

The key concepts of ITIL 4

Service value chain

Syllabus

- 5. Understand the activities of the service value chain, and how they interconnect
 - 5.1 Describe the interconnected nature of the service value chain and how this supports value streams
 - 5.2 Describe the purpose of each value chain activity:
 - a) Plan
 - b) Improve
 - c) Engage
 - d) Design & transition
 - e) Obtain/build
 - f) Deliver & support



What you will learn

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

- Describe the **interconnected** nature of the service value chain and how this **supports** value streams.
- Describe the **purpose** of each value chain activity.



Introduction to the ITIL service value chain

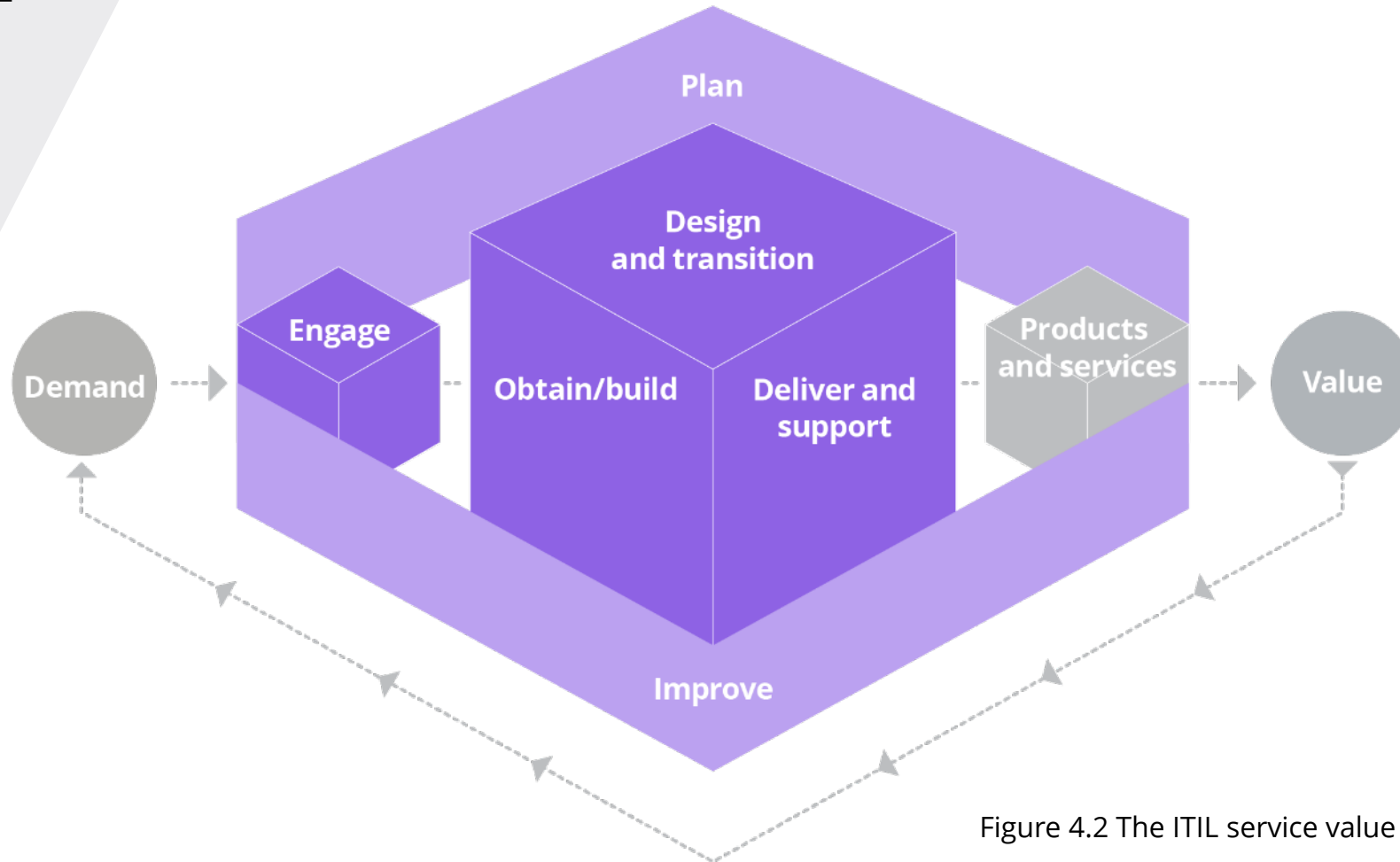
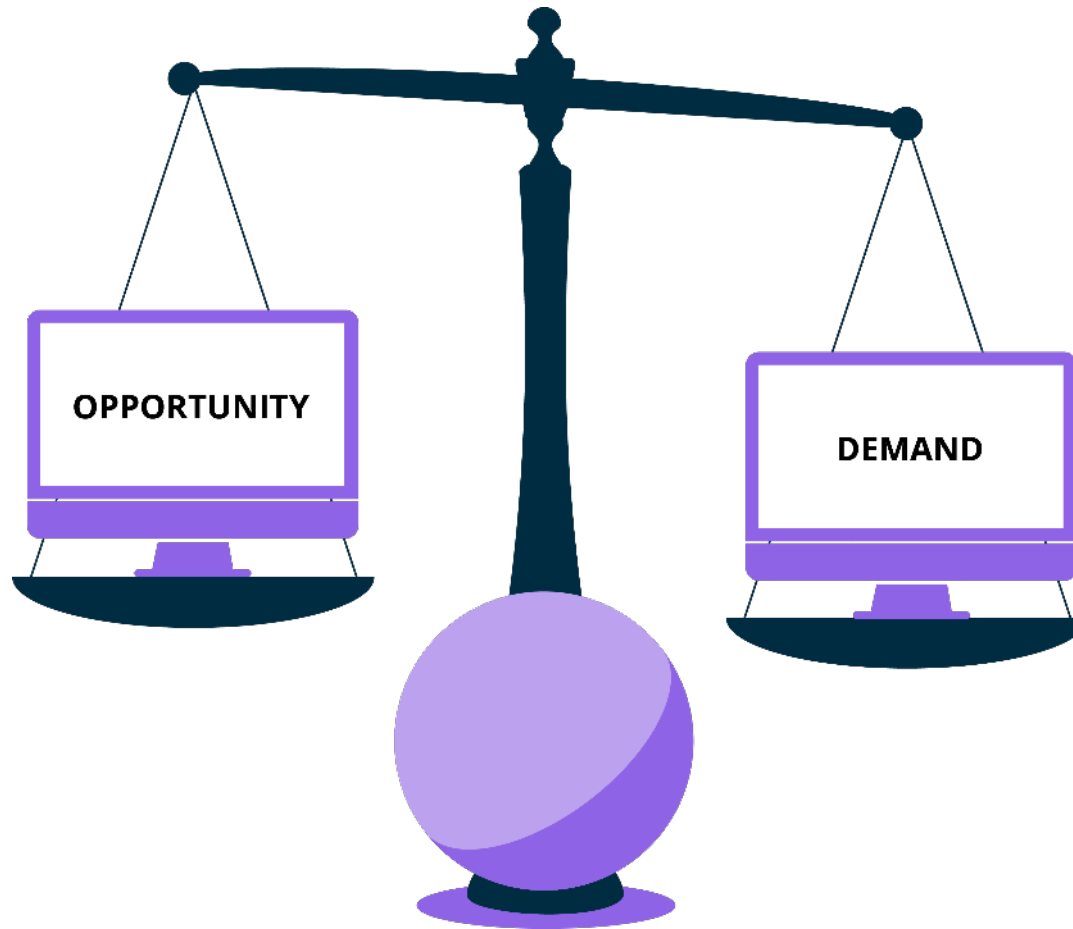


Figure 4.2 The ITIL service value chain

Opportunity vs demand



Converting inputs into outputs



For example, the **engage activity** might utilize **supplier management, service desk management, relationship management, and service request management** to respond to new demands for **products and services**, or information from various **stakeholders**.



