WEEK 4 IT Infrastructure Management

1.Explain the primary activities in detail for financial management.

If you are an aspiring finance professional, a financial analytics course can help you with all the basics. The ultimate goal of any business is wealth maximization, which can be achieved through the following 5 activities of financial management:

Estimation of Capital Requirement

How much money is required? The answer to this question lies in how financial managers estimate the capital requirement. It is arrived upon after estimating the company's present and future costs and profits, purchase of fixed assets, working capital requirement, and business plans for expansion.

Procurement and Allocation of Funds

Where will the money come from? Financial management ensures a regular and adequate supply of funds by identifying sources of funds and procuring them at the lowest cost. After the funds are pooled, the next objective is to prudently invest them in different assets for profitability, liquidity and safety.

Determining the Structure of Capital

What proportion of capital should be invested and how? This is where financial management comes into the picture. The primary aim of sourcing capital is to grow it to earn returns and maximise shareholder wealth. This is done by determining whether the entire capital should be invested in the business or the market. There is also a decision to be taken regarding short-term and long-term investment as well as debt-equity mix.

Distributing the Surplus

Where to dispose of the surplus? Here, the surplus refers to profits. The company can either retain the profits entirely to re-invest in the business to expand or diversify. However, if there are shareholders, it makes more sense to distribute this profit by declaring dividends and bonus. All these decisions fall under the scope of financial management.

Maintaining Financial Control

How much return has the capital earned? Financial management is also responsible for exercising control over money through financial performance evaluation at regular intervals. This is done through financial forecasting, ratio analysis, audits and analysis of accounting/bookkeeping reports. All these techniques will give results on Return on Investment (ROI). The overall control of where the money comes from and where it goes lies solely with financial managers.

2. Write long notes on

a. Implementation cost of Service Level Management

b. Relationships with other service delivery processes

Implementation cost of Service Level Management:

What is Service Level Management?

The main purpose of service level management is to make sure that every IT service presently being provided and planned for the future is delivered as per the previously agreed upon service level targets.

The main objective of service level management is:

The objectives of service level management are to do the following:

- Define, document, agree, monitor, measure, report, and review the level of IT services that are being provided.
- Make sure that the targets which are set are precise and assessable.
- Monitor the levels of customer satisfaction and improve them.
- Improve the relationship between the customers and the business and increase the level of communication.
- Ensure that the expectations of the level of service which will be delivered are clear and unambiguous
- Make sure that there is a constant improvement in all the service levels even after the targets have been met.

Implementation Procedure for Service Level Management

The following steps are taken to implement Service Level Management in ITIL:

Gather Data

The data is gathered through the following processes:

- Assessing the current state, inventory tools, and the software being used presently.
- Collecting budget details related to capacity management
- Performing a gap analysis to reveal the areas of improvement
- Developing a project plan

Build the Plan

The implementation plan should do the following:

- Establish the people, processes and tools required
- Summarize the costs which will be incurred to sustain the new organization and prepare a budget.
- Find out the ideal position for the service level manager in the organization.
- Describe the exact workflow and allow enough time for training the people who will do the work

Execute the Plan

The steps involved in the execution of the plan are:

- Allocate the proper staff
- Document and publish the process
- Obtain and implement the tools
- Built a service catalog
- Identify, develop, negotiate and implement SLAs

- Identify the necessary services which are not being provided
- Define the metrics to quantify success
- Build materials for training and execute the training plan.
- Implement the procedures for reporting the processes and procedures

Initiate the Ongoing Work of SLM

The reporting process should include abilities to alert the SLM team automatically when:

- Services are in danger of missing performance targets because of sudden bottlenecks.
- Services are in danger of missing performance targets because of sudden surges in demand
- The trends show that performance is approaching the agreed-upon limits

Post-implementation Review

The lessons which are learned should be well-documented so that any changes which should be made to the process to facilitate future process migrations can be identified.

Risk & Challenges of Service Level Management

The challenges faced in service level management are:

- Identifying the right people and involving them in the customer base while drafting and agreeing to the service level agreements.
- An appropriate service should be selected by the organization if they are new to service level management.
- The SLA needs to be agreed upon by both sides.

The risks involved in service level management are:

- An absence of accurate input or commitment from the business.
- A lack of the necessary tools and resources is required to execute the process.
- The business and customer measurements which are extremely tough to measure and improve are not recorded

Relationships with other service delivery processes:

The 5 processes of ITIL service strategy

Reading time: about 8 min

Posted by: Lucid Content Team

In the fast-paced world of technology, IT service providers must be agile and strategic when making decisions about their service delivery. Businesses who understand customer needs and can predict and meet demand accurately can position themselves ahead of the competition.

That's where ITIL Service Strategy comes in.

What is ITIL Service Strategy?

