

Lesson 4: ITIL® Service Value System



Learning Objectives

By the end of this lesson, you will be able to:

- ✓ Describe the ITIL service value system
- ✓ Identify the interconnected nature of the service value chain and how opportunity and demand trigger activities within the ITIL SVS
- ✓ Outline the nature, use, and interaction of the guiding principles
- ✓ Elaborate on the role and position of governance in the ITIL SVS
- ✓ Understand the continual improvement model

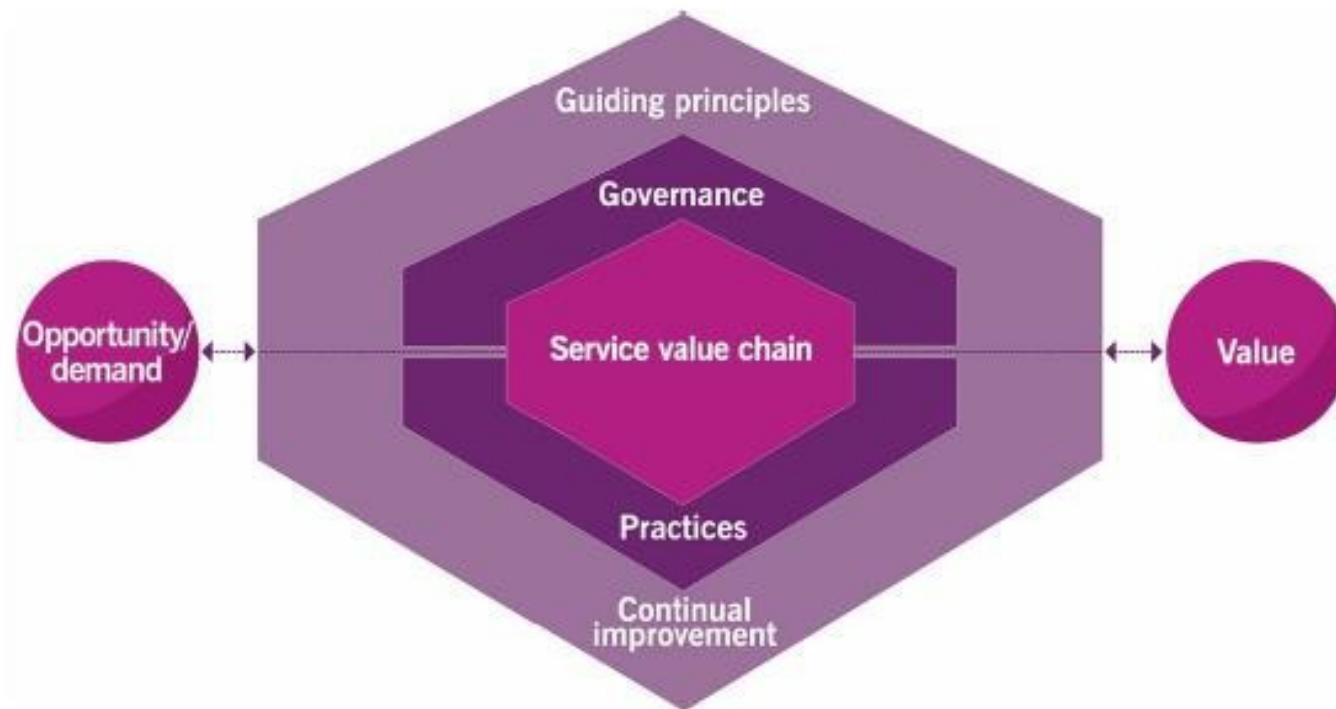


The ITIL® Service Value System

Topic 1: Introduction to Service Value System

Service Value System Overview

The ITIL SVS describes how all the components and activities of the organization work together as a system to enable value creation.



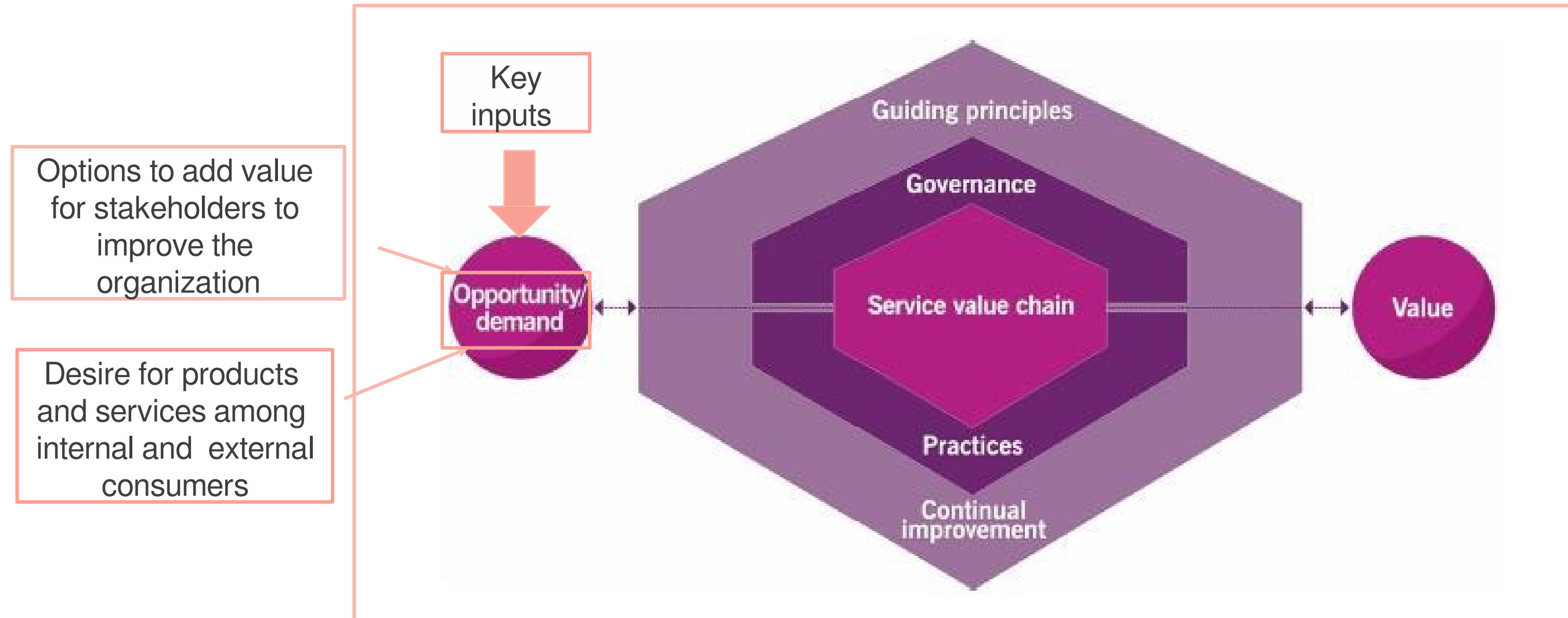
- The components, activities, and organization's resources can be configured in multiple combinations.
- It requires the coordination of activities, practices, teams, authorities, and responsibilities.

Figure 4.1 The ITIL service value system

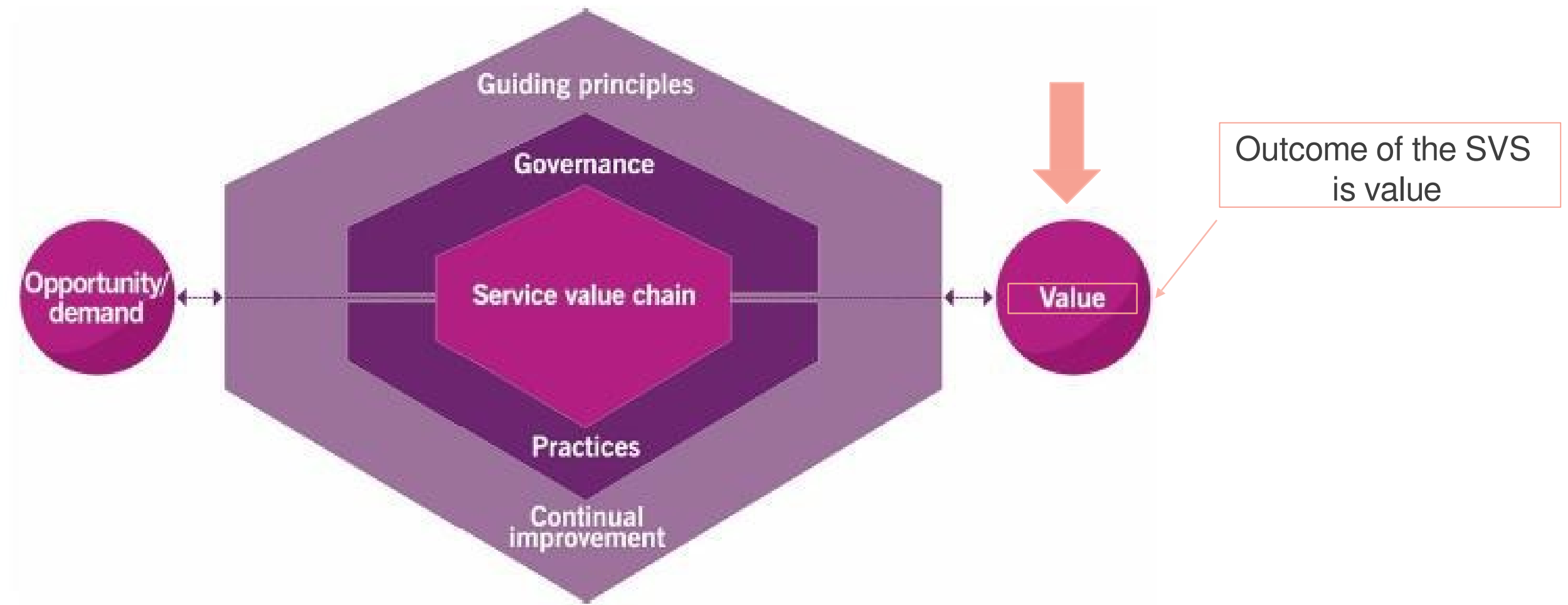


Topic 2: Opportunity, Demand, and Value

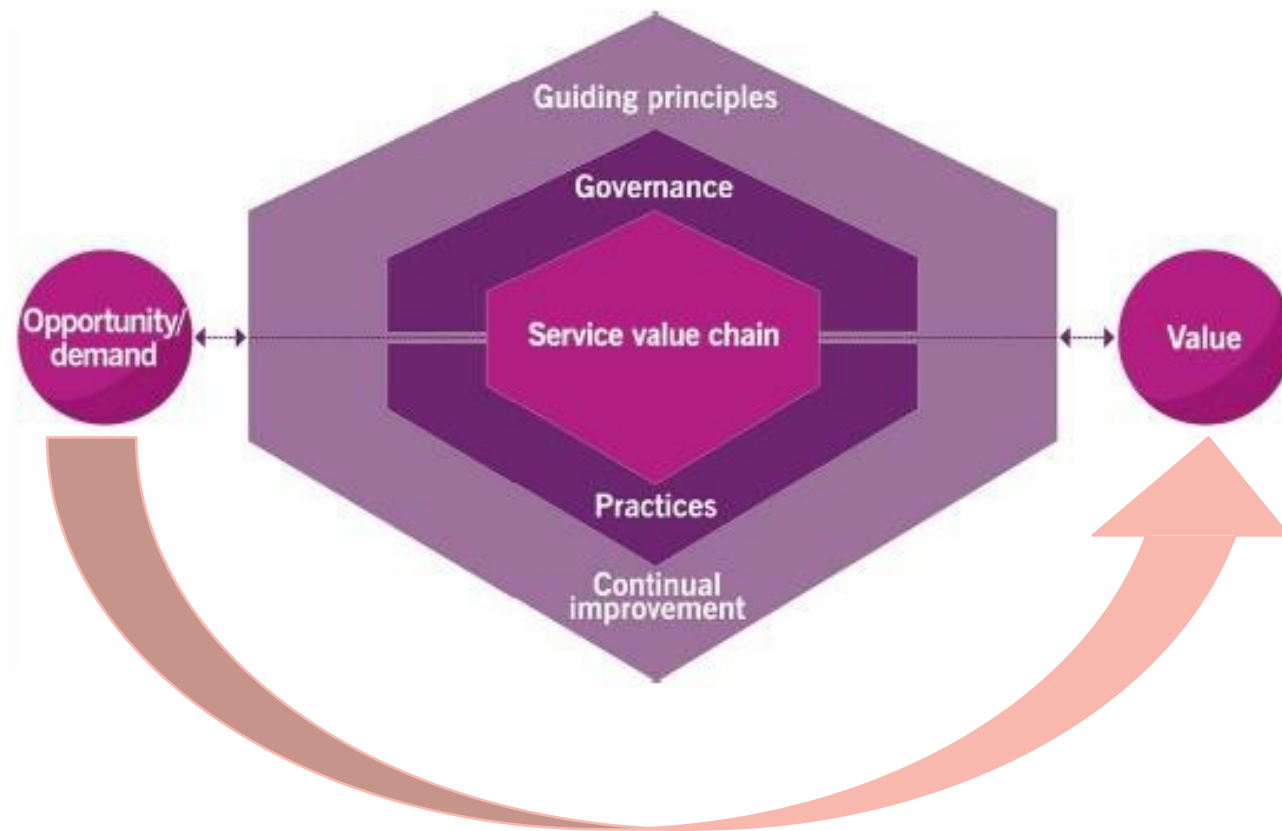
Opportunity and Demand



Value



Opportunity, Demand, and Value

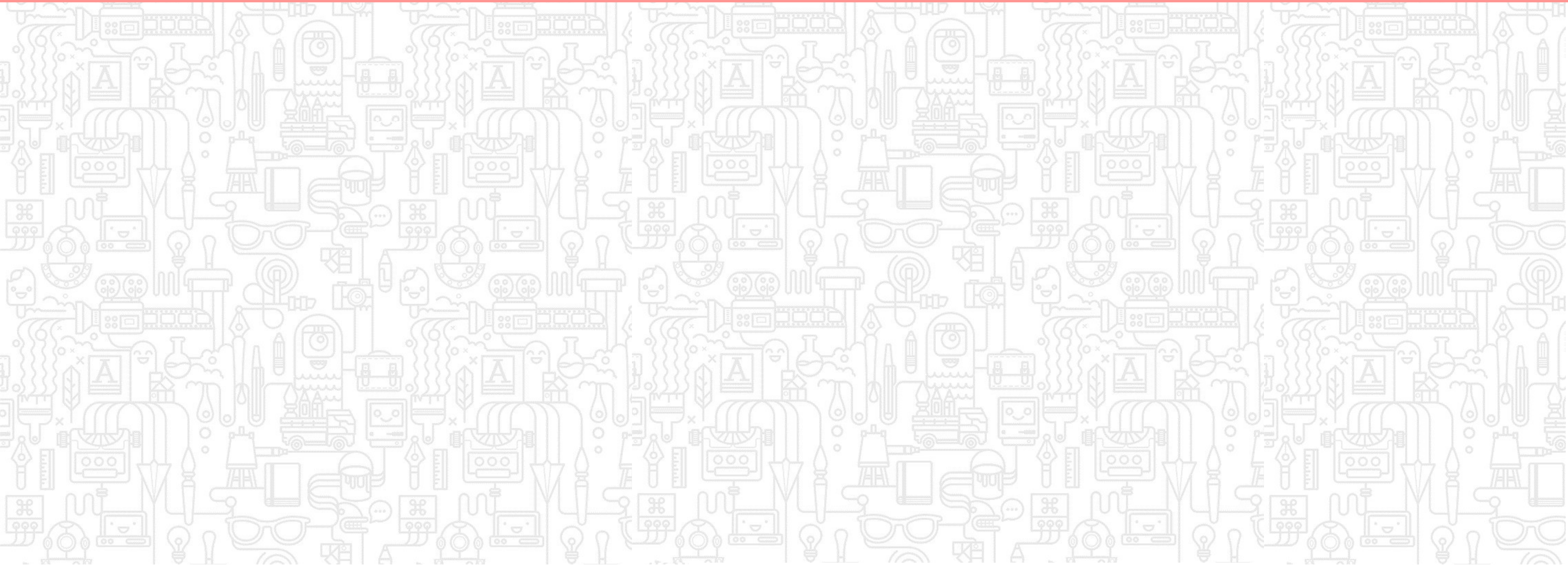


- Opportunities can trigger work within the system even when there is no demand.
- Organizations should prioritize new or changed services with opportunities for improvement to ensure their resources are correctly allocated.

