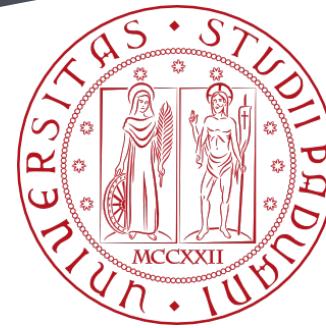


IT SERVICE MANAGEMENT

based on ITIL 4

Francesco Clabot
2021-2022



UNIVERSITÀ
DEGLI STUDI
DI PADOVA



WELCOME

COURSE OVERVIEW > WELCOME

Trainer profile

Trainees' profiles

Course objectives

Course materials

Final Exams

TRAINER PROFILE

COURSE OVERVIEW > TRAINER PROFILE



FRANCESCO CLABOT

My keywords: **strategy** and **digital transformation**

WORK EXPERIENCE

- I started my IT career as **Italian Army Officer**
- I teach in the **Master's Degree in Computer Science** at UniPD
- I'm a partner and CTO at **NETCOM**, where I coordinate **digital transformation** projects for the largest Italian companies

STUDIES

- Master degree in **Computer Science**
- Master degree in **Strategic Science**
- Master in **Business Administration**
- **ITIL Expert**
- 29 professional certification



TRAINED PROFILE

COURSE OVERVIEW > TRAINED PROFILE



AND WHAT ABOUT YOU?

LET'S PRESENT YOURSELF



OBJECTIVES OF THIS COURSE

COURSE OVERVIEW > OBJECTIVES OF THIS COURSE

ITSM is a very broad subject, for this reason we are going to explore in particular one of the most famous methodologies

I designed this course based on the official ITIL 4 Foundation textbook

You learn everything you need to know to be able to pass the ITIL 4 Foundation Exam

Don't be shy and interrupt me during the course to ask questions



OBJECTIVES OF THIS COURSE

COURSE OVERVIEW > OBJECTIVES OF THIS COURSE

THE COURSE OBJECTIVES

To provide attendees with
the ITSM foundation,
methods and concepts

In a practical workshop
environment

Using Real life Scenarios
and Exams

COURSE MATERIALS

COURSE OVERVIEW > COURSE MATERIALS



the slides used in class

ITIL 4 Foundation book (optional)

we will be using a lot of multimedia video material

web articles for further information

COURSE MATERIALS

COURSE OVERVIEW > COURSE MATERIALS



<https://www.knowledgehut.com/tutorials/itil4-tutorial>



<https://www.youtube.com/watch?v=3IkJFntNtHQ>



<https://www.youtube.com/watch?v=P1wDm0oqljk>



FINAL EXAM

COURSE OVERVIEW > FINAL EXAMS

- **Exam methods**
 - Multiple choice test (crosses) -> ITIL 4 Foundation Test
 - Production of a small thesis on a real case
- **Evaluation criteria**
 - The written test evaluates the student's acquisition of the foundational aspects addressed during the course
 - The second test evaluates the student's ability to analyze and evaluate concrete aspects of the methodology taught and their application in real life cases



FINAL EXAM

COURSE OVERVIEW > FINAL EXAMS

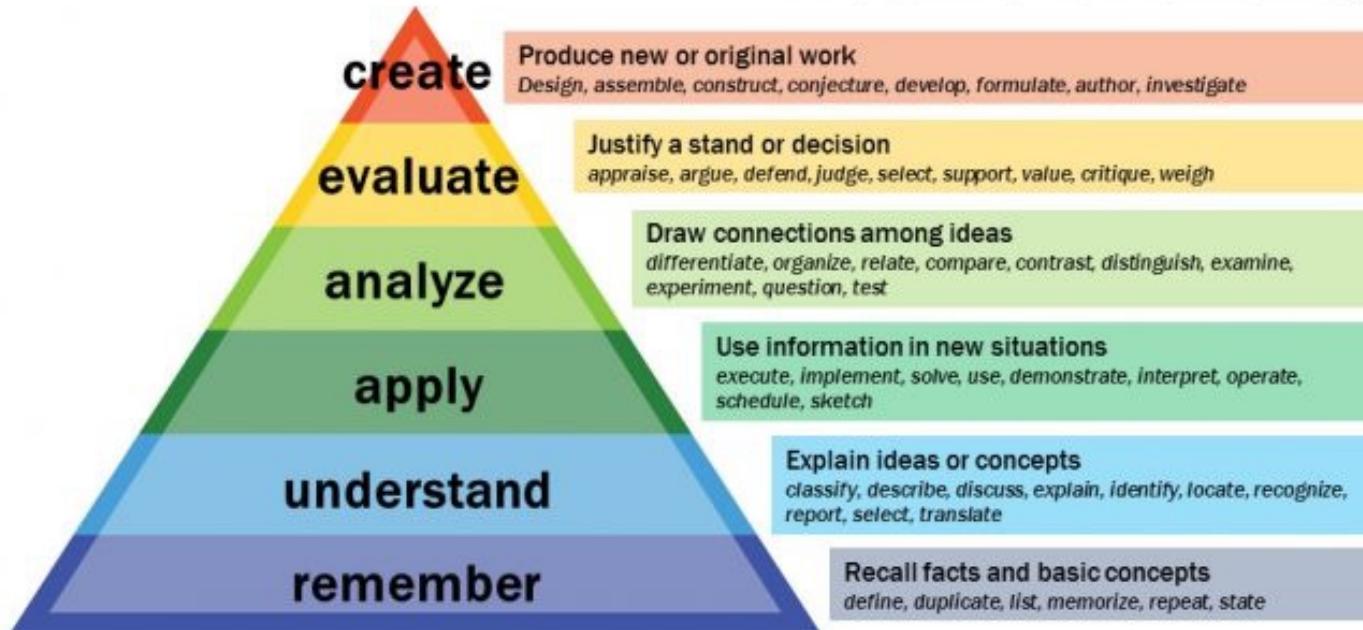
ITIL 4 Foundation Test

- **60 minutes**
- **40 questions, each question is worth 1 mark**
 - 'standard'
 - 'missing word'
 - 'list' (2 correct items)
 - Very rarely, 'negative' ("what is NOT...")
- **Pass mark: 65% or higher (26 marks or above)**
- **levels 1 and 2**
 - 9 questions at Level 1 (Recall) = 22.5%
 - 31 questions at Level 2 (Understand, Describe, Explain) = 77.5%

FINAL EXAM

COURSE OVERVIEW > FINAL EXAMS

Bloom's Taxonomy



Vanderbilt University Center for Teaching

FINAL EXAM

COURSE OVERVIEW > FINAL EXAMS

Why get the ITIL 4 Foundation Certification

The Most Popular ITSM Framework

Forbesinsights

Amongst the Highest Paying Certifications

indeed

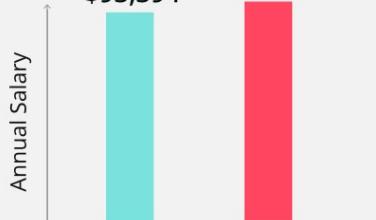
70%
Adoption Level of ITIL
Across Industries

Sources: CompTIA, CIO, PayScale

Career Impact

Uncertified
\$93,394

Certified
\$98,544



12%

Annual Salary
Growth (2020-2024)

High demand
across
industries



Aerospace



Healthcare



Entertainment



Technology



Retail



Banking



Finance

INFORMATION SYSTEMS GOVERNANCE

Section 1



AGENDA

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > AGENDA

4th Industrial
Revolution

Current world
scenario

A new logic to
govern IS

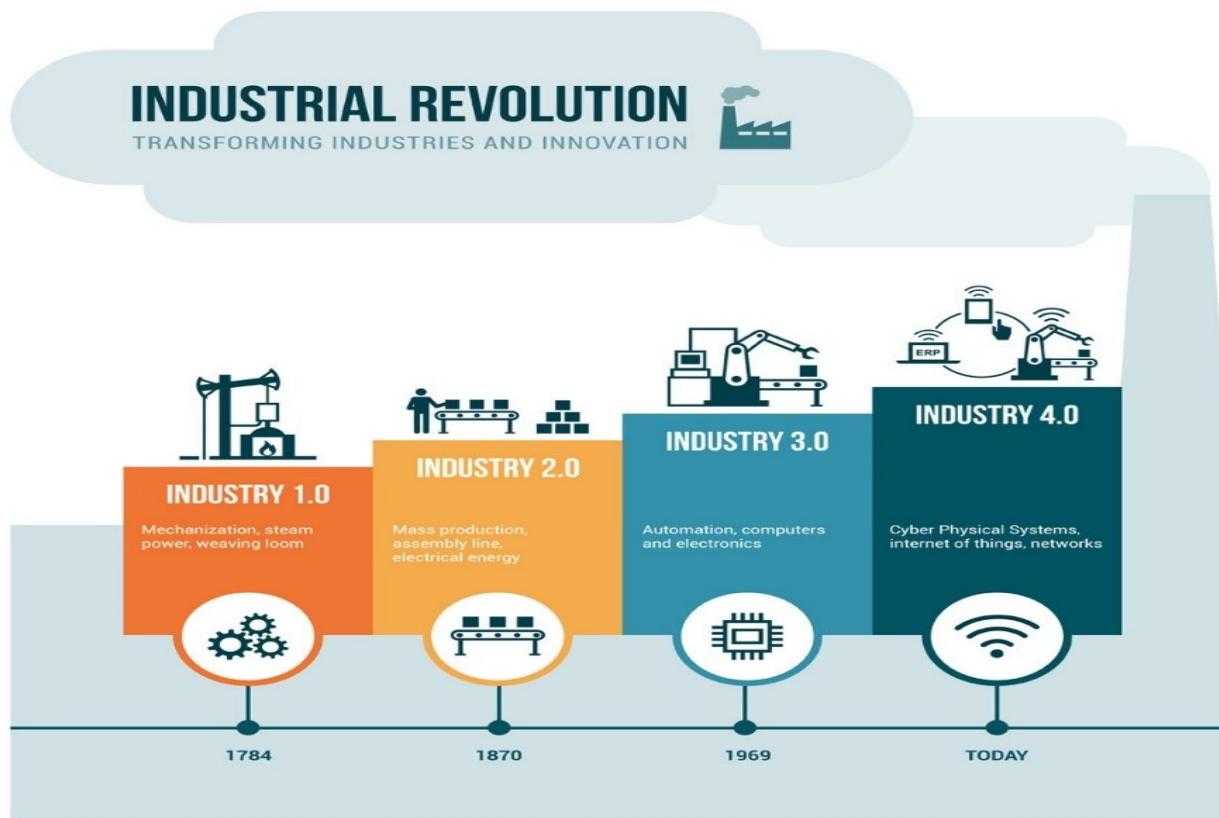
Implement the IS
Governance

Maturity

Management
fundamentals

4TH INDUSTRIAL REVOLUTION

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > 4TH INDUSTRIAL REVOLUTION



CURRENT WORLD SCENARIO

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > CURRENT WORLD SCENARIO

The business context

- Dynamism and complexity as structural elements
- Scenarios not definable a priori
- New forms of business
- Collapse of the myth of planning as an antidote to complexity
- Multiple actors involved (e.g. shareholders, stakeholders, globalization ...)
- Management not ready to define requirements and operationally describe "strong" choices
- Digital economy (IT as a productive factor)
- Permanence of a gap between company needs and the Information System

CURRENT WORLD SCENARIO

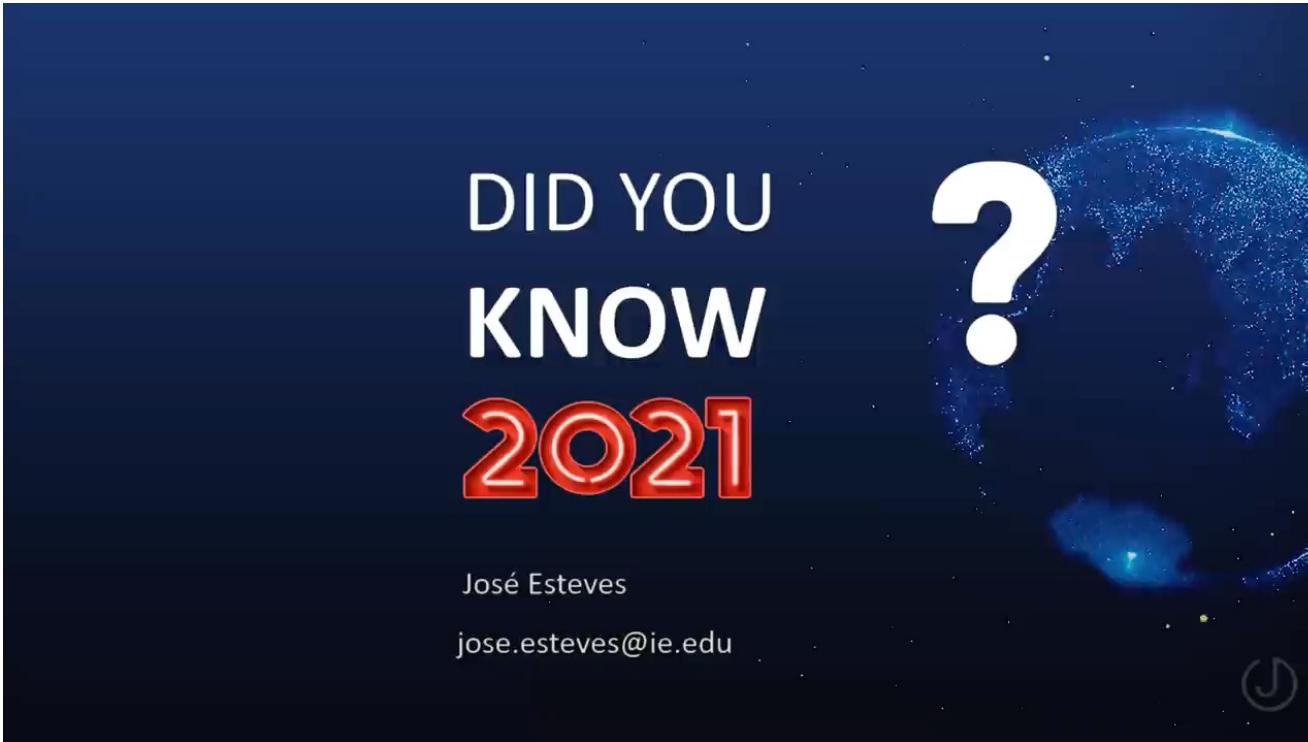
SECTION 1: INFORMATION SYSTEMS GOVERNANCE > CURRENT WORLD SCENARIO

Consequences for company information systems

- There is not enough time to activate cycles of revision and modification of the information system that are consistent with company times
- The changing pace of business scenarios give little space to management processes of information systems that are strongly oriented towards planning
- It is necessary to design information systems with a high degree of "self-adaptation" to changed business conditions
- This result can only be achieved thanks to a radical paradigm shift in information systems and their management

CURRENT WORLD SCENARIO

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > CURRENT WORLD SCENARIO



DID YOU KNOW 2021 <https://youtu.be/fbcMPGyPr8k>

A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > A NEW LOGIC TO GOVERN IS

The new paradigm

The logics:

