



ITIL Edition 2011 Upgrade Training

Agenda

- Background and motivation for the ITIL Refresh
- Overview and general changes
- Service Strategy
- Service Design
- Service Transition
- Service Operation
- Continual Service Improvement
- Conclusion

Background and motivation for the refresh

- Service Strategy hard to understand, not well thought through
- Inconsistencies across the 5 volumes
- Processes not consistently defined
- Clarifications
- 'Modernization':
 - Internal and external clients, services etc.
 - Cloud computing
- Stronger links to other guidance/frameworks/best practices

ITIL 2011 Summary of updates

- New books were published in summer 2011
- Books grew in volume, especially Service Strategy
- 'V3' eliminated
- This is not ITIL V4, but ITIL 2011 Edition

Global Changes

- Chapters 1 and 2 are now identical in all books
- Chapter 3: New, consistent table for the interfaces between the lifecycles
- Chapter 6: Consistent description of organizational requirements
- Appendix: Related Guidance: References to related and complimentary Best Practices and Frameworks
- Roles and process descriptions: More consistency across all books
- Product Manager: Consistently replaced with Service Owner
- Excessive capitalization removed

Service Strategy

- Processes now clearly named and defined:
 - Strategy Management for IT Services
 - Service Portfolio Management
 - Financial Management for IT Services
 - Demand Management
 - Business Relationship Management
- Difference between Business and IT Strategie
- Strategie assessment, generation and execution
- Better definition of customer vs. consumer and user
- Customer Assets and Service Assets
- Governance
- Cloud Computing
- Typen of Service Management Implementations
 - Even keel, trouble, growth, radical change

Service Design

- 5 Aspects fo Service Design: Consistency and clarity
- Transition from pipeline to catalogue to retired
- Prozess for design coordination
- Service Catalogue: Stronger focus on costumer's view

Service Transition

- Consistent use of change model
- Change proposal
- Clear definition of Configuration Record, CI, CMS und SKMS
- Release and Deployment Management: Clear definition and process diagramm

Service Operation

- Service Request: Extended Concept
- Request Model
- Event Filtering and Correlation
- Incident Matching: New step in the Incident Management Prozesses
- Processflow diagramm for Request Fulfillment
- More techniques for problem analysis (recreate problems)
- Proactive problem management
- Application Management vs. Application Development
- Facilities Management: More information in the appendix

CSI

- Introduction of CSI Register
- Service Measurement and Reporting : Not a process!
- Seven-steps improvement process: 7 steps!
- CSI Model → CSI Approach

Changes to the Foundation Training Contents and Structure

- General structure is unchanged
- Some new content, some things removed, thus overall scope and size remained the same



ITIL Refresh 2011

SERVICE STRATEGY

Why is ITIL successful?

ITIL is adopted by organizations to enable them to:

- Vendor neutral
- Non-prescriptive
- Best practice

- Deliver value for customers through services
- Integrate the strategy for services with the business strategy and customer needs
- Measure, monitor and optimize IT services and service provider performance
- Manage IT investment and budget
- Manage risk
- Manage knowledge
- Manage capabilities and resources to deliver services effectively and efficiently
- Enable adoption of standard approach to service management across the enterprise
- Change the organizational culture to support the achievement of sustained success
- Improve the interaction and relationship with customers
- Coordinate the delivery of goods and services across the value network
- Optimize and reduce cost

Internal vs. external customer

Internal Customer

- A customer who works for the same business as the IT service provider

External Customer

- A customer who works for a different business from the IT service provider.