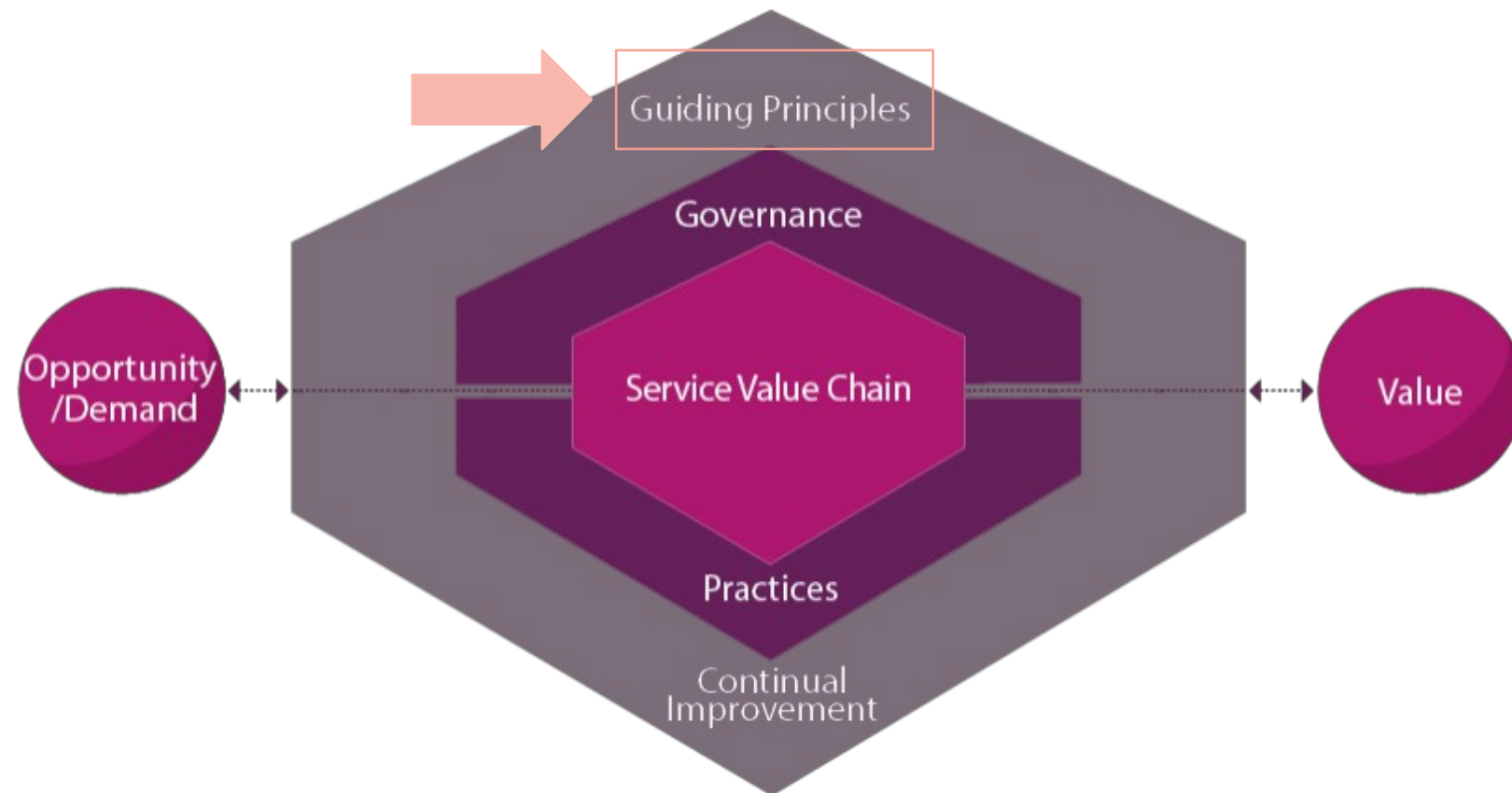
Opportunity and demand trigger activities within the ITIL SVS that lead to value creation.

The ITIL® Service Value System

Topic 3: The ITIL® Guiding Principles



The ITIL Guiding Principles



- Guiding principles guide an organization in all circumstances, regardless of changes in its goals, strategies, type of work, or management structure.
- They encourage organizations in continual improvement.



The guiding principles are universally applicable to any initiative and to all relationships with stakeholder groups.

Overview of the Guiding Principles

Principle: Focus on value

Map activities to stakeholder value.

01

Principle: Start where you are

Do not build something new without considering what is already available.

02

Principle: Progress iteratively with feedback

Organize work into manageable chunks and use feedback for focused actions.

03

Principle: Collaborate and promote visibility

Share information to the greatest degree possible.

04

Principle: Think and work holistically

Work on the service as a whole, not just on its parts.

05

Principle: Keep it simple and practical

Use outcome-based thinking to achieve the result.

06

Principle: Optimize and automate

Eliminate anything that is truly wasteful and use technology to achieve results.

07

Guiding Principle: Focus on Value

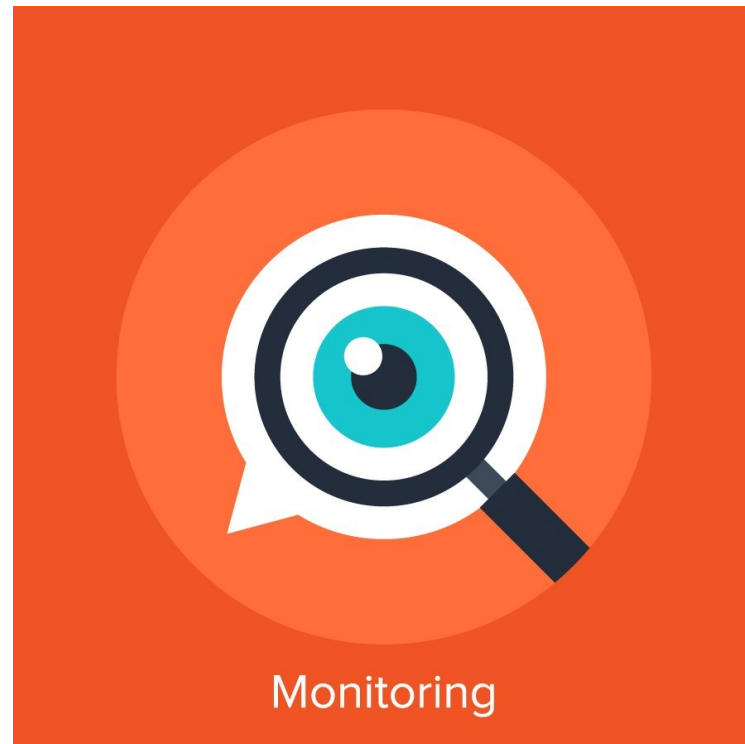
Everything the organization does should link back to value for itself, its customers, and other stakeholders.

User



Sponsor

Consumer



Perspective

- Why do the consumers use the services?
- What does the services help them to do?
- How do the services help them achieve their goals?
- What are the financial consequences for the service consumer?
- What are the risks involved for the service consumer?

The Customer Experience

Customer experience determines a customer's view of the organization and its products and services.



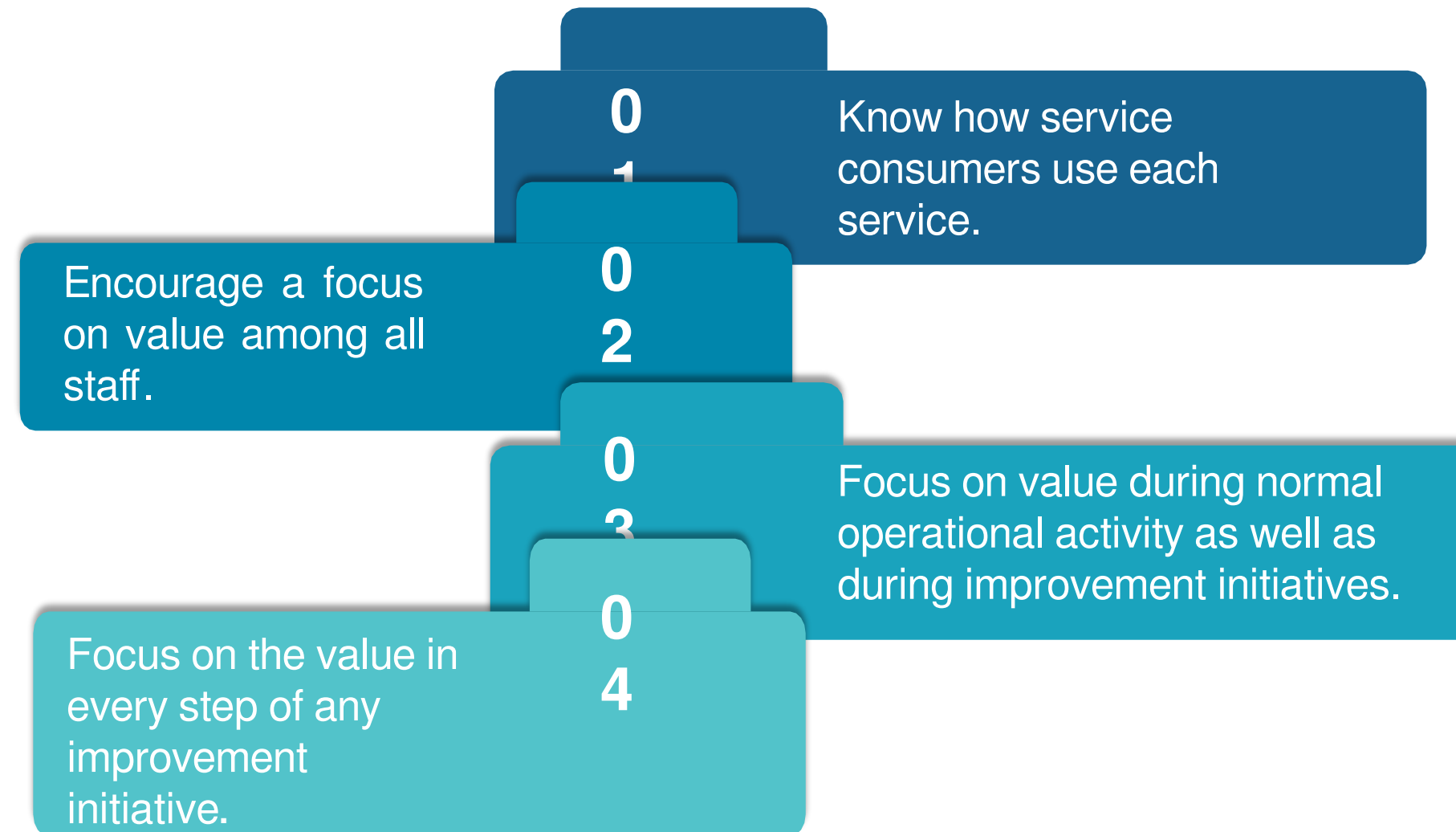
Varying Customer Experience



- When a customer receives a product at the promised price and time, his experience is objectively measurable.
- However, an individual customer's opinion of the website layout from where he ordered may vary from other customers.

Applying the Principle

Keep these four tips in mind before applying the principle “focus on value.”



Guiding Principle: Start Where You Are

It is not necessary to remove older technology or service in the process of creating something better.



- Understand where the services and methods currently are and consider reusing them.
- Getting data from the source helps to avoid assumptions that can have a negative impact on the budget and timeline.

Assess where you are

Role of Measurement

Measurement should be used to support the analysis of what has been observed.



- A service desk that is measured based on the time spent on the phone may focus more on minimizing customer engagement instead of resolving the issue. Metrics need to be meaningful and directly relate to the desired outcome.

Applying the principle

Keep these four tips in mind before applying the principle “start where you are.”



Guiding Principle: Progress Iteratively with Feedback



- Improvement iterations can be sequential or simultaneous.
- Individual iterations should be both manageable and managed.
- While the iteration is being undertaken, its need may be altered or even eliminated.
- Seeking and using feedback before, throughout, and after each iteration will ensure that actions are focused and appropriate.

The Role of Feedback



Well-constructed feedback mechanisms facilitate understanding of the:

- End user and customer perception of the value created
- Efficiency and effectiveness of value chain activities
- Effectiveness of service governance and management controls
- Interfaces between the organization and its partner and the supplier network
- Demand for products and services

Iteration with Feedback



- Working in a time boxed, iterative manner with feedback loops embedded into the process allows for greater flexibility, faster responses, and an overall improvement in quality.

Applying the Principle

Keep these three tips in mind before applying the principle “progress iteratively with feedback.”



- Understanding the big picture is important, but so is making progress, so avoid analysis paralysis.
- The ecosystem is constantly changing; so feedback is essential.
- Any iteration should be produced in line with the concept of the minimum viable product.

Guiding Principle: Collaborate and Promote Visibility



- Without effective collaboration, Agile, Lean, and other ITSM frameworks or methods will not work.
- Identifying and managing all the stakeholder groups that an organization deals with is important.

Stakeholder Collaboration

A stakeholder is anyone who has a stake in the activities of the organization.

