

FOUR DIMENSIONS OF SERVICE MANAGEMENT

Section 4

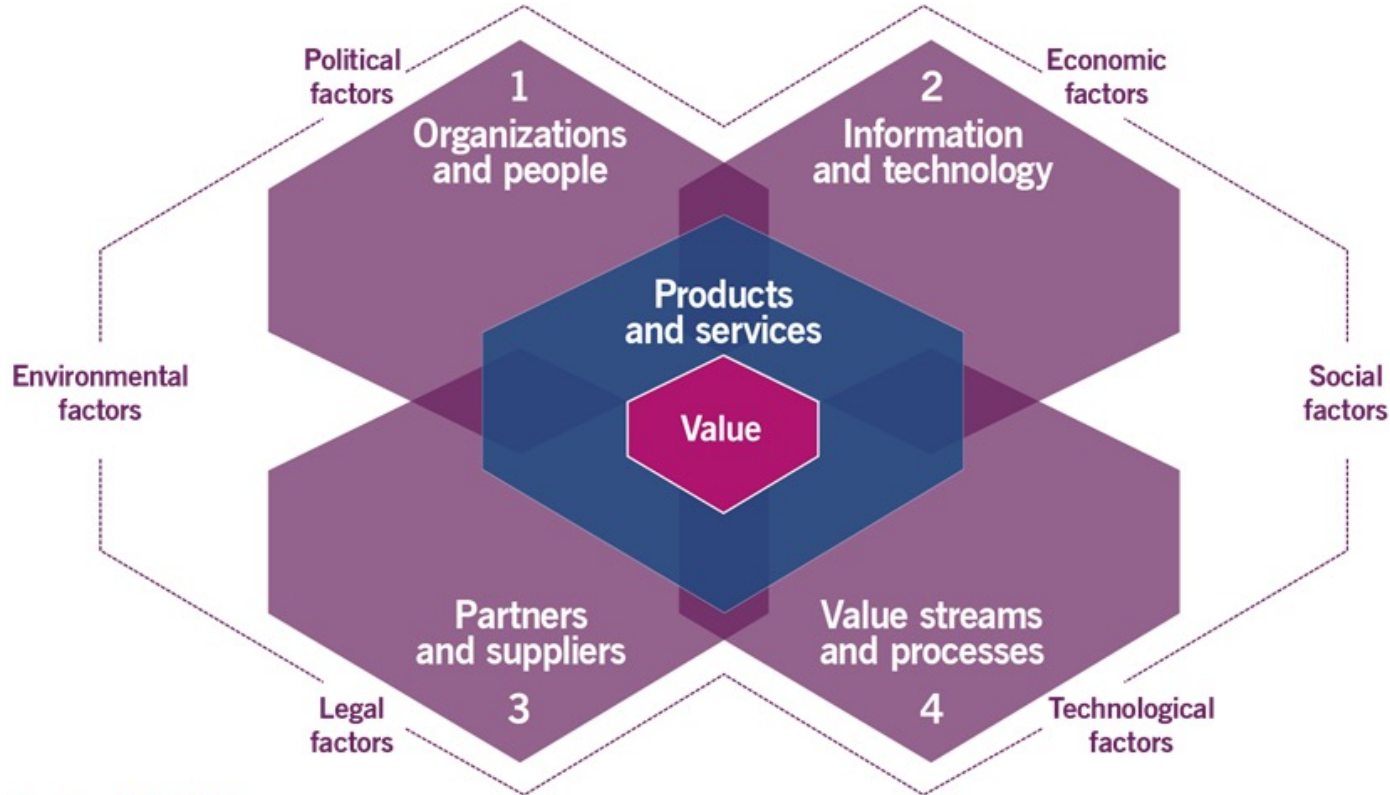
SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > AGENDA



FOUR DIMENSIONS OF SERVICE MANAGEMENT



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT

- The **objective** is to create value for its stakeholders, which is achieved through the provision and consumption of services
- The **four dimensions of service management** must be introduced
- **Organizations** should consider all aspects of their behavior to achieve desired outcomes
- However, in practice, organizations often become too focused on one area of their initiatives and neglect the others