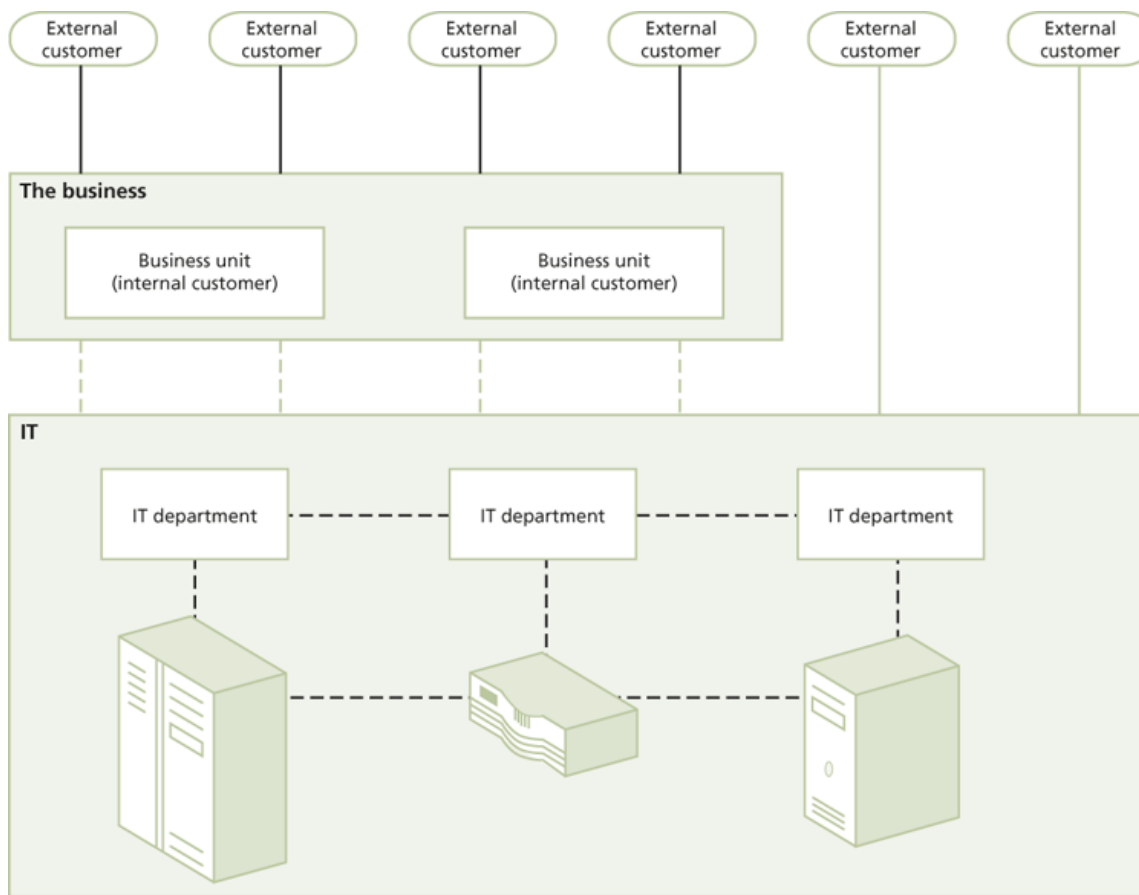
Differences

- Funding
- Link to business strategy and objectives
- Accounting
- Involvement in service design
- Involvement in service transition_and operation
- Drivers for improvement

Services vs. manufactured products

Services	Manufactured products
Services are dynamic interactions between a service provider and customer.	Products are physical entities that are produced by processing raw materials or assembling components .
Services are delivered in real time as customers need and use them.	Products are created ahead of time and stored before distribution to the customer. Just In Time production seeks to reduce the amount of time between production and delivery, but it relies on the ability to access the necessary components, assemble them and deliver the finished item to the customer.
Services are produced and consumed at the same time and cannot be separated from their providers.	Products are produced by one entity and can be stored, distributed and sold by different entities at different times.
The output of a service is volatile, often changing in real time depending on the customer's environment. For example, even a simple transaction can vary in size and output depending on the input from a user .	The output of production is predictable, and products should not deviate from a pre-defined norm by more than specific levels, or the product is not even delivered to the customer.
The way in which services are delivered can vary with every iteration of service delivery. For example, in a virtualized environment a transaction can be processed by any number of devices, and routed over any network component. This means that similar transactions are often processed differently.	Most products are produced using a fixed route through a fixed production line with specific equipment. Although there are some cases where variable production methods are used, each type of product generally follows exactly the same route through the factory.
A service's success can only be determined if the customer has been able to achieve a desired outcome. The output is secondary (see section 3.2.2.1).	A product's success is determined by the quality and delivery of the product itself.
The value of a service is only realized when it is actually being used by a customer. It retains no value after it has been used, and cannot be re-sold after it has been used.	Value is created and realized every time a product changes hands. A product retains value over time, and can be purchased and sold several times over its lifetime.
The value of a service is carried in the relationship between the customer and service provider . If either party leaves the relationship, the service has no value, since it cannot be delivered.	The value of a product is carried in the product itself. Even if the producer goes out of business, the product will still retain some (if not all) of its value.
Quality of a service is usually defined by the level of customer satisfaction based on their subjective experience of the service.	Quality is first based on whether the product meets certain pre-defined physical criteria, and only then on the customer's experience of whether the product does what was claimed by the vendor.