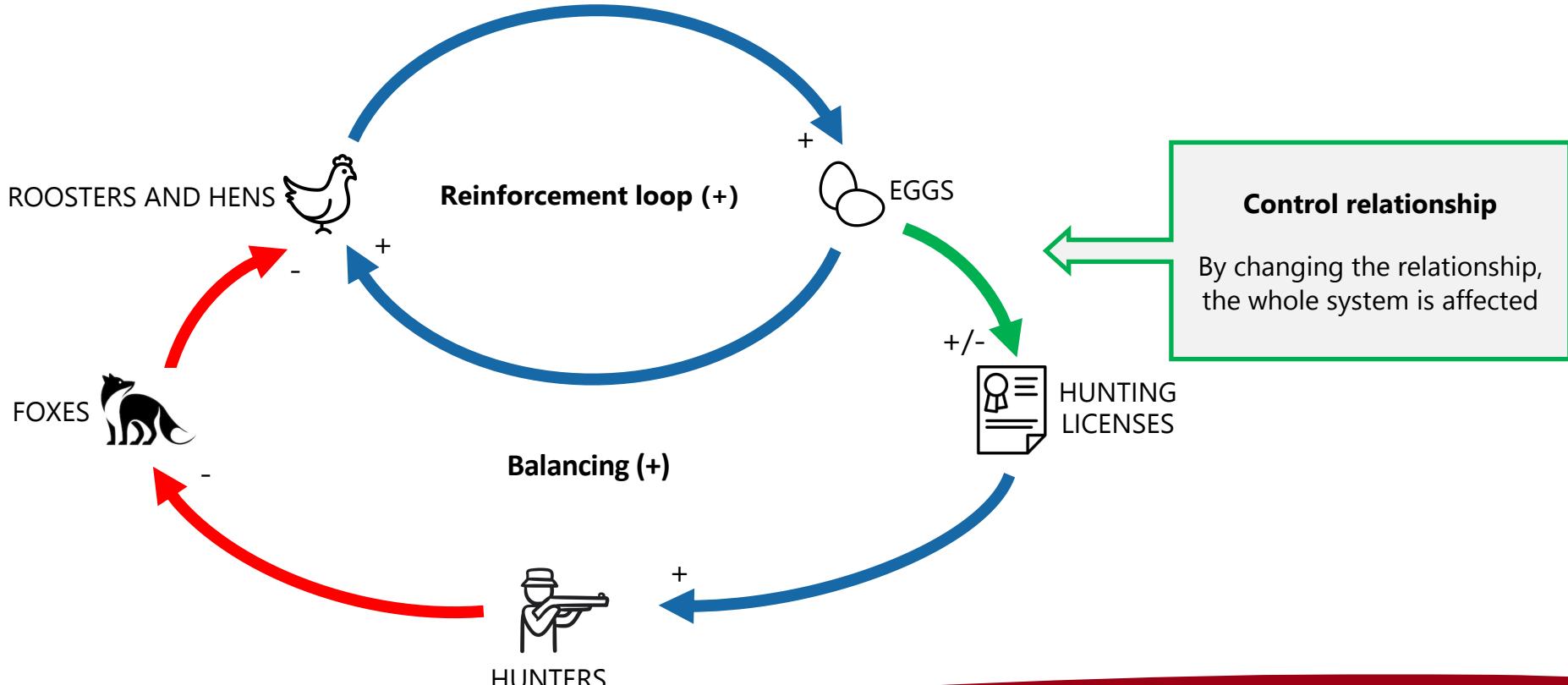
- from instructions to visions
- from cures to vaccines



A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > A NEW LOGIC TO GOVERN IS

Business Dynamics example



A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > A NEW LOGIC TO GOVERN IS

The new paradigm

- Less planning and more accountability
- Less budget and more cost-effectiveness
- The «Information Systems» (IS) faces a radical change
- More adaptation systems and fewer synthetic performance indicators
- From managing IS to setting the conditions for their correct development (IS governance logic)

A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > A NEW LOGIC TO GOVERN IS

The new paradigm

The identification and pursuit of a new way of conceiving and managing Company Information Systems shifts attention to the issue of how to continuously obtain a (reasonable) consistency between the Information System and the Company in a context of cost effectiveness

from Management to Governance of Company Information Systems

A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > A NEW LOGIC TO GOVERN IS

What is the Governance of Information Systems (IS Governance)?

... is a set of logics and tools aimed at creating a structural set-up and a governance context of the Company Information System that make it constantly consistent with the business needs in environments characterized by a high level of complexity

A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > A NEW LOGIC TO GOVERN IS

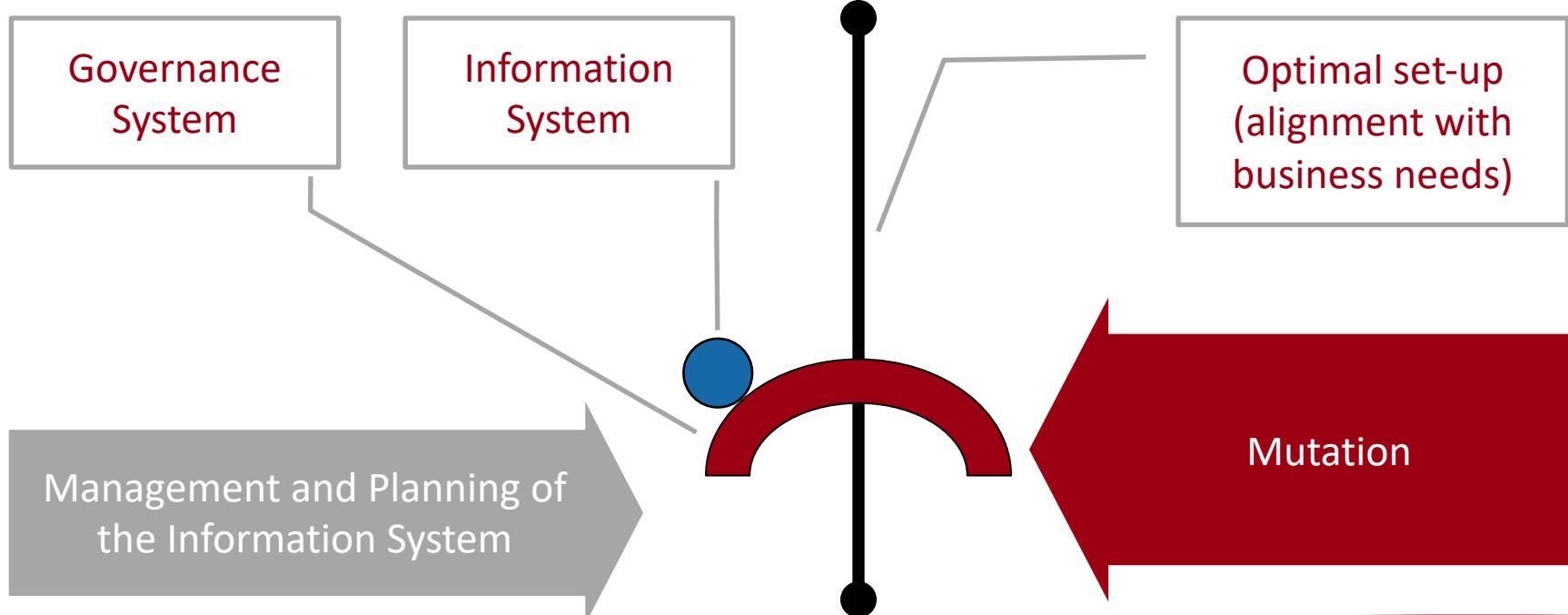
The Governance Logic

- The Information System is configured and managed in such a way as to “naturally” tend to provide good performance
- We renounce to anticipate single phenomena, we try to make the Information System structurally adequate to a complex environment
- Theories and ideas as tools for guiding action and not as the antithesis to doing
- (theory-> practice and not theory vs practice)

A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > A NEW LOGIC TO GOVERN IS

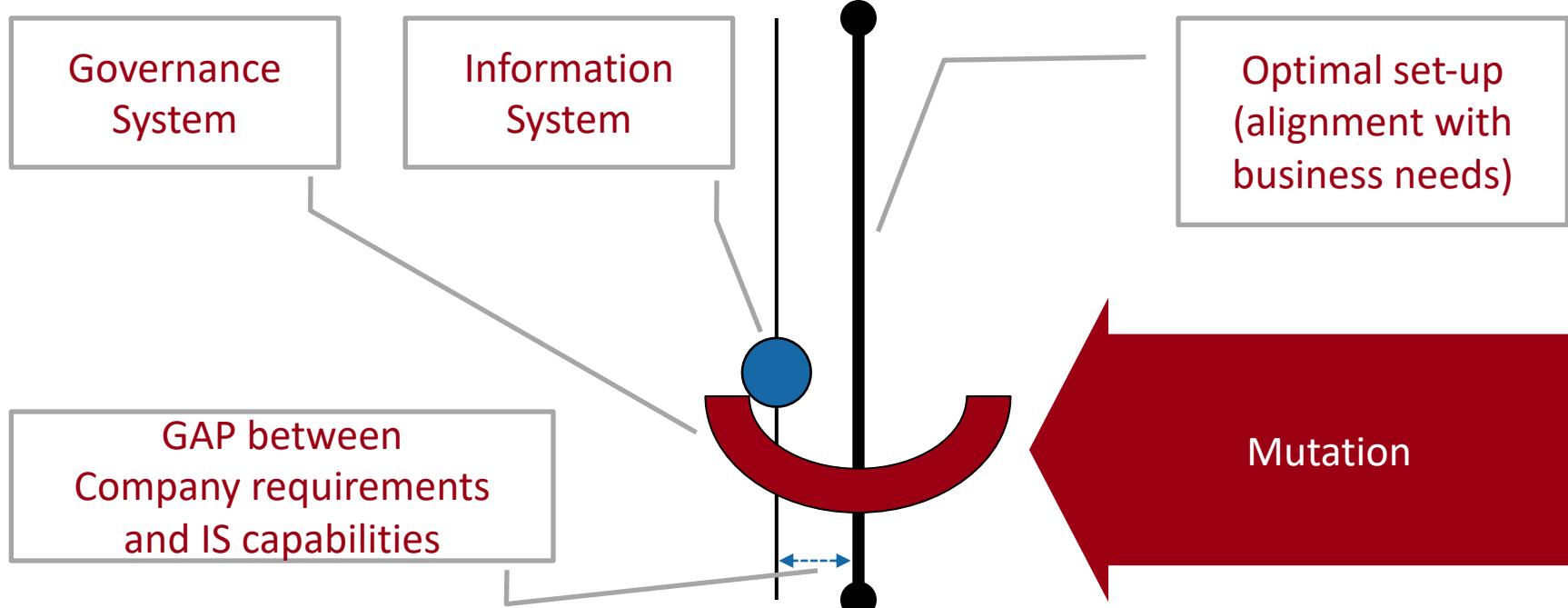
The «traditional» logic



A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > A NEW LOGIC TO GOVERN IS

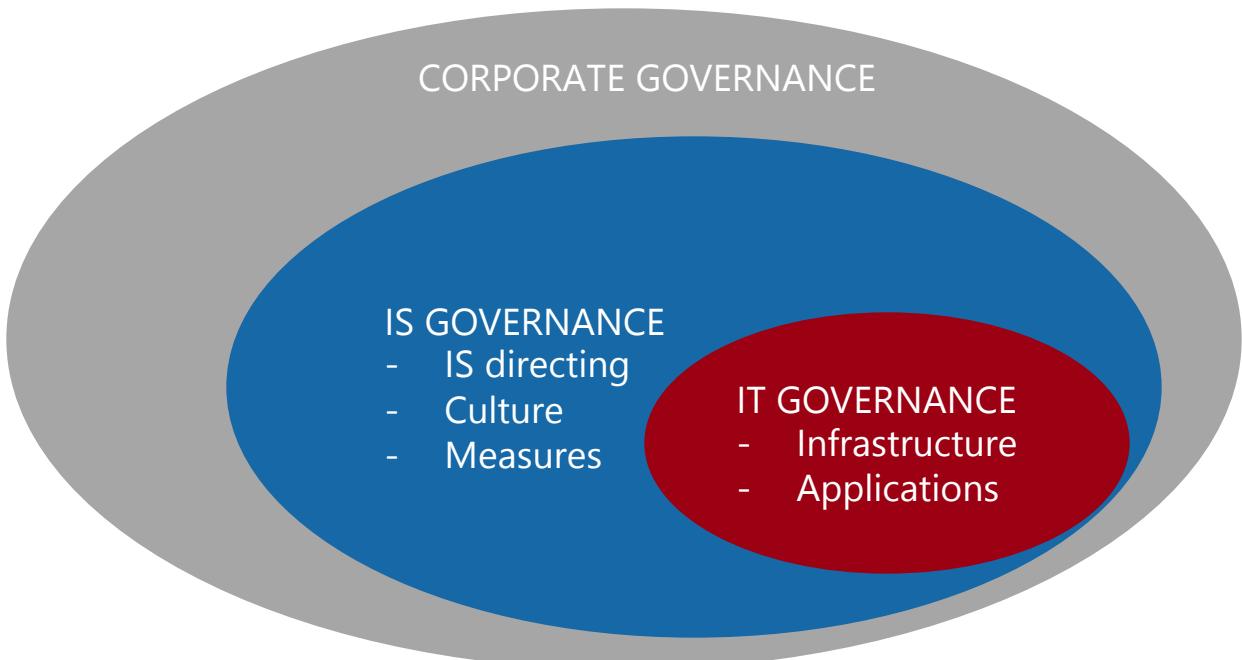
The «new» logic



A NEW LOGIC TO GOVERN IS

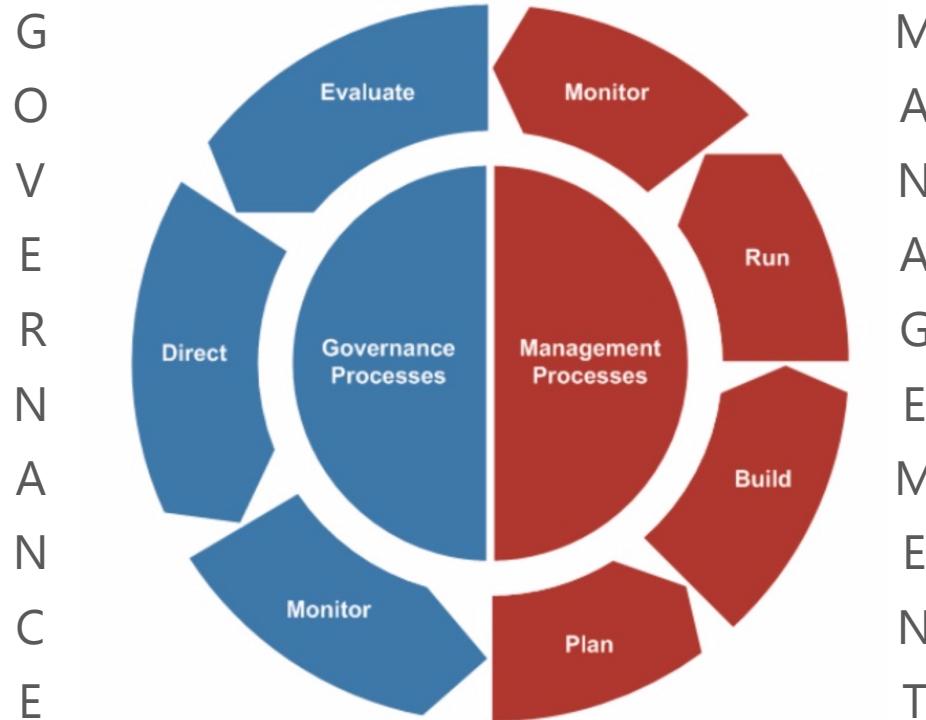
SECTION 1: INFORMATION SYSTEMS GOVERNANCE > CURRENT WORLD SCENARIO

«Corporate Governance» vs «IS Governance» vs «IT Governance»



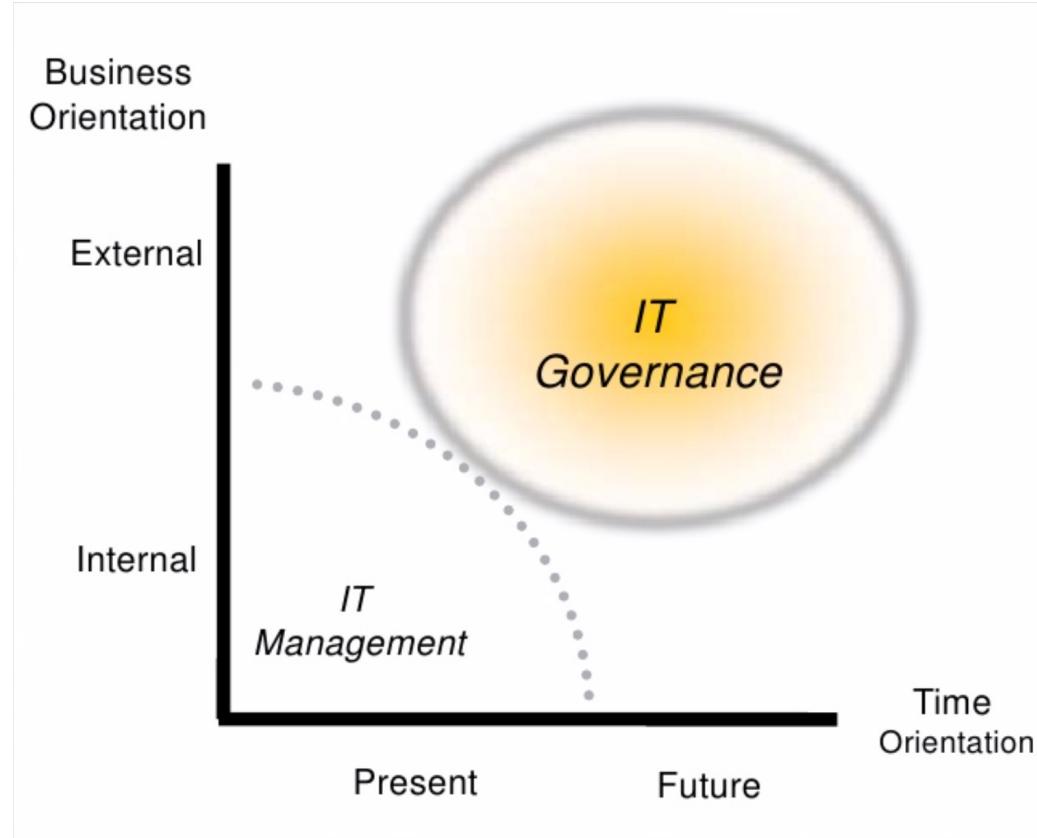
A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > CURRENT WORLD SCENARIO