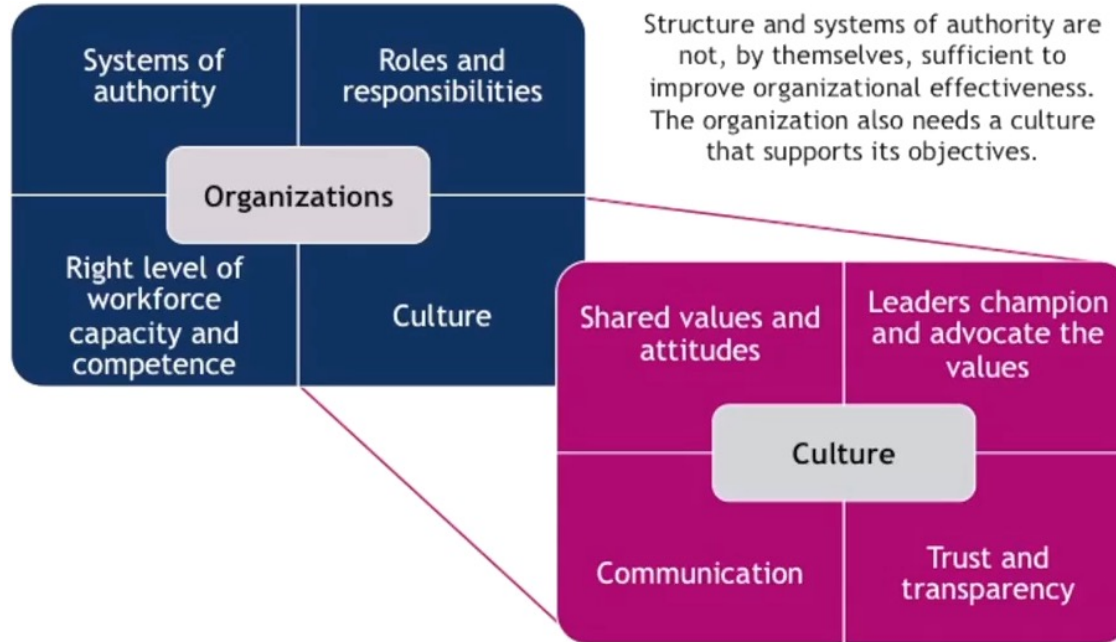
SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT

- These **four dimensions** represent perspectives that are relevant to the whole SVS, including the entirety of the service value chain and all ITIL practices
- The **four dimensions** are constrained or influenced by several external factors that are often beyond the control of the SVS
- Failing to address all **four dimensions** adequately may result in services becoming undeliverable or not meeting expectations of quality or efficiency

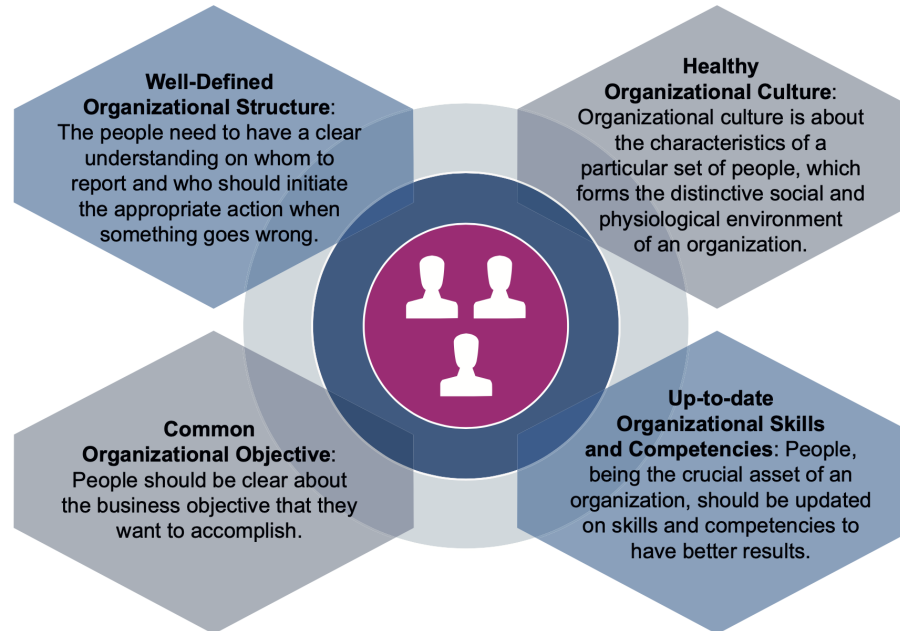
SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT

