IT Service Methods

The Virtual Value Chain (Johnston, Shulver, Slack, & Clark, 2021)

Business organizations now compete in two worlds: the **marketplace**, the physical world for people and things, and the **marketspace**, a virtual world of information.

Both can be maximized by IT service providers simultaneously, just like how PLDT has a physical location where users go for installation requests, bill payments, and plan upgrades and a website where users can request the same services. The significance of a marketspace allows providers to collect useful information that is difficult to get onsite, such as a survey, to improve service delivery processes and create customer value.

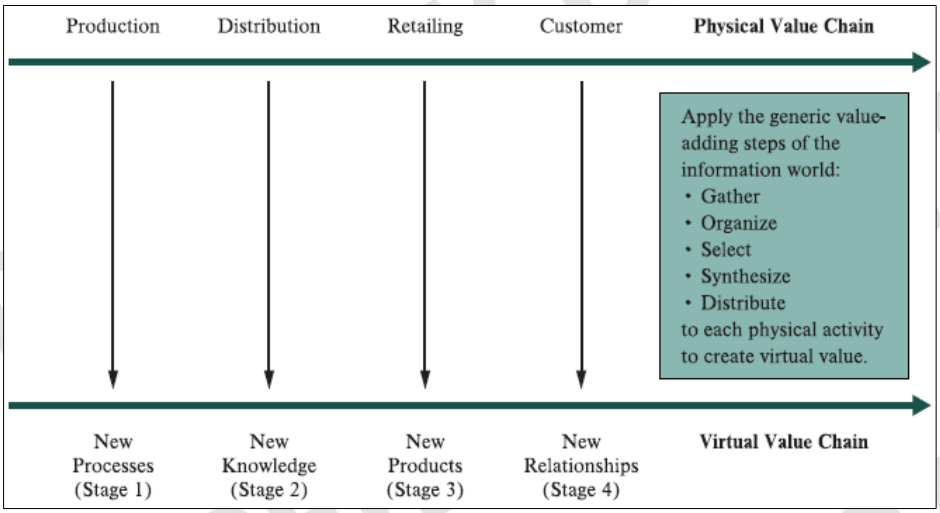

Figure 1. Retrieved from Bordoloi, S., & Fitzsimmons, J. (2022). Service management: Operations, strategy, information technology. McGraw Hill.

Virtual Value Chain

Creating value has been described as stages linked together to form a *value chain*. Based on *Figure 1*, there is a traditional physical value chain and a virtual value chain. A **physical value chain** includes acquiring raw materials, operations, delivery, sales and marketing, and service. In contrast, a **virtual value chain** comprises the digital and virtual realms of information to create value.

The objectives of the virtual value chain include:

- Creating direct, cost-effective interactions between value chain members and users.
- Giving end-users with specific value services advantages such as performance looks, aesthetics, security, and reliability.
- Ensuring that the value is created and delivered continuously.

There are five (5) components of the virtual value chain (Gather, Organize, Select, Synthesize, Distribute) that need to be applied to each stage to create a virtual value:

Stage 1: New Processes

It involves envisioning physical operations more effectively with information such as PLDT employing “paperless billing” to their customers and moving the process from a manual paper-based filing system to a central computerized database. It is an essential step to utilize the benefits of the marketspace fully.

Stage 2: New Knowledge

In this stage, digital and virtual alternatives substitute for physical information. PLDT would gather much more information using their website than their physical locations as they can easily market and link their websites to social media posts. It would help IT services gather and organize information at a larger and faster rate.

Stage 3: New Services

This stage analyzes new information to discover new service needs and methods to deliver value. For PLDT, they started a Home Rewards program wherein customers earn crystal that they could use to exchange for exciting treats, bill rebates, and discounts. PLDT saw how customers would rather pay online than onsite and took this opportunity to create a system that would keep customers visiting and paying directly on their website.

Stage 4: New Relationships

In this last stage, opportunities for collaboration with customers to create values are explored. PLDT could assign brand ambassadors to promote their new promo and deals or create testimonials about their experience with the organization. This stage opens possibilities for better and prolonged loyalty of the customers.

The idea of a virtual value chain gives a perspective of service innovation that creates value by using information gathered while serving customers. But there are certain degrees where information should be used.

Limits in the Use of Information

- **Invasion of Privacy**: With technology as an enabler for easier data gathering, it can still be misused by third parties with malicious motives. Massive data storage capabilities in a cloud put the users' personal information at risk of being searched and exposed.

  It is best to use gathered user information based on the agreed terms and conditions and not sell the information to third parties that could access their financial transactions.

- **Data Security**: An organization's responsible for taking the best care and having the best intention for their user's information. It could prevent possible lawsuits and federal charges that might arise.

  Ensure that the cloud and data servers are monitored and protected with heightened protocols that only credible personnel can access.

- **Reliability**: There are instances that information from users cannot be fully trusted as some do surveys and randomly click on any option available without any thought. It could affect the value of the information and can alter plans for new services.

  It is encouraged to have assigned teams to ensure that every piece of information acquired is valid and comes from genuine user experience.

