastructure Lifecycle Management Product Lifecycle Management Marketing & Offer Management Service Development & Management Resource Development & Management Supply Chain Development & Management</p>
<p>Service Design Service Catalog Management Service Level Management Capacity Management Availability Management Service Continuity Management Information Security Management Supplier Management</p>	<p>Manage the IT Investment Manage IT Human Resources Manage Quality Assess and Manage IT Risks Manage Projects</p>	<p>Project Management Project Monitoring and Control Project Planning Supplier Agreement Management Integrated Project Management + IPPD Risk Management Quantitative Project Management</p>	<p>Operations Operations Support & Readiness Fulfillment Assurance Billing Customer Relationship Management Service Management & Operations Resource Management & Operations Supplier/Partner Relationship Management</p>
<p>Service Transition Transition Planning & Support Change Management Service Asset & Configuration Management Release & Deployment Management Service Validation & Testing Evaluation Knowledge Management</p>	<p>Acquire and Implement Identify Automated Solutions Acquire and Maintain Application Software Acquire and Maintain Technology Infra. Enable Operation and Use Procure IT Resources Manage Changes Install and Accredite Solutions and Changes</p>	<p>Engineering Requirements Management Product Integration Requirements Development Technical Solution Validation Verification</p>	<p>Enterprise Management Strategic & Enterprise Planning Enterprise Risk Management Enterprise Effective Management Knowledge & Research Management Financial & Asset Management Stakeholder & External Relationships Management Human Resources Management</p>
<p>Service Operation Event Management Incident Management Request Fulfillment Problem Management Access Management Operation Management</p>	<p>Deliver and Support Manage and Define Service Levels Manage Third-Party Services Manage Performance and Capacity Ensure Continuous Service Ensure Systems Security Identify and Allocate Costs Educate and Train Users Manage Service Desk and Incidents Manage the Configuration Manage Problems Manage Data Manage the Physical Environment Manage Operations</p>	<p>Support Configuration Management Measurement and Analysis Process and Product Quality Assurance Decision Analysis and Resolution Causal Analysis and Resolution</p>	
<p>Continual Service Improvement Service Measurement Service Reporting Service Improvement</p>	<p>Monitor and Evaluate Monitor and Evaluate IT Performance Monitor and Evaluate Internal Control Ensure Regulatory Compliance Provide IT Governance</p>		

Service Strategy

- **Service Strategy**
Document the objectives the service is to meet, the policies used to realize the services, and the guidelines to plan the design, transition, and operations of the service
- **Service Design**
- **Service Transition**
- **Service Operation**
- **Continual Service Improvement**