- Four Dimensions of Service Management
 - Organizations & People
 - Information & Technology
 - Partners and Suppliers
 - Value Streams and Processes
- PESTLE
 - Political, Economic, Social, Technological, Environmental and Legal

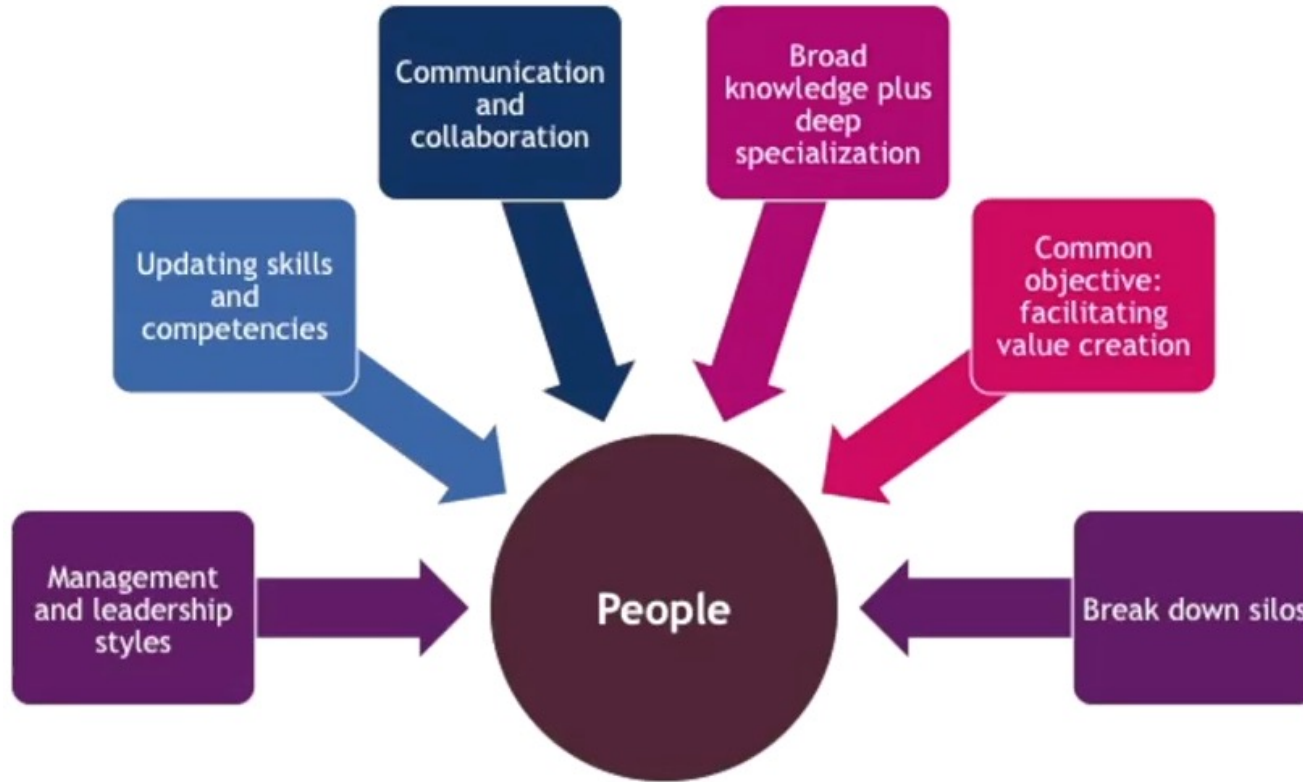
The **first dimension** of service management is **organizations and people**



The **first dimension** of service management is **organizations and people**



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > ORGANIZATIONS & PEOPLE



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > ORGANIZATIONS & PEOPLE

- Every **person** in the organization should have a clear understanding of their contribution towards creating value for the organization
- Promoting a **focus on value** creation is an effective method of breaking down organizational silos
- The **organizations** and people dimension of a service covers:
 - Roles and responsibilities
 - Formal organizational structures
 - Culture
 - Required staffing
 - Competencies

SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > ORGANIZATIONS & PEOPLE

How will we form our organizational structure?