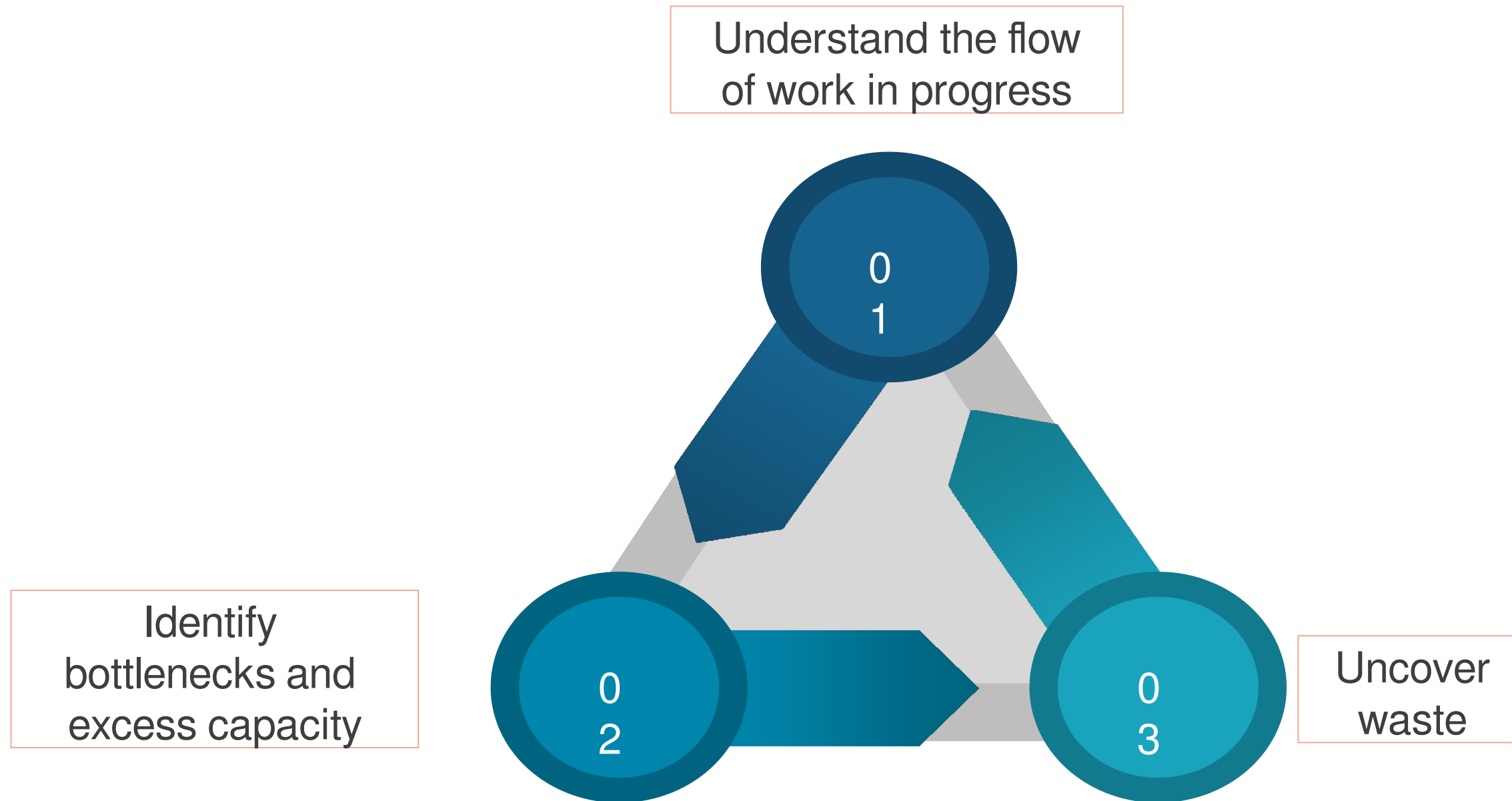


Stakeholder collaboration include:

- Developers working with other internal teams
- Suppliers collaborating with the organization
- Relationship managers collaborating with service consumers
- Customers collaborating with each other
- Internal and external suppliers collaborating with each other

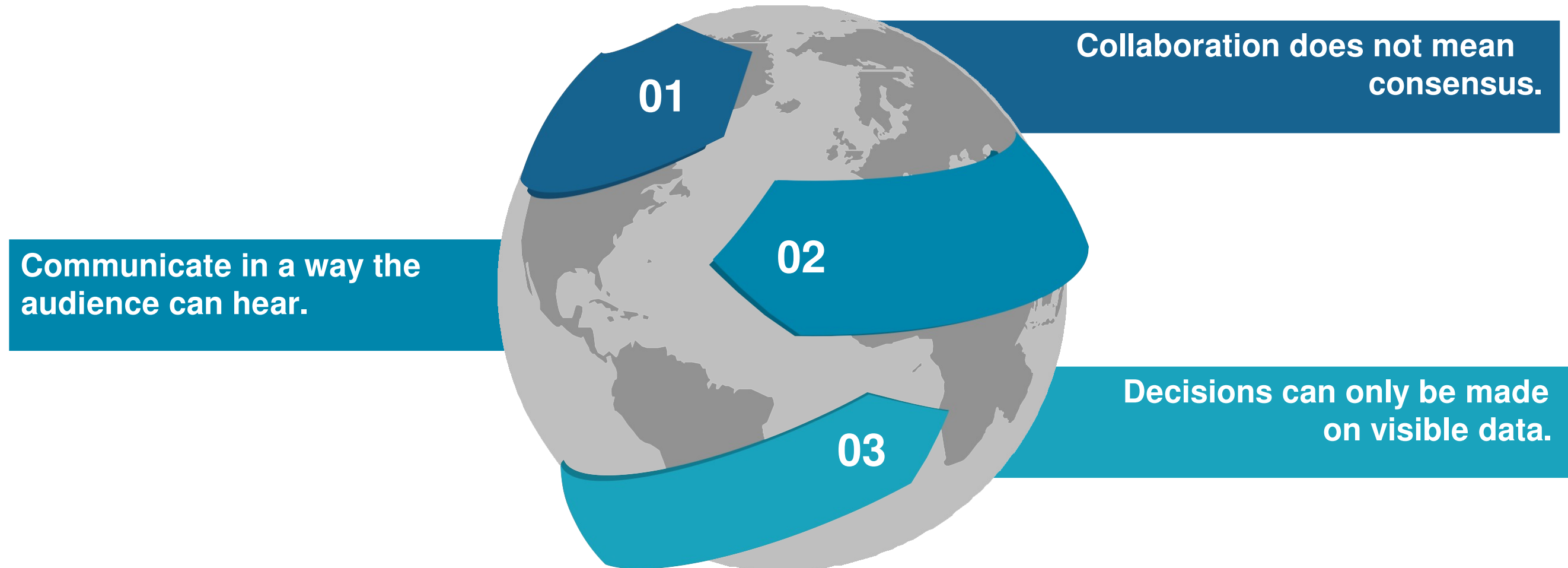
Increasing Urgency through Visibility

Insufficient visibility of work leads to poor decision-making and impacts the organization's ability to improve internal capabilities.



Applying the Principle

Keep these three tips in mind before applying the principle “collaborate and promote visibility.”



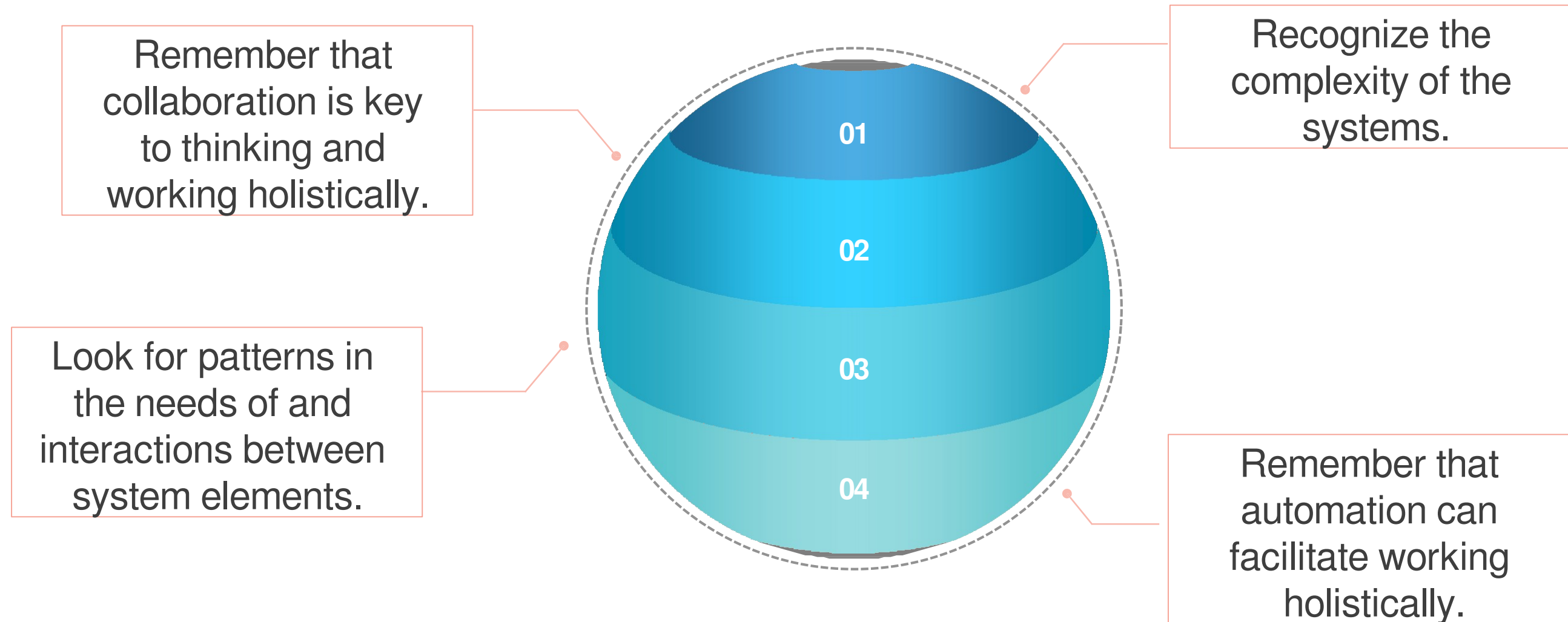
Guiding Principle: Think and Work Holistically



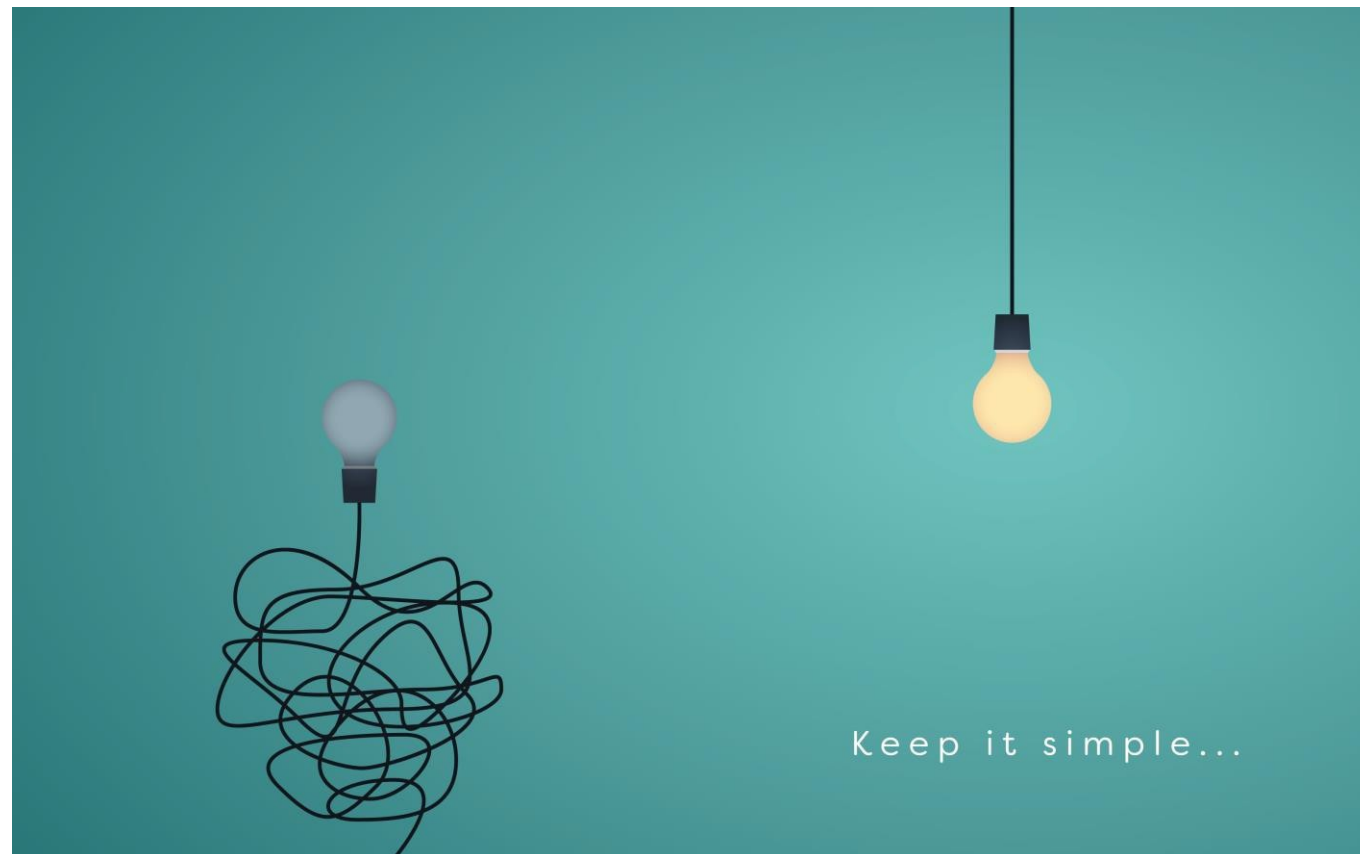
- Taking a holistic approach to service management includes establishing an understanding of how all the parts of an organization work together in an integrated way.

Applying the Principle

Keep these four tips in mind before applying the principle “think and work holistically.”