As a reminder: ITIL (which stands for Information Technology Infrastructure Library) is a set of best practices for IT service management that helps align IT services with business needs. ITIL uses a systematic approach that helps businesses manage risk, improve customer relations, increase efficiency, and build a stable, scalable IT environment.

There are five stages of the ITIL service lifecycle:

- Service Strategy
- Service Design
- Service Transition
- Service Operation
- Continual Service Improvement

We will be focusing on the first stage of the ITIL lifecycle: service strategy.

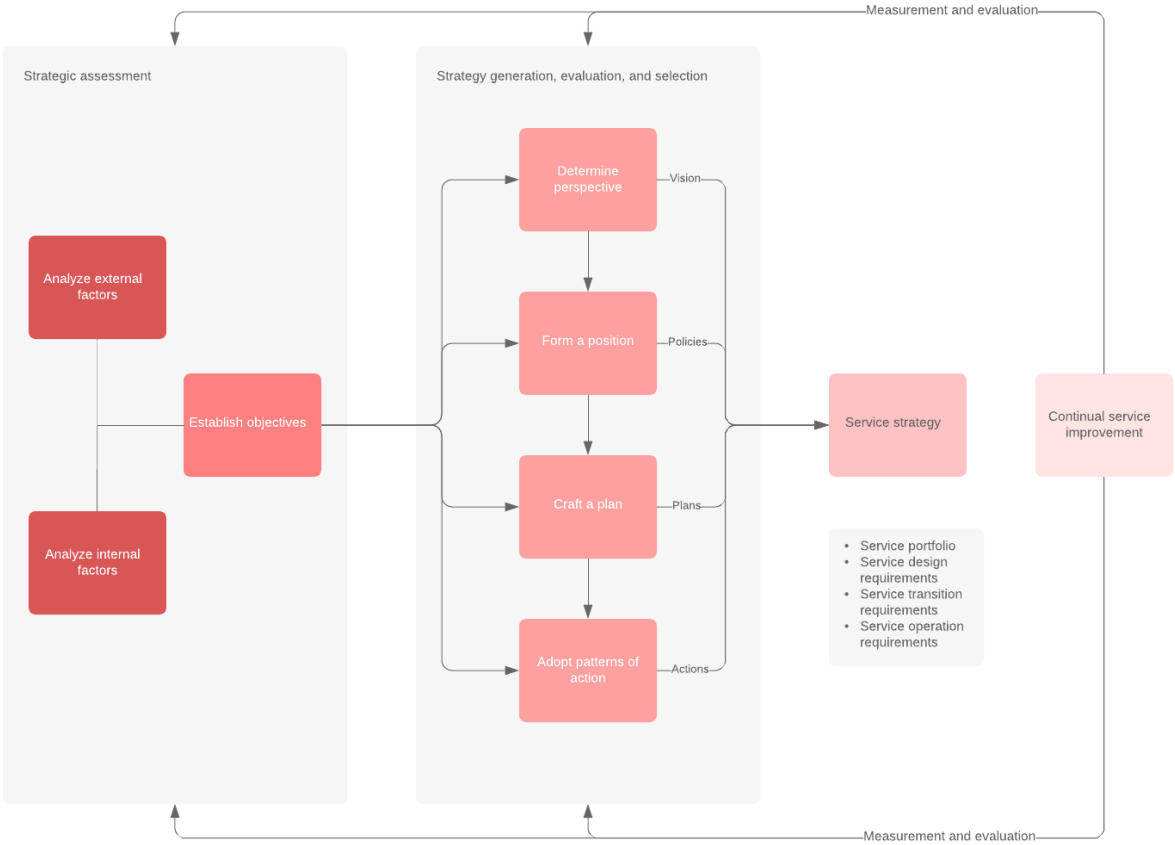
ITIL service strategy is a market-driven stage. Service strategy helps organizations determine the types of services they should offer and the markets to target. The goal is to make strategic decisions when planning and delivering targeted services to drive long-term growth and success.

What are the four P's in service strategy?

There are four building blocks of the service strategy stage: perspective, position, plan, and pattern.

These four P's guide your service strategy and play an integral role in how you outline and implement your service plans. Strategies that lack any of these components are less likely to succeed. Here are the basic definitions and applications for each strategy stage:

- Perspective: Describe your vision or direction for your services.
- Position: Compare your strategy with competitors to understand how to best position yourself in the market.
- Plan: Identify the actions you will take to achieve your goals and overarching vision.
- Pattern: The fundamental and ongoing actions your organization will take to run smoothly over time. This includes processes, policies, schedules, budgets, and management systems.



Click to use this template and start creating your service strategy

5 ITIL service strategy processes

There are five processes within the service strategy lifecycle stage:

- Strategy management for IT services
- Service portfolio management
- IT financial management
- Demand management
- Business relationship management

These processes work together to ensure IT service best practices that lead to continual improvement.