- **Fairness**: The users must always know where their information will go after every website cookie they accept or every filled-up form they submit. It creates a trusting relationship between the service providers and their users.

  The use of Terms and Conditions is an effective way to educate and, at the same time, warn users about what they are signing up for. A separate but properly structured agreement clause on the website's page can also be beneficial.

ITSM Processes (ClydeBank, 2022)

IT Service Management (ITSM) has five (5) stages based on the ITIL framework. These processes ensure that incidents, service requests, and IT assets, among other aspects of IT services, are addressed and managed streamlined.

Service Strategy

It is the basis and first step in the cooperation between IT and the organization's needs. It defines the services to be offered, the strategic planning process, and the development of the required assets and infrastructure to keep processes moving. It allows organizations to focus on the "whys." Instead of the "hows" when planning.

Service Strategy also identifies potential risks and threats to the successful delivery of the services, even though IT departments tend to spend too little time on it.

Service strategy has the following sub-units:

- **Strategy Management for IT Services** – assesses the market and how the organization plans to service it.
- **Service Portfolio Management** – the structured analysis of different services an organization wants to offer based on how much they cost to deploy and the value they can bring back to the organization.
- **Demand Management** – it scales resources to demand. It requires a specified definition of the organization's service and the costs when failing to meet anticipated demands.
- **Business Relationship Management** focuses on identifying customers and understanding their expectations that detail creating and operating customer feedback registries, surveys, and complaint logs.

Service Design

It is when the ideas during Service Strategy begin to take form. Its result is a proposed IT solution that fits the determined objectives. And if neglected, the organization risks inventing sums of money and manpower by just developing a subpart IT solution that cannot even directly address the organization's needs.

An effective service design is much less expensive to spend extra time planning for a significant IT rollout than to fix a botched rollout during the later processes. The solutions must always be financially feasible and meet the organization's service needs.

Service Design has the following sub-units:

- **Service Level Management** – ensures that the organization remains aware of all commitments, contracts, and other obligations.
- **Risk Management** – the process of plotting risk against reward.
- **Capacity Management** – allows IT departments and managers to analyze capacity requirements that the organization needs, such as speed, bandwidth, and service space, based on the service delivered.
- **Availability Management** – focuses on the qualitative capacity, such as if an IT department has the requisite personnel, tools, and infrastructure to complete a project.
- **Compliance Management** – the legal side of this process that reviews all relevant internal and external regulations from company policy to federal law.
- **Supplier Management** – ensures that the organization's external suppliers of IT resources are equipped to meet the demands of the Service Design.

Service Transition

It is wherein real action is taken to implement the proposed service. This process is the point that organization systems and their people face adapting to and learning how to use a new service delivery system that opens to risks such as service interruptions, data security breaches, and human error.

Service Transition should be as seamless as possible for the service recipients and always result in superior value and quality service to the organization.

Service Transition has the following sub-units:

- **Change Management** – implements new IT services while lessening the disruptions to existing services.
- **Release & Deployment Management** – handles the schedule for a release to lessen disruptions to existing services while setting up the new service effectively and promptly. It relies on limited testing to determine the best rollout method.
- **Service & Validation Testing** – assures that enough IT resources are on hand to provide high-quality service continually.
- **Service Assets & Configuration Management** – ensures necessary IT assets to deliver the service are accessible, effectively deployed, and sustainable.
- **Knowledge Management** – collects, organizes, and stores data in the Service Transition and other processes to avoid wasting time and resources on recovering knowledge after it has already been obtained**.**

Service Operation

It is the recurring and day-to-day delivery of organization services and all that it entails to pattern a reliable and repeatable delivery of expected services to the users. It includes substantial contingency plans to address and solve anomalies, errors, and disruptions to service norms.

Service Transition has the following sub-units:

- **Event Management** – monitors and sets standards for "events" or changes in the system that affect the system's configuration that might prompt action from an IT personnel**.**
- **Incident Management** – undergoes appropriate analysis of incident and escalations steps. They also restore services in case an interruption happens.
- **Request Fulfillment** – responds to much lesser user concerns such as password resets and basic support.
- **Access Management** – verifies user identity and credentials to ensure they hold proper authorization to use the service.
- **Problem Management** – minimizes the damage of an incident and facilitates resolutions.
- **IT Operations Control** – monitors IT infrastructures and supports basic day-to-day tasks to ensure service remains to be deliverable.

Continual Service Improvement (CSI)

It evaluates and improves all the other processes by providing a feedback loop that continually sharpens the quality of the services being delivered by gathering information, extracting value and lessons from the information, and incorporating them back into the system as efficiently as possible.

CSI has the following aspects:

- **Service Review** – gives out survey requests to users for purchased products and services.
- **Process Evaluation** – includes benchmarking and continuity, which is the maintenance of an ongoing stream of data about the effectiveness of ongoing service processes.
- **Definition of CSI Initiatives** – collects data from service review and process evaluation to define CSI Initiatives to improve the service. Initiatives can be internal, which only involves the IT team, or external, which involves the users doing a new feedback set.

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