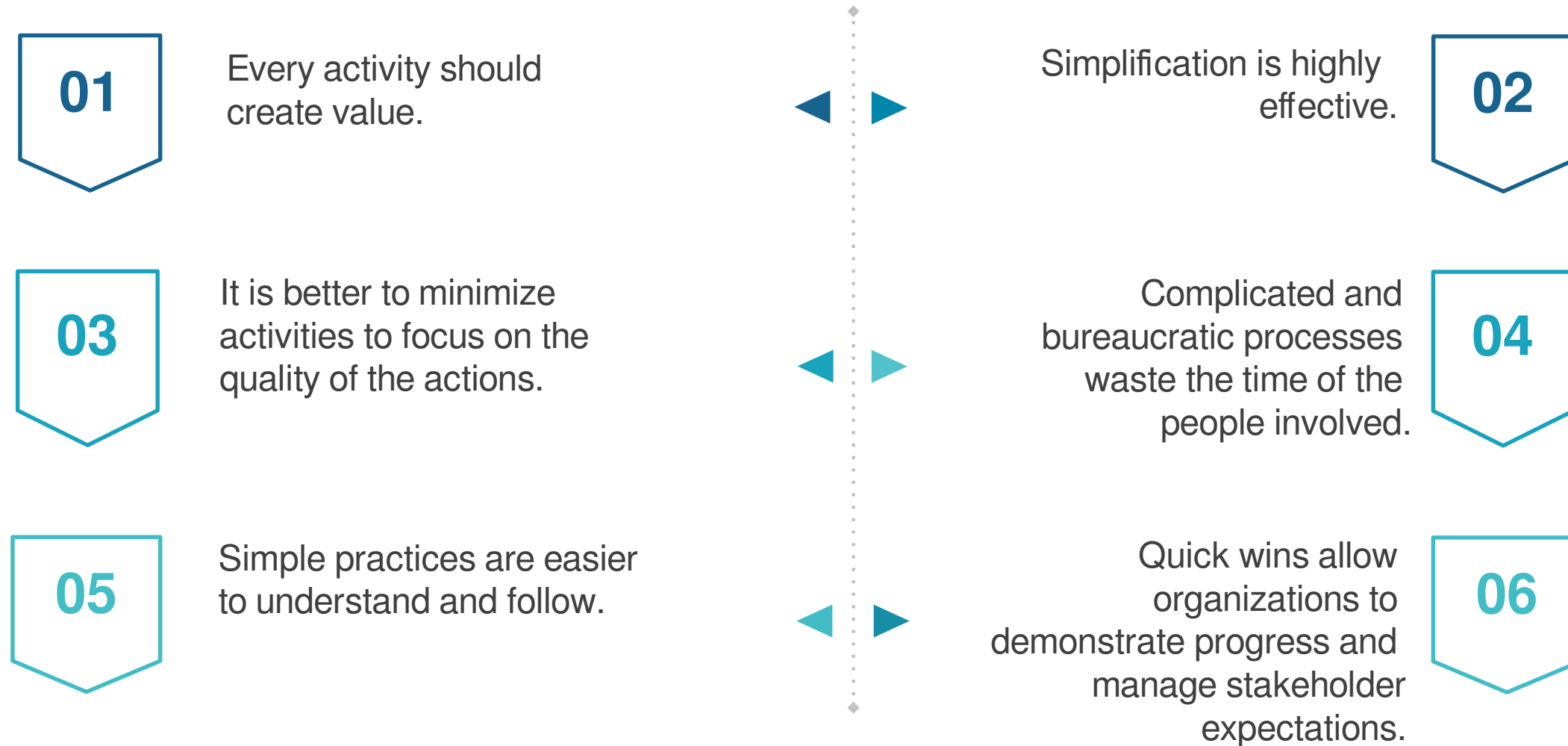
Guiding Principle: Keep It Simple and Practical



- Use the minimum number of steps to accomplish an objective.
- Ensure that your actions contribute to value creation.
- Start with an uncomplicated approach and then carefully add controls, activities, or metrics when needed.
- Be mindful of conflicting objectives.

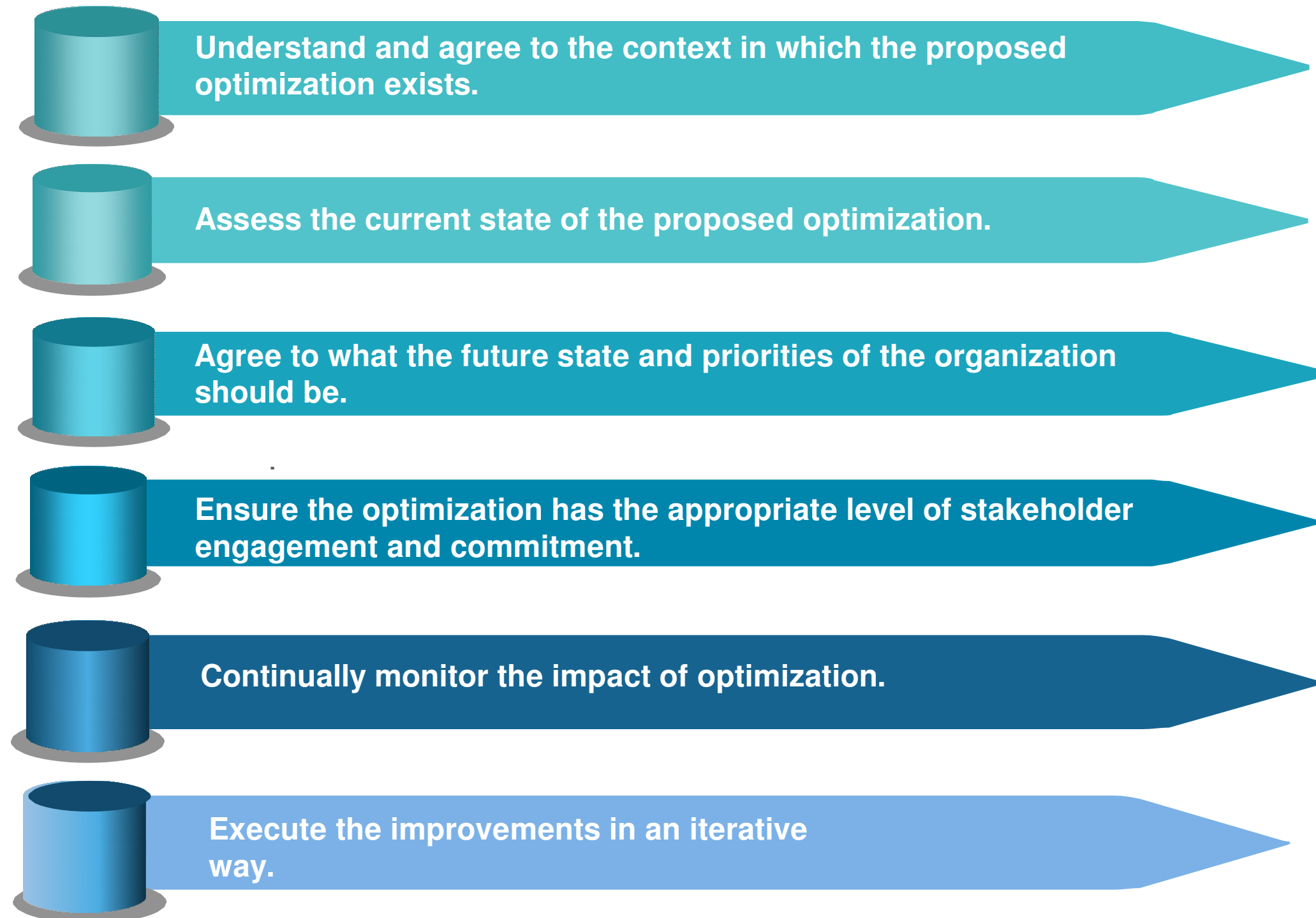
Applying the Principle

Keep these tips in mind before applying the principle “keep it simple and practical.”



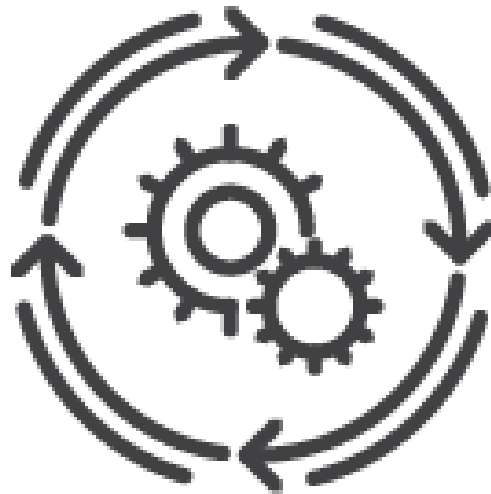
Guiding Principle: Optimize and Automate

The path to optimization follows these high-level steps.



Applying the Principle

Keep these tips in mind before applying the principle “optimize and automate.”



- Simplify and/or optimize before automating.
- Define your metrics.
- Use the other guiding principles when applying this one.

Interaction of the Guiding Principles



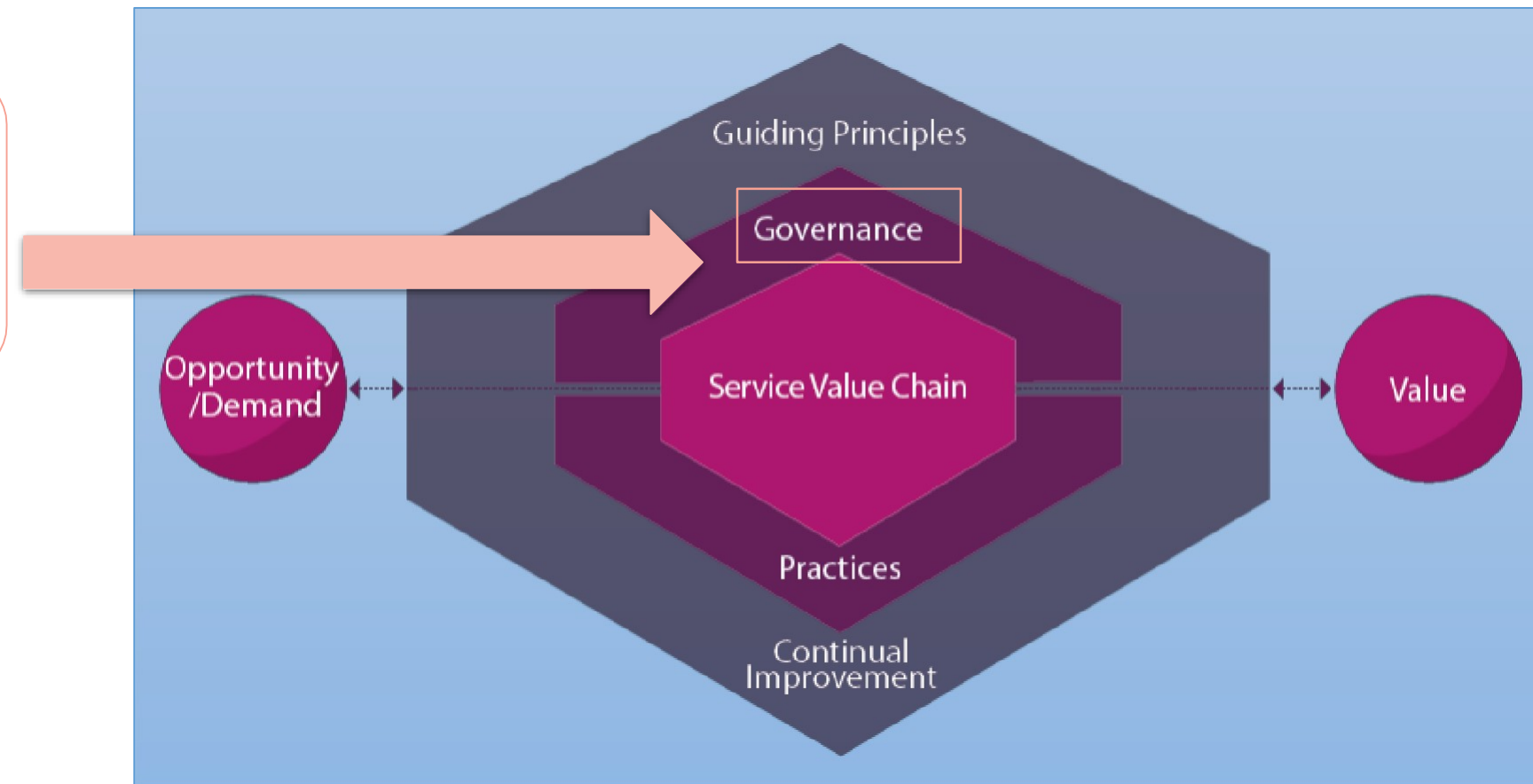
- Ensure that they interact with and depend upon each other.
- Make use of appropriate feedback as that is key to collaboration and focusing on what will truly be.
- Consider the relevance of each of them and how they apply together.



Topic 4: Governance

Governance

The means by which an organization is directed and controlled



Governance Activities

Governance is realized through the following activities:

Evaluate

The governing body evaluates the organization on a regular basis as stakeholders' needs and external circumstances evolve.

Direct

The governing body assigns responsibility for, and directs the preparation and implementation of, organizational strategy and policies.

Monitor

The governing body monitors the performance of the organization and its practices, products, and services.

SVS Governance



The governing body needs to make sure that:

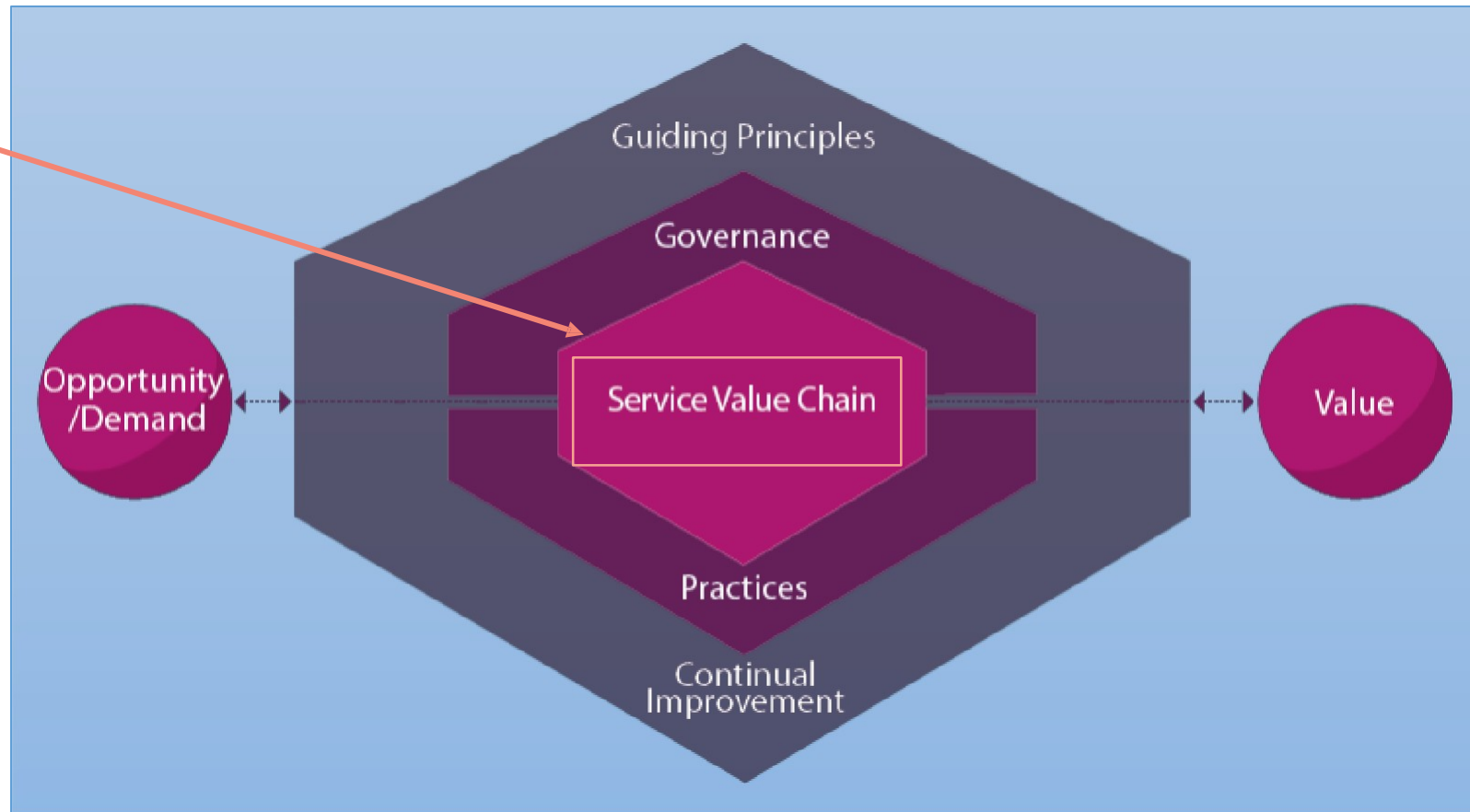
- The service value chain and the organization's practices work in line with the direction given by the governing body.
- The governing body of the organization maintains oversight of the SVS.
- Both the governing body and management at all levels maintain alignment through a clear set of shared principles and objectives.
- The governance and management at all levels are continually improved to meet expectations of the stakeholders.