A NEW LOGIC TO GOVERN IS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > CURRENT WORLD SCENARIO



IMPLEMENT THE IS GOVERNANCE

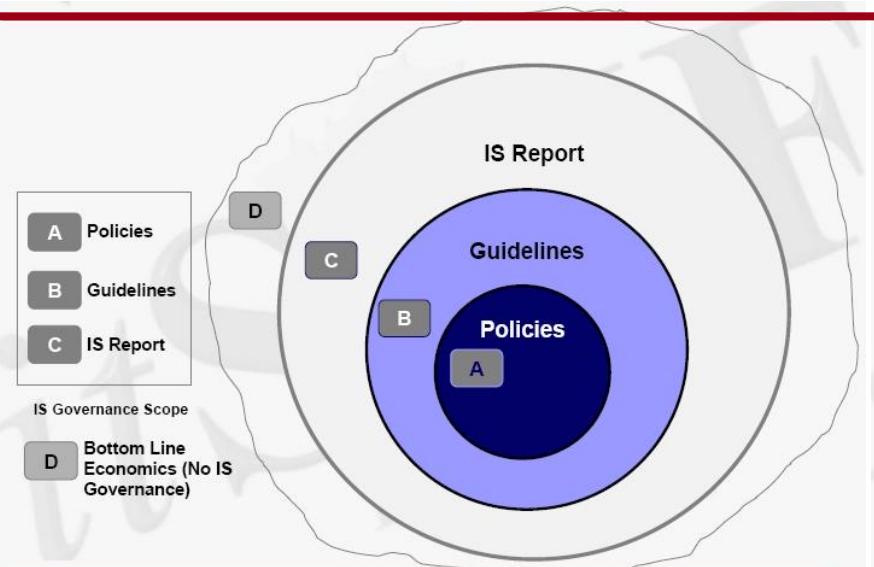
SECTION 1: INFORMATION SYSTEMS GOVERNANCE > IMPLEMENT THE IS GOVERNANCE

- Within an articulated system (group of companies or complex companies) it is necessary to think of different degrees and methods of applying the IS governance system
- The diffusion and applicability of an IS Governance system must be modulated by taking into account some factors:
 - Level of integration in the group (financial vs industrial only)
 - Homogeneity level of the business system
 - Company life cycle (own or with respect to the Group)
 - Corporate governance and results measurement system
 - Areas of managerial independence
- Depending on these characteristics, each company / area is assigned to a different "IS Governance Layer"
- The differentiation may also take place at the level of individual aspects of IS Governance

IMPLEMENT THE IS GOVERNANCE

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > IMPLEMENT THE IS GOVERNANCE

The Reference Model



	A	B	..	
IT Infrastructure	P	G	R	P: Policy
Application Portfolio	P	G	R	G: Guideline
Alignment Systems: IT Service and Projects	P	P	G	R: IS Report
Alignment Systems: Organization and Rules	P	R	P	
Project Management	P	P	G	
Human Resources and Culture	P	G	R	
Measurement Systems and Reporting	P	R	P	

MATURITY

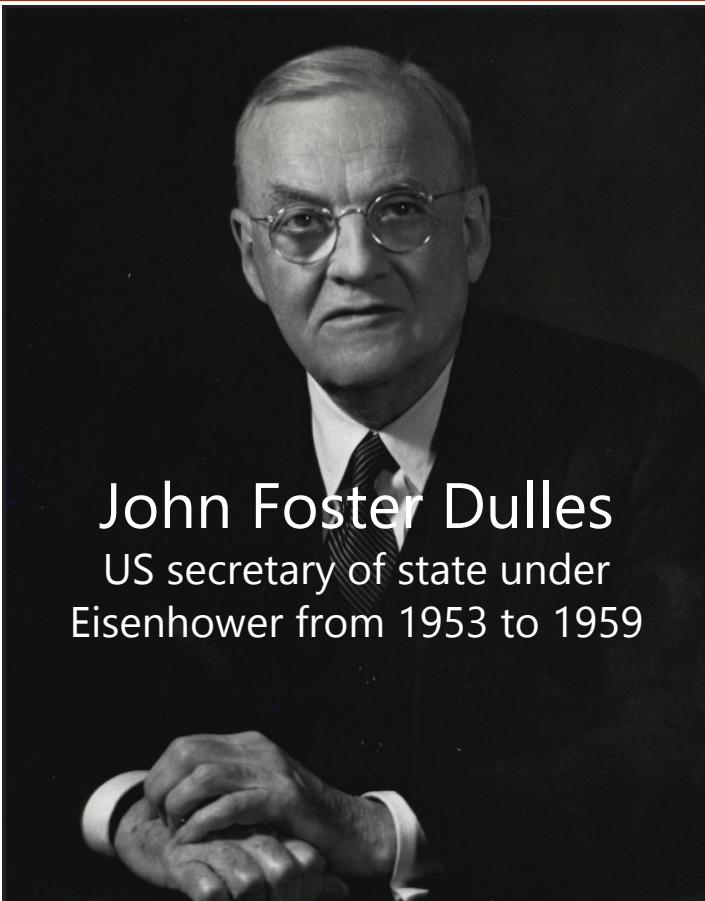


SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY



SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

“The measure of success is not whether you have a tough problem to deal with, but whether it's the same problem you had last year.”

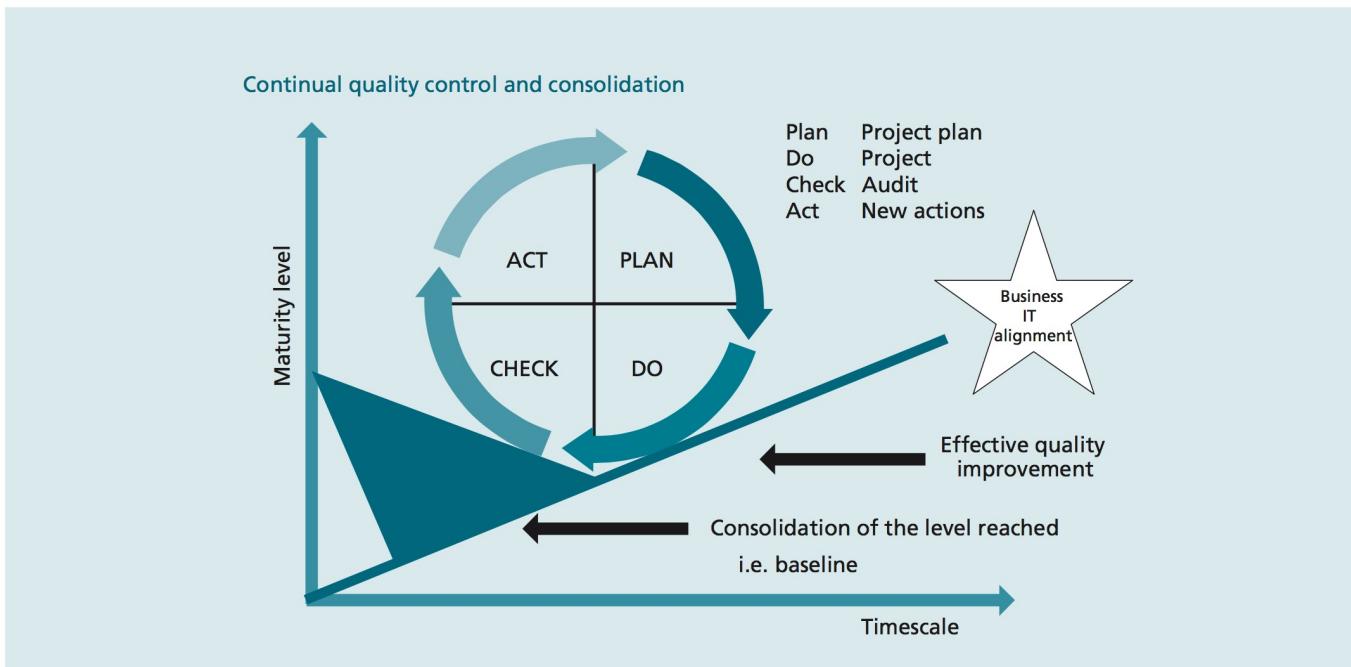


John Foster Dulles
US secretary of state under
Eisenhower from 1953 to 1959

MATURITY

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

Deming Cicle



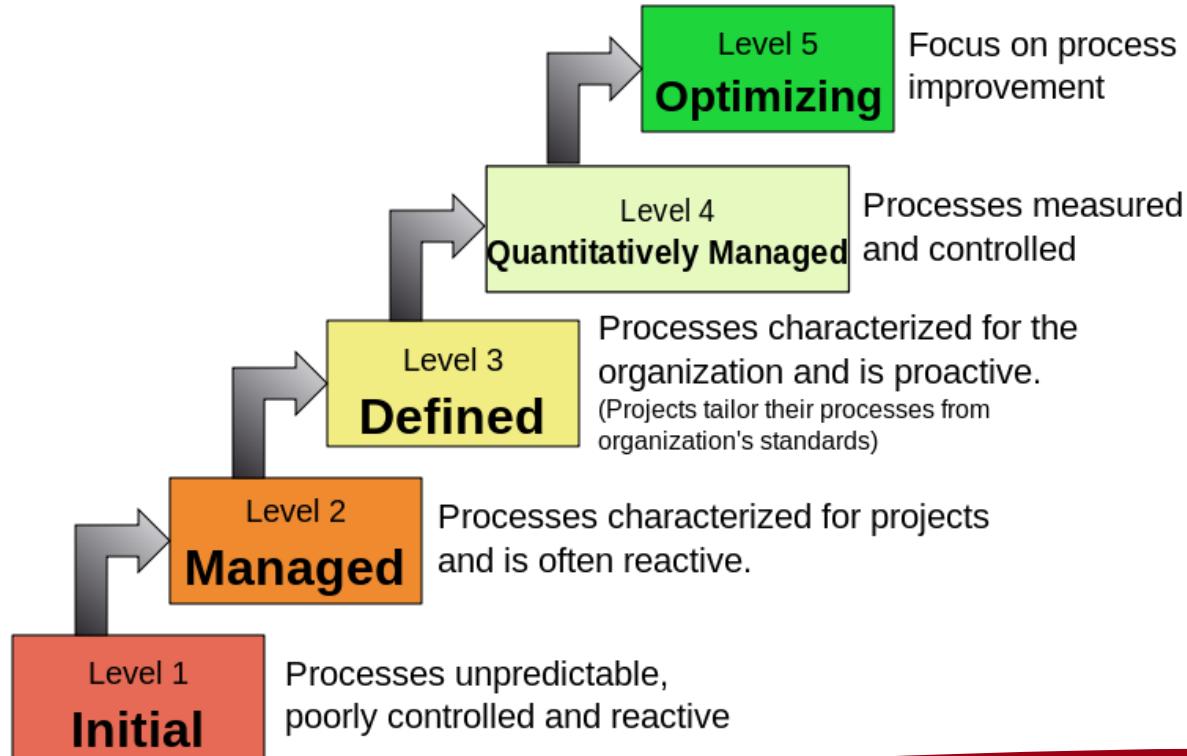
MATURITY

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY



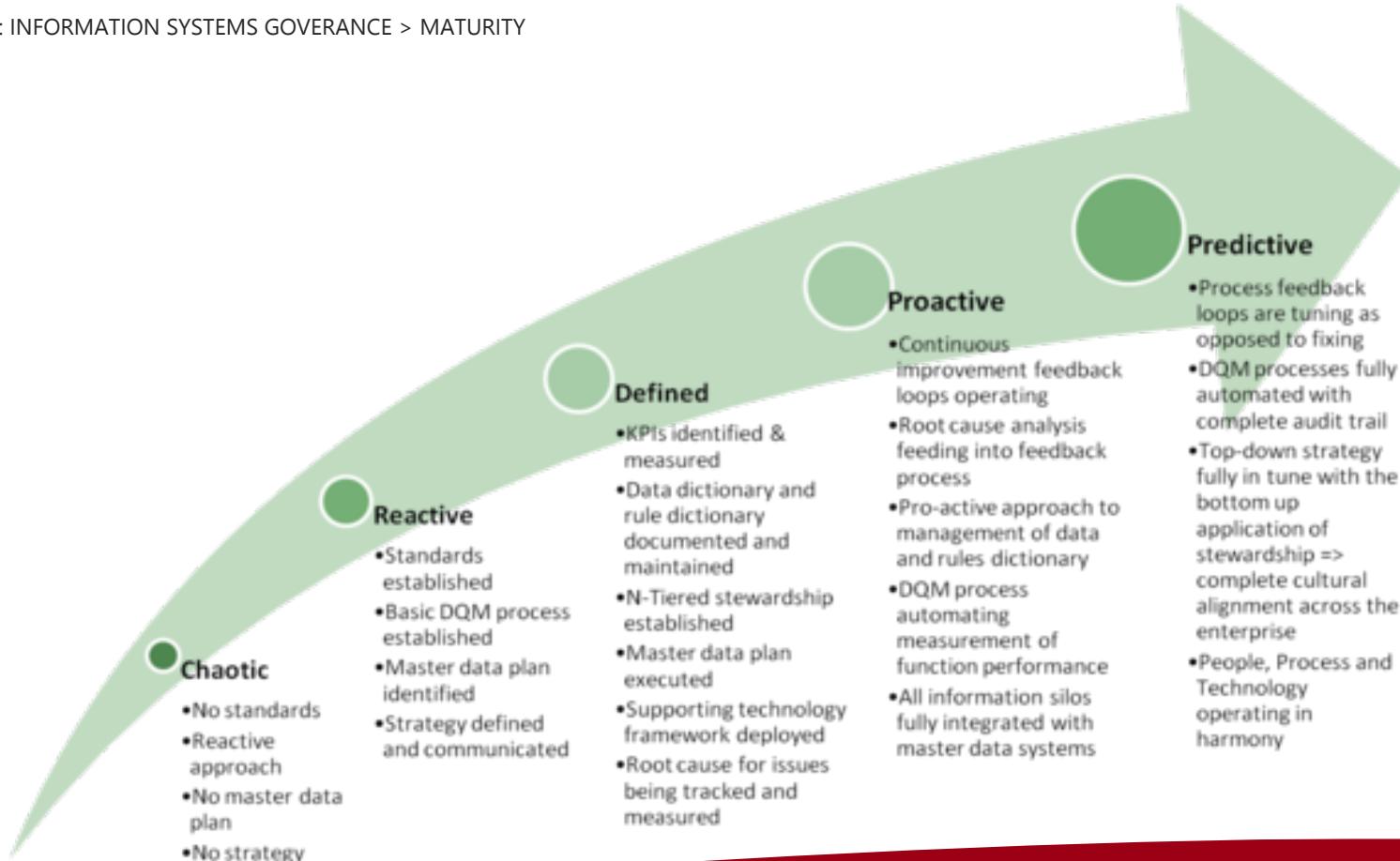
SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

Characteristics of the Maturity levels



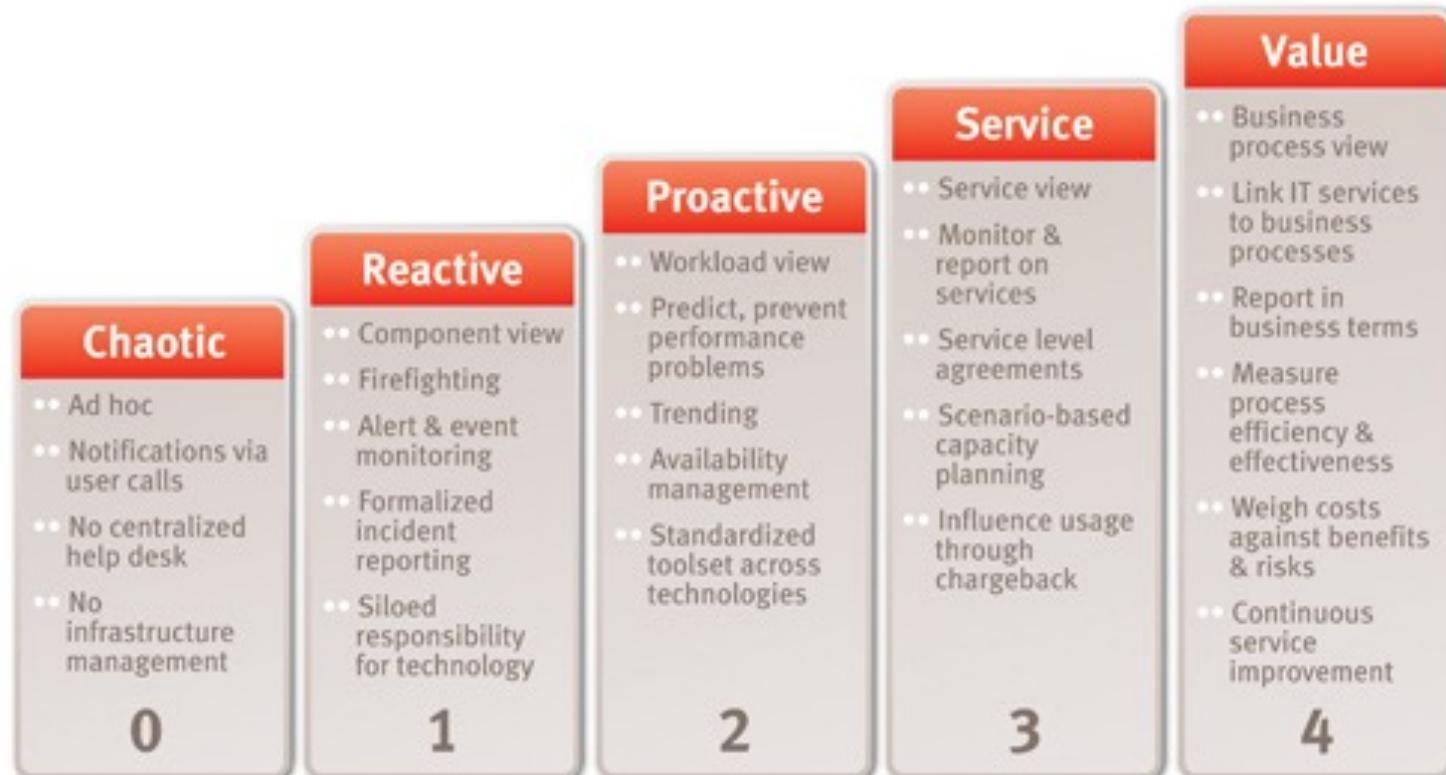
MATURITY

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY



MATURITY

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY



SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

A 60,000 ft View of Gartner's Product Support Maturity Scale Version 2...