Internal vs. external services



- IT services
 - External customer-facing services
 - Internal customer-facing services
 - Supporting services (internal)
 - Business services and products provided by other business units

IT Service Management

IT Service Management: The implementation and management of quality IT services that meet the needs of the business. IT service management is performed by IT service providers through an appropriate mix of people, process and information technology.

IT service provider: A service provider that provides IT services to internal or external customers.

Stakeholders in Service Management

Definition: Stakeholders

Stakeholders have an interest in an organization, project or service etc. and may be interested in the activities, targets, resources or deliverables from service management.

Examples include organizations, service providers, customers, consumers, users, partners, employees, shareholders, owners and suppliers.

- **Customers** Those who buy goods or services. The customer of an IT service provider is the person or group who defines and agrees the service level targets.
- **Users** Those who use the service on a day-to-day basis. Users are distinct from customers, as some customers do not use the IT service directly.
- **Suppliers** Third parties responsible for supplying goods or services that are required to deliver IT services.

Value of Service Strategy to business

- Support the ability to link activities performed by the service provider to outcomes that are critical to internal or external customers. As a result, the service provider will be seen to be contributing to the value (and not just the costs) of the organization.
- Enable the service provider to have a clear understanding of what types and levels of service will make its customers
- Enable the service provider to respond quickly and effectively to changes in the business environment.
- Enable the business to achieve positive return on its investment in services.
- Facilitate functional and transparent communication
- Provide the means for the service provider to organize itself

Types of services

	Core service	Enabling service	Enhancing service
IT services (office automation)	Word processing	Download and installation of updates	Document publication to professional printer for high-quality brochure
IT services (benefits tracking)	Employees of a company can monitor the status of their benefits (such as health insurance and retirement accounts).	A portal that provides a user-friendly front-end access to the benefits tracking service.	Customers can create and manage a fitness or weight-loss programme. Customers who show progress in their programme are awarded a discount on their premiums.

Change proposal



- High-level description of the change before the new or changed service is chartered (i.e. submitted to service design) and before a Request for Change is submitted
- A high-level description of the new, changed or retired service, including business outcomes to be supported, and utility and warranty to be provided
- A full business case including risks, issues and alternatives, as well as budget and financial expectations
- An outline schedule for design and implementation of the change.