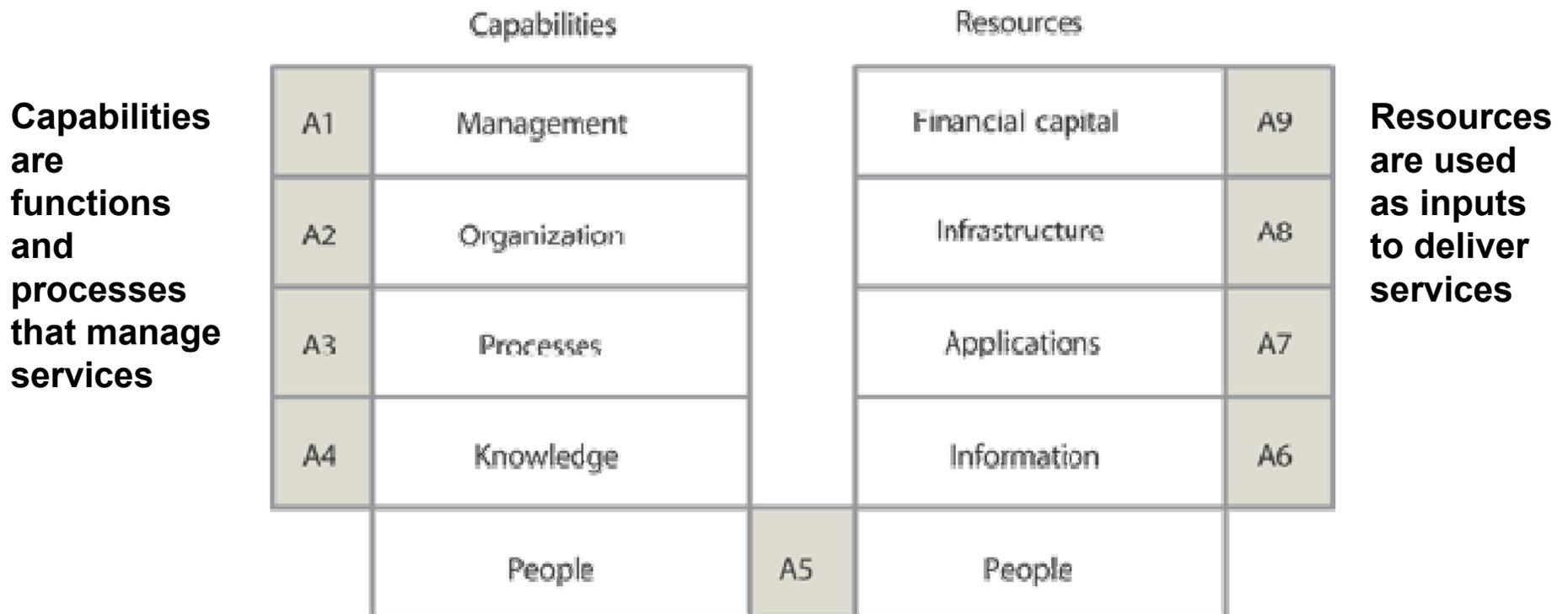


Service Strategy Objectives



Service Assets

Service assets contribute to the delivery of an IT service and are made up of a service provider's capabilities and resources



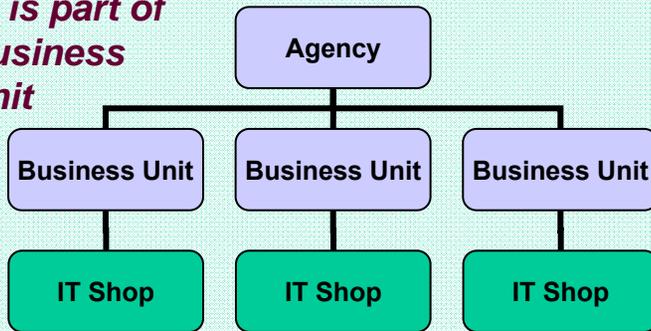
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Service assets are the basis for creating value