Service value chain, its practices and value streams

Here is an example using a mobile application development company which utilizes a number of practices, supported by specialized resources and techniques, such as:



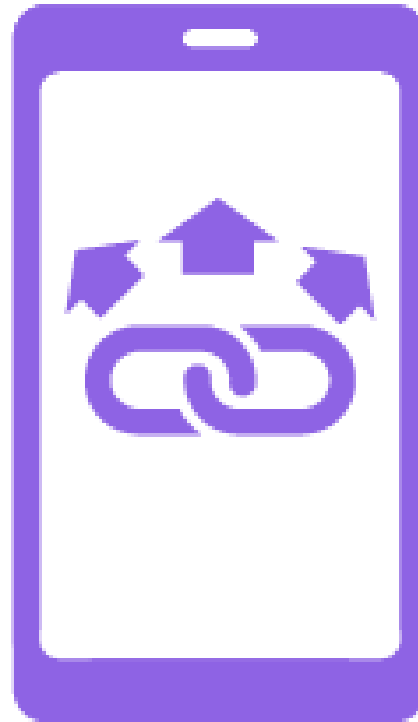
Although the high-level steps are universal, different products and clients need different streams of work.

Service value chain, its practices and value streams

Four examples of value streams:

developing a **new application** for a new client (it starts with initial engagement, pre-sale)

changing an **existing application** to meet new requirements of existing clients



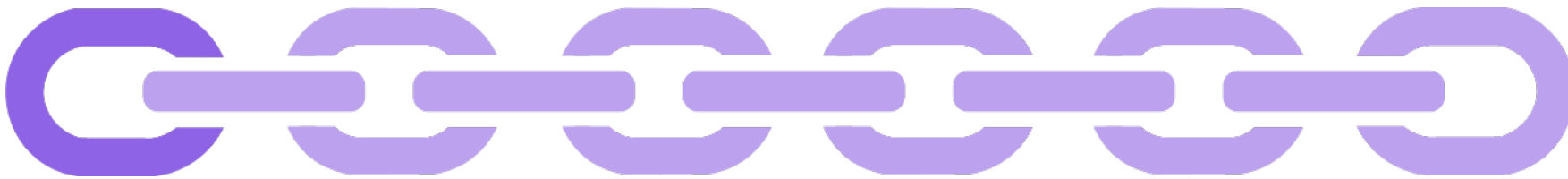
fixing an **error** in a live application

