

ITIL Service Value Chain - Comprehensive Notes

1. Introduction to Service Value Chain

1.1 Core Concept

- **Definition:** The service value chain is an operating model outlining the key activities required to respond to demand and facilitate value creation
- **Flexibility:** Can be configured into multiple value streams to address different needs
- **Integration:** Part of the larger ITIL Service Value System (SVS)

1.2 Inputs and Conversion

- **Primary Inputs:**
- **Opportunity:** Possibilities to add value for stakeholders
- **Demand:** Need/desire for products and services
- **Conversion Process:** Activities utilize various practices to convert inputs into valuable outputs

2. Value Streams and Practices

2.1 Relationship Between Components

- **Value Chain:** Universal set of activities
- **Value Streams:** Specific configurations of activities for particular scenarios
- **Practices:** Organizational resources supporting value chain activities

2.2 Practical Example

Mobile Application Development Company: - Practices Utilized: -
Business analysis - Software development and management -
Service validation and testing - Release management - Service desk

2.3 Value Stream Examples

1. **New Application Development:** Initial engagement through pre-sale for new client
2. **Application Modification:** Changes to meet new requirements from existing clients
3. **Error Resolution:** Fixing issues in live applications
4. **Market Expansion:** Experimenting to expand target audience

3. Value Chain Activities

3.1 Plan

Purpose: Ensure shared understanding of vision, current status, and improvement direction across all four dimensions and all products/ services

Inputs: - Policies, requirements, and constraints from governing body
- Consolidated demands and opportunities from Engage -
Performance information and improvement initiatives from Improve -
Knowledge about new/changed products from Design & Transition
and Obtain/Build - Information about third-party components from Engage

Outputs: - Strategic, tactical, and operational plans - Portfolio decisions for Design & Transition - Architectures and policies - Improvement opportunities for Improve - Product/service portfolio for Engage - Contract/agreement requirements for Engage

3.2 Improve

Purpose: Ensure continual improvement of products, services, and practices across all value chain activities and four dimensions

Inputs: - Product/service performance information from Deliver & Support - Stakeholder feedback from Engage - Performance information from all value chain activities - Knowledge about new/changed products from Design & Transition and Obtain/Build - Information about third-party components from Engage

Outputs: - Improvement initiatives for all value chain activities - Performance information for Plan and governing body - Improvement status reports - Contract/agreement requirements for Engage - Service performance information for Design & Transition

3.3 Engage

Purpose: Provide understanding of stakeholder needs, transparency, and continual engagement with all stakeholders

Inputs: - Product/service portfolio from Plan - Detailed requirements from customers - Requests and feedback from customers - Incidents, service requests, and feedback from users - Completion information from Deliver & Support - Contract/agreement requirements from all activities - Improvement initiatives from Improve

Outputs: - Consolidated demands and opportunities for Plan - Product/service requirements for Design & Transition - User support tasks for Deliver & Support - Improvement opportunities and feedback for Improve - Contracts/agreements for Design & Transition and Obtain/Build - Service performance reports for customers

3.4 Design & Transition

Purpose: Ensure products and services continually meet stakeholder expectations for quality, costs, and time to market

Inputs: - Portfolio decisions from Plan - Product/service requirements from Engage - Improvement initiatives from Improve - Service performance information from Deliver & Support and Improve - Service components from Obtain/Build - Knowledge about new/changed products from Obtain/Build - Contracts/agreements from Engage

Outputs: - Requirements and specifications for Obtain/Build - Contract/agreement requirements for Engage - New/changed products and services for Deliver & Support - Knowledge about new/changed products to all activities - Performance information and improvement opportunities for Improve

3.5 Obtain/Build

Purpose: Ensure service components are available when and where needed and meet agreed specifications

Inputs: - Contracts/agreements from Engage - Goods and services from suppliers/partners - Requirements and specifications from Design & Transition - Improvement initiatives from Improve - Change requests from Deliver & Support - Knowledge about new/changed products from Design & Transition

Outputs: - Service components for Deliver & Support - Service components for Design & Transition - Knowledge about new/changed components to all activities - Contract/agreement requirements for Engage - Performance information and improvement opportunities for Improve

3.6 Deliver & Support

Purpose: Ensure services are delivered and supported according to agreed specifications and stakeholder expectations

Inputs: - New/changed products and services from Design & Transition - Service components from Obtain/Build - Improvement initiatives from Improve - Improvement status reports from Improve - User support tasks from Engage - Knowledge about new/changed components and services

Outputs: - Services delivered to customers and users - Completion information for Engage - Performance information for Engage and Improve - Improvement opportunities for Improve - Contract/agreement requirements for Engage

4. Interconnected Nature

4.1 Activity Integration

- **Holistic Operation:** All six activities work together as an integrated system
- **Information Flow:** Continuous exchange of information between activities
- **Feedback Loops:** Multiple feedback mechanisms ensure alignment and improvement

4.2 Value Stream Support

- **Configurability:** Activities can be arranged in different sequences to create value streams
- **Adaptability:** Can respond to various types of demand through different configurations
- **Efficiency:** Optimized workflows based on specific requirements and contexts

5. Key Learning Points

5.1 Six Value Chain Activities

1. **Plan:** Strategic alignment and direction setting
2. **Improve:** Continual enhancement at all levels
3. **Engage:** Stakeholder relationship management
4. **Design & Transition:** Quality assurance and market readiness
5. **Obtain/Build:** Component acquisition and development
6. **Deliver & Support:** Service operation and support

5.2 System Perspective

- **Integrated Approach:** Activities function as interconnected components of a system
- **Value Focus:** All activities contribute to value creation and delivery

- **Adaptive Nature:** Flexible configuration supports various value streams

5.3 Practical Application

- **Organization-Specific:** Value streams should be tailored to organizational needs
- **Demand-Responsive:** Configurations should address specific types of demand
- **Improvement-Oriented:** Built-in mechanisms for continual enhancement

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