Service Provider Types

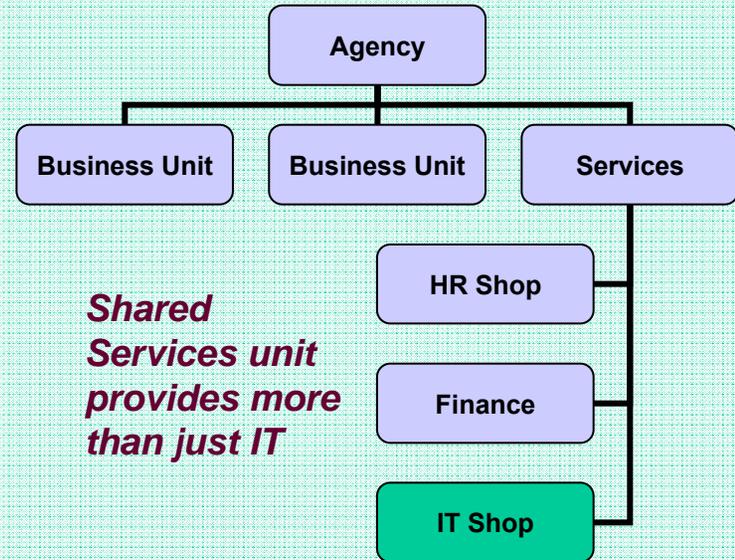
Type I – Internal Service Provider

IT is part of business unit



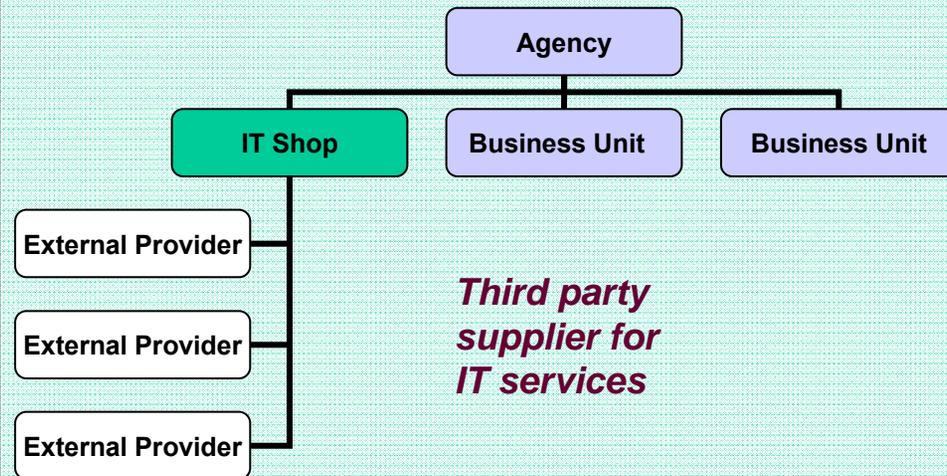
Type II – Shared Services Unit

Shared Services unit provides more than just IT



Type III – External Service Provider

Third party supplier for IT services



Type 1 – funded as overhead, most flexible to business requirements

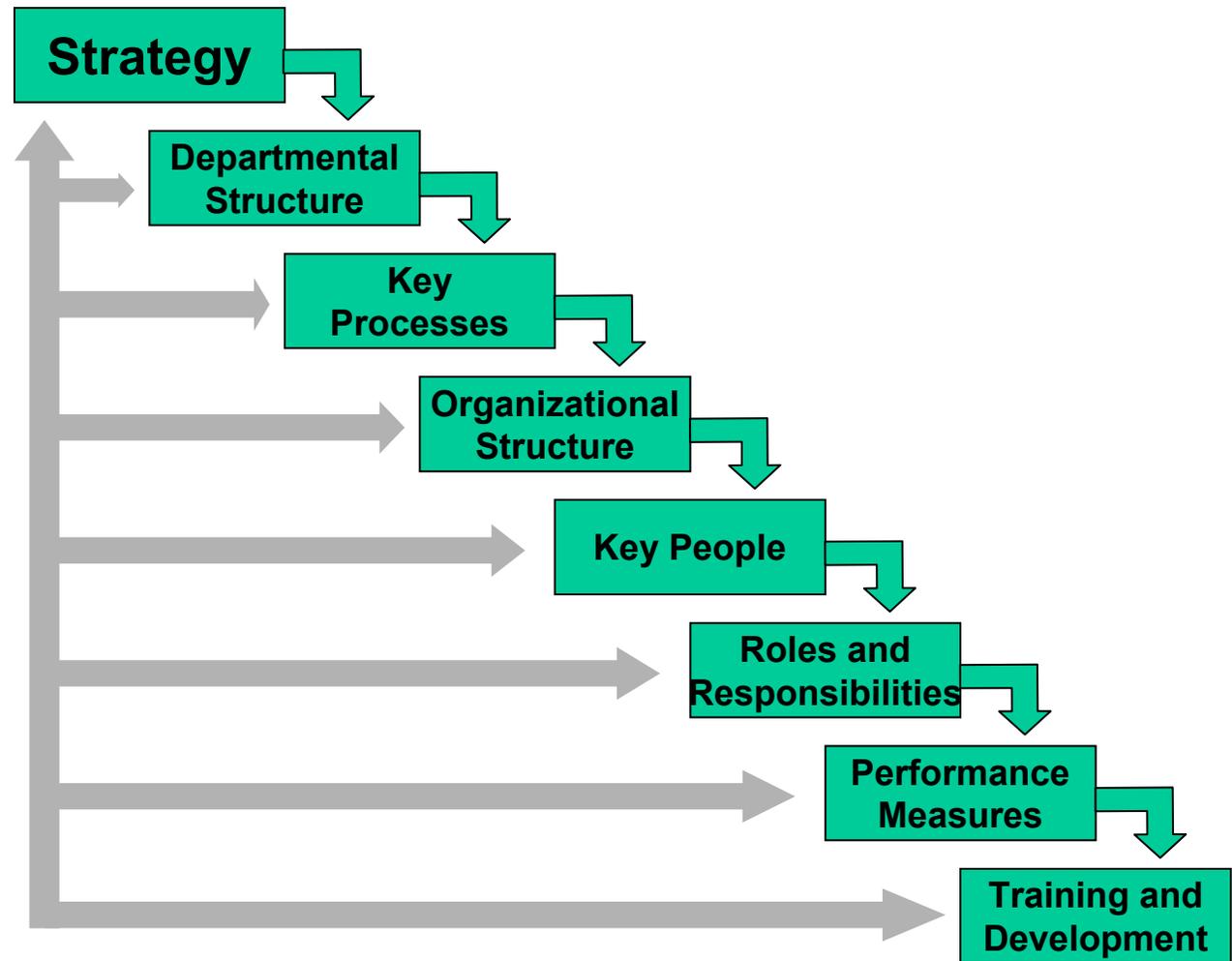
Type II – IT competes for customers and is not considered strategic to Agency