	Reactive	Proactive	Predictive	Pre-emptive
Customer Experience	Experiences happen	Experiences are considered	Experiences are deliberately created	Experiences are optimized
Content Provisioning	Content is an afterthought (if it is thought about at all)	Content confounds critics	Content creates value	Compelling content becomes compulsory
Issue Remediation	It breaks; we fix it (hopefully)	We make it less likely to break	We ensure it doesn't break	We break it on purpose if it needs to be broken
Issue Prevention	Prevention is seen as impractical	Prevention is considered theoretically possible	Prevention is a reality	Unplanned outages are extremely rare
Governance & Visibility	Chaotic and noisy	Data enables control	Risk mitigation and transparency	Information overload becomes wisdom
Product Value Extraction	The product is the value	Support value is incrementally additive	Value is more than the sum of its parts	Support becomes a product value multiplier
Cost Optimization	Support is seen as a tax	Support is the technical insurance premium	Support spending seen to reduce overall costs	Support identifies saving and growth opportunities

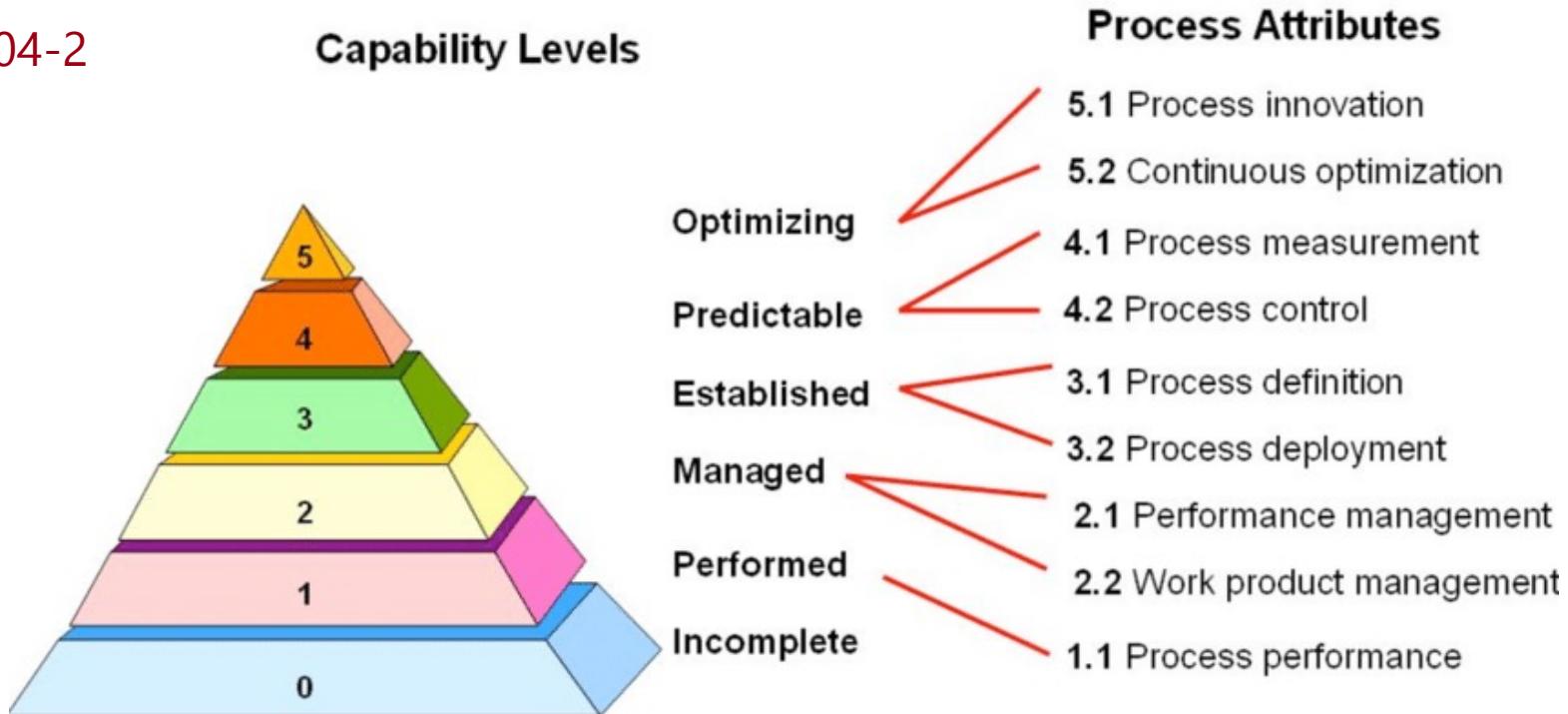
Gartner

GARTNER'S OPINION

MATURITY

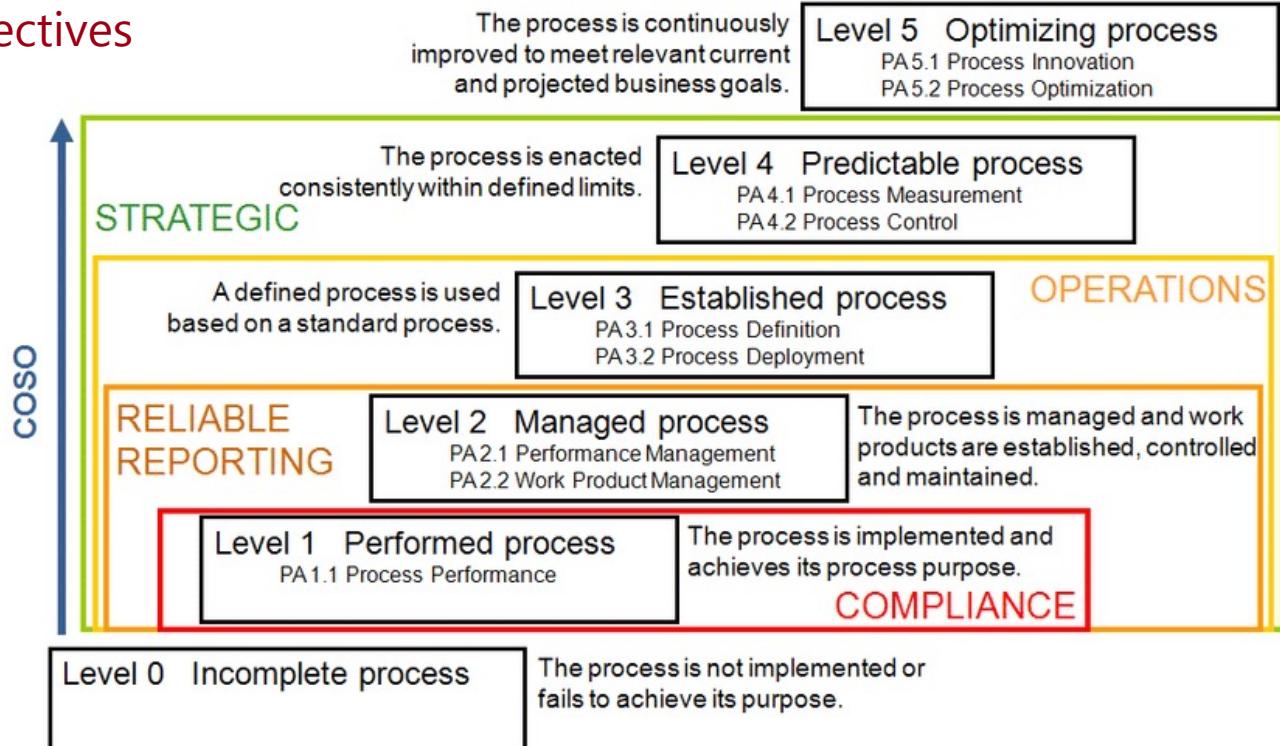
SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