experimenting with new or existing applications to expand the target audience

Value chain activities: plan

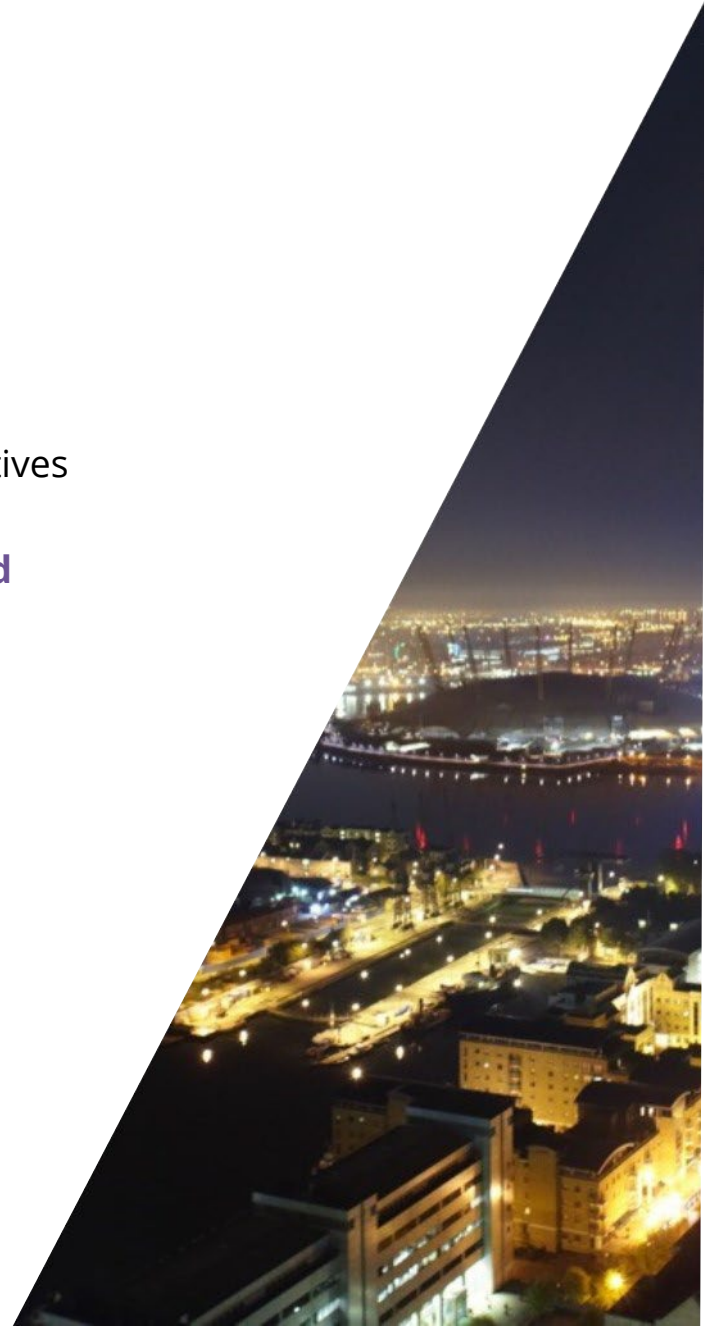


The purpose of the plan value chain activity is to ensure a **shared understanding** of the **vision, current status,** and **improvement direction** for all four dimensions and all products and services across the organization.



Plan - inputs and outputs

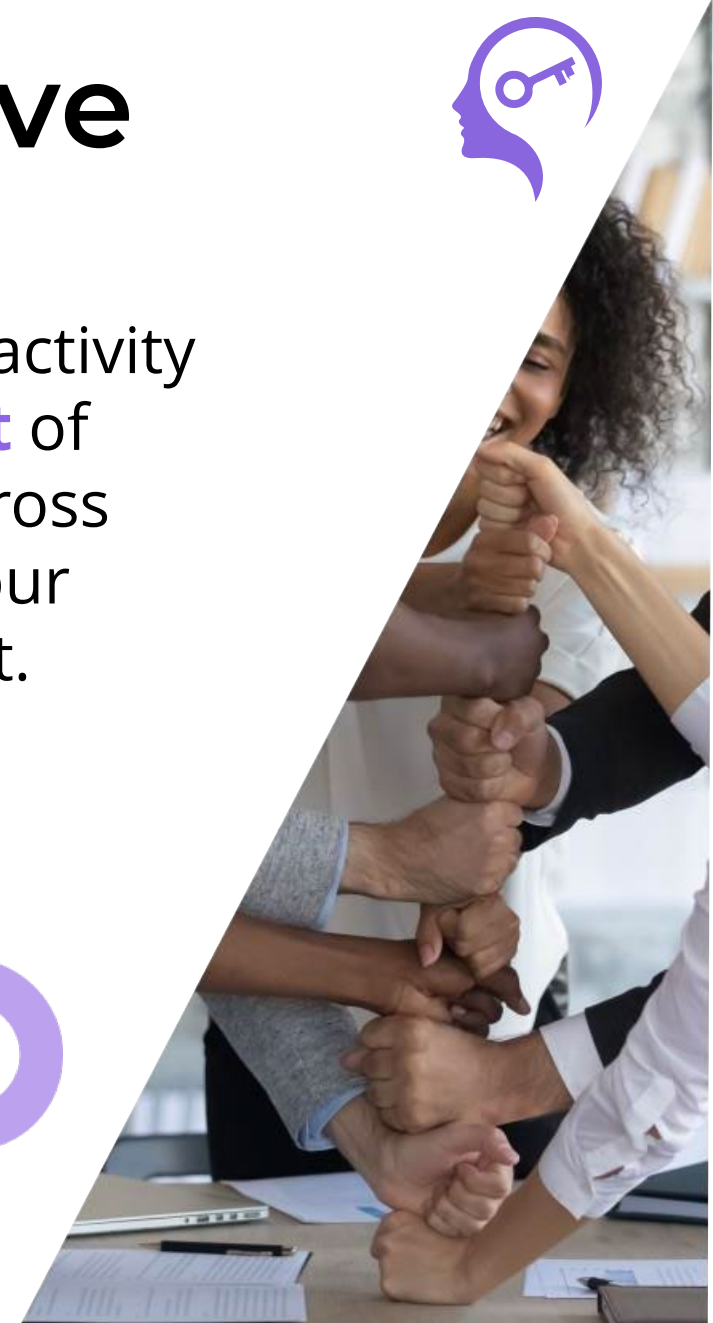
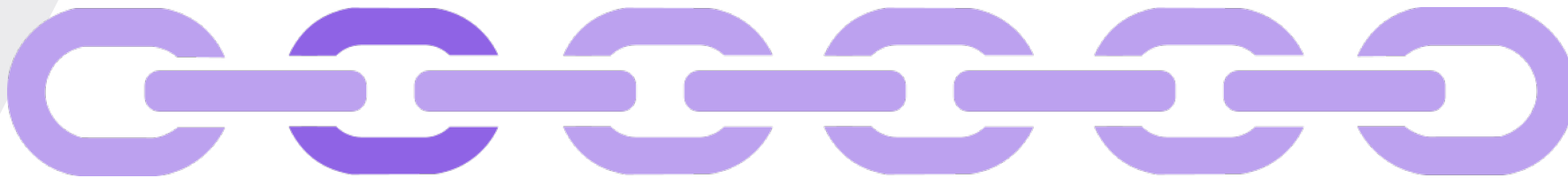
- The key **inputs** to this activity are:
 - policies, requirements, and constraints provided by the organisation's governing body
 - consolidated demands and opportunities provided by **engage**
 - value chain performance information, improvement status reports, and improvement initiatives from **improve**
 - knowledge and information about new and changed products and services from **design and transition**, and **obtain/build**
 - knowledge and information about third-party service components from **engage**.
- The key **outputs** of this activity are:
 - strategic, tactical, and operational plans
 - portfolio decisions for **design and transition**
 - architectures and policies for **design and transition**
 - improvement opportunities for **improve**
 - a product and service portfolio for **engage**
 - contract and agreement requirements for **engage**