Type III – Lower costs, limited flexibility

Organizational Design

Centralized IT offers control of standards and cost economies at the expense of reduced responsiveness and business unit ownership.

Decentralized IT offers flexibility for rapid response and increased business unit buy-in at the expense of reduced controls of standards, synergy, and cost

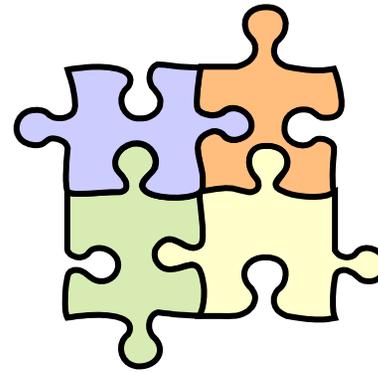


Iterative cycle of learning and adjusting processes and roles

Service Strategy Processes



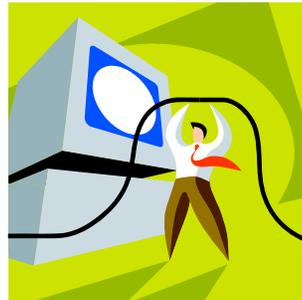
Strategy
Generation



Service Portfolio
Management



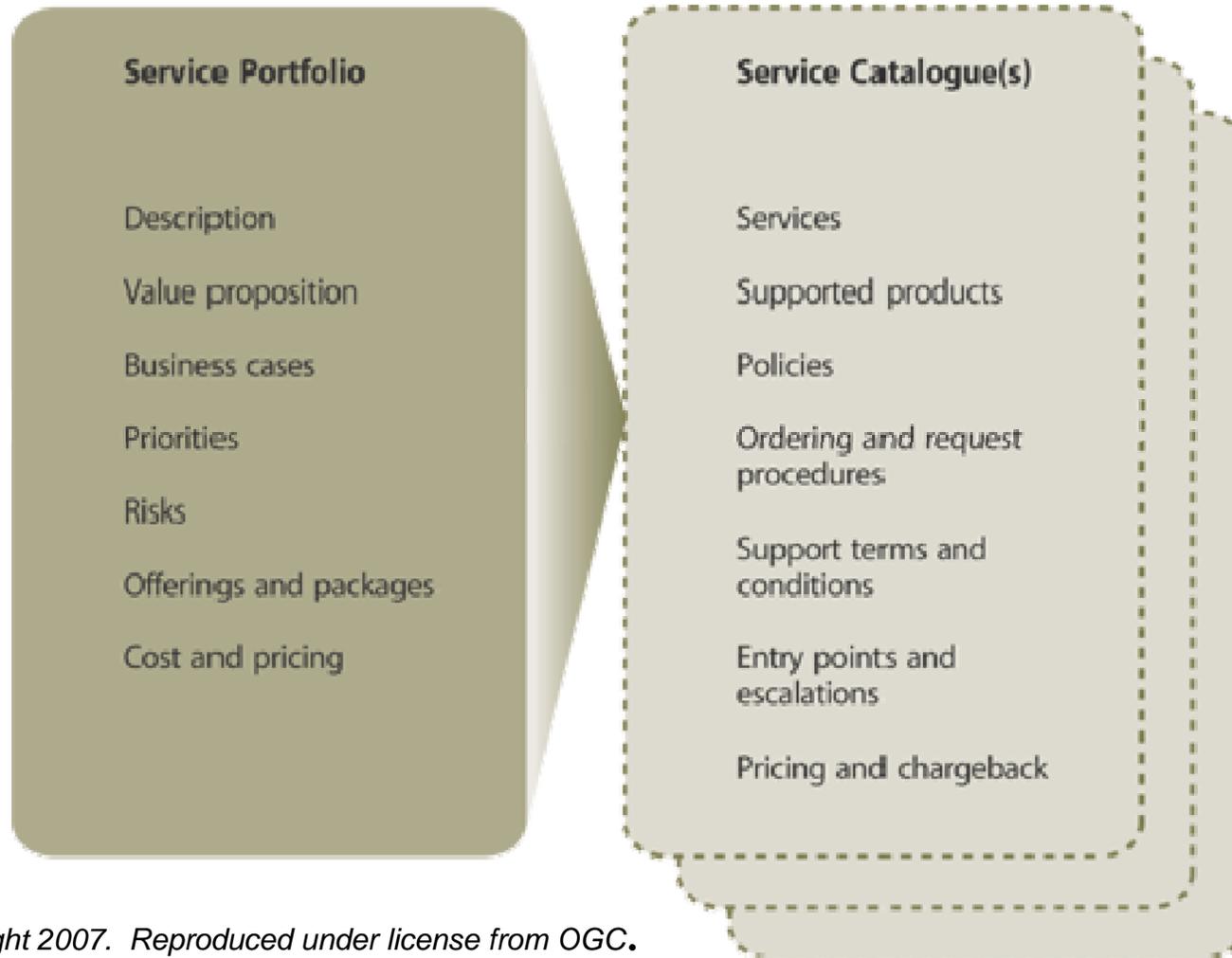
Financial
Management



Demand
Management

Service Portfolio

A service portfolio links services to business value. Each service has a business case and risk assessment.