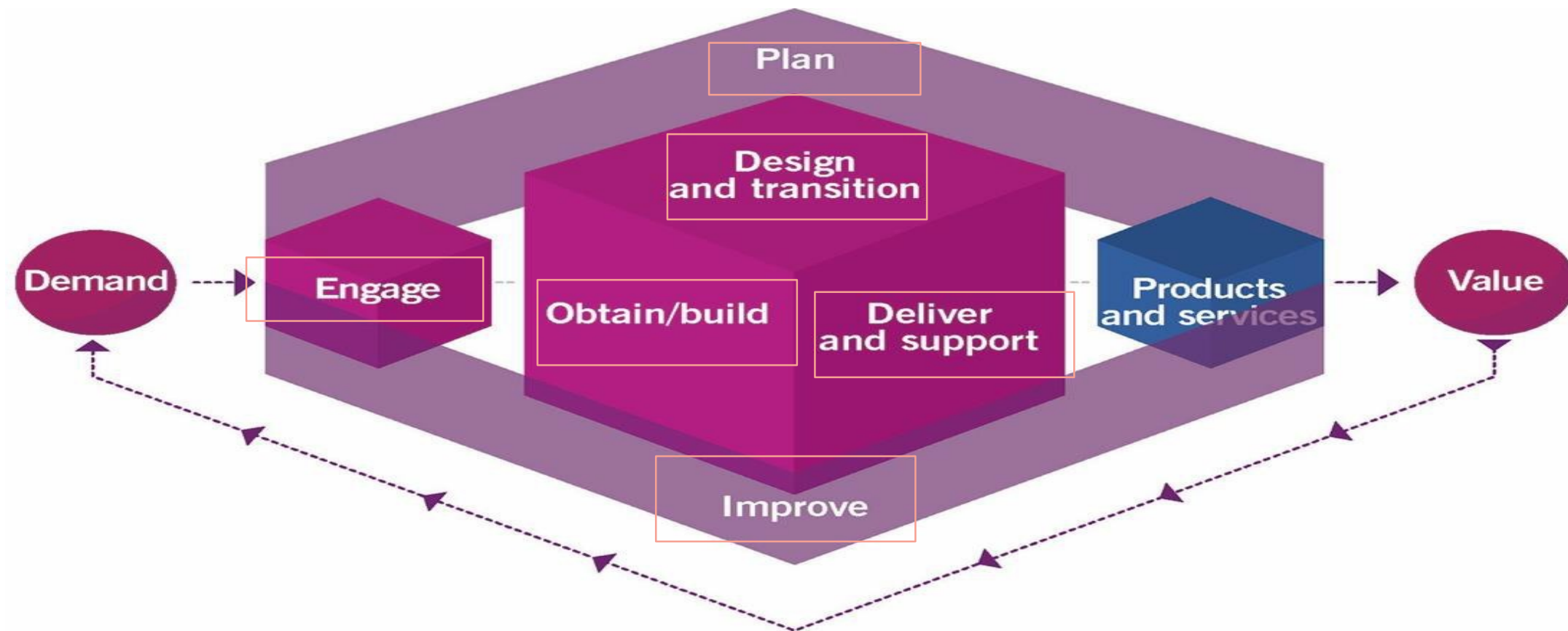
Topic 5: Service Value Chain

Service Value Chain

A set of interconnected activities that an organization performs to deliver a valuable product or service to its consumers and to facilitate value realization



SVS Activities



The service value chain outlines the six key activities required to respond to demand and facilitate value realization through the creation and management of products and services.

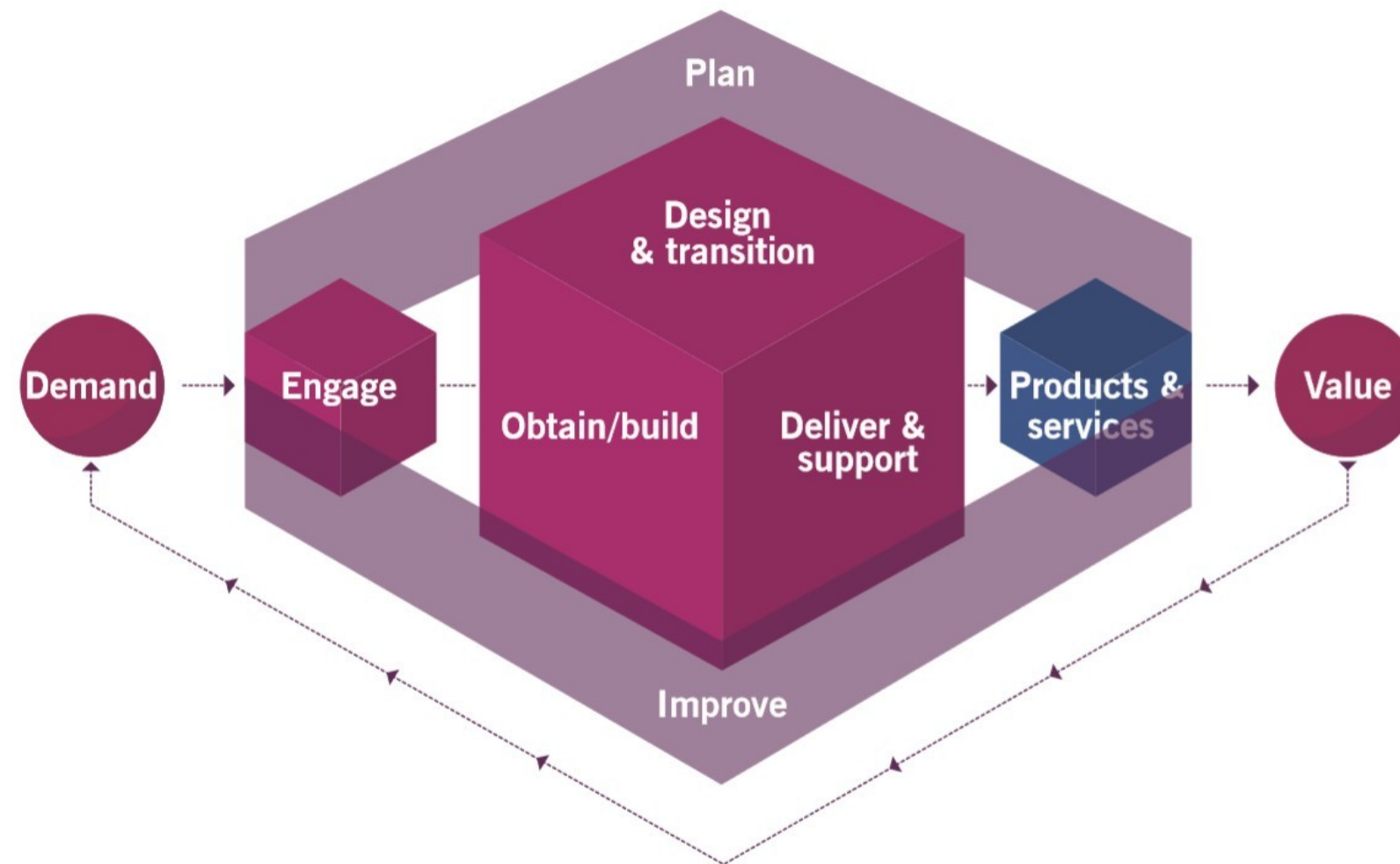
Service Value Stream



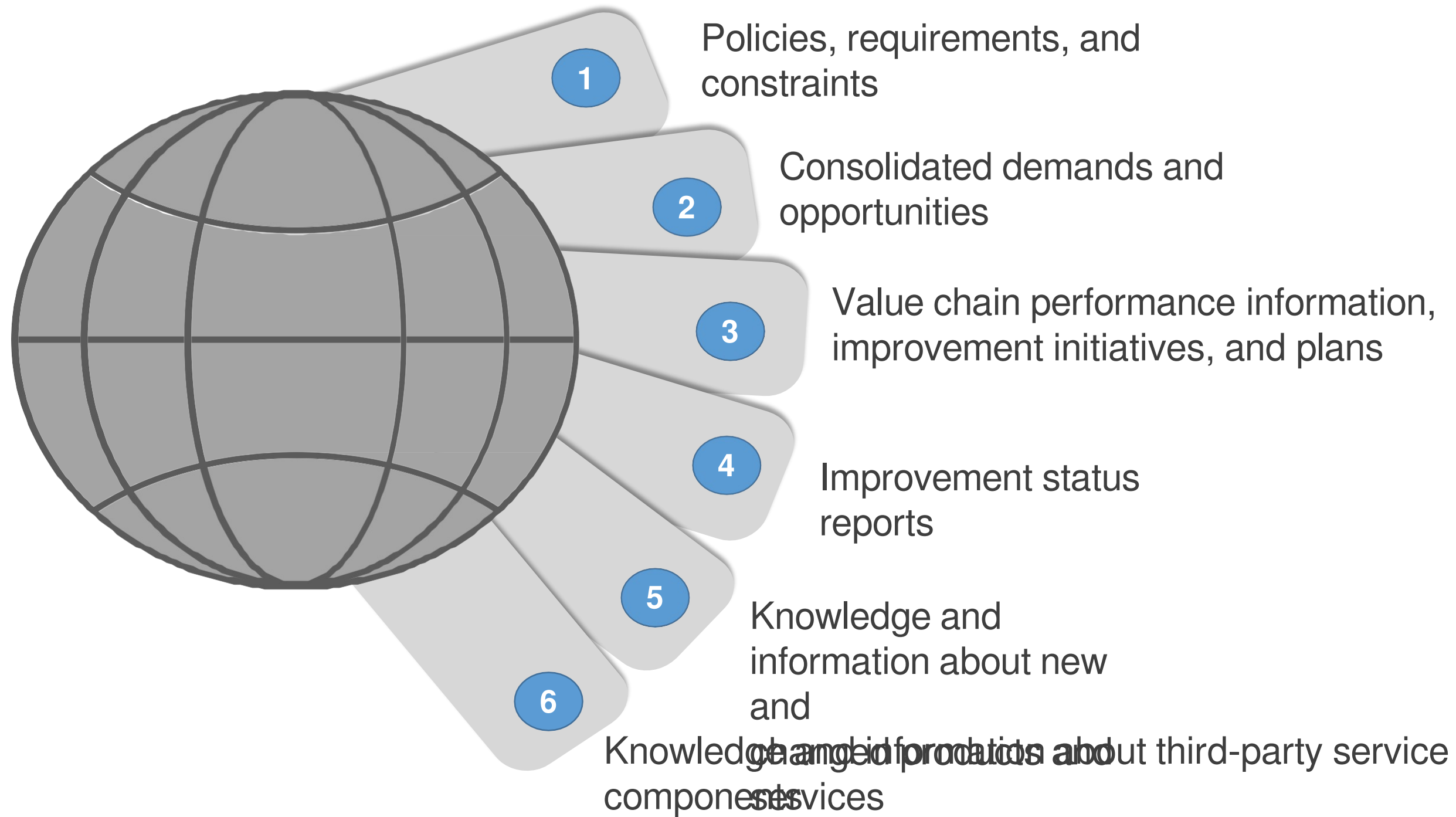
- To convert inputs into outputs, the value chain activities use different combinations of ITIL practices.
- To carry out a certain task, or respond to a particular situation, organizations create service value streams.
- Service value streams are specific combinations of activities and practices, and each one is designed for a particular scenario.

Activity 1: Plan

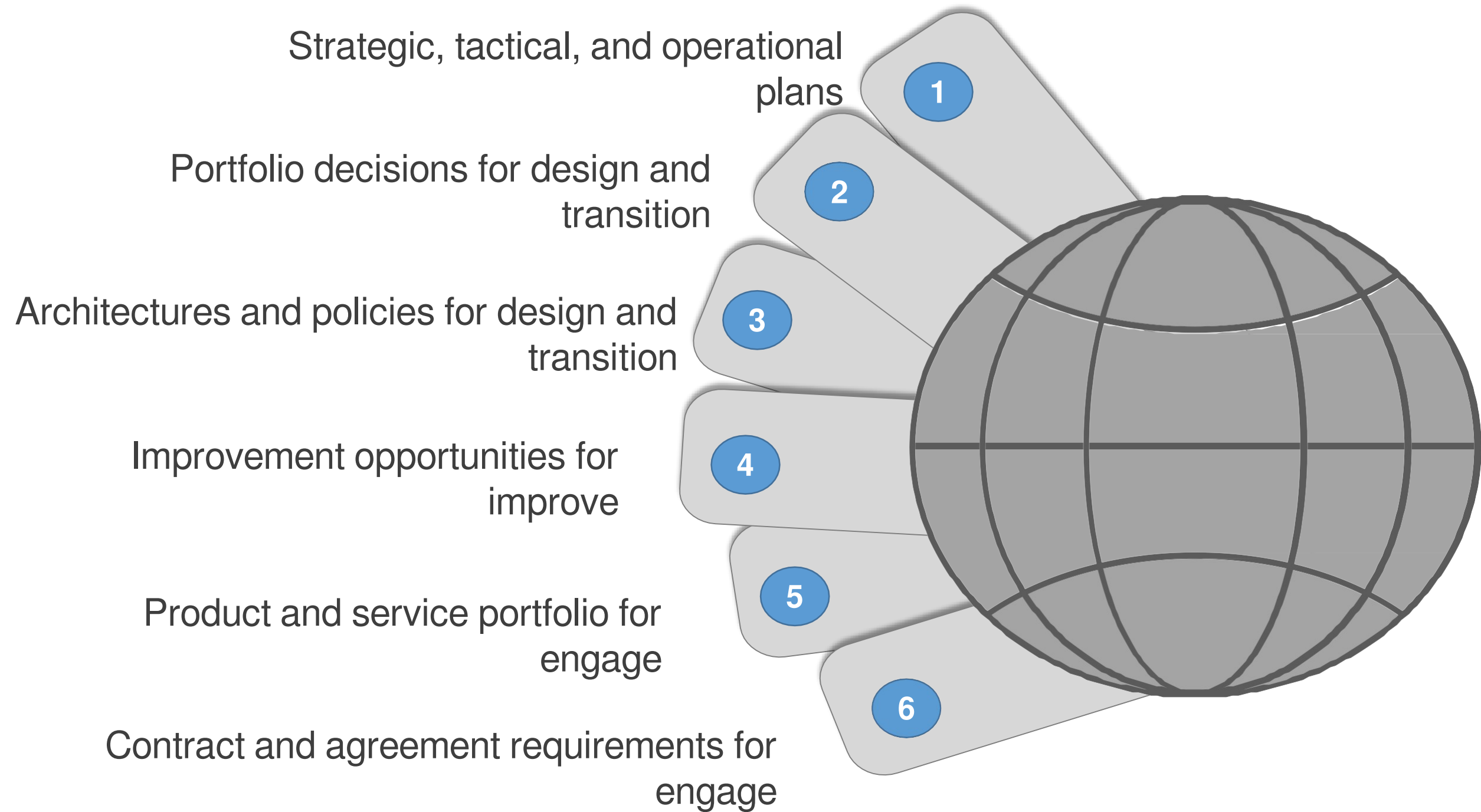
Plan value chain activity ensures a shared understanding of the vision, current status, and improvement direction for four dimensions and all products and services across the organization.



