

# Service Value System

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# Review

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# Agenda

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- Service Value System

# Service Value System Overview

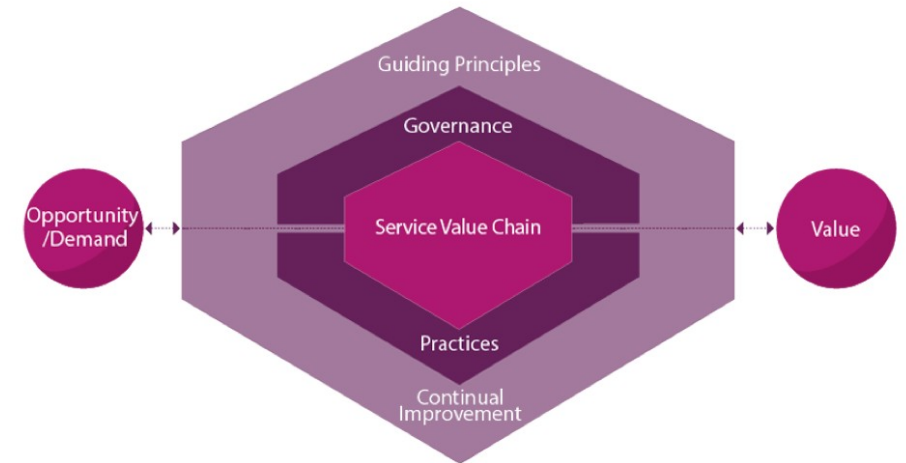
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- The ITIL Service Value System (SVS) describes the inputs to this system (opportunity and demand), the elements of this system (organizational governance, service management, continual improvement, and the organization's capabilities and resources), and the outputs (value delivery for customers and other stakeholders)
- The ITIL SVS describes how all the components and activities of the organization work together as a system to enable value creation

# Service Value System Overview

The ITIL SVS includes the following components

- **Guiding Principles:** Recommendation that can guide an organization in all circumstances, regardless of changes in its goals, strategies, type of work or management structure
- **Governance:** The means by which an organization is directed and controlled
- **Service Value Chain:** A set of interconnected activities that an organization performs to deliver a valuable product or service to its customers and to facilitate value creation
- **Practices:** Sets of organizational resources designed for performing work or accomplishing an objective
- **Continual Improvement:** A recurring organizational activity performed at all levels to ensure that an organization's performance continually meets stakeholders expectations



# Opportunity, Demand and Value

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Opportunity and demand trigger activities within SVS, and these activities lead to the creation of value. Opportunity and demand are always entering into the system, but the organization does not automatically accept all opportunities or satisfy all demand

Opportunity represents options or possibilities to add value for stakeholders or otherwise improve the organization. There may not be demand for these opportunities yet, but they can still trigger work within the system

# The ITIL Guiding Principles

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A guiding principle is a recommendation that can guide an organization in all circumstances, regardless of changes in its goals, strategies, type of work or management structure. A guiding principle is universal and enduring.

## **The Guiding Principles:**

1. Focus on value
2. Start where you are
3. Progress iteratively with feedback
4. Collaborate and promote visibility
5. Think and work holistically
6. Keep it simple and practical
7. Optimize and automate

# The ITIL Guiding Principles – Focus on Value

**Focus on Value:** All activities conducted by the organization should link back, directly or indirectly, to value for itself, its customers, and other stakeholders. This value may come in various forms, such as revenue, customer loyalty, lower cost, or growth opportunities

The customer's perspective of value, understanding...

- Why the consumer uses the services
- What the services help them to do
- How the services help them achieve their goals
- The role of cost/financial consequences for the service consumer
- The risks involved for the service consumer

## Applying the Principle

- Know how service consumers use each service
- Encourage a focus on value among all staff
- Focus on value during normal operational activity as well as during improvement initiatives
- Include focus on value in every step of any improvement initiative





# The ITIL Guiding Principles – Start Where You Are

In the process of eliminating old, unsuccessful methods or services and creating something better, there can be great temptation to remove what has been done in the past and build something completely new. Do not start over without first considering what is already available to be leveraged

## Applying the Principle

- **Look at what exists as objectively as possible**, using the customer or the desired outcome as the starting point. Are the elements of the current state fit for purpose and fit for use?
- When examples of successful practices or services are found in the current state, determine if and how these can be replicated or expanded upon to achieve the desired state
- **Apply your risk management skills**. There are risks associated with reusing existing practices and processes, such as the continuation of old behaviours that are damaging to the service. There are also risks associated with putting something new in place, such as new procedures not being performed correctly
- Recognize that sometimes nothing from the current state can be reused. Regardless of how desirable it may be to re-use, repurpose and recycle, or even upcycle, there will be times when the only way to achieve the desired result is to start over entirely