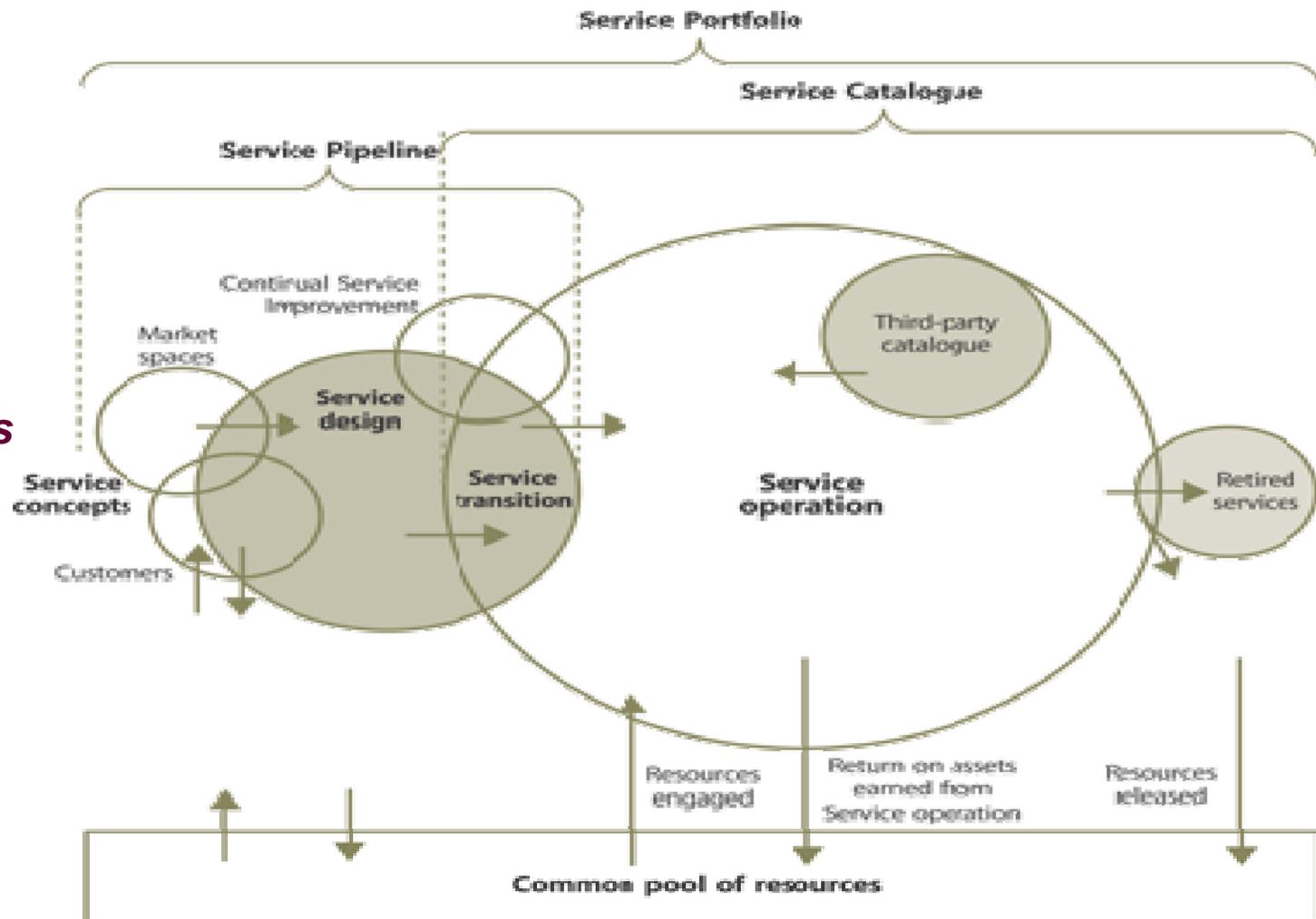


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The service portfolio represents all services managed by the provider 20

Service Portfolio Management

A service portfolio is a collection of investments and commitments the service provider has made in IT services