Plan: Input

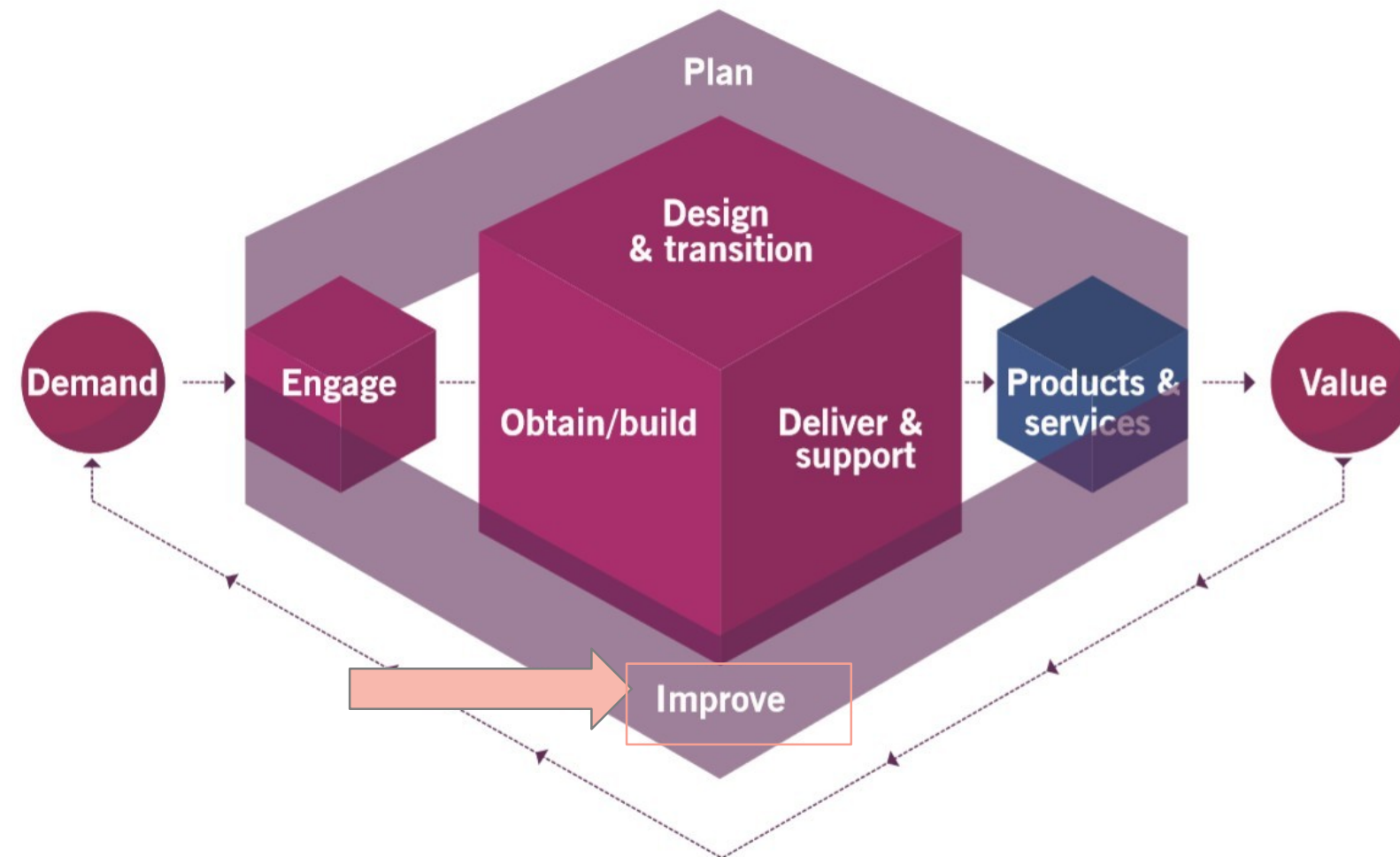


Plan: Output

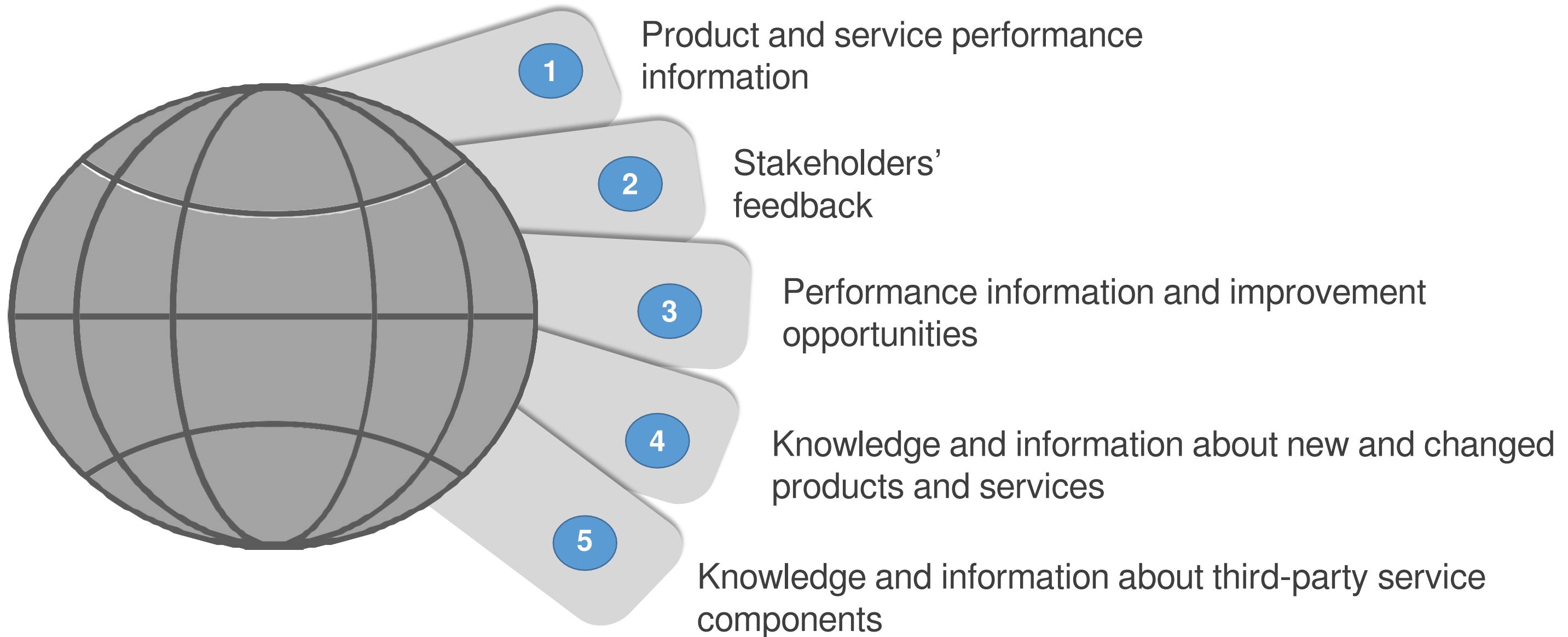


Activity 2: Improve

Improve value chain activity ensures continual improvement of products, services, and practices across all value chain activities and the four dimensions of service management.



Improve: Input



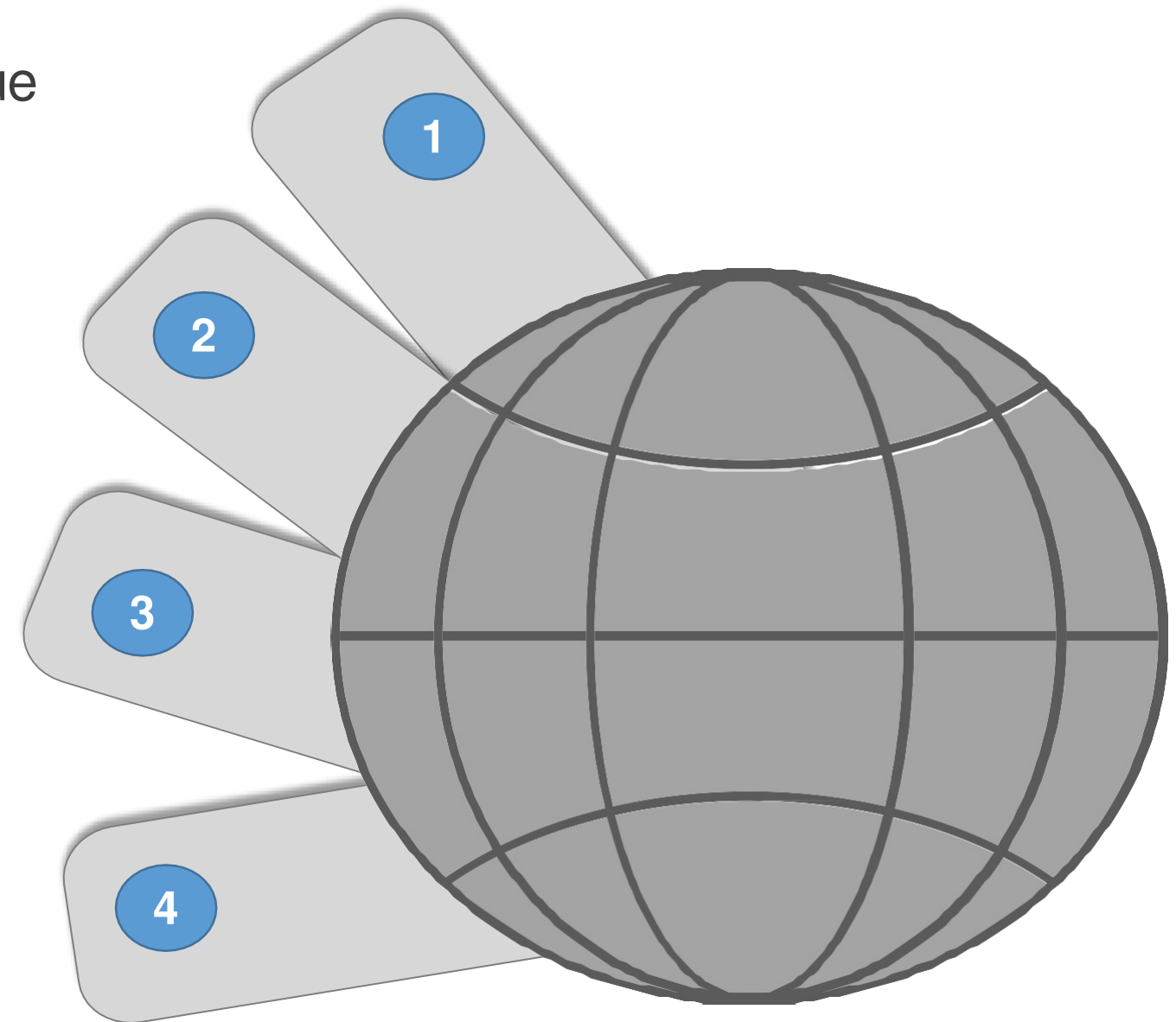
Improve: Output

Improvement initiatives and plans for all value chain activities

Value chain performance information for plan and the governing body

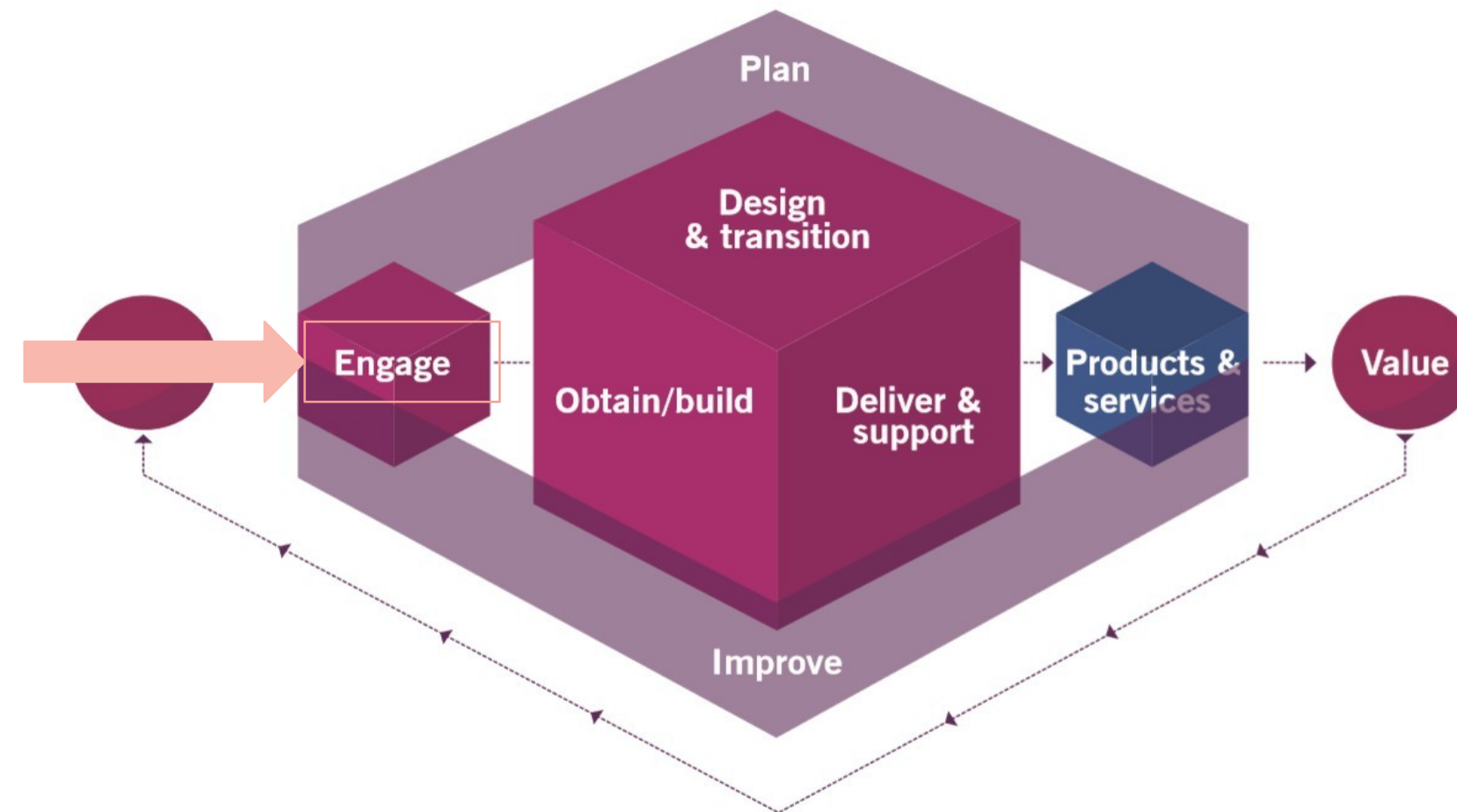
Improvement status reports for all value chain activities

Service performance information for design and transition



Activity 3: Engage

This activity provides a good understanding of stakeholder needs and continual engagement, transparency, and good relationships with all stakeholders.