# The ITIL Guiding Principles – Progress Iteratively with Feedback

Resist the temptation to do everything at once. Even huge initiatives must be accomplished iteratively. By organizing work into smaller, manageable sections that can be executed and completed in a timely manner, the focus on each effort will be sharper and easier to maintain

## Applying the Principle

- **Comprehend the whole, but do something.** Sometimes the greatest enemy to progressing iteratively is the desire to understand and account for everything. Understanding the big picture is important, but so is making progress
- The ecosystem is constantly changing, so feedback is essential. Change is happening constantly, so it is very important to seek and use feedback at all times and at all levels
- **Fast does not mean incomplete.** Just because an iteration is small enough to be done quickly does not mean that it should not include all the elements necessary for success. Any iteration should be produced in line with the concept of the minimum viable product



# The ITIL Guiding Principles – Collaborate and Promote Visibility

When initiatives involve the right people in the correct roles, efforts benefit from better buy-in, more relevance (because better information is available for decision-making) and increased likelihood of long-term success

## Applying the principle

- **Collaboration does not mean consensus.** It is not necessary, or even always wise, to get consensus from everyone involved in an initiative before proceeding
- **Communicate in a way the audience can hear.** Selecting the right method and message for each audience is critical for success
- **Decisions can only be made on visible data.** Making decisions in the absence of data is risky



# The ITIL Guiding Principles – Think and Work Holistically

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No service, practice, process, department, or supplier stands alone. The outputs that the organization delivers to itself, its customers, and other stakeholders will suffer unless it works in an integrated way to handle its activities as a whole, rather than as separate parts. All the organization's activities should be focused on the delivery of value

## Applying the Principle

- **Recognize the complexity of the systems.** Applying methods and rules designed for a simple system can be ineffective or even harmful in a complex system
- **Collaboration is key to thinking and working holistically**
- Where possible, look for patterns in the needs of and interactions between system elements
- **Automation can facilitate working holistically**

# The ITIL Guiding Principles – Keep it Simple and Practical

Always use the minimum number of steps to accomplish an objective. Outcome-based thinking should be used to produce practical solutions that deliver valuable outcomes. If a process, service, action, or metric fails to provide value or produce a useful outcome, then eliminate it.

Although this principle may seem obvious, it is frequently ignored, resulting in overly complex methods of work that rarely maximize outcomes or minimize cost.

## Applying the Principle

- **Ensure value.** Every activity should contribute to the creation of value
- **Simplicity is the ultimate sophistication.** It may seem harder to simplify, but it is often more effective
- **Do fewer things, but do them better**
- **Respect the time of the people involved.** A process that is too complicated and bureaucratic is a poor use of the time of the people involved
- **Easier to understand, more likely to adopt**
- **Simplicity is the best route to achieving quick wins**

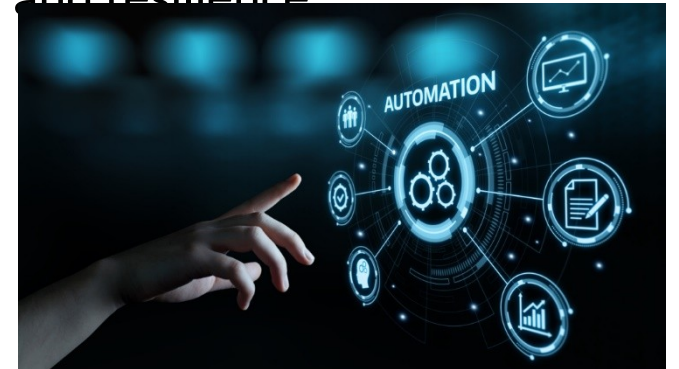


# The ITIL Guiding Principles – Optimize and Automate

Organizations must maximize the value of the work carried out by their human and technical resources. Technology can help organizations to scale up and take on frequent and repetitive tasks, allowing human resources to be used for more complex decision-making. However, technology should not always be relied upon without the capability of human intervention, as automation for automation's sake can increase costs and reduce organizational robustness and resilience.

## Applying the Principle

- Simplify and/or optimize before automating
- Define your metrics
- Progress iteratively with feedback
- Keep it simple and practical
- Focus on value
- Start where you are





# Governance

Every organization is directed by a governing body, i.e. a person or group of people who are accountable at the highest level for the performance and compliance of the organization.

All sizes and types of organization perform governance activities; the governing body may be a board of directors or executive managers who take on a separate governance role when they are performing governance activities. **The governing body is accountable for the organization's compliance with policies and any external regulations.**

Governance is realized through the following activities

- **Evaluate** The evaluation of the organization, its strategy, portfolios, and relationships with other parties
- **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.