Value chain activities: improve



The purpose of the improve value chain activity is to ensure **continual improvement** of **products, services, and practices** across **all value chain activities** and the four dimensions of service management.



Improve - inputs and outputs

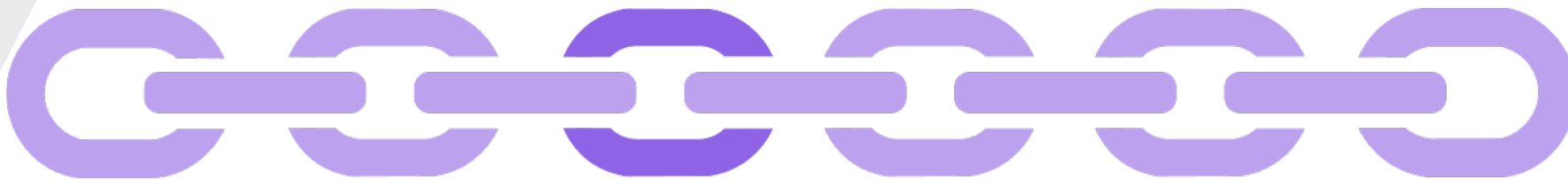
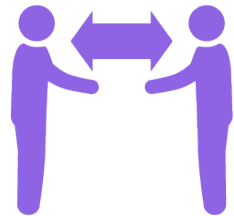
- The key **inputs** to this value chain activity are:
 - product and service performance information provided by **deliver and support**
 - stakeholders' feedback provided by **engage**
 - performance information and improvement opportunities provided **by all value chain activities**
 - knowledge and information about new and changed products and services from **design and transition**, and **obtain/build**
 - knowledge and information about third-party service components from **engage**
- The key **outputs** of this value chain activity are:
 - improvement initiatives for all **value chain activities**
 - value chain performance information for **plan** and the governing body
 - improvement status reports for **all value chain activities**
 - contract and agreement requirements for **engage**
 - service performance information for **design and transition**



Value chain activities: engage



The purpose of the engage value chain activity is to provide a **good understanding** of **stakeholder needs, transparency**, and continual engagement and **good relationships** with all stakeholders.