Horizontal structure tend to be more agile

Vertical structures tend to be more process driven

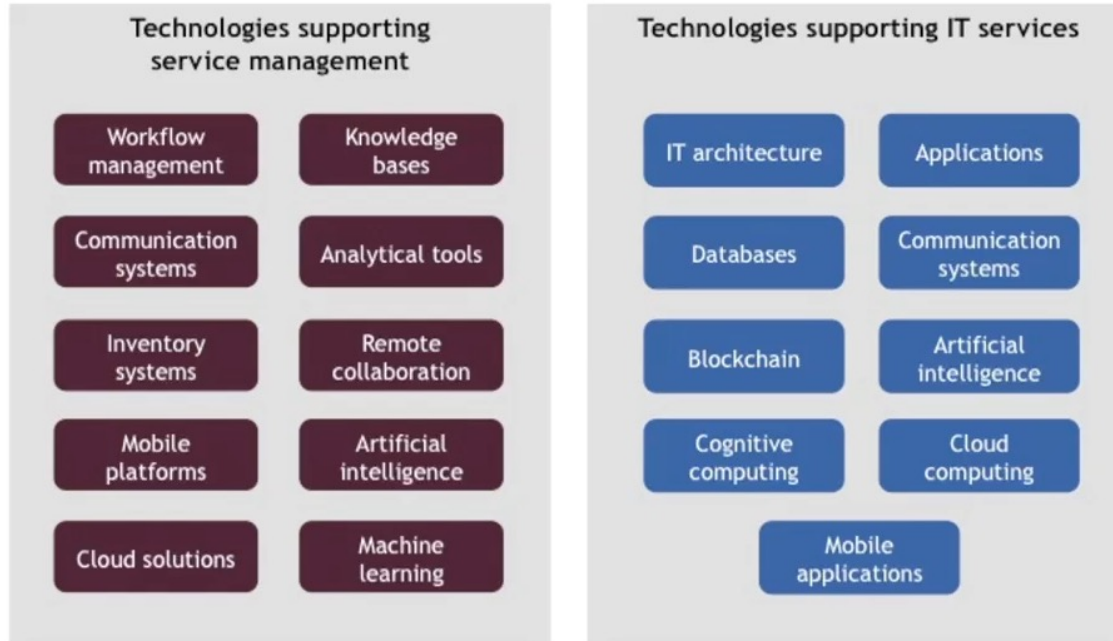
Continual training and development of your workforce is important

Culture: Shared values and attitudes of the organization

Culture starts at the top and funnels down throughout the company

SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > INFORMATION & TECHNOLOGY

The second dimension of service management is **information and technology**



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > INFORMATION & TECHNOLOGY

For many services, **Information Management** is the primary means of enabling customer value



Availability

Reliability

Accessibility

Timeliness

Accuracy

Relevance

Information management has challenges such as security and regulatory compliance requirements

Information technology considerations			
✓	Is it compatible with the current architecture?	✓	Does the organization have the right skills to support and maintain it?
✓	Does it raise any regulatory, compliance, or information security control issues?	✓	Does it have sufficient automation capabilities to be developed, deployed and operated?
✓	Will it continue to be viable in the foreseeable future?	✓	Does it have additional capabilities that can be leveraged for other products or services?
✓	Does it align with the service provider or service consumer strategy?	✓	Does it introduce new risks or constraints to the organization?