ISO/IEC 15504-2



SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

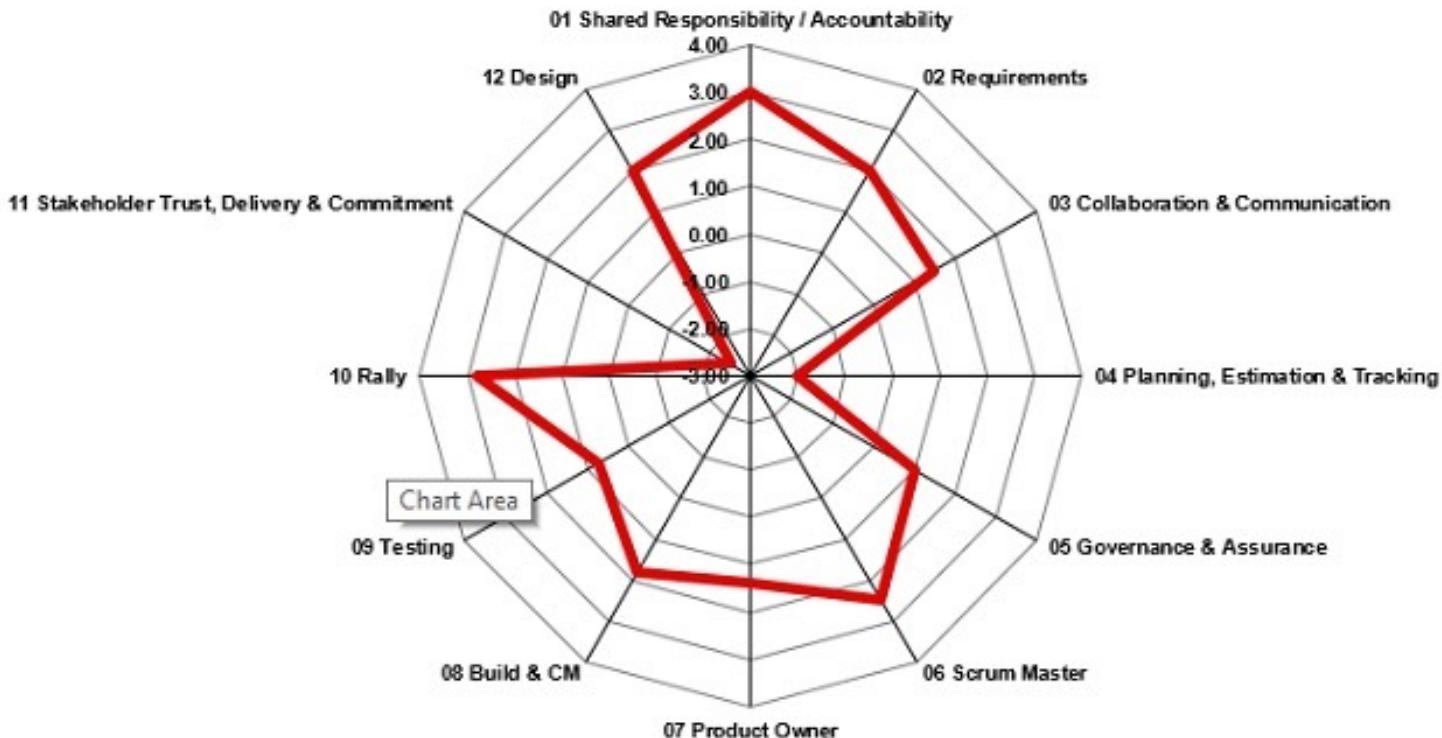
ISO 15504 to COSO Objectives



MATURITY

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

KIVIAT DIAGRAM

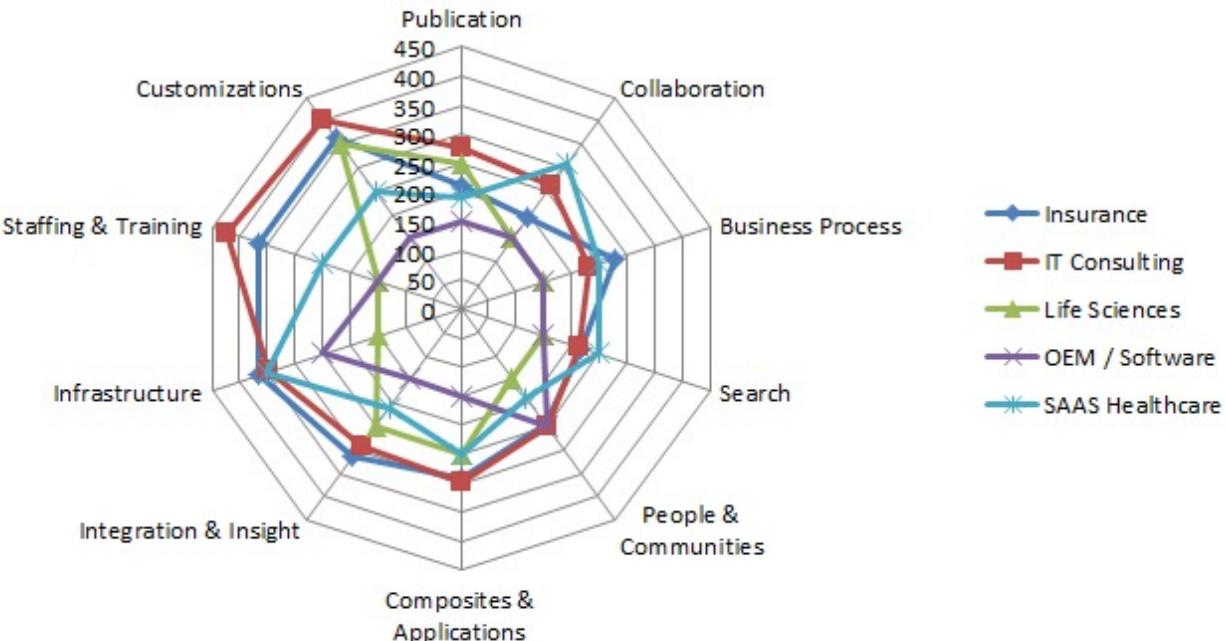


MATURITY

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

Ability to represent
confrontation

Average SP Maturity By Industry



SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

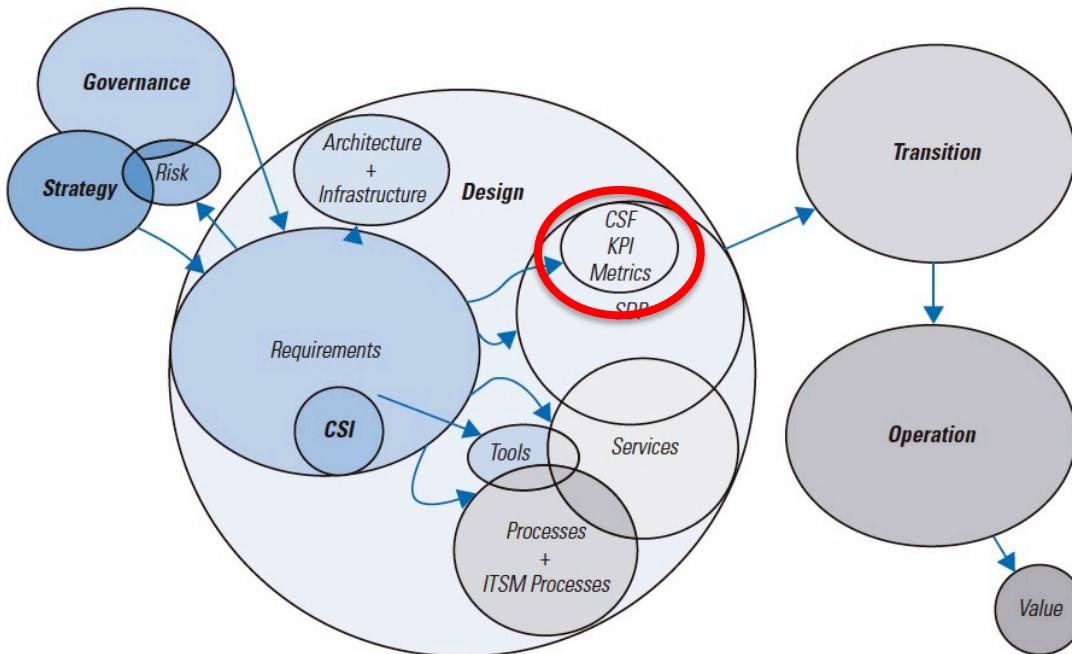
The problem of measuring maturity



MATURITY

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

Metrics for Service Management



MATURITY

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

Maturity through training

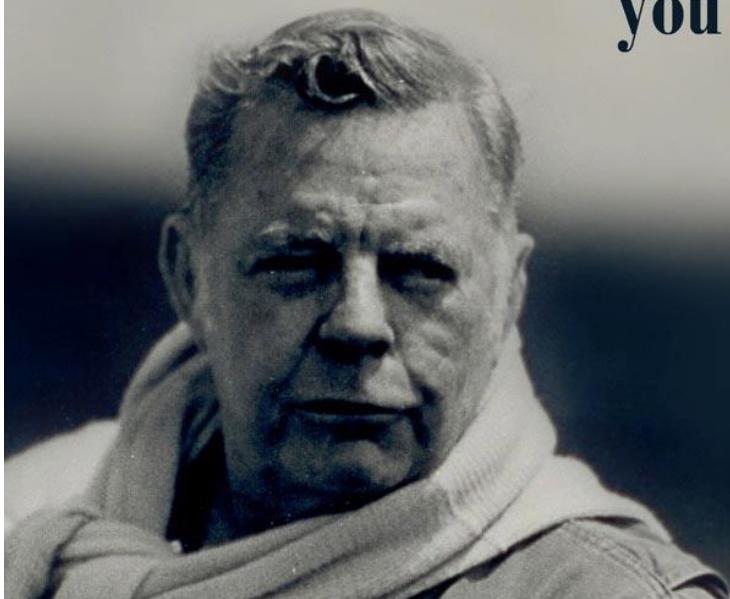
- It is no longer possible to think of being professionals in your own sector by making use only of your own experience
- Need for training
- Efficiency and Effectiveness in Service Management => ITIL
- Think about the efficiency margins achievable in Project management!

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

If you think it's expensive
to hire a professional to do the job, wait until
you hire an amateur

Red Adair

American Oil Firefighter



SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MATURITY

For the world of work of the 21st century, in addition to knowing how to do a job, it is necessary:

- **Work ethic:** being responsible without the need for someone to control you
- **Problem Solving:** knowing how to go forward even when faced with problems
- **Communication skills:** the world of work is related to service
- **Teamwork:** one-man-bands no longer exist

source: Confindustria Study Center



MANAGEMENT FUNDAMENTALS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MANAGEMENT FUNDAMENTALS

Management depends on (Yes/No), (On, Off), (1,0)

The ability to say yes or no based on a specific information and in a specific situation/condition.

The rest is an extra supporting capabilities.

MANAGEMENT FUNDAMENTALS

SECTION 1: INFORMATION SYSTEMS GOVERNANCE > MANAGEMENT FUNDAMENTALS

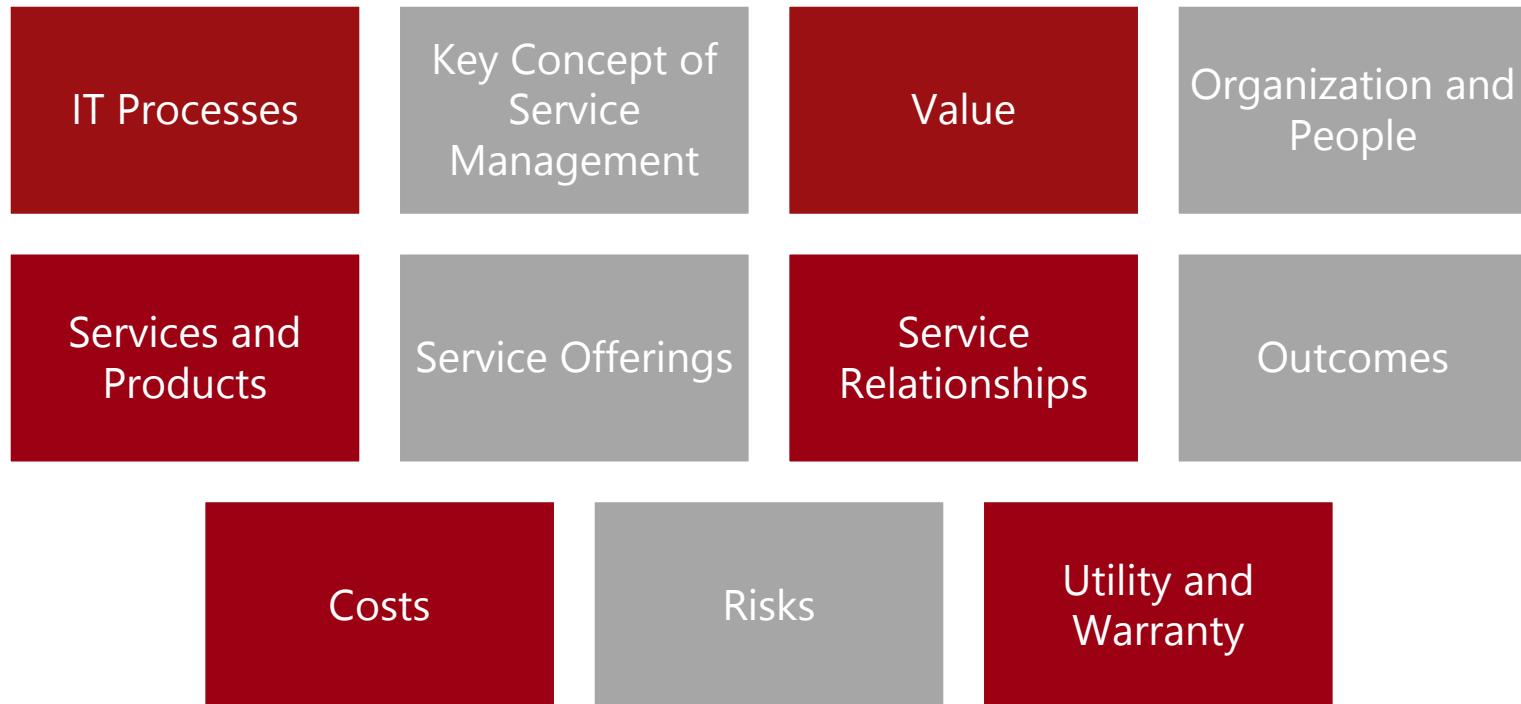


SERVICE MANAGEMENT

Section 2

AGENDA

SECTION 2: SERVICE MANAGEMENT > AGENDA



IT PROCESSES

SECTION 2: SERVICE MANAGEMENT > IT PROCESSES

A process is a series of actions which are carried out in order to achieve a particular result



INPUT	=	well defined (enters garbage, comes out garbage)
THROUGH	=	standard procedure (warranty)
OUTPUT	=	granted

SECTION 2: SERVICE MANAGEMENT > IT PROCESSES

- In a process the objectives are clearly described as is the way in which they are to be achieved
- For each process the inputs and the outputs are defined
- An organization can function through any number of different processes. These can be monitored one by one, which is often simpler than overall monitoring
- People can become responsible for the efficiency, effectiveness and result of their process. This provides an organization's monitoring and control tool

IT PROCESSES

SECTION 2: SERVICE MANAGEMENT > IT PROCESSES

- Through the definition of clearer roles and responsibilities and their efficient and effective organization, it becomes easier to avoid conflicts of interest
- Activities that need to be carried out across multiple departments but are linked to a single result can be controlled more easily if they refer to a single process
- An organization can improve itself by setting the "norm» and then measuring the results against it

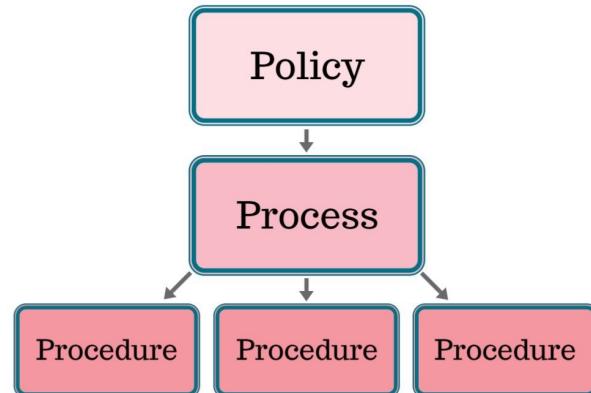


IT PROCESSES

SECTION 2: SERVICE MANAGEMENT > IT PROCESSES

Processes vs Procedures

- Processes define activities at the highest level and often represent a standard for the entire organization



- The Procedures contain a greater level of detail and describe who performs certain activities within a process.

Processes vs Procedures

- Procedures may change between the various departments or from one activity to another.
- Each process can be divided into a series of tasks.
- Each task will be performed by a role.
- Roles can be performed by a person or by an application.
- Each Process has a Process Owner.

Policy

The product must be delivered to the customer within 24 hours from the point they place an order.

Process

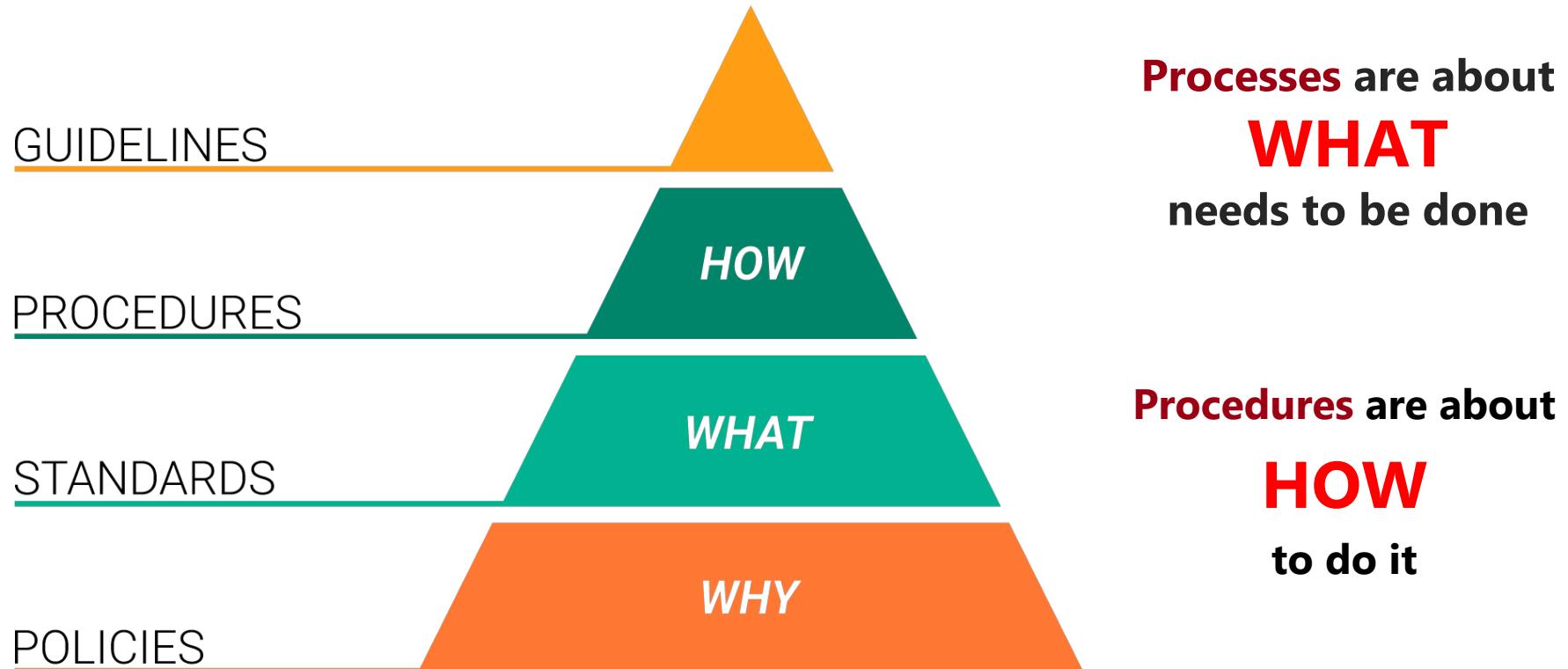
Employees will prepare the order for delivery, while managers monitor the process.

Procedure

Jim will fill orders in categories A, B, and C. Jen will fill orders in categories X, Y, and Z. John will supervise to ensure timely delivery. If an employee is sick, call Sarah to fill his / her place.

IT PROCESSES

SECTION 2: SERVICE MANAGEMENT > IT PROCESSES



IT PROCESSES

SECTION 2: SERVICE MANAGEMENT > IT PROCESSES

Example for Policy vs Processes vs Procedures



Policy

- Each school must hold a fire drill each month.



Process

- Teachers will lead students outside to the schoolyard, while school principals oversee the process.

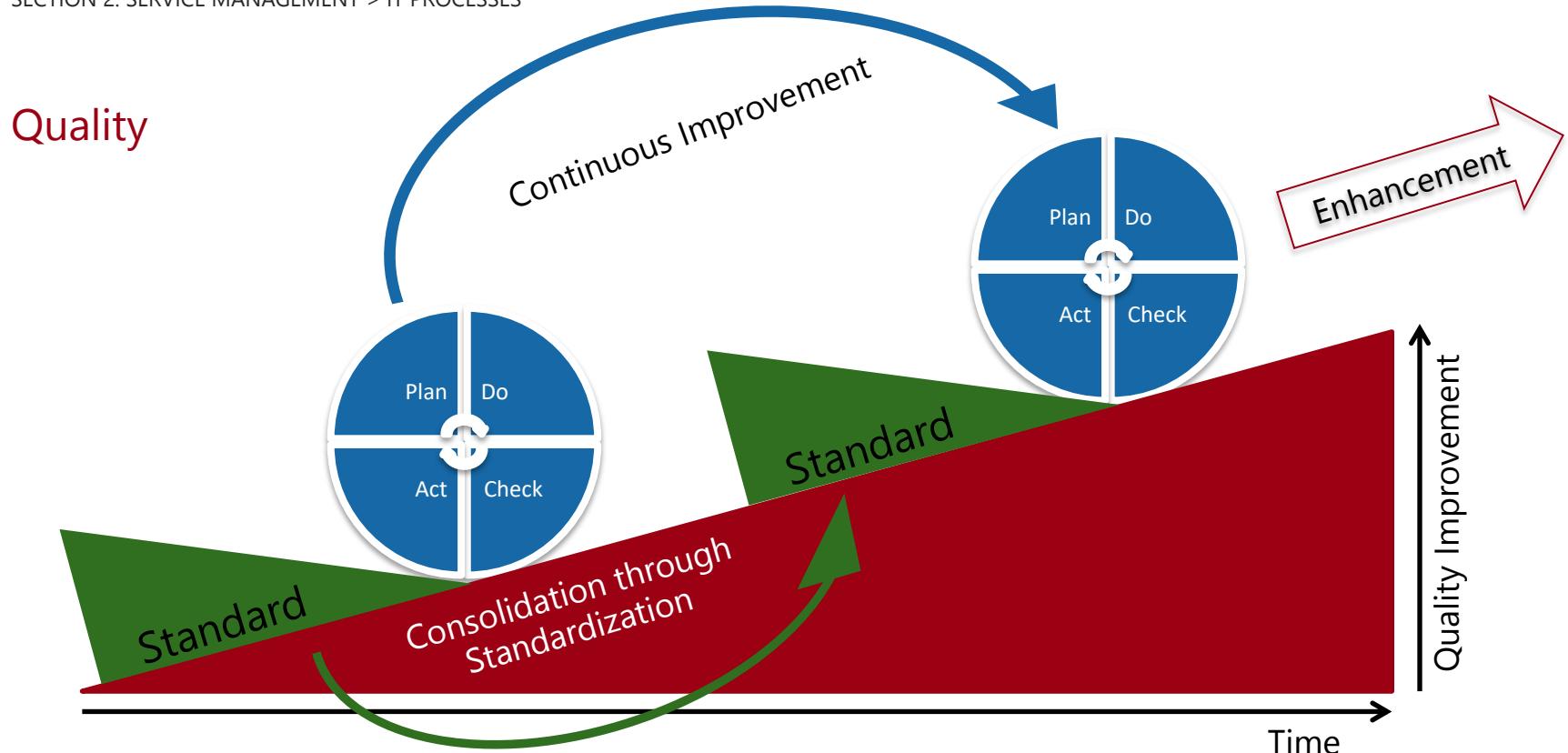


Procedure

- Teachers in Hall A will lead students out of the building through Door A..
- Teachers in Hall B will lead students out of the building through Door B.