Outcomes

Definition: outcome

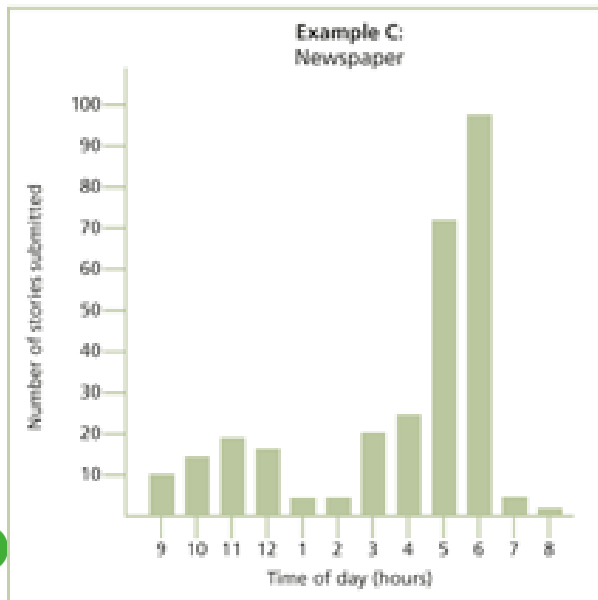
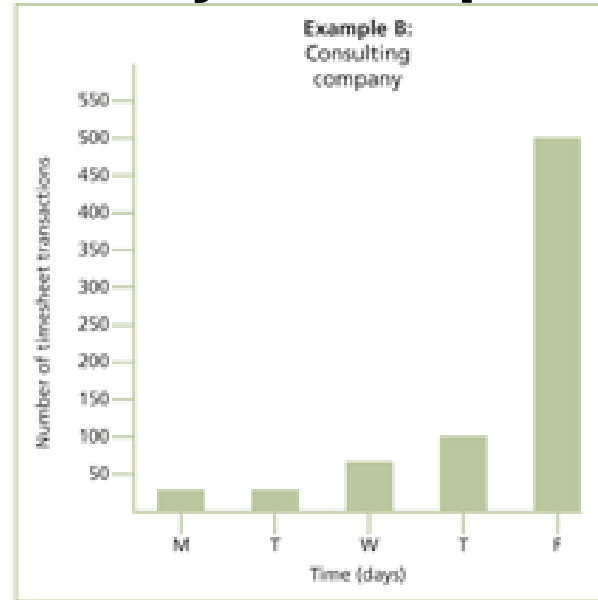
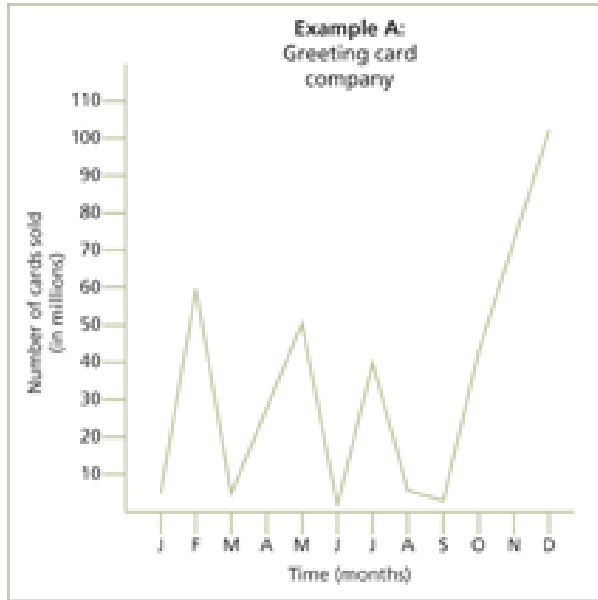
The result of carrying out an activity, following a process, or delivering an IT service etc. The term is used to refer to intended results, as well as to actual results.

- Outcome based definition goes beyond IT-Business alignment to IT-Business integration
- Customer outcomes must be main concern of Business relationship managers beyond business requirements
- The customer wants to judge the value of a service based on a comparison of cost or price and reliability with the desired outcome.

Patterns of Business Activity

- Every time a business activity is performed, it generates demand for services
- Business activities performance usually follows the business dynamics and manifests in patterns of business activity (PBA)
- Elements of the PBA profile
 - **Classification** This indicates the type of PBA, and could refer to where it originates (user or automated), the type and impact of outcomes supported, and the type of workload supported.
 - **Attributes** Such as frequency, volume, location and duration.
 - **Requirements** Such as performance, security, availability, privacy, latency or tolerance for delays.
 - **Service asset requirements** Design teams will draft a utilization profile for each PBA in terms of what resources it uses, when and how much of each resource. If the quantity of resources is known, and the pattern of utilization is known, the capacity management process will be able to ensure that resources are available to meet the demand – provided it stays within the forecast range.

Patterns of business activity: Examples



Each chart shows patterns of business activity (PBA). Each activity relies on IT services and each places a demand on the IT service provider's assets.

Example A – annual PBA: Greeting cards need to be designed, manufactured and distributed for each major holiday. The fluctuation in sales will result in a fluctuation in demand for IT services.

Example B – weekly PBA: Consultants need access to a timesheet system to track their activities so that customers can be billed. Most consultants wait until the end of the week to complete their timesheets. Some consultants record their activities daily.