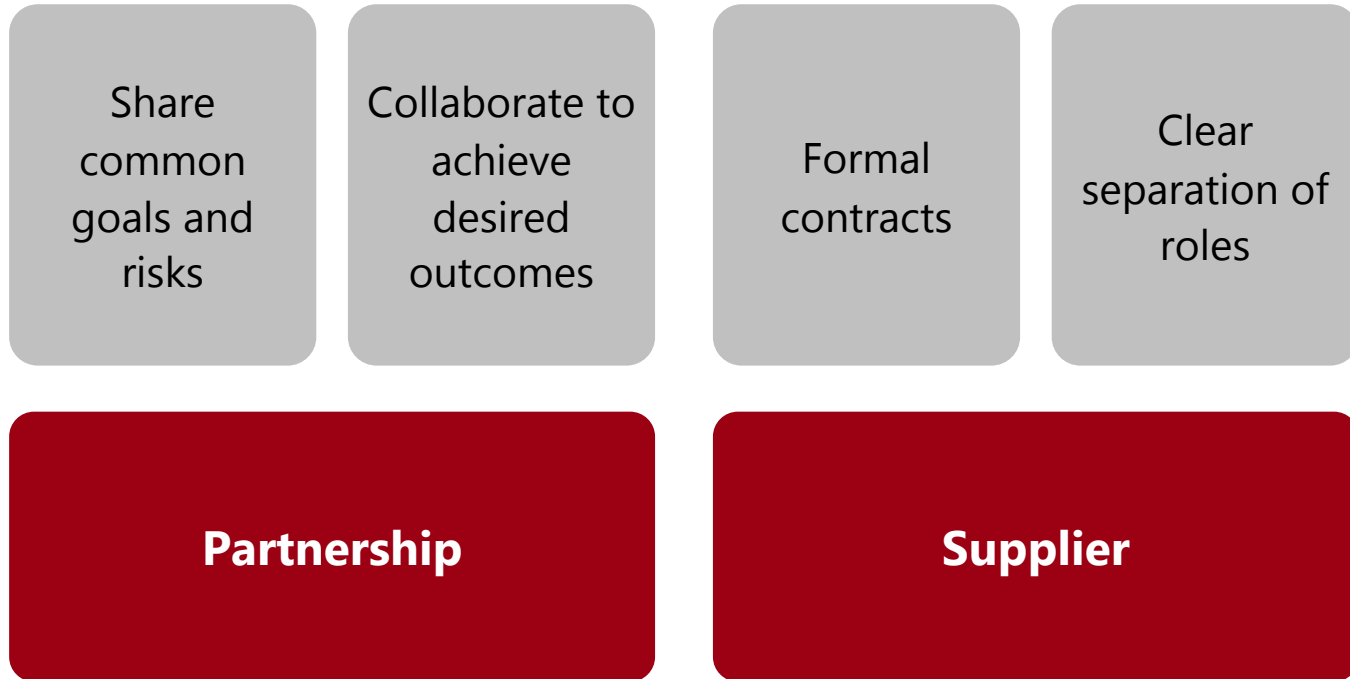
- **Service Management** increasingly benefits from developments in **Technology**
- **Artificial Intelligence, Machine Learning** and other cognitive computing solutions are used at all levels, from strategic planning and portfolio optimization to system monitoring and user support
- The use of mobile platforms, cloud solutions, remote collaboration tools, automated testing, and deployment solutions has become a common practice among service providers

SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > INFORMATION & TECHNOLOGY

- When applied to the **SVS**, it includes the information and knowledge necessary to manage services and the technologies required
- It incorporates the relationships between different components of the SVS, such as the **inputs** and **outputs** of activities and practices
- **Technology** that supports **IT Service Management** ensures the business can function properly
- Sometimes the **Technology** may be used in both areas
- For many **services**, **information management** is the primary means of enabling customer value

- **Encompasses** an organization's relationships with other organizations involved in the **design, development, deployment, delivery, support**, and/or **continual improvement** of services
- Incorporates contracts and other agreements between the organization and its partners or suppliers
- **Relationships** between organizations may involve various levels of integration and formality.
 - Formal contracts
 - Flexible partnerships

SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > PARTNERS & SUPPLIERS



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > PARTNERS & SUPPLIERS

- An organization acting as a **service provider** will have a position on this spectrum
- An organization acts as a **service consumer**, its role will depend on its strategy and sourcing and supplier management objectives
- When using **partners and suppliers**, an organization's strategy should be based on its goals, culture, and business environment
- **Other organizations** may choose to rely as much as possible on their resources, using partners and suppliers as little as possible

SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > PARTNERS & SUPPLIERS

- One method an organization may use to address the partners and suppliers' dimension is **service integration** and management
- This involves the use of a specially established integrator to ensure that **service relationships** are properly coordinated
- **Service integration** and management may be kept within the organization but can also be delegated to a trusted partner