IT PROCESSES

SECTION 2: SERVICE MANAGEMENT > IT PROCESSES



The Service Management problem

- One of the main problems for many organizations is that roles and responsibilities are not clearly defined.
- Large amount of tasks - risk of confusion
- The advantage of introducing a good ITSM is that these situations can be controlled
- The concept of role: assigning responsibilities rather than creating a classic organization chart



KEY CONCEPTS SERVICE MANAGEMENT

SECTION 2: SERVICE MANAGEMENT > KEY CONCEPTS SERVICE MANAGEMENT

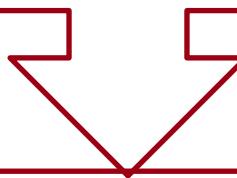
The most important concepts of service management include:

- the nature of value and value co-creation
- organizations, service providers, service consumers, and other stakeholders
- products and services
- service relationships
- value:** outcomes, costs, and risks.

KEY CONCEPTS SERVICE MANAGEMENT

SECTION 2: SERVICE MANAGEMENT > KEY CONCEPTS SERVICE MANAGEMENT

These concepts apply to all organizations and services



but the first thing that must be outlined is the most fundamental question of all:

What is '**Service Management**'?

KEY CONCEPTS SERVICE MANAGEMENT

SECTION 2: SERVICE MANAGEMENT > KEY CONCEPTS SERVICE MANAGEMENT

Service Management definition

- **Service Management is a set of *specialized organization capabilities* for enabling value to customers in the form of service**
- IT Service Management (abbreviated to ITSM) is a discipline that deals with planning, designing and managing the Information Technology (IT) systems of an organization.
- The following is one of the classic statements we find in the literature when talking about ITSM:

IT service providers can no longer afford to focus only on technology, they must now consider the quality of the services they provide and focus on the relationship with the customer

KEY CONCEPTS SERVICE MANAGEMENT

SECTION 2: SERVICE MANAGEMENT > KEY CONCEPTS SERVICE MANAGEMENT

How is the value co-created between Walmart and the customers?

Customer has a party

Customer walk into Walmart store

Buy some supplies to cook a meal at night

Walmart provided all supplies (provided output)

Customer created excellent meal (provided output)

The happiness at the party is the value co-created

Service Management definition

Developing the *specialized organizational capabilities* mentioned in the definition requires an understanding of:

- the nature of value
 - the nature and scope of the stakeholders involved
 - how value creation is enabled through services.
-
- *Organizational capabilities* refers to having both the capacity and the ability to perform the functions required.
 - The purpose of an organization is to create value for stakeholders.
 - Organize your people to best support the activities, practices and processes.

KEY CONCEPTS SERVICE MANAGEMENT

SECTION 2: SERVICE MANAGEMENT > KEY CONCEPTS SERVICE MANAGEMENT

Service Management definition

- The **provider** delivers the service, and the **consumer** receives value; the consumer plays no role in creating value for themselves.
- This was the old idea about delivering services by most organizations who self-identified as '**service providers**'.
- This fails to take into consideration the **highly complex** and interdependent **service relationships** that exist in reality.

Service Management definition

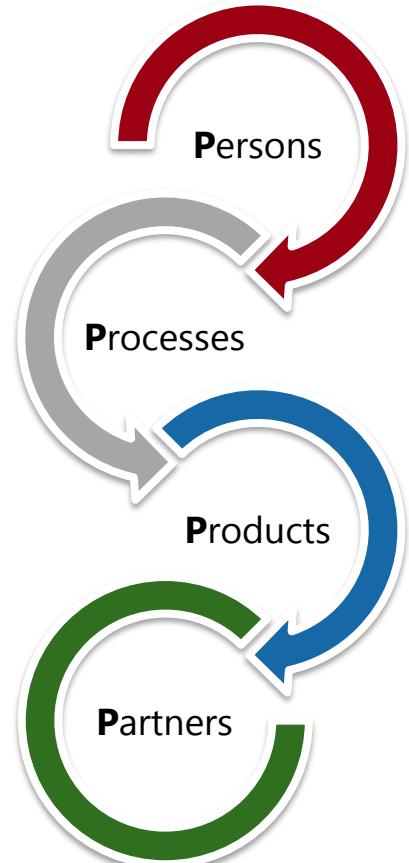
- ITSM is process-centric and, in this sense, has common links and objectives with other disciplines, frameworks and methodologies focused on process improvement (eg. TQM, Six Sigma, Business Process Management, CMMI).
- The discipline is not interested in illustrating the details of a given product or the technical details of an information system. Instead, it is interested in providing a framework able to relate IT activities and the people involved in them with business, customers and users.

KEY CONCEPTS SERVICE MANAGEMENT

SECTION 2: SERVICE MANAGEMENT > KEY CONCEPTS SERVICE MANAGEMENT

Service Management philosophy

- The evolution of technology has meant that businesses today are totally dependent on IT
- What the quality, quantity and availability of the IT infrastructure involves directly impacts the quality, quantity and availability that the business can offer
- To achieve the key objectives of ITSM, ITIL processes must make use of the **4 Ps** in an effective, efficient and cost-effective way



SECTION 2: SERVICE MANAGEMENT > KEY CONCEPTS SERVICE MANAGEMENT

Service Management objectives

- Process-oriented approach to deliver customer focused IT services
- Reduce TCO by increasing the service level more and more
- React to continuous change, flexibility
- IT tasks need to be done in a less expensive way
- The intent during the implementation of ITIL processes is to support the business, not to impose an organization's business processes.

SECTION 2: SERVICE MANAGEMENT > VALUE

Value: the perceived benefits, usefulness, and importance of something

Value is based on the recipient's perception

The recipient determines the perceived value

ORGANIZATION AND PEOPLE

SECTION 2: SERVICE MANAGEMENT > ORGANIZATION AND PEOPLE

Organization

A person or a group of people that has its own functions, responsibilities, and relationships to achieve its objectives

Service Provider

A role performed by an organization in a service relationship to provide services to consumers

Services Consumer

A role performed by an organization in a relationship that uses (or consumes) those services

ORGANIZATION AND PEOPLE

SECTION 2: SERVICE MANAGEMENT > ORGANIZATION AND PEOPLE

- **Organizations** vary in size, complexity, and in their legal structure.
- **Previously** “Delivering something is easy... delivering value is hard!”
- Instead in ITSM, Value is **co-created** by the service provider and the consumer.
- As **societies** and **economies** evolve, the relationships between and within organizations become more complex.
- Each **organization** depends on others in its operation and development.
- **Organizations** may hold different roles, depending on the perspective under discussion.

ORGANIZATION AND PEOPLE

SECTION 2: SERVICE MANAGEMENT > ORGANIZATION AND PEOPLE

- As a **supplier**, I can provide everything you need
- As a **consumer**, you must do your part to **co-create value**.
- **Service Relationships** are different and complicated
- You can be both a **supplier** and a **consumer** simultaneously

DIFFERENT ROLES

SECTION 2: SERVICE MANAGEMENT > ORGANIZATION AND PEOPLE > DIFFERENT ROLES



USER

- A person who uses services

CUSTOMER

- A person who defines the requirements for a service and takes responsibility for the outcomes of service consumption

SPONSOR

- A person who authorizes the budget for service consumption

USERS, CUSTOMERS and SPONSOR?

DIFFERENT ROLES

SECTION 2: SERVICE MANAGEMENT > ORGANIZATION AND PEOPLE > DIFFERENT ROLES

Our company decided to have an **ERP system**

Different departments needs a way to talk to each others

Finance, HR, Sales and Purchasing Managers would like to have a consolidated system

Each department has number of employees

Meeting with top management is required

OTHER STAKEHOLDERS

SECTION 2: SERVICE MANAGEMENT > ORGANIZATION AND PEOPLE > OTHER STAKEHOLDERS



OTHER STAKEHOLDERS | EXERCISE

SECTION 2: SERVICE MANAGEMENT > ORGANIZATION AND PEOPLE > OTHER STAKEHOLDERS | EXERCISE

Examples of value for different types of stakeholder

Stakeholder	Example of value for stakeholder
Service consumers
Service provider
Service provider employees
Society and community
Charity organizations
Shareholders

SERVICES & PRODUCTS

SECTION 2: SERVICE MANAGEMENT > SERVICES AND PRODUCTS



Service

is a mean of enabling value co-creation by facilitating outcomes that customers want to achieve, without the customer having to manage specific costs and risks.

SERVICES & PRODUCTS

SECTION 2: SERVICE MANAGEMENT > SERVICES AND PRODUCTS

- A **Service Provider** cannot achieve outcomes for you
- **Services may be based on products**
- **Product:** configuration of resources created by the organization that will be potentially valuable for its customers
- **Resources** can be owned or managed by the organization
- A **Product combines** and simplifies the various services
- Each **product** that an organization offers is created with several target consumer groups in mind to meet the needs of these groups
- A **product** is not exclusive to one **consumer** group and can address the needs of several different groups
 - For example, a software service can be offered as a 'lite' version for individual users or a more comprehensive corporate version

SERVICES & PRODUCTS

SECTION 2: SERVICE MANAGEMENT > SERVICES AND PRODUCTS

- **Products** are typically complex and are not fully visible to the consumer
- The portion of a **product** that the consumer actually sees does not always represent all of the components that comprise the product and support its delivery
- **Organizations** define which product components their consumers see and tailor them to suit their target consumer groups

SERVICE OFFERINGS

SECTION 2: SERVICE MANAGEMENT > SERVICES AND PRODUCTS

Service Offering

a description of one or more services designed to address the needs of a target consumer group.

Service offering can include goods, access to resources, and service actions

Goods

Access to
resources

Service Actions

SERVICE OFFERINGS | EXERCISE

SECTION 2: SERVICE MANAGEMENT > SERVICE OFFERINGS | EXERCISE

Goods

-

Access to resources

-

Service Actions

-

SERVICE RELATIONSHIPS

SECTION 2: SERVICE MANAGEMENT > SERVICE RELATIONSHIPS

Service Relationship

A corporation between a service provider and service consumer, including service provision, service relationship management

Service Provision

The activities performed by an organization to provide the services

Service consumption

The activities performed by an organization to consume the services.

SERVICE RELATIONSHIPS

SECTION 2: SERVICE MANAGEMENT > SERVICE RELATIONSHIPS

Service relationships

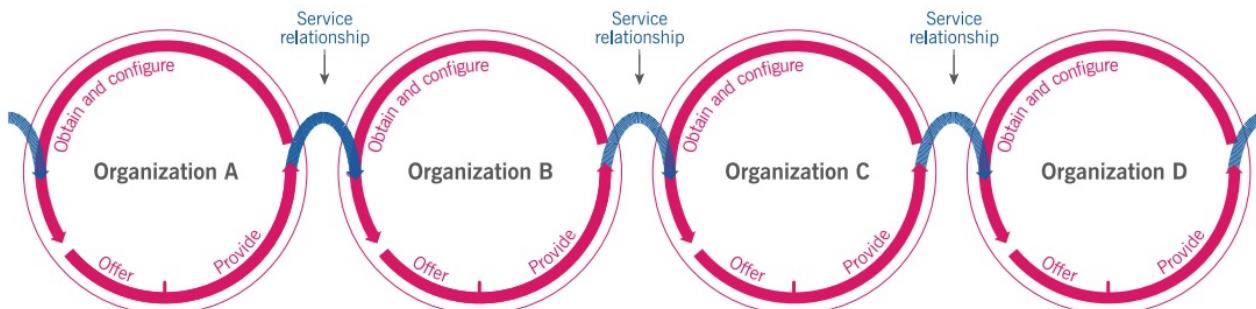
- Established between two or more organizations to **co-create value**
- **Organizations** will take on the roles of service providers or service consumers
- The two roles are not mutually exclusive, can be provide and consume several
- **Service Relationship Management:** the activities that the service provider and the service consumer do together to enable value co-creation to occur based upon the service offering
 - an organization might be both a service provider and service consumer at the same time

SERVICE RELATIONSHIPS MODEL

SECTION 2: SERVICE MANAGEMENT > SERVICE RELATIONSHIPS MODEL

When providers deliver services, they create new resources for service consumers or modify existing ones.

The **service consumer** can use its new or modified resources to create its products to address the needs of another target consumer group, thus becoming a service provider.



OUTCOMES

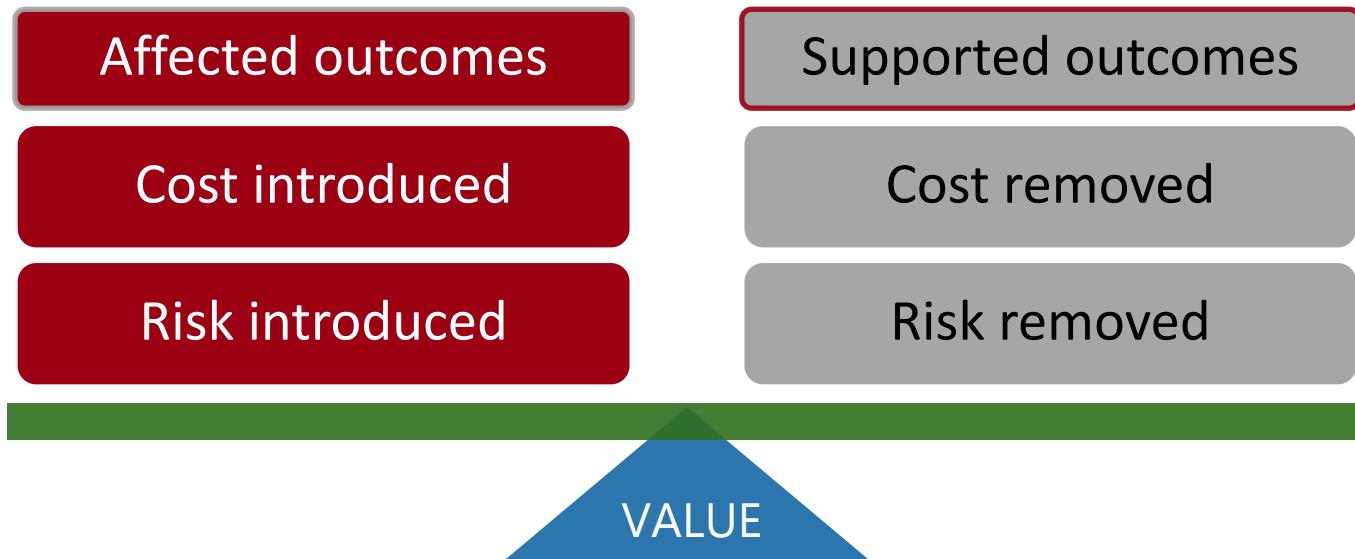
SECTION 2: SERVICE MANAGEMENT > OUTCOMES

- Achieving desired **outcomes** requires resources and is often associated with risks
- **Service providers** help their consumers to achieve outcomes, take on some of the associated risks and costs
- On the other hand, **service relationships** can introduce new risks and costs and negatively affect the intended outcomes while supporting others

OUTCOMES

SECTION 2: SERVICE MANAGEMENT > OUTCOMES

Outcome: a result for a stakeholder, enabled by one or more outputs



OUTCOMES

SECTION 2: SERVICE MANAGEMENT > OUTCOMES

If I use UBER APP:

No rental car

No parking

No gasoline

No insurance

- I am able to reduce costs
- **Because it is co-creating:** I have to have smart phone, battery, internet...etc.
- **But also, there are risks that being assumed like:** maybe I miss my meeting, maybe I cannot find UBER CARS in same area... etc.