Engage: Input



- Product and service portfolio provided by plan
- Requests and feedback from customers
- High-level demand for services and products provided by internal and external customers
- Detailed requirements for services and products provided by customers
- Knowledge and information about third-party service components from suppliers and partners
- Incidents, service requests, and feedback from users
- Improvement status reports from improve

Engage: Input



- Information on the completion of user support tasks from deliver and support
- Market opportunities from current and potential customers and users
- Cooperation opportunities and feedback provided by partners and suppliers
- Contract and agreement requirements from all value chain activities
- Knowledge and information about new and changed products and services from design and transition and obtain/build
- Product and service performance information from deliver and support
- Improvements initiatives and plans from improve

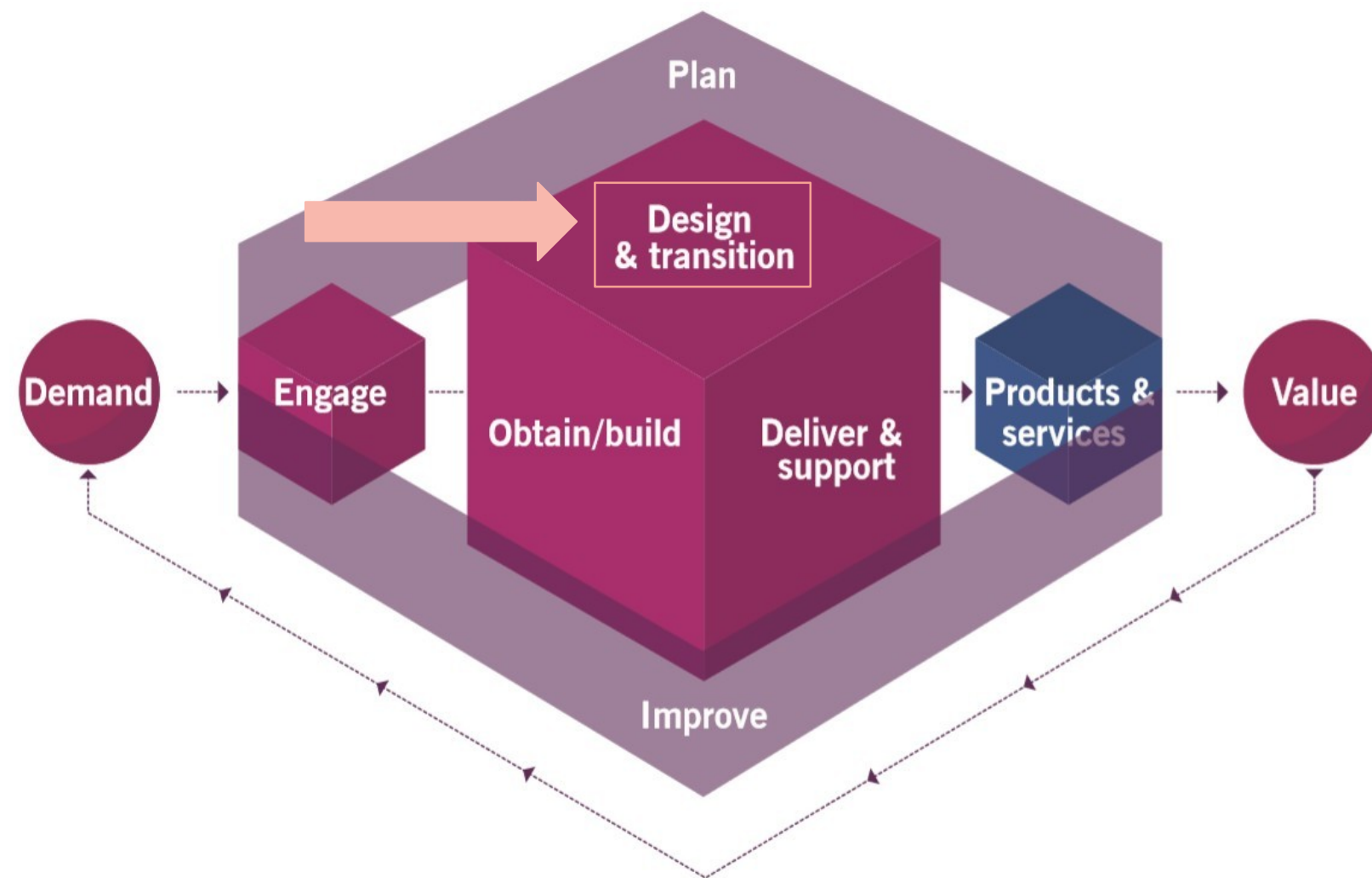
Engage: Output

- Consolidated demands and opportunities for plan
- Product and service requirements for design and transition
- User support tasks for deliver and support
- Improvement opportunities and stakeholders' feedback for improve
- Change or project initiation requests for obtain/build
- Contracts and agreements with external and internal suppliers and partners for obtain/build and design and transition
- Knowledge and information about third-party service components for all value chain activities
- Service performance reports for customers



Activity 4: Design and Transition

This activity ensures that products and services continually meet stakeholder expectations for quality, costs, and time to market.



Design and Transition: Input



- Portfolio decisions provided by plan
- Architectures and policies provided by plan
- Product and service requirements provided by engage
- Improvement initiatives and plans provided by improve
- Service performance information provided by deliver and support and improve
- Service components from obtain/build
- Knowledge and information about third-party service components from engage
- Knowledge and information about new and changed products and services from obtain/build

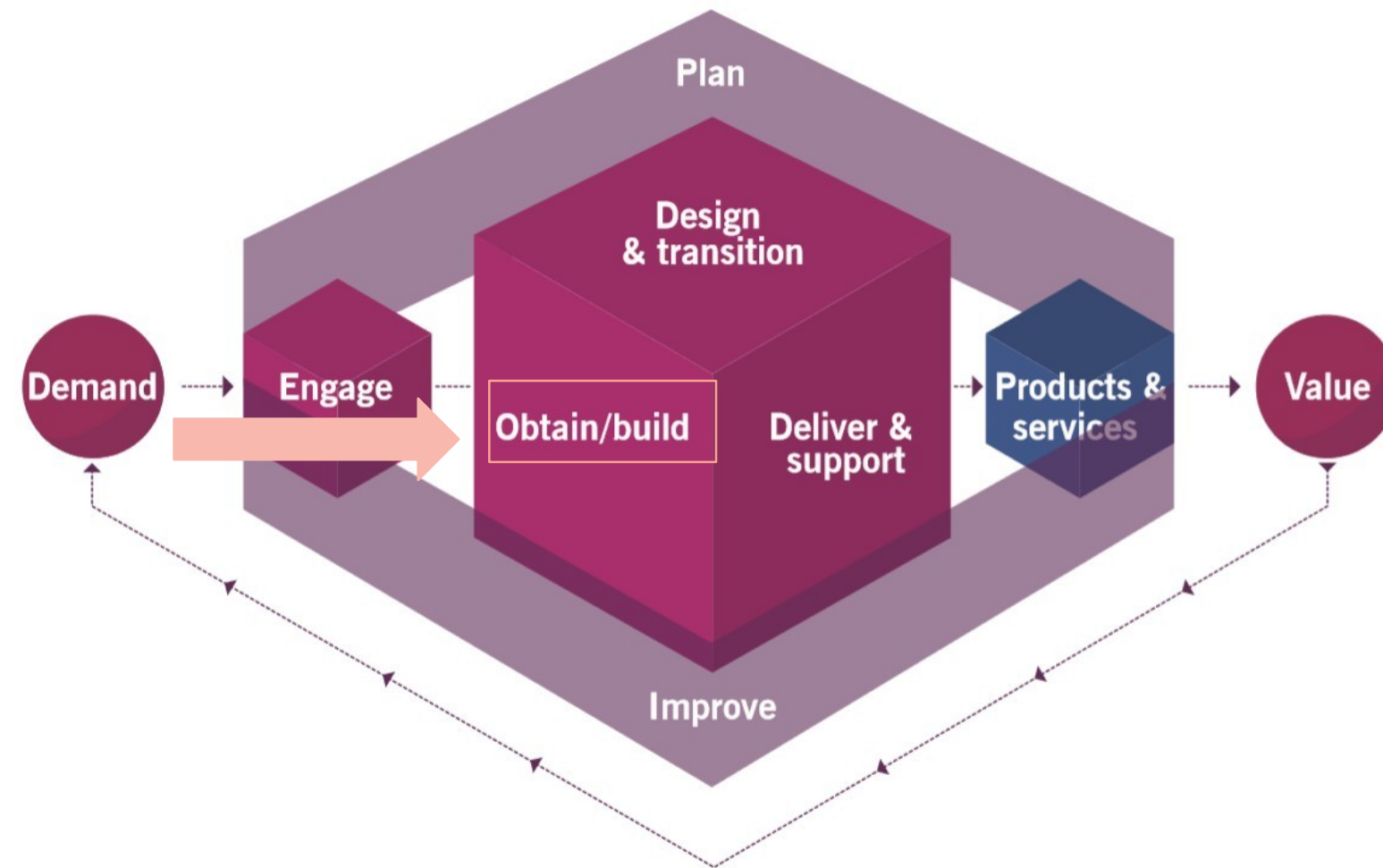
Design and Transition: Output

- Requirements and specifications for obtain/build
- Contract and agreement requirements for engage
- New and changed products and services for deliver and support
- Knowledge and information about new and changed products and services to all value chain activities
- Performance information and improvement opportunities for improve



Activity 5: Obtain/Build

This activity ensures that the service components are available when and where they are needed and meet agreed specifications.



Obtain/Build: Input



- Architectures and policies provided by plan
- Contracts and agreements with external and internal suppliers and partners provided by engage
- Goods and services provided by external and internal suppliers and partners
- Requirements and specifications provided by design and transition
- Improvement initiatives and plans provided by improve
- Improvement status reports from improve
- Change or project initiation requests provided by engage
- Change requests provided by deliver and support
- Knowledge and information about new and changed products and services from design and transition
- Knowledge and information about third-party service components from engage

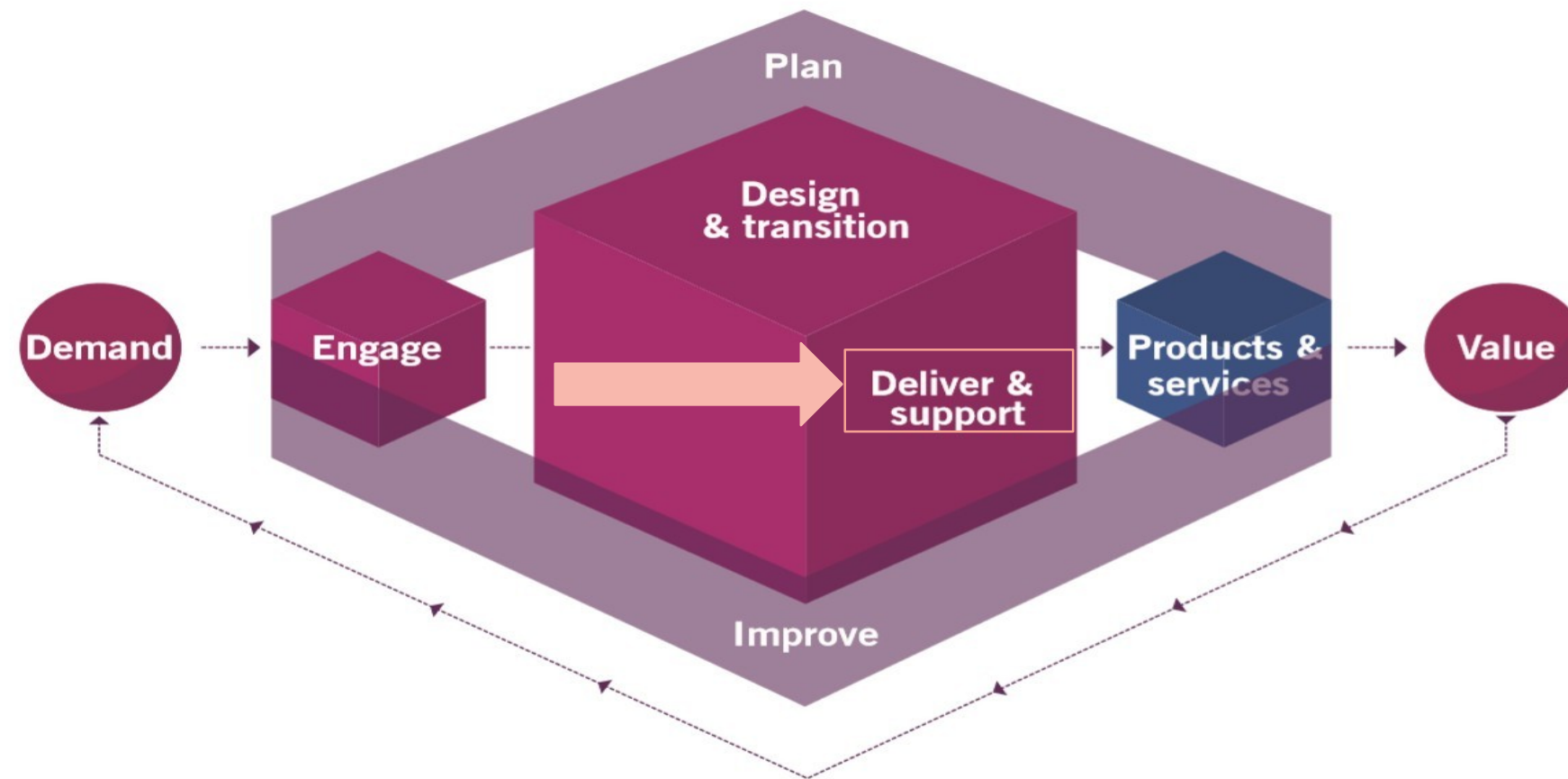
Obtain/Build: Output

- Service components for deliver and support
- Service components for design and transition
- Knowledge and information about new and changed service components to all value chain activities
- Contract and agreement requirements for engage
- Performance information and improvement opportunities for improve



Activity 6: Deliver and Support

This activity ensures that services are delivered and supported according to agreed specifications and stakeholders' expectations.