Engage - inputs and outputs

- The key **inputs** to this value chain activity are:
 - a product and service portfolio provided by **plan**
 - detailed requirements for services and products provided by customers
 - requests and feedback from customers
 - incidents, service requests, and feedback from users
 - information on the completion of user support tasks from **deliver and support**
 - contract and agreement requirements from **all value chain activities**
 - improvement initiatives from **improve**
- The key **outputs** of this value chain activity are:
 - 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**
 - contracts and agreements with external and internal suppliers and partners for **design and transition** and **obtain/build**
 - service performance reports for customers.



Value chain activities: design and transition

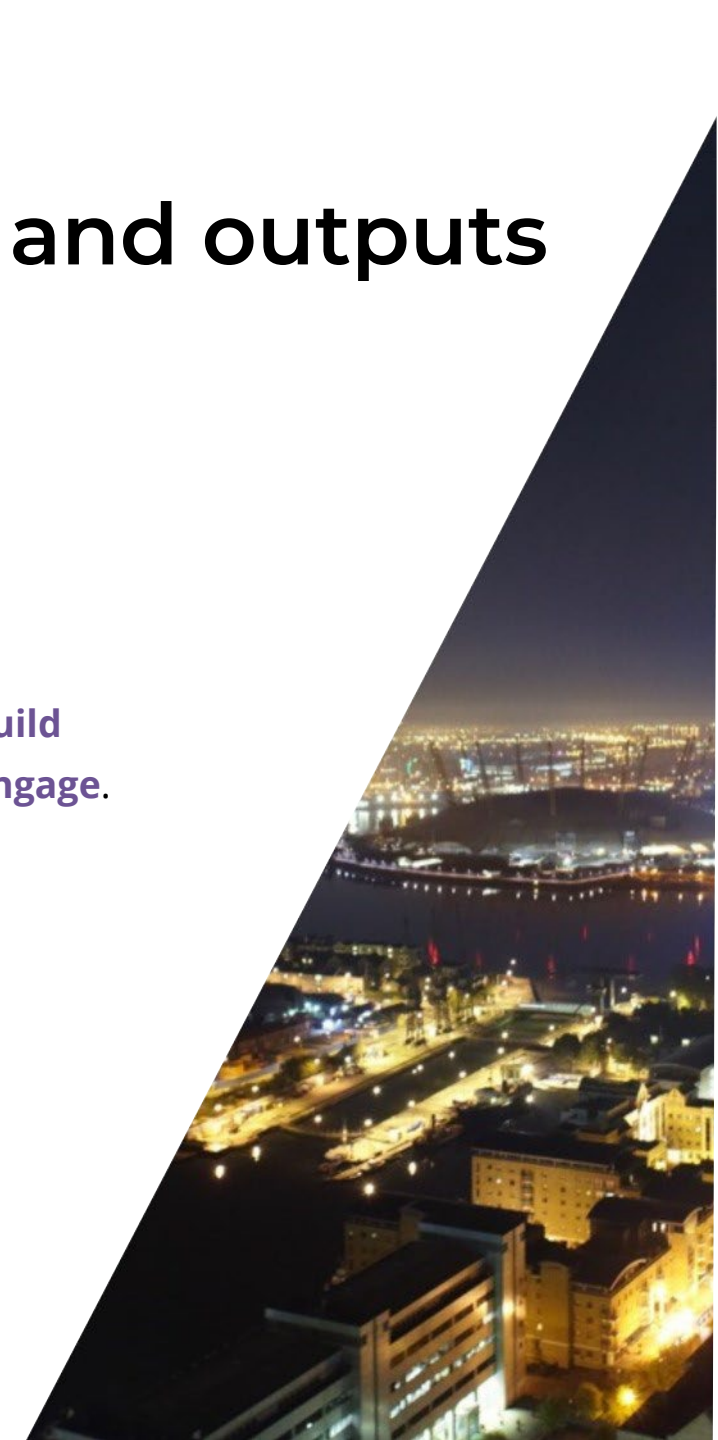


The purpose of the design and transition value chain activity is to ensure that products and services **continually meet stakeholder expectations** for **quality, costs, and time to market**.