1. Strategy management for IT services

Strategy management for IT services is the first process under ITIL service strategy. The goal of strategy management is to ensure IT services and their management align with the organization. During this stage, you will assess, define, and execute strategies for your service offerings.

Assessment

Evaluate the current market position of the business or service provider. What opportunities or constraints impact your services? Consider your service offerings, current and target customers, and your competitors' offerings.

Definition

Based on your assessment of the business and service climate, you can begin defining what goals your service provider should pursue, as well as identify and recommend services for different customer segments.

Execution

The final step is implementation. This step is all about planning your strategy for the successful execution of your strategic initiatives.

2. IT Financial Management

IT Financial Management (also known as financial management for IT services) focuses on service valuation. This process involves accounting, budgeting, and charging services so that the organization covers costs and generates profits for those services.

These three steps are known as the "ABCs" of Financial Management for IT Services.

Accounting

Accounting activities help you understand exactly what you're spending on IT services.

Accounting processes should be overseen by a trained accountant and include running cost-benefit analyses, organizing costs by category (e.g., hardware, software, staff, overhead, infrastructure), and keeping detailed records of spending.

The purpose is to build an accurate picture of your costs so you can identify opportunities for cost savings and manage costs more efficiently.

Budgeting

An accurate budget is crucial for delivering IT services effectively and consistently. IT budgeting calculates and allocates the funding needed to keep services running smoothly and support the business's overall IT service strategy.

The budget oversees three main IT spending categories:

- Capital expenditures
- Operational costs
- Strategic investments

Budget planning typically occurs once a year with regular monthly monitoring.

Charging

Charging covers the process for billing customers based on the services they use, which involves developing rates and a chargeback system that accounts for the cost and value of delivering each service.

3. Service portfolio management

Service portfolio management (SPM) monitors your services in the pipeline from start to finish. The goal of SPM is to ensure each service aligns with your service management strategy and organizational objectives. By monitoring your services end-to-end, you can more effectively justify service needs based on concrete business value.

A service portfolio has three parts:

- Service catalog
- Service pipeline
- Retired services catalog

The service catalog is an overview of all the services you currently offer to customers.

Your service pipeline contains any services that are not yet visible to the customer (such as those that are in proposal or development stages). The pipeline also outlines projected service timelines and growth trajectories so you can understand the strategy and plans for each service.

The retired services catalog is essentially your services archived. Any retired services are recorded here with relevant documentation for your records. SPM follows each service through the pipeline from funding, design, and development to testing and deployment.

There are four steps to basic SPM:

- Define desired outcomes for a proposed service (or proposed changes to an existing service).
- Analyze the impact this new or changed service will have on your other services in the portfolio. Identify any needed resources to offer the service.
- Approve a new service (or change) with a formal proposal and initiate the design stage following authorization.
- Charter services, communicate decisions, and allocate resources for successful service deployment.

This process helps you make a business case for each service and answer questions like:

- Why does a customer need this service?
- What sets our service apart from competitors?
- What are the strengths and weaknesses of this service?
- How can we manage risk factors?
- What is the best way to allocate resources for this service?

Managing your service portfolio requires commitment and investment, but the benefits are clear. Good SPM helps customers understand exactly what services (and value) you deliver, improves transparency and communication around costs and risks, and increases efficiency in operations by tracking (and justifying) your services at every stage.

4. Demand management

Demand management helps businesses understand, predict, and influence customer demand for their IT services.

Accurately understanding and adapting to service demand ensures businesses avoid inadequate or excessive service capacity—both of which impact costs and customer satisfaction. Demand management typically involves three primary activities:

Analyzing

Analyze current customer use of services by tracking service desk data (e.g., number of incidents, requests, and problems), as well as network usage and uptime.

These data are called Patterns of Business Activity (PBA). You can use PBA to measure components of customer service usage like:

- Frequency
- Volume
- Duration
- Location

Anticipating

Communicate with your customers about their forecasted needs, track trends and rely on your data analysis to make educated predictions about future service requirements.

Influencing

Businesses sometimes need to influence customer service consumption to mitigate risks and expenses. For example, if a customer exceeds their expected service usage, this can add significant costs for the business to meet that demand. You can influence demand through financial or technical means, such as network throttling or charging fees for exceeding usage limits.

Accurately predicting service demand is crucial for meeting SLAs, KPIs, quality standards, and budget constraints.

5. Business relationship management

Business relationship management (BRM) focuses on developing strong client relationships. Relationship managers do this by optimizing the value of service delivery for the customer to ensure continued satisfaction and loyalty.

There are several processes for executing a successful BRM program:

- Maintain customer relationships.
- Identify service requirements.
- Acquire new customers.
- Solicit customer satisfaction feedback.
- Handle complaints.
- Monitor complaints and incidents.