Deliver and Support: Input



- New and changed products and services provided by design and transition
- Contracts and agreements with external and internal suppliers and partners provided by engage
- Service components provided by obtain/build
- Improvement initiatives and plans provided by improve
- Improvement status reports from improve
- User support tasks provided by engage
- Knowledge and information about new and changed service components and services from design and transition and obtain/build
- Knowledge and information about third-party service components from engage

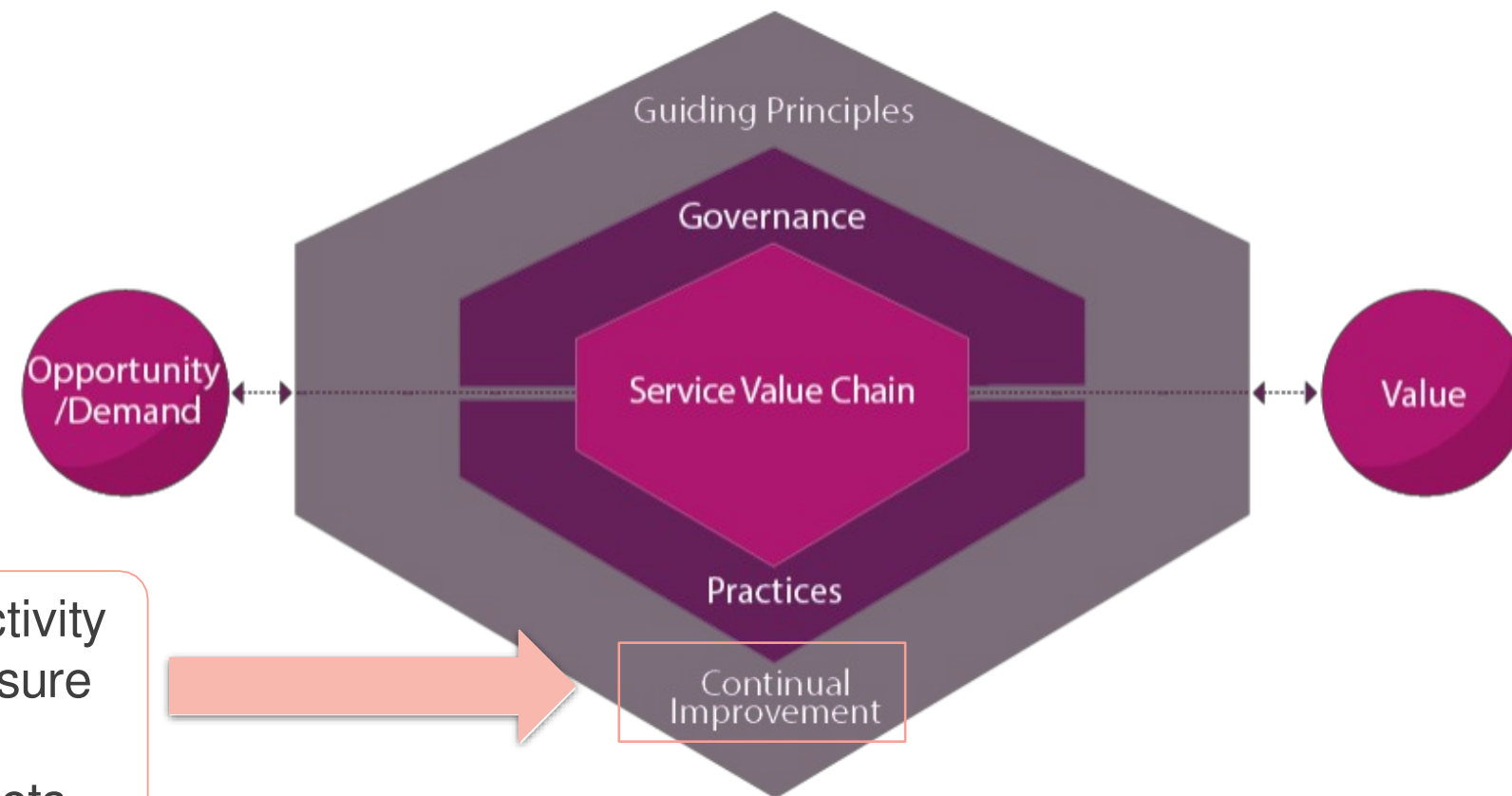
Deliver and Support: Output

- Services delivered to customers and users
- Information on the completion of user support tasks for engage
- Product and service performance information for engage and improve
- Improvement opportunities for improve
- Contract and agreement requirements for engage
- Change requests for obtain/build
- Service performance information for design and transition



Topic 6: Continual Improvement

Continual Improvement



A recurring organizational activity performed at all levels to ensure that an organization's performance continually meets stakeholders' expectations

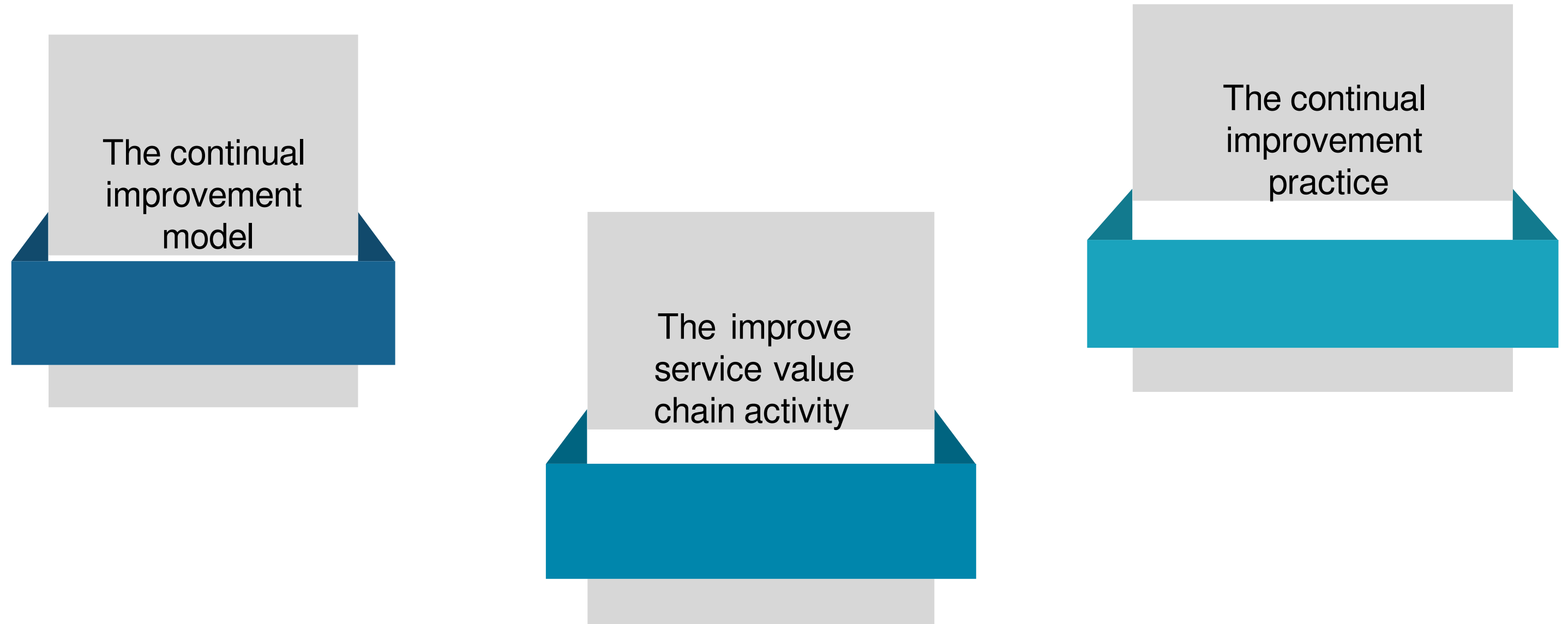
Continual Improvement

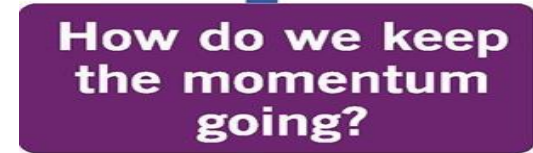


- The ITIL continual improvement model can be used as a high-level guide to support improvement initiatives.
- The model puts a strong focus on customer value and ensures that improvement efforts can be linked back to the organization's vision.
- It also supports an iterative approach to improvement, dividing work into manageable pieces with separate goals that can be achieved incrementally.

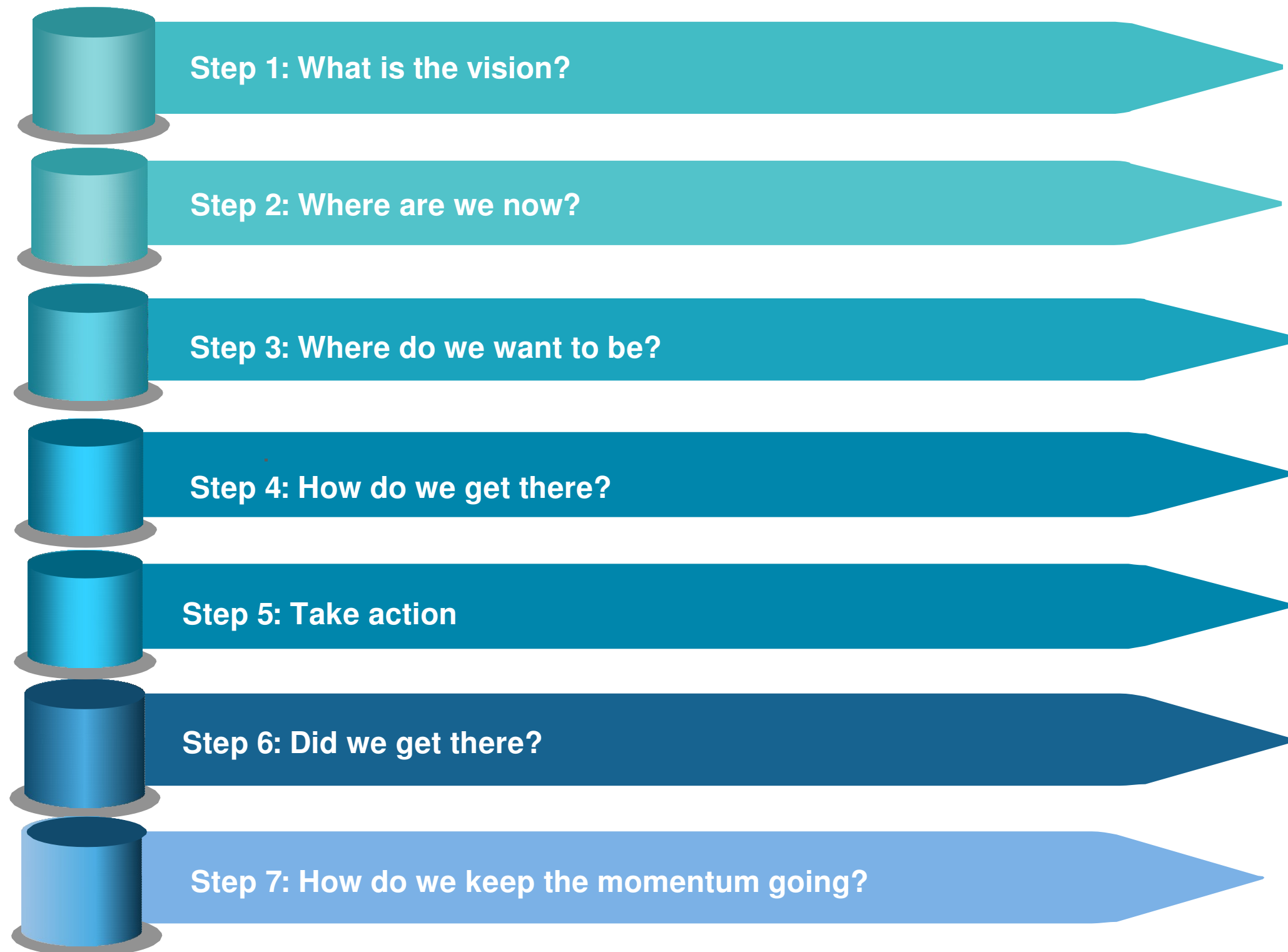
ITIL SVS Support

To support continual improvement at all levels, the ITIL SVS includes:






Continual Improvement Model: Steps



Siloed Organizations

Organizational silos are a challenge to organizations.



Organizational silos happen when there is:

- Resistance to change
- Difficulty in accessing information and specialized expertise
- Reduced efficiency that increases both cost and risk
- Difficulty in communication or collaboration



Siloed organizations:

- Cannot act quickly to take advantage of opportunities or to optimize the use of resources across the organization
- Are unable to make effective decisions about changes
- Can cause practices to become silos

Addressing the Challenge of Silos



- The architecture of the ITIL SVS enables flexibility and discourages siloed working.
- The service value chain activities and practices can be combined in multiple value streams to address the needs of the organization in a variety of scenarios.

Addressing the Challenge of Silos



- Organizations should be able to define and redefine their value streams in a flexible, yet safe and efficient manner.
- The ITIL guiding principles guide the overall improvement of the organization.
- The guiding principles create a foundation for a shared culture across the organization that discourages silos.

Organizational Agility and Organizational Resilience



- Organizational agility is the ability of an organization to move and adapt quickly, flexibly, and decisively to support internal changes.
- Organizational resilience is the ability of an organization to anticipate, prepare for, respond to, and adapt to both incremental changes and sudden disruptions from an external perspective.

Organizational Agility and Organizational Resilience

The ITIL SVS provides the means to achieve organizational agility and resilience.

Resilience cannot be achieved without a common understanding of the organization's priorities and objectives.

Changes to the scope of the organization, mergers and acquisitions, changing organizational practices

Changes to the technologies requiring different skills

Changes to the organizational structure and relationships with partners and suppliers

Changes in the external influences that can be political, economic, social, technological, legal or environmental



Topic 7: Agile ITSM

ITIL, Agile, and DevOps



- Agile is a methodology that focuses on delivery and evolution of requirements from small teams.
- Agile teams can work more effectively to enable faster and more stable deployment to the live environment.
- Agile shares many common themes with ITIL.
- DevOps centers on the process of delivering software to live environments, with a focus on unifying technical operations and delivery.

Agile Roles



- Product managers/owners can perform the role of the service owner
- Scrum masters can perform the role of the change manager
- Scrum masters can be part of the wider continual improvement practice

Agile Software Development

Agile development includes:

- Continually evolving requirements, collected through feedback analysis and direct observation
- Breaking development work into small increments and iterations
- Establishing product-based cross-functional teams
- Visually presenting and regularly discussing
- Presenting a working software to the stakeholders at the end of each iteration



Key Takeaways



- ✓ The ITIL SVS describes how all the components and activities of the organization work together as a system to enable value creation.
- ✓ Each organization's SVS has interfaces with other organizations, forming an ecosystem that facilitates value creation for the organizations, their customers, and other stakeholders.
- ✓ The ITIL SVS is a powerful holistic construct for the governance and management of modern products and services and helps organizations to co-create value with consumers.
- ✓ The SVS includes the service value chain activities supported by universal and holistic practices that allow the organization to manage and fulfil demands of all types.
- ✓ Every organization participates in some form of the value chain activities.

Thank You