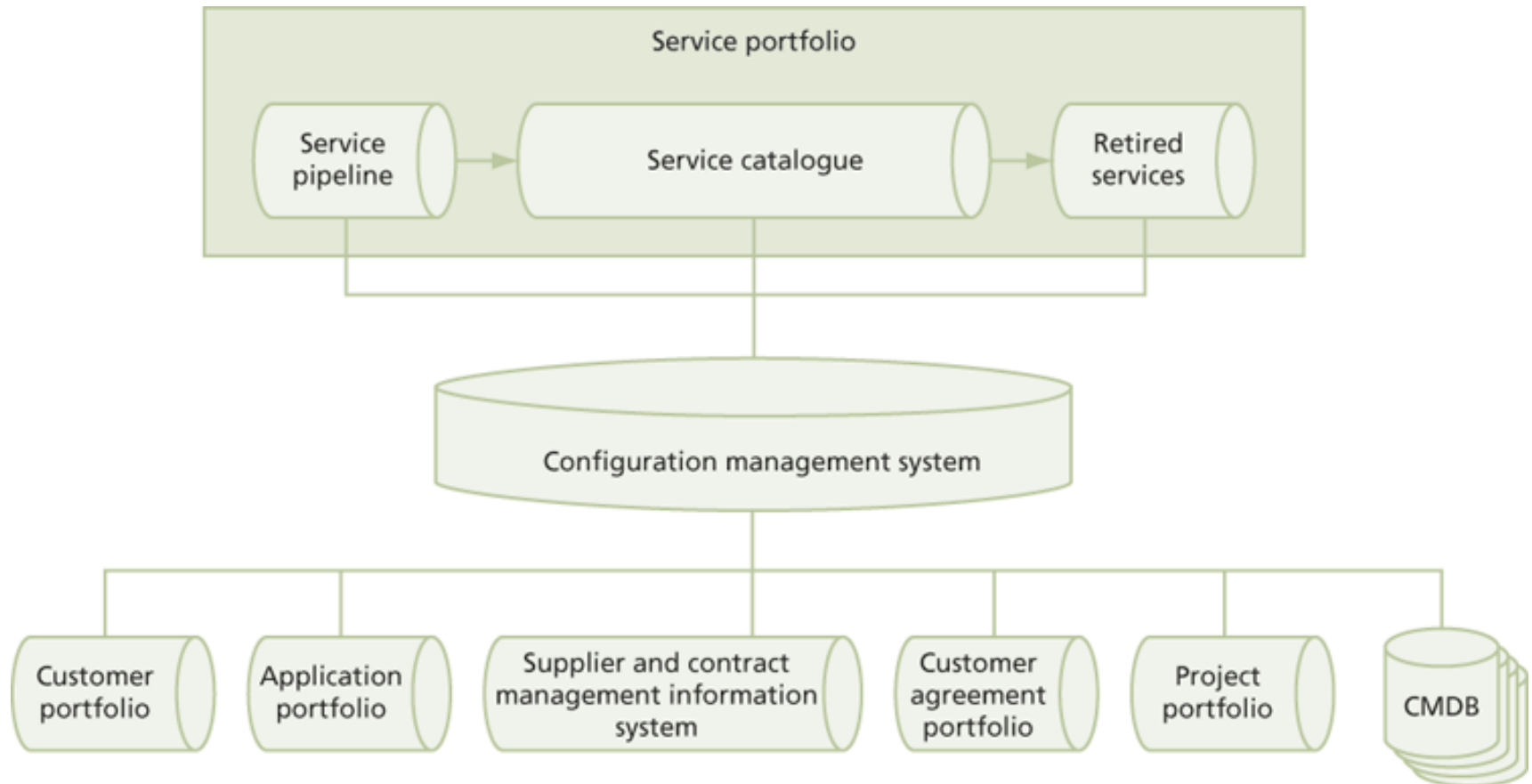
Example C – daily PBA: Journalists have to meet the deadline of 6pm to submit their stories for publication. After the deadline, only high-impact corrections are made. The later in the day, the more critical the IT services become, and also the more utilized. Most journalists use the lunch hour to interview people for stories.



Portfolio Management: Objectives

- Provide a process and mechanisms to enable an organization to investigate and decide on which services to provide, based on an analysis of the potential return and acceptable level of risk
- Maintain the definitive portfolio of services provided, articulating the business needs each service meets and the business outcomes it supports
- Provide a mechanism for the organization to evaluate how services enable it to achieve its strategy, and to respond to changes in its internal or external environments
- Control which services are offered, under what conditions and at what level of investment
- Track the investment in services throughout their lifecycle, thus enabling the organization to evaluate its strategy, as well as its ability to execute against that strategy
- Analyse which services are no longer viable and when they should be retired.