Design and transition - inputs and outputs

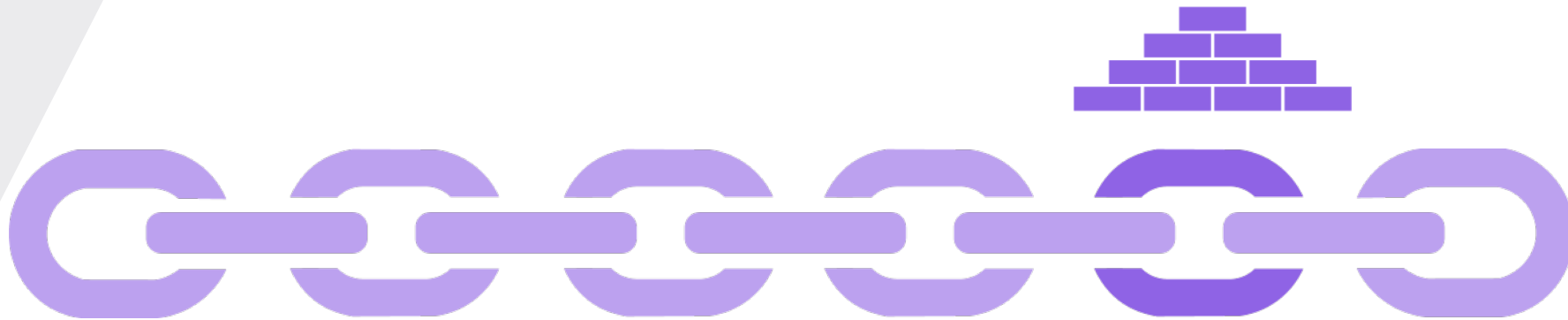
- The key **inputs** to this activity are:
 - portfolio decisions provided by **plan**
 - product and service requirements provided by **engage**
 - improvement initiatives provided by **improve**
 - service performance information provided by **deliver and support**, and **improve**
 - service components from **obtain/build**
 - knowledge and information about new and changed products and services from **obtain/build**
 - contracts and agreements with external and internal suppliers and partners provided by **engage**.
- The key **outputs** of this activity are:
 - 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**.