OUTCOMES

SECTION 2: SERVICE MANAGEMENT > OUTCOMES

- When the **value proposition** is good, a business agreement can be made
- **Value propositions** change when the factors change
- It can be difficult for the provider to fully understand the **outcomes** that the **consumer** wants to achieve
- In some cases, they will work together to define the desired **outcomes**

OUTCOMES

SECTION 2: SERVICE MANAGEMENT > OUTCOMES

Output

a tangible or intangible deliverable of an activity

- Services facilitate **outcomes** through one or more **outputs**
- You should care more about the **outcome** than the output
- Create metrics that measure **outcomes** and not just **outputs**

SECTION 2: SERVICE MANAGEMENT > COSTS

- From the **service consumer's** perspective, there are two types of cost involved in service relationships:
 - **Costs removed** from the consumer by the service (a part of the value proposition)
 - **Costs imposed** on the consumer by the service (the costs of service consumption)
- Both types of cost are considered when the consumer assesses the value expect from service to create
- It is important that both types of cost are fully understood
- Full and correct understanding of the cost-of-service provision is essential

Cost

the amount of money spent on a specific activity or resources

- **Cost** may be measured man-hours of FTEs
- One **FTE** (Full Time Equivalent) equals 2000 hours of work per year
- A **Service provider** aims to reduce or remove costs for you when providing a service

RISKS

SECTION 2: SERVICE MANAGEMENT > RISKS

- As with costs, there are two **types of risk** that are of concern to service consumers:
 - **Risks removed** from a consumer by the service (**part of the value proposition**)
 - **Risks imposed** on a consumer by the service (**risks of service consumption**)
- The **consumer** contributes to the reduction of risk through:
 - Actively participating in the definition of the requirements
 - Clearly communicating the critical success factors (CSFs)
 - Ensuring the provider has access to the necessary resources

Risk

a possible event that could cause harm, loss, or make it more difficult to achieve objectives

- A **service provider's** goal should be to reduce risk for the consumer
- **Risk** is potentially imposed on consumers by the service.
- **Consumers** should contribute to the reduction of risk

What shall we do to reduce risks or remove

- Define the requirements of the service and clarify the required **outcomes**
- Clearly **communicate** any constraints and the critical success factors
- **Consumers** must ensure providers have access to the necessary resources

Avoid

Risk avoidance involved removing risks from the service

Accept

Risk acceptance is used when the risk or cost is considered low

Transfer

Risk transfer is often used when you insure against a risk

Mitigate

Risk mitigation is used when you implement technology or processes to reduce the risk

COST AND RISKS | EXERCISE

SECTION 2: SERVICE MANAGEMENT > COST AND RISKS | EXERCISE

Costs removed

Costs imposed

Risks removed

Risks imposed

In a team, list down some examples for the costs and risks from your work or real life as per the above figure

UTILITY AND WARRANTY

SECTION 2: SERVICE MANAGEMENT > UTILITY AND WARRANTY

Value is created from **UTILITY** and **WARRANTY**

Utility

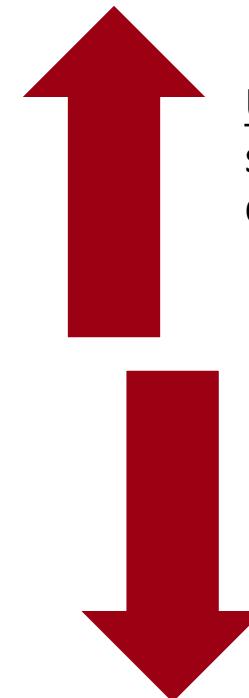
Functionality offered by a product or service to meet a particular need

- What a service does?

Warranty

assurance that a product or service will meet agreed requirements

- How the service performs?



Utility is what something does

Warranty is how well it does it

UTILITY & WARRANTY

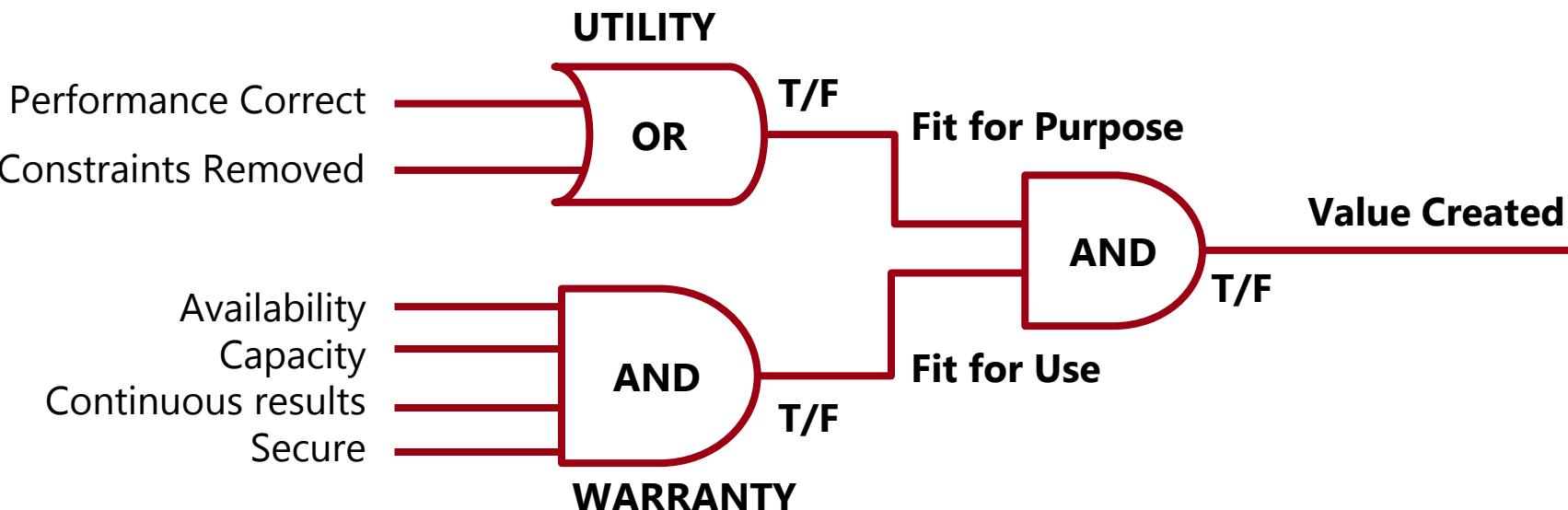
SECTION 2: SERVICE MANAGEMENT > UTILITY AND WARRANTY

- The **assessment** of service must consider the impact of costs and risks on utility and warranty to generate a complete picture of the viability of a service.
- Both **utility** and **warranty** are essential for a service to facilitate its desired outcomes and therefore help create value.

UTILITY & WARRANTY

SECTION 2: SERVICE MANAGEMENT > UTILITY AND WARRANTY

Value creation





UTILITY & WARRANTY - CREATE VALUE

SECTION 2: SERVICE MANAGEMENT > UTILITY AND WARRANTY - CREATE VALUE

- A service should have both **utility** and **warranty**
- **Warranty** requires that a service has defined and agreed-upon conditions that are met
- **Utility** requires that a service support the performance or remove constraints from the consumer
- **Warranty** addresses areas such as availability, capacity, security levels, and continuity
- **Utility** is concerned with fit for propose

SECTION 2: SERVICE MANAGEMENT > EXERCISE

Fill in the blank. A [?] is a means of value co-creation by facilitating outcomes that customers want to achieve, without the customer having to manage specific costs and risks

1. Warranty
2. Outcome
3. Service
4. Service offering

SECTION 2: SERVICE MANAGEMENT > EXERCISE

Which describes outcomes?

1. Tangible or intangible deliverables
2. Results for a stakeholder
3. Functionality offered by a product or service
4. Configuration of an organization's resources

SECTION 2: SERVICE MANAGEMENT > EXERCISE

What term best describes a service that is 'fit for use'?

1. Utility
2. Value
3. Outcome
4. Warranty

EXERCISE

SECTION 2: SERVICE MANAGEMENT > EXERCISE

What term best describes a person or a group of people that has its own functions with responsibilities, authorities, and relationships to achieve its objectives

1. Organization
2. Customer
3. Service Provider
4. Consumer



EXERCISE – ITIL BENEFITS

SECTION 2: SERVICE MANAGEMENT > EXERCISE – ITSM BENEFITS

List 10 ways in which ITSM will help your Organization

- Think about problem you have currently in your work – such as poor communications

IT SERVICE MANAGEMENT AND ITIL

Section 3

AGENDA

SECTION 3: ITSM & ITIL > AGENDA

ITSM meaning

Different ITSM
methodology

ITIL history

ITIL framework

ITSM MEANING

SECTION 3: ITSM & ITIL > ITSM MEANING

Service Management (ITSM)

- **Service Management** refers to the way you manage the information systems that deliver value to your customers
- It is a generic term, indicates the subject area
- Service Management encompasses all activities (including policies, processes, and procedures) that an enterprise performs in order to design, plan, deliver, operate, maintain, and control IT-enabled services

DIFFERENT ITSM METHODOLOGY

SECTION 3: ITSM & ITIL > DIFFERENT ITSM METHODOLOGY

Service Management (ITSM) methodologies

- ITIL (IT Infrastructure Library)
 - we will see this in detail during the course
- COBIT (Control Objectives for Information and Related Technologies)
 - a framework for managing and governing enterprise IT
- ISO/IEC 20000
 - a framework from the International Organization of Standardization (ISO) and considered the international standard for IT
- MOF (Microsoft Operations Framework)
 - compiled documents to guide businesses through everything involved in IT service, with a focus on Microsoft technology

DIFFERENT ITSM METHODOLOGY

SECTION 3: ITSM & ITIL > DIFFERENT ITSM METHODOLOGY

Service Management (ITSM) methodologies

- Six Sigma
 - a framework developed by Motorola with tools for data analysis to support process improvement and reduce service flaws
- TOGAF (The Open Group Architecture Framework)
 - a framework designed to give businesses a structure and methodology when implementing technology, especially software
- USMBOK (Universal Service Management Body of Knowledge)
 - this isn't a framework but provides additional information and documentation for ITSM resources

ITIL HISTORY

SECTION 3: ITSM & ITIL > ITIL HISTORY

- **Margaret Hilda Thatcher**, was Prime Minister of the United Kingdom from 1979 to 1990 and Leader of the Conservative Party from 1975 to 1990
- As prime minister, she implemented policies that became known as Thatcherism
- A Soviet journalist dubbed her the "Iron Lady", a nickname that became associated with her uncompromising politics and leadership style



ITIL HISTORY

SECTION 3: ITSM & ITIL > ITIL HISTORY

- When Margaret Thatcher was prime minister of the United Kingdom, she instructed government IT departments to document best practices. The reason for this was simple. The British government did not think it was getting value for money from its technology.
- Consequently, the effort was not a theoretical exercise but a practical one. The basic commandment from the Iron Lady could be paraphrased as, "Document, do not invent." That lead to the first release of ITIL® in 1989.



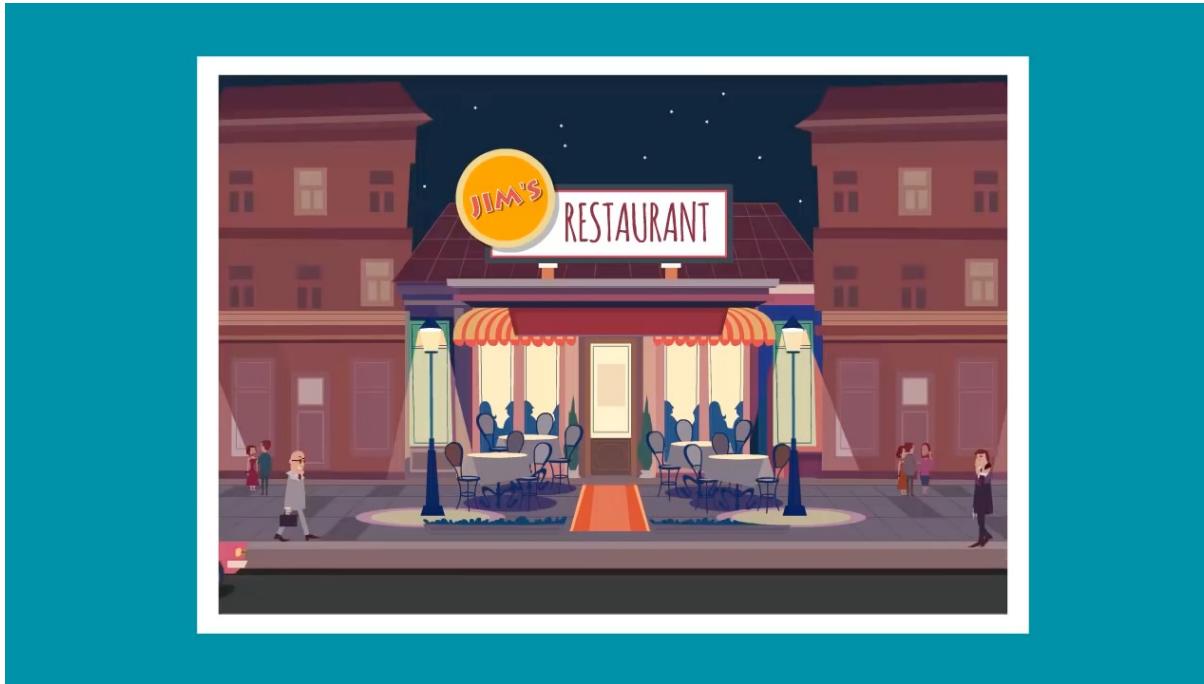
ITIL HISTORY

SECTION 3: ITSM & ITIL > ITIL HISTORY

- Responding to growing dependence on IT, the UK Government's Central Computer and Telecommunications Agency (CCTA) in the 1980s developed a set of recommendations designed to standardise IT management practices across government functions, built around a process model-based view of controlling and managing operations
- In April 2001, the CCTA was merged into the Office of Government Commerce (OGC), an office of the UK Treasury