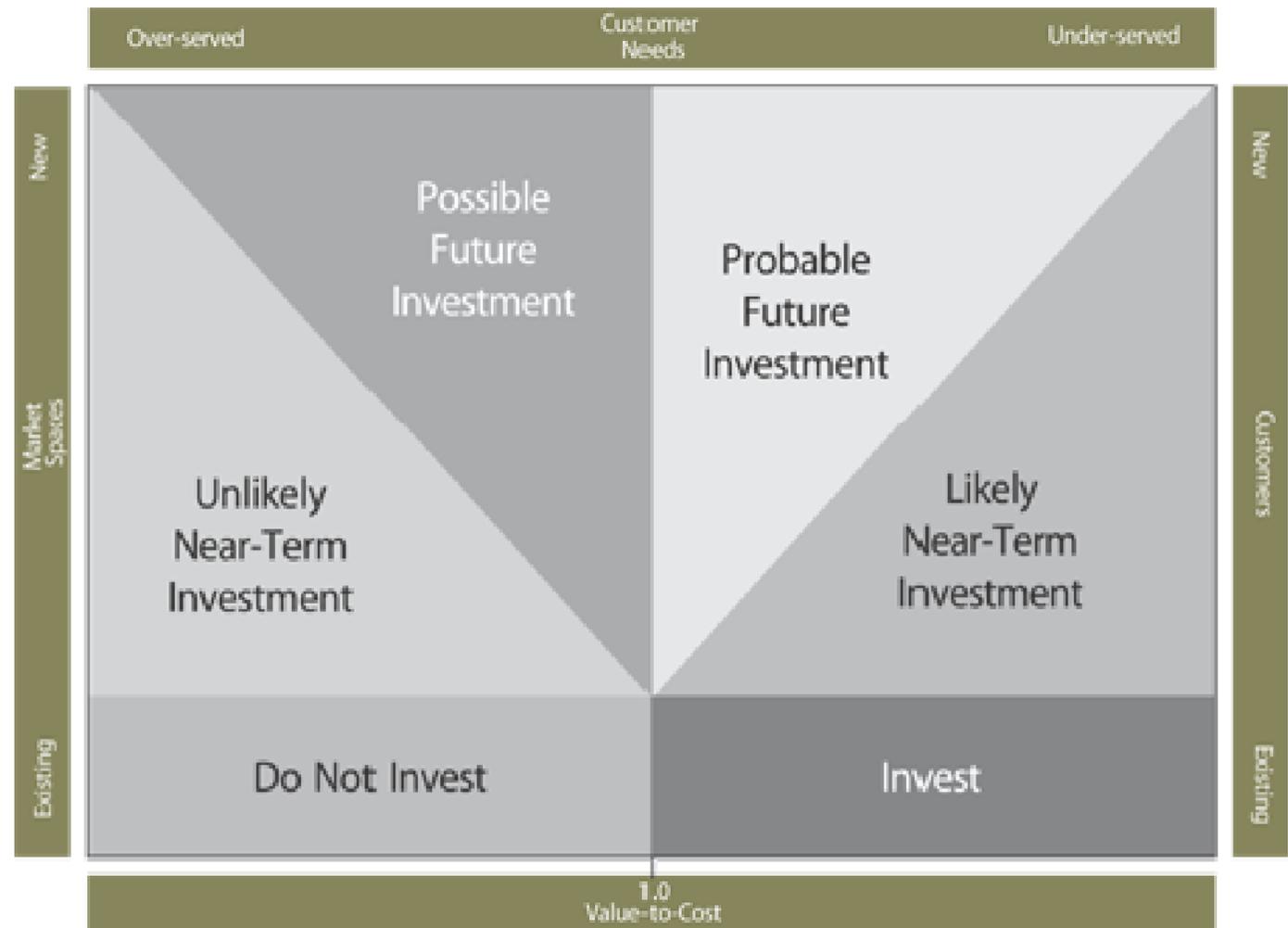


Area of circle is proportional to resources currently engaged in the lifecycle phase (Service Portfolio and Financial Management)

Financial Management

The Option Space tool is used for making decisions on the timing and sequencing of investments.

Actual Provisioning Costs are compared with potential service value.

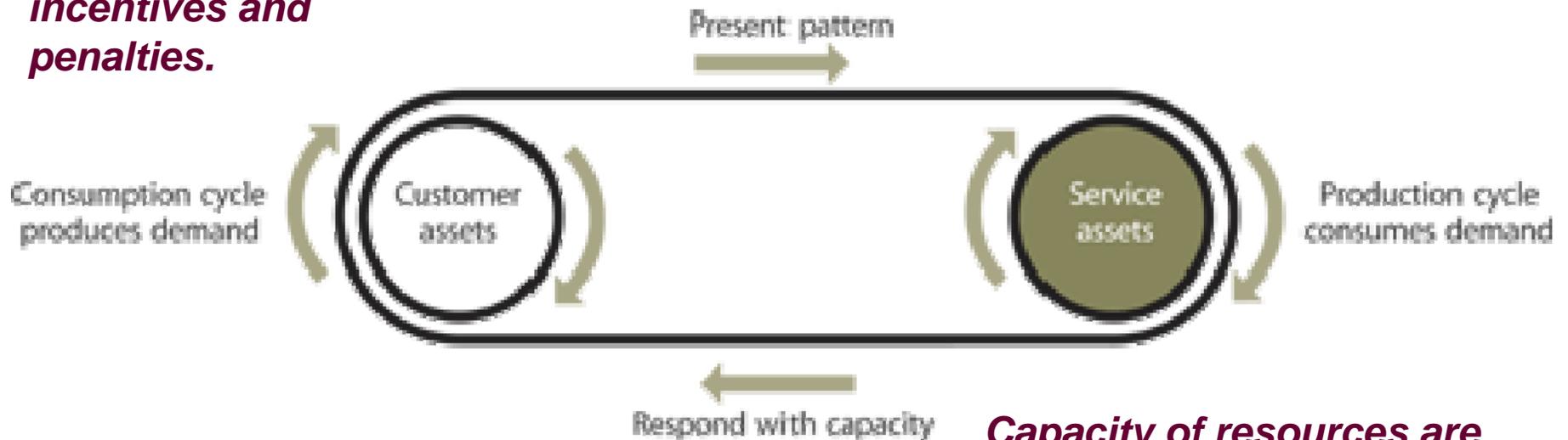


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Demand Management

Usage demand can be influenced with pricing incentives and penalties.



Capacity of resources are adjusted according to predicted demand patterns. Excess capacity generates cost with no value.

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Service Strategy Implementation Challenges

- **In-sourcing and out-sourcing service provider strategies are driven by the complexity of the IT organization.**
- **Service Models (the activities and components of services) must be continuously improved as services expeditiously move between Design and Operation.**
- **Service Strategy depends largely on the provider's ability to successfully transition and operate a new service.**
- **Customer Demand must be Identified and understood in order to economically meet the commitments of warranty & utility.**
- **Strategic decisions are made with the perceptions of service quality and providers must know how to substantiate hidden and intangible benefits.**
- **Success in Service Strategy requires ability to measure the value of end-to-end services from a customer's perspective.**
- **Organizations must understand how to preserve the value of services during periods of deviations in demand and operational performance.**
- **Ever-changing market risks must be defined and managed.**