# Service Value Chain

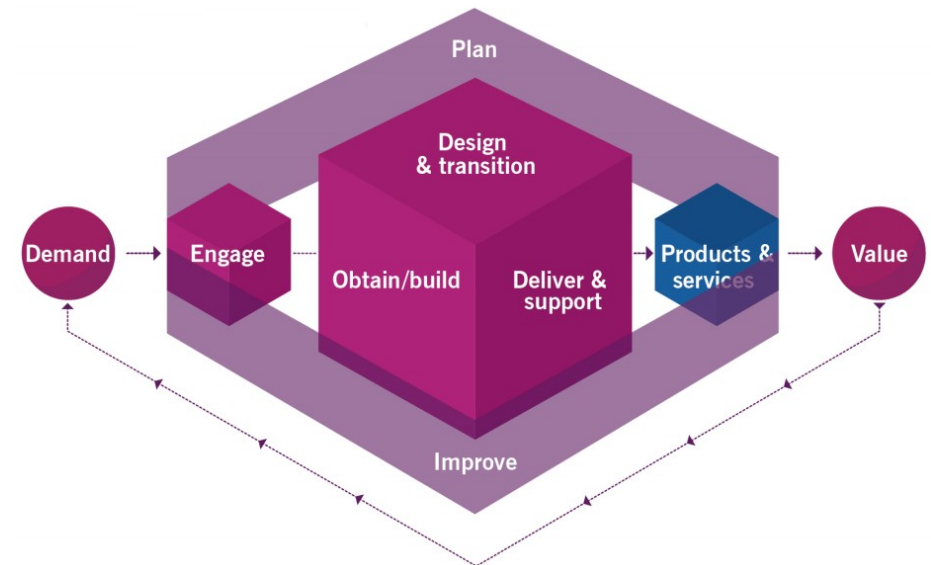
The central element of the SVS is the service value chain, an operating model which outlines the key activities required to respond to demand and facilitate value realization through the creation and management of products and services.

**The six value chain activities are:**

- Plan
- Improve
- Engage
- Design and transition
- Obtain/build
- Deliver and support

These activities represent the steps an organization takes in the creation of value. Each activity transforms inputs into outputs.

These inputs can be demand from outside the value chain or outputs of other activities. All the activities are interconnected, with each activity receiving and providing triggers for further action.





# Service Value Chain – 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

## The key inputs to this activity are:

- Policies, requirements, and constraints provided by the organization'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
- Product and service portfolio for engage
- Contract and agreement requirements for engage



# Service Value Chain – 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.

## The key inputs to this 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 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



# Service Value Chain – Engage

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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.

**The key inputs to this activity are:**

- Product and service portfolio provided by plan
- High-level demand for services and products provided by internal and external customers
- 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
- 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 suppliers and partners
- Product and service performance information from deliver and support
- Improvement initiatives from improve

# Service Value Chain – 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.

**The key outputs of this 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
- Change or project initiation requests for obtain/build
- Contracts and agreements with external and internal suppliers and partners for design and transition, and obtain/build
- Knowledge and information about third-party service components for all value chain activities
- Service performance reports for customers



# Service Value Chain – 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.

**They key inputs to this activity are:**

- Portfolio decisions provided by plan
- Architectures and policies provided by plan
- Product and service requirements provided by engage
- Improvement initiatives provided by improve
- Knowledge and information about third-party service components from engage
- 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

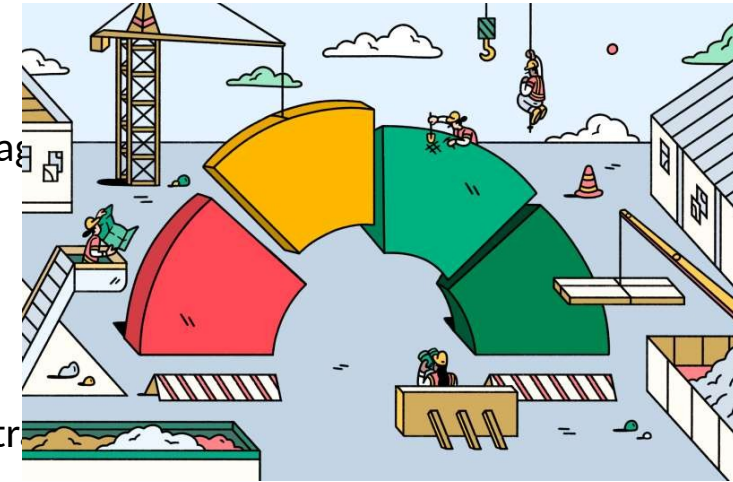


# Service Value Chain – Obtain or Build

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.

## They key inputs to this activity are:

- 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 provided by improve
- Change or project initiation requests provided by engage
- Knowledge and information about new and changed products and services from design and transition



## They 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



# Service Value Chain – 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.

## **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
- Change requests for obtain/build
- Service performance information for design and transition



# Recap

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