Value chain activities: obtain/build

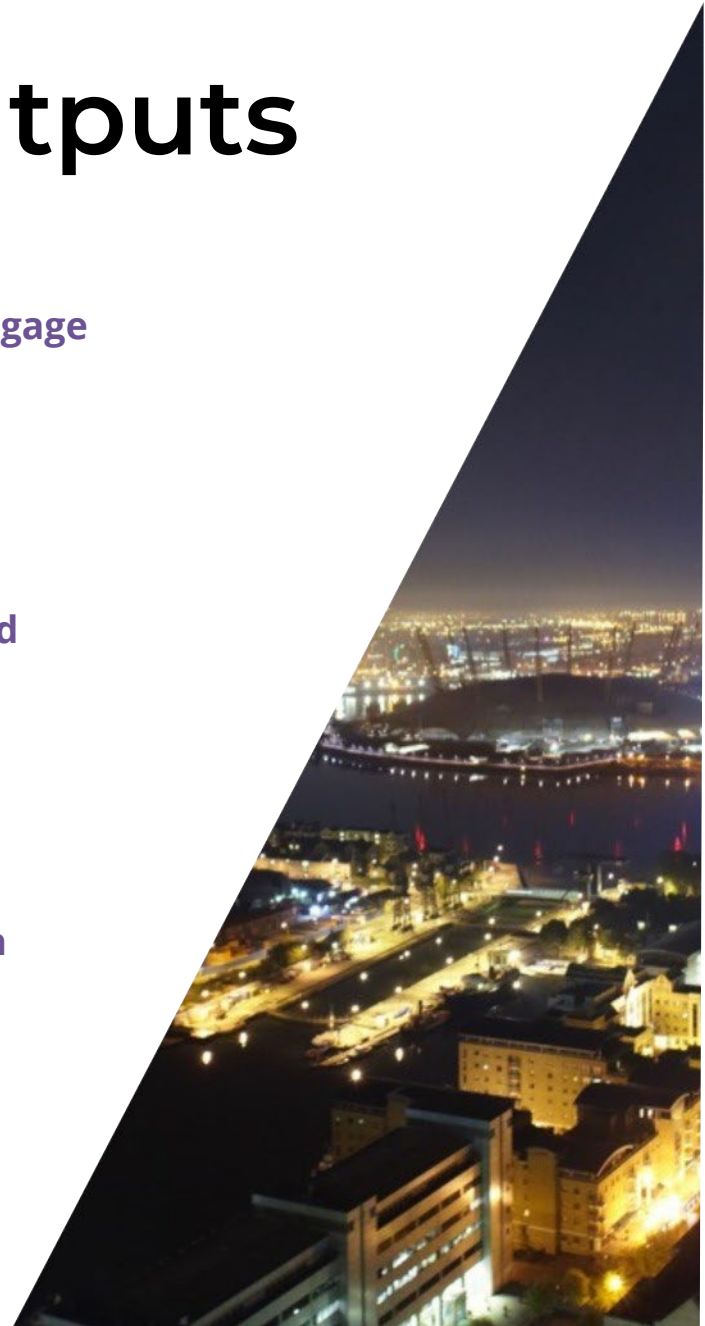


The purpose of the obtain/build value chain activity is to ensure that service components are **available when** and **where** they are needed and **meet agreed specifications**.



Obtain/build - inputs and outputs

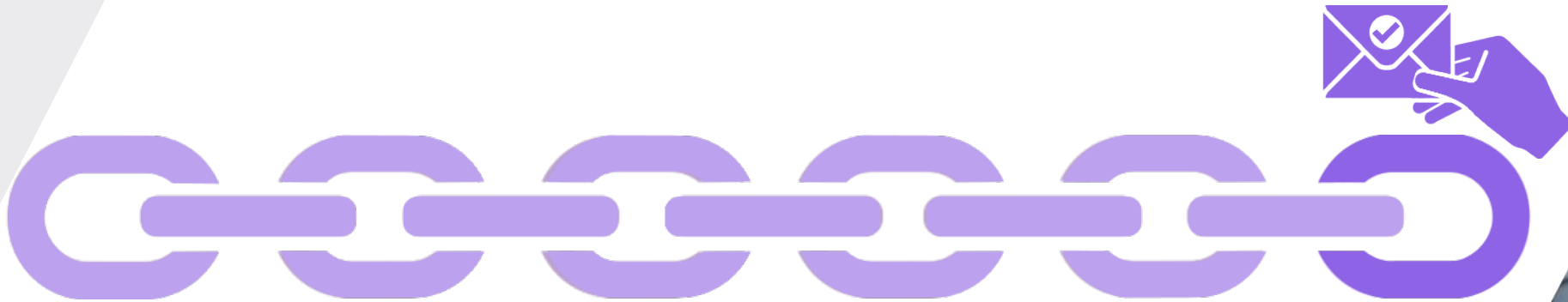
- The key **inputs** to this activity are:
 - contracts and agreements with external and internal suppliers and partners provided by **engage**
 - goods and services provided by external and internal suppliers and partners
 - requirements and specifications provided by **design and transition**
 - improvement initiatives provided by **improve**
 - change requests provided by **deliver and support**
 - knowledge and information about new and changed products and services from **design and transition**
- The key **outputs** of this activity are:
 - 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**



Value chain activities: deliver and support



The purpose of the deliver and support value chain activity is to ensure that **services are delivered** and **supported** according to **agreed specifications** and stakeholders' **expectations**.



Deliver and support - inputs and outputs

- The key **inputs** to this activity are:
 - new and changed products and services provided by **design and transition**
 - service components provided by **obtain/build**
 - improvement initiatives 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**
- The key **outputs** of this activity are:
 - 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**



Recap: Key learning points



The **ITIL service value chain** includes **six value chain activities**:

- plan
- improve
- engage
- design and transition
- obtain/build
- deliver and support.