Components of the Service Portfolio



Business relationship management: Objectives

- Ensure that the service provider understands the customer's perspective of service
- Ensure high levels of customer satisfaction, indicating that the service provider is meeting the customer's requirements
- Establish and maintain a constructive relationship between the service provider and the customer based on understanding the customer and their business drivers
- Identify changes to the customer environment that could potentially impact the type, level or utilization of services provided
- Identify technology trends that could potentially impact the type, level or utilization of services provided
- Establish and articulate business requirements for new services or changes to existing services
- Work with customers to ensure that services and service levels are able to deliver value
- Mediate in cases where there are conflicting requirements for services from different business units
- Establish formal complaints and escalation processes for the customer.



Service Design

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Design Coordination: Objectives

- Ensure the consistent design of appropriate services, service management information systems, architectures, technology, processes, information and metrics to meet current and evolving business outcomes and requirements
- Coordinate all design activities across projects, changes, suppliers and support teams, and manage schedules, resources and conflicts where required
- Plan and coordinate the resources and capabilities required to design new or changed services
- Produce service design packages (SDPs) based on service charters and change requests
- Ensure that appropriate service designs and/or SDPs are produced and that they are handed over to service transition as agreed
- Manage the quality criteria, requirements and handover points between the service design stage and service strategy and service transition
- Ensure that all service models and service solution designs conform to strategic, architectural, governance and other corporate requirements
- Improve the effectiveness and efficiency of service design activities and processes
- Ensure that all parties adopt a common framework of standard, reusable design practices in the form of activities, processes and supporting systems, whenever appropriate
- Monitor and improve the performance of the service design lifecycle stage.

Business relations management vs. service level management

	Business relationship management	Service level management
Purpose	<p>To establish and maintain a business relationship between the service provider and the customer based on understanding the customer and their business needs.</p> <p>To identify customer needs (utility and warranty) and ensure that the service provider is able to meet these needs.</p>	<p>To negotiate service level agreements (warranty terms) with customers and ensure that all service management processes, operational level agreements and underpinning contracts are appropriate for the agreed service level targets.</p>
Focus	<p>Strategic and tactical – the focus is on the overall relationship between the service provider and their customer, and which services the service provider will deliver to meet customer needs.</p>	<p>Tactical and operational – the focus is on reaching agreement on the level of service that will be delivered for new and existing services, and whether the service provider was able to meet those agreements.</p>
Primary measure	<p>Customer satisfaction, also an improvement in the customer's intention to better use and pay for the service. Another metric is whether customers are willing to recommend the service to other (potential) customers.</p>	<p>Achieving agreed levels of service (which leads to customer satisfaction).</p>

Process manager: Role & accountabilities

- Working with the process owner to plan and coordinate all process activities
- Ensuring that all activities are carried out as required throughout the service lifecycle
- Appointing people to the required roles
- Managing resources assigned to the process
- Working with service owners and other process managers to ensure the smooth running of services
- Monitoring and reporting on process performance
- Identifying improvement opportunities for inclusion in the CSI register
- Working with the CSI manager and process owner to review and prioritize improvements in the CSI register
- Making improvements to the process implementation.

Process practitioner: Role & responsibilities

- Carrying out one or more activities of a process
- Understanding how their role contributes to the overall delivery of service and creation of value for the business
- Working with other stakeholders, such as their manager, co-workers, users and customers, to ensure that their contributions are effective
- Ensuring that inputs, outputs and interfaces for their activities are correct
- Creating or updating records to show that activities have been carried out correctly.