BRM plays an integrated role at each stage of the ITIL lifecycle, ensuring that customer questions, needs, and complaints are understood and addressed.

The ITIL Service Strategy Lifecycle guides many processes, roles, and best practices. Lucidchart's ITIL process templates can help you learn and implement these best practices successfully every time.

Leverage Lucid's extensive collection of ITIL process maps, templates, process flows, and ITIL service lifecycle diagrams to build and track your processes, collaborate easily across the lifecycle, and optimize your service strategy.

3. What are the Major steps that are required to implement service level management?

Service Level Management (SLM) is one of five components in the ITIL Service Delivery area. It is arguably the most important set of processes within the ITIL framework. SLM processes provide a framework by which services are defined, service levels required to support business processes are agreed upon, Service Level Agreements (SLAs) and Operational Level Agreements (OLAs) are developed to satisfy the agreements, and costs of services are developed.

Executing Service Level Management processes permits IT staff to more accurately and cost effectively provision identified levels of service to the business. The processes ensure business and IT understand their roles and responsibilities and empower the business units.

In the end, business units are justifying to senior management the levels of service needed to support business processes, not IT. And the built-in continuous improvement processes ensure that when business needs change, supporting IT services change with them.

Service Level Management activities

Identifying business requirements by working with business units

- Establishing the scope of services, timeliness, hours of operation, recovery aspects, and service performance
- Translating business requirements into IT requirements
- Developing and maintaining a service catalog, including costs for different tiers of service performance
- Performing gap analysis between business requirements and available services
- Determining the costs related to services such that service goals satisfy business needs at a price the business can afford
- Drafting, negotiating and refining SLAs with the business units, ensuring business requirements are met and agreement from all parties involved

Implementing SLAs

Measuring SLA performance, reporting results and adjusting as necessary

4. What is linear approach and cyclical approach?

Linear

This is the style most of us will be most familiar with and will probably have grown up learning within. Learning progresses from 1 step to the next, to the next, and you need to start at the beginning in any area of study. Progress is measured by how many steps (or modules) you have completed along the path and completion of a module usually entails some kind of test or examination on the knowledge you have gained so far. Each step along the line of development is discreet and well defined and there are key things which should be learned at each step before progressing to the next level or module. People are valued based on how many steps they have taken along their chosen path and being an expert in one field is more commonly recognised and valued than being midway along several lines of development. A 'jack of all trades and master of none' is less valued than an 'expert.' An old person who has only studied 2 modules is less valuable than a young person that has studied 10.

Cyclical

This teaching and learning style is less familiar for most of us. The most common teaching tool is the circle or wheel, often referred to in shamanic teaching as a 'medicine wheel.' The learning is modeled on and usually associated with the turning of the seasons during the year. Other common correspondences which are used to 'anchor' certain learnings on the wheel are the cardinal directions (North, South, East, West), and the 4 elements (Earth, Air, Fire and Water). Incidentally, it is commonly assumed that because many of the Chinese (and oriental generally) systems use 5 elements that they haven't evr used the 4 elements more commonly referred to in Western culture and most indiginous cultures, however, I have found instances of oriental systems pre-dating extensive contact with the West which use the 4 elements. Whichever correspondences are used

the mirroring of the cycle of the year is the common factor. In terms of how this is reflected in teaching and learning, it means that just as we pass through the seasons every year, our learning will pass through these same areas of study repeatedly over time. Your learning therefore spirals continually deeper with every cycle you are part of. While the student may be put through initiatory experiences at various stages along the journey of learning, these are not assessments in the same way that the linear style of learning uses them. That is one of the most common confusions in Westerners being educated by cyclical means. The initiations are experiences to be lived through. There is rarely a 'well defined learning outcome.' The lesson that the experience has for you is personal to you and cannot be judged or assessed by another person. Similarly, what is learned as we cycle around the wheel of learning is what is there for us that time around. We will come back to essentially the same lesson on the next cycle so there are no 'begginners learnings' or 'advanced learnings' as such. There are the learnings you get this time, and there are the learnings you will spot next time, and there are some learnings it will do you well to face more than once. If you keep going around the wheel long enough you'll see it all eventually. Just like learning about gardening, you can only learn winter lessons in winter and spring lessons in spring, and what you don't pick up this year you might spot next, or the next, or the next. Where this mode of learning and teaching is used people are valued by how many times they have been around a cycle. Of course if you have not been engaged in a particular course of study then you won't have even begun the cycle for that area of knowledge no matter how old you are, but old people are innately valuable because they have been through the cycles of life many times. While younger 'experts' who have seen several cycles of their area of expertise are very valuable, in terms of the cycles of life, no-one has seen more cycles than the oldest person. The nature of this method of learning and teaching means that just by the fact of having 'been around the block' a person has something worth listening to and learning from.