ITIL HISTORY

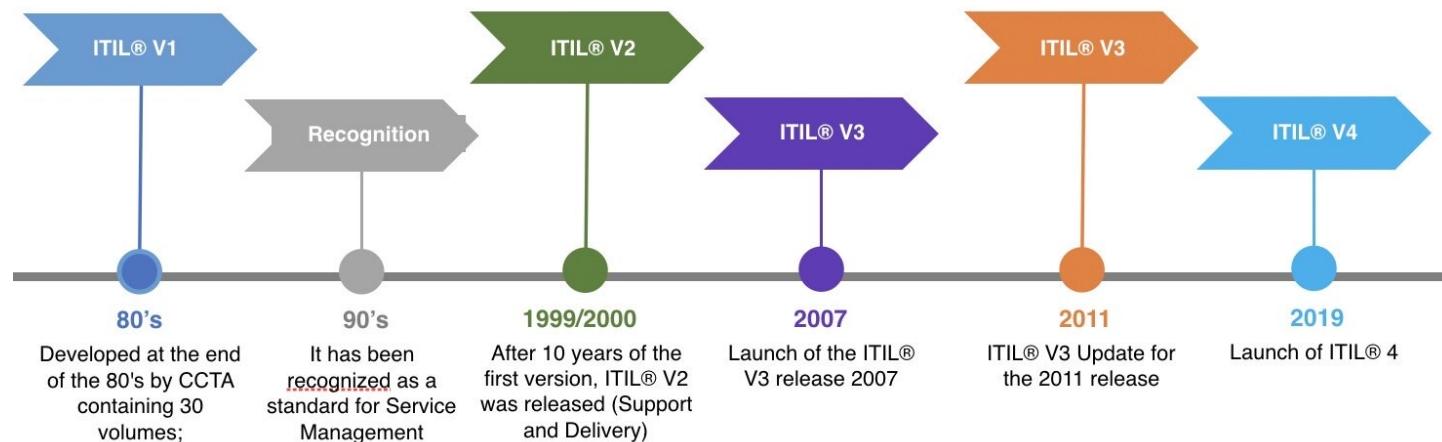
SECTION 3: ITSM & ITIL > ITIL HISTORY



ITIL explained in 3 minutes <https://youtu.be/vp2wfoVRMDE>

ITIL HISTORY

SECTION 3: ITSM & ITIL > ITIL HISTORY



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ITSM FRAMEWORK

SECTION 3: ITSM & ITIL > ITSM FRAMEWORK

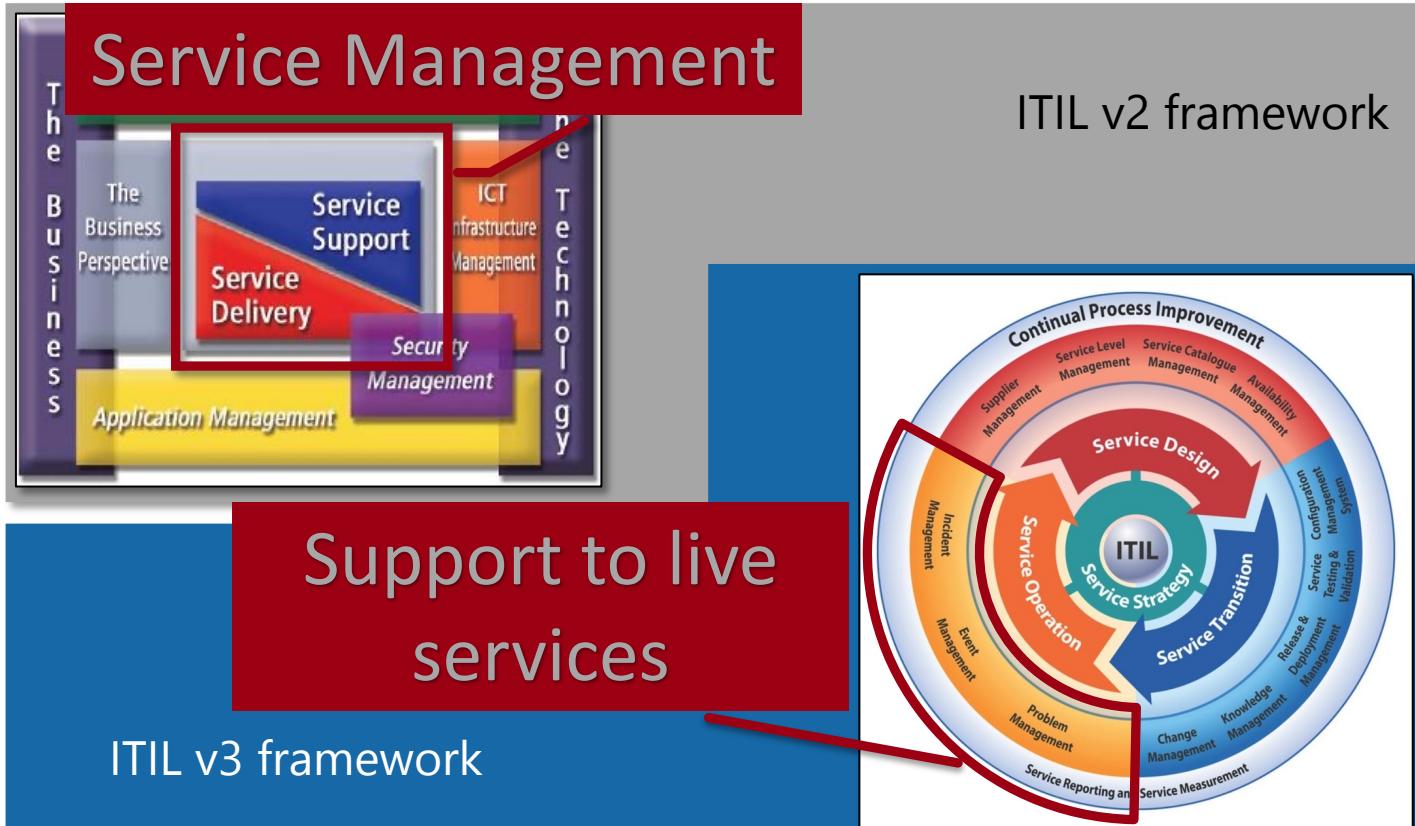
Service Management (ITSM) vs ITIL: what's the difference?

- **Service Management** relates to how you manage the services you deliver to your business partners or customers
- **ITIL** is simply one of many items you may have in your toolbox to help you do this well

Before we go any further, let's make sure we are on the same page about both service management as a discipline and ITIL as a good practice framework

ITIL FRAMEWORK

SECTION 3: ITSM & ITIL > ITSM FRAMEWORK



ITIL FRAMEWORK

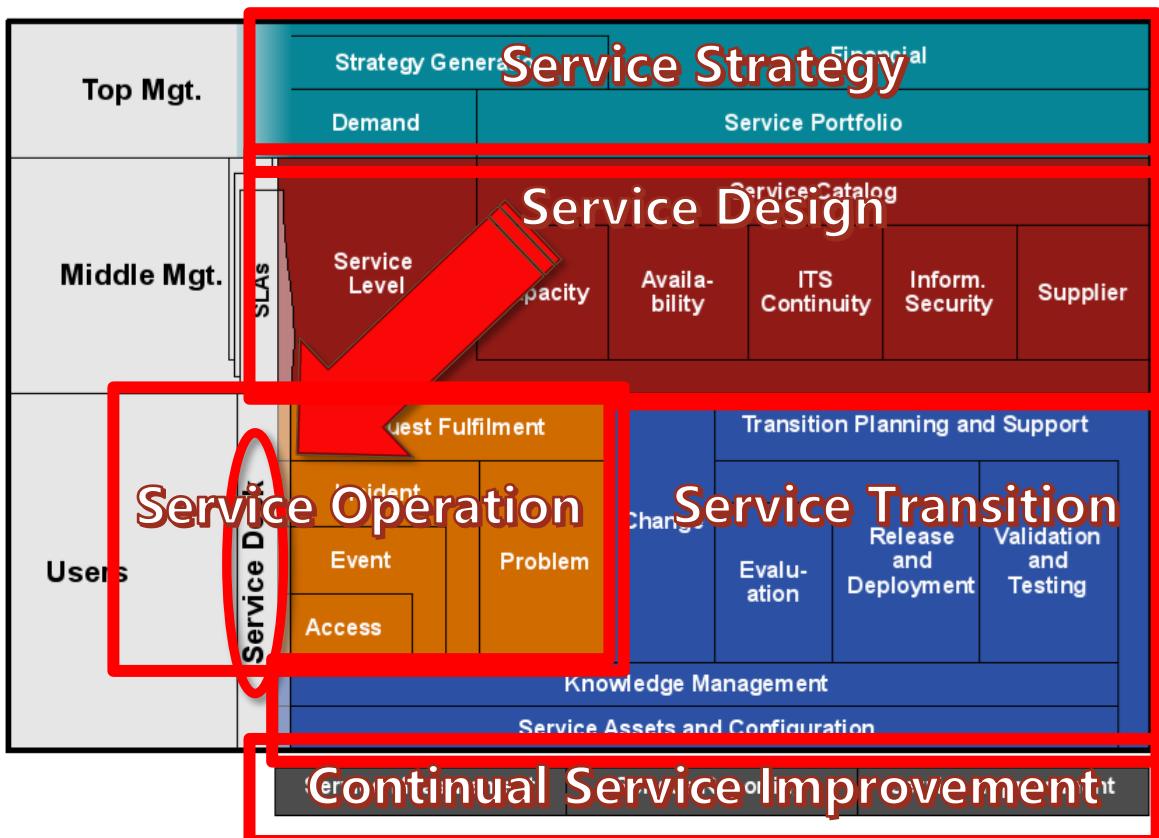
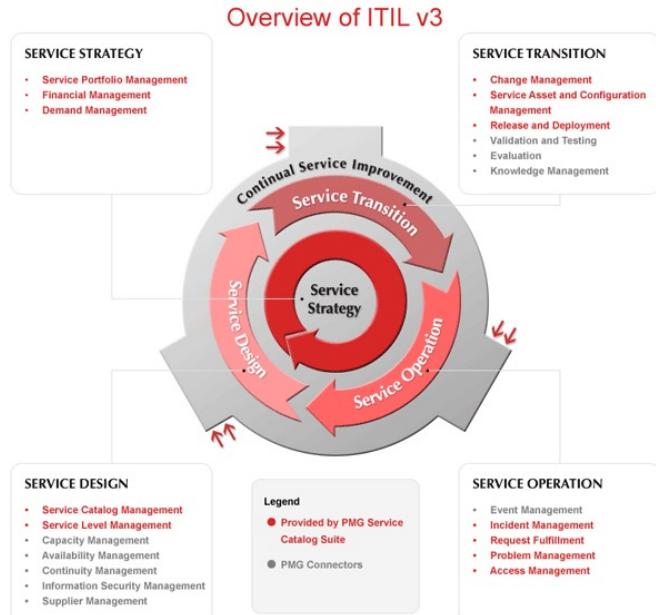
SECTION 3: ITSM & ITIL > ITSM FRAMEWORK



ITIL 2011 Overview <https://youtu.be/rXLUf3ug3aQ>

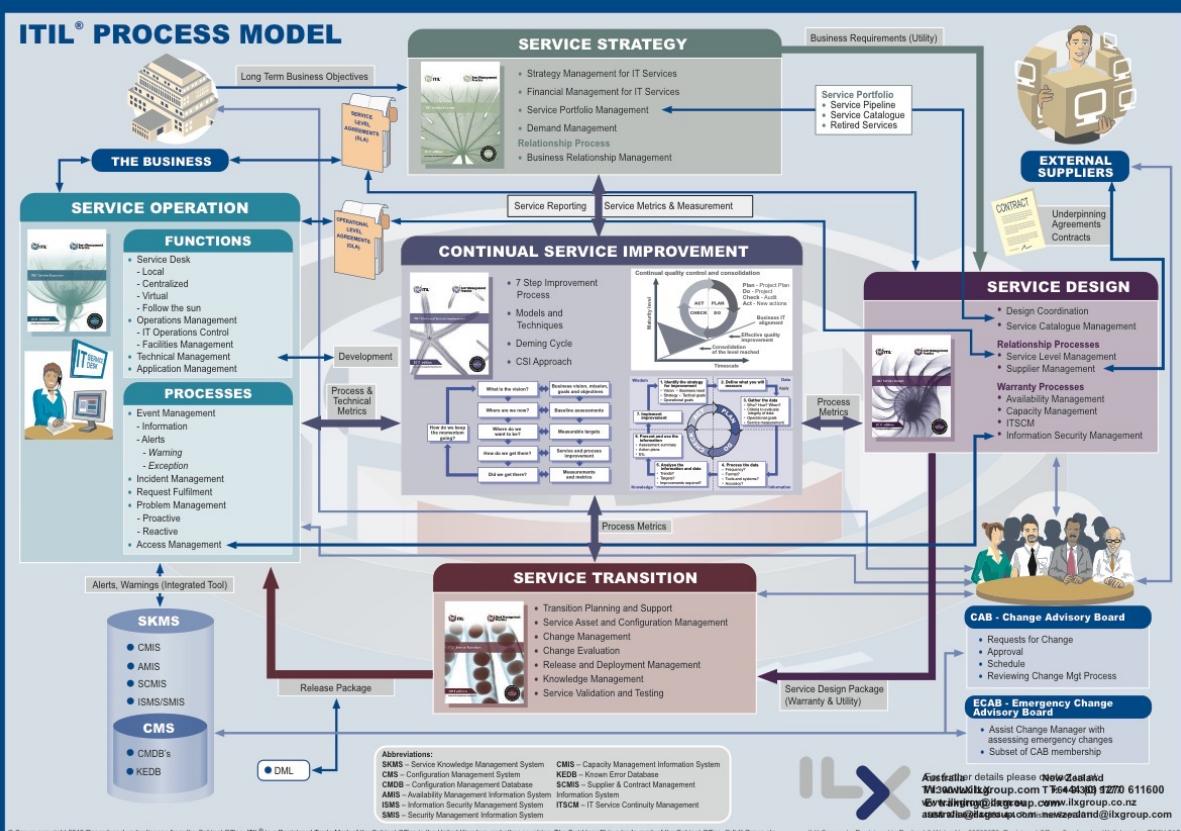
ITIL FRAMEWORK

SECTION 3: ITSM & ITIL > ITSM FRAMEWORK



ITIL FRAMEWORK

SECTION 3: ITSM & ITIL > ITSM FRAMEWORK



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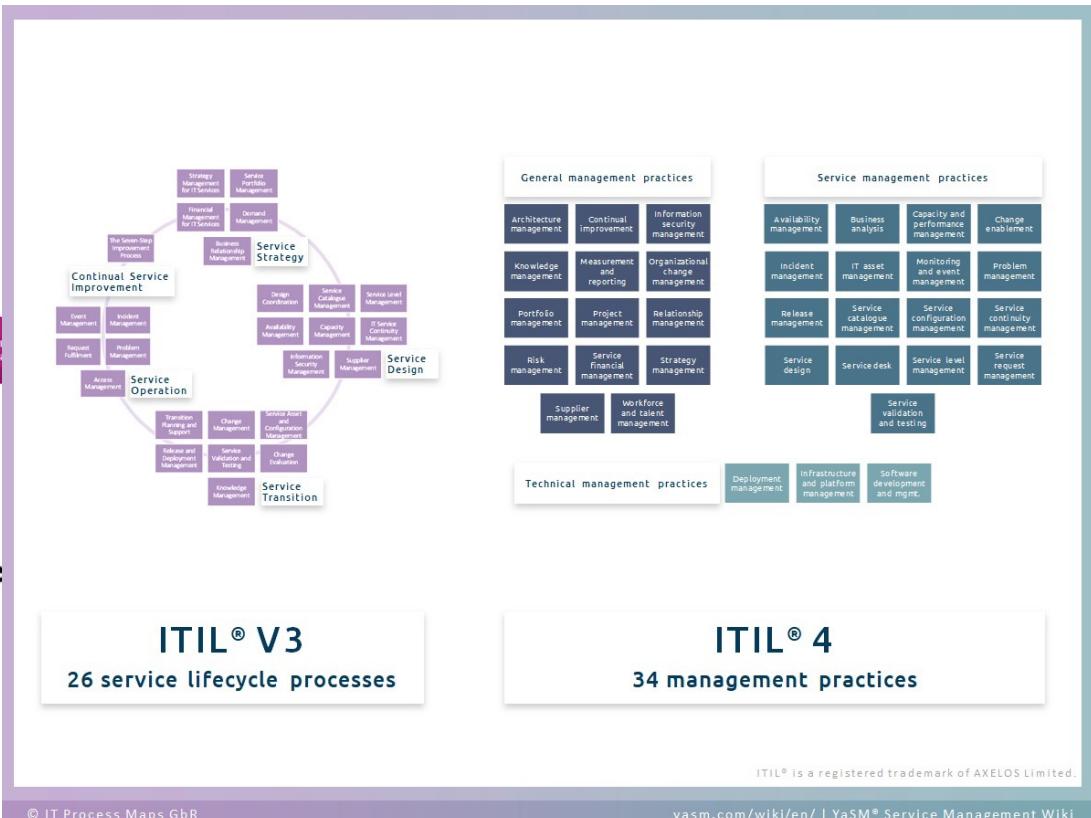
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ITIL FRAMEWORK

SECTION 3: ITSM & ITIL > ITSM FRAMEWORK



Difference-Service life cycle



ITIL FRAMEWORK

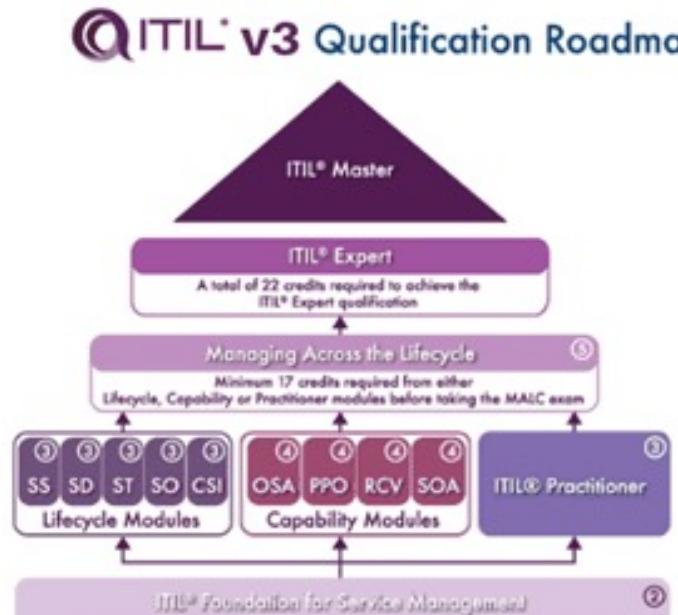
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ITIL v4 Big Picture <https://www.youtube.com/watch?v=1ZqhiwEAtTA>

ITIL FRAMEWORK

SECTION 3: ITSM & ITIL > ITSM FRAMEWORK



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