Competence and skills for service management

- Awareness of the business priorities, objectives and business drivers
- Awareness of the role IT plays in enabling the business objectives to be met
- Customer service skills
- Awareness of what IT can deliver to the business, including latest capabilities
- The competence, knowledge and information necessary to complete their role
- The ability to use, understand and interpret the best practice, policies and procedures to ensure adherence.
- The following are examples of attributes required in many of the roles, dependent on the organization and the specific roles assigned:
 - Management skills – both from a person management perspective and from the overall control of process
 - Ability to handle meetings – organizing, chairing, and documenting meetings and ensuring that actions are followed up
 - Communication skills – an important element of all roles is raising awareness of the processes in place to ensure buy-in and conformance. An ability to communicate at all levels within the organization will be imperative
 - Articulateness – both written (e.g. for reports) and verbal
 - Negotiation skills are required for several aspects, such as procurement and contracts
 - An analytical mind – to analyse metrics produced from the activity.

Competence and skills framework & training

Competence and skills

- Standardizing job titles, functions, roles and responsibilities can simplify service management and human resource management.
- Many service providers use a common framework of reference for competence and skills to support activities such as skill audits, planning future skill requirements, organizational development programmes and resource allocation.
- For example, resource and cost models are simpler and easier to use if jobs and roles are standard.

Training

- Training in service management helps service providers to build and maintain their service management capability. Training needs must be matched to the requirements for competence and professional development.
 - Foundation level
 - Intermediate level
 - ITIL Expert
 - ITIL Master.



Service Transition

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Transition planning and support: Objectives

- Plan and coordinate the resources to ensure that the requirements of service strategy encoded in service design are effectively realized in service operation.
- Coordinate activities across projects, suppliers and service teams where required.
- Establish new or changed services into supported environments within the predicted cost, quality and time estimates.
- Establish new or modified management information systems and tools, technology and management architectures, service management processes, and measurement methods and metrics to meet requirements established during the service design stage of the lifecycle.
- Ensure that all parties adopt the common framework of standard re-usable processes and supporting systems in order to improve the effectiveness and efficiency of the integrated planning and coordination activities.
- Provide clear and comprehensive plans that enable customer and business change projects to align their activities with the service transition plans.
- Identify, manage and control risks, to minimize the chance of failure and disruption across transition activities; and ensure that service transition issues, risks and deviations are reported to the appropriate stakeholders and decision makers.
- Monitor and improve the performance of the service transition lifecycle stage



Service Operation

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Application management function: Objectives

- The objectives of application management are to support the organization's business processes by helping to identify functional and manageability requirements for application software, and then to assist in the design and deployment of those applications and the ongoing support and improvement of those applications.
- These objectives are achieved through:
 - Applications that are well designed, resilient and cost-effective
 - Ensuring that the required functionality is available to achieve the required business outcome
 - The organization of adequate technical skills to maintain operational applications in optimum condition
 - Swift use of technical skills to speedily diagnose and resolve any technical failures that do occur.

Application management function vs. Application development

SO 6.6.6.1

	Application development	Application management
Nature of activities	One-time set of activities to design and construct application solutions	Ongoing set of activities to oversee and manage applications throughout their entire lifecycle
Scope of activities	Performed mostly for applications developed in house	Performed for all applications, whether purchased from third parties or developed in house
Primary focus	Utility focus Building functionality for their customer What the application does is more important than how it is operated	Both utility and warranty focus What the functionality is as well as how to deliver it Manageability aspects of the application, i.e. how to ensure stability and performance of the application
Management mode	Most development work is done in projects where the focus is on delivering specific units of work to specification, on time and within budget This means that it is often difficult for developers to understand and build for ongoing operations, especially because they are not available for support of the application once they have moved on to the next project	Most work is done as part of repeatable, ongoing processes. A relatively small number of people work in projects This means that it is very difficult for operational staff to get involved in development projects, as that takes them away from their ongoing operational responsibilities
Measurement	Staff are typically rewarded for creativity and for completing one project so that they can move on to the next project	Staff are typically rewarded for consistency and for preventing unexpected events and unauthorized functionality (e.g. 'bells and whistles' added by developers)
Cost	Development projects are relatively easy to quantify because the resources are known and it is easy to link their expenses to a specific application or IT service	Ongoing management costs are often mixed in with the costs of other IT services because resources are often shared across multiple IT services and applications
Lifecycles	Development staff focus on software development lifecycles, which highlight the dependencies for successful operation, but do not assign accountability for these	Staff involved in ongoing management typically only control one or two stages of these lifecycles – operation and improvement

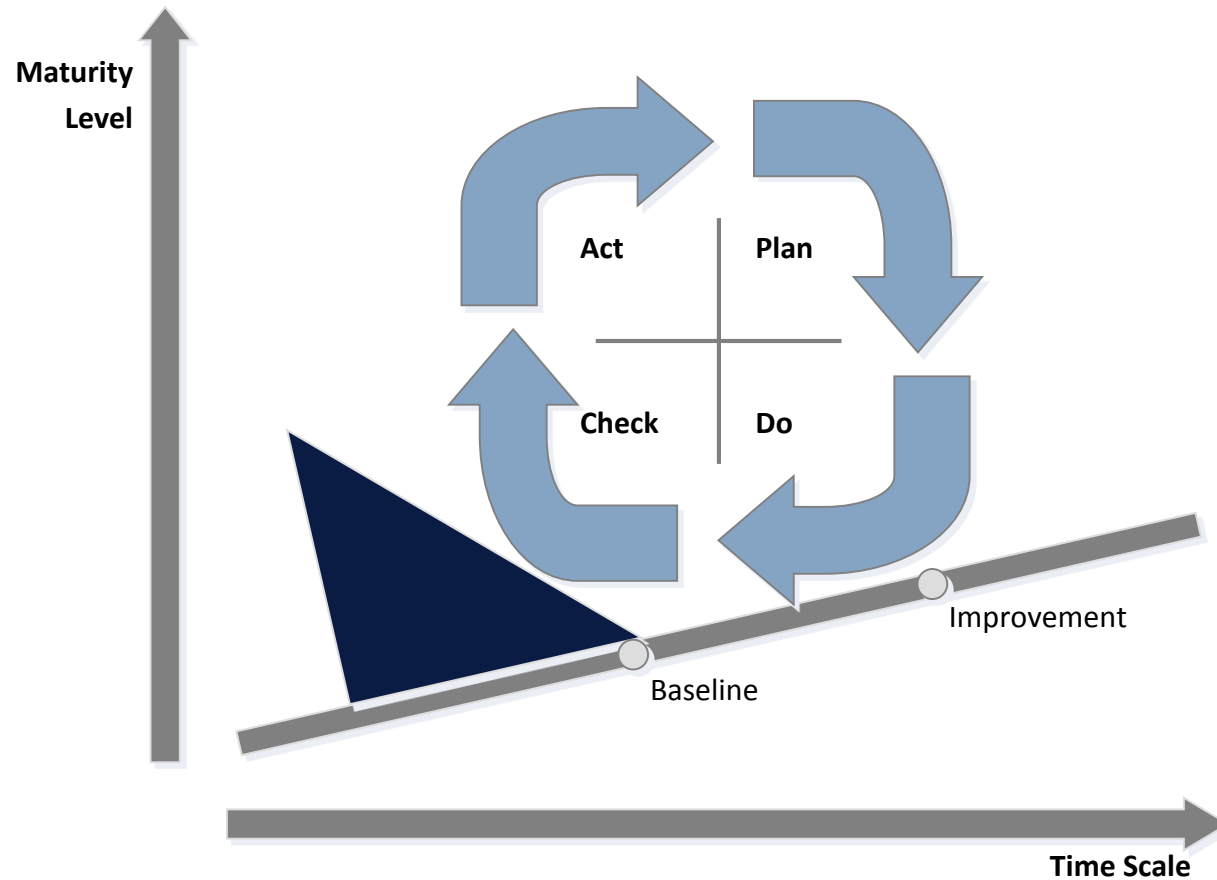


Continual Service Improvement

CSI: Value to business

- Lead to a gradual and continual improvement in service quality, where justified
- Ensure that IT services remain continuously aligned to business requirements
- Result in gradual improvements in cost effectiveness through a reduction in costs and/or the capability to handle more work at the same cost
- Use monitoring and reporting to identify opportunities for improvement in all lifecycle stages and in all processes
- Identify opportunities for improvements in organizational structures, resourcing capabilities, partners, technology, staff skills and training, and communications.

Deming cycle



CSI register

- Recording and categorization of improvement opportunities: Small, medium or large
- Bundle into initiatives: Quick, medium or long-term
- Part of the SKMS
- Definition of benefits and how to measure them (KPI)
- Link to strategic initiatives where appropriate