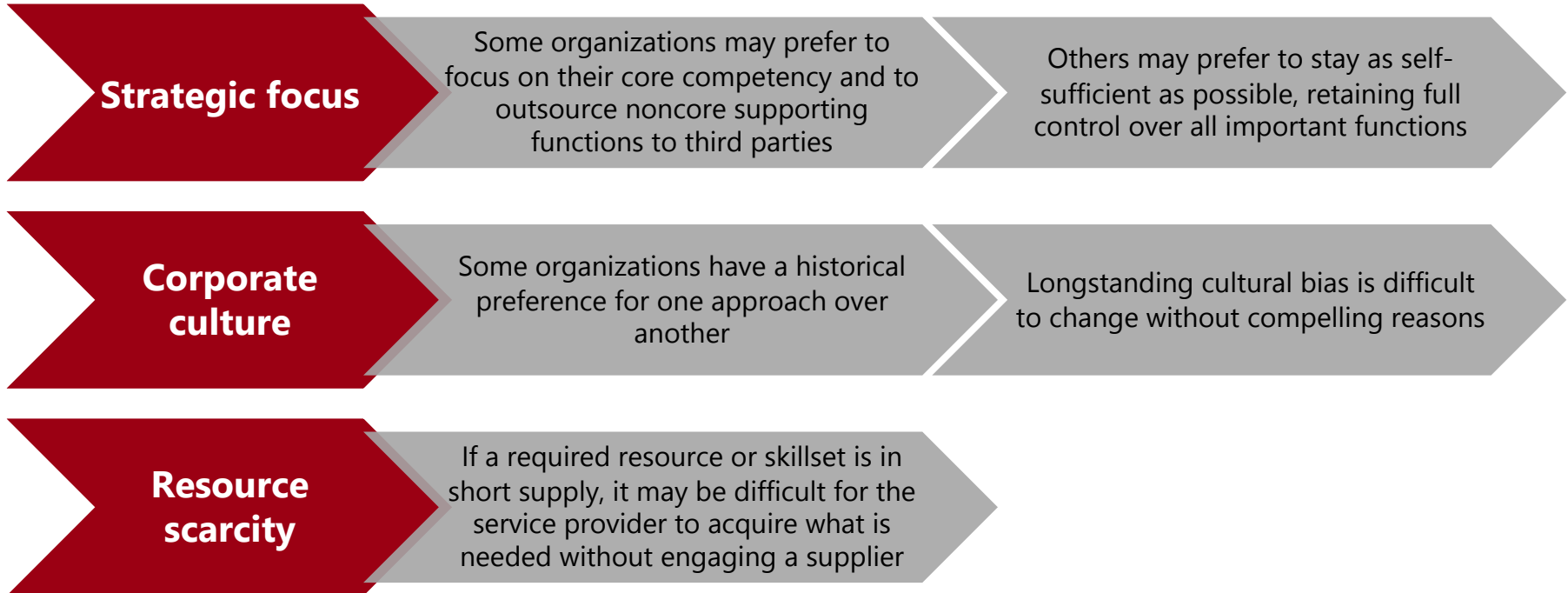
Service Integration & Management

- involves the use of specially established integrators to ensure that service relationships are properly coordinated

Every organization and every service depend on some extent on services provided by other organizations

An organization's strategy when it comes to using partners and suppliers should be based on its goal, culture and business environment

Factors that influence supplier strategies



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > PARTNERS & SUPPLIERS

Cost concerns

A decision may be influenced by whether the service provider believes that it is more economical to source a particular requirement from a supplier

Subject matter expertise

Sometimes it is less risky to use a supplier that already has expertise in a required area

External constraints

Government regulation or policy, industry codes of conduct, and social, political or legal constraints may impact an organization's supplier strategy

Demand patterns

Customer activity or demand for services may be seasonal or demonstrate high degrees of variability

Value Stream and Processes

define the activities, workflows, controls and procedures needed to achieve the agreed upon objectives

- The activities undertaken
- How activities are organized
- How value creation is ensured

Value Stream

a series of steps an organization undertakes to create and deliver products and services to service consumers



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > VALUE STREAMS & PROCESSES

For example, in McDonalds they are automating the cashiers and replace them with a machines.

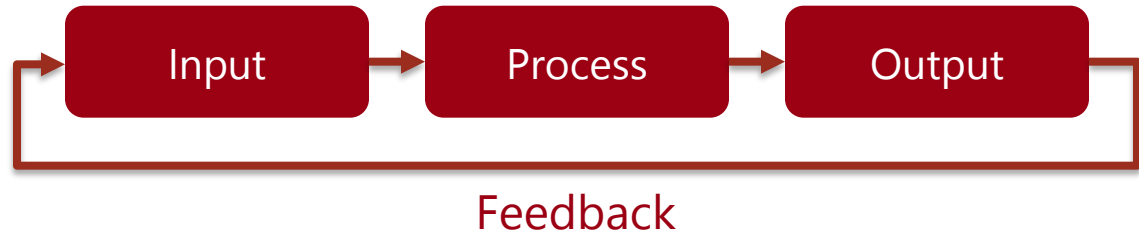


Process

a set of interrelated or interacting activities that transforms inputs into outputs

A well-defined process can improve productivity, be optimized and then become automated

- Ordering
- Manufacturing
- Delivery



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > VALUE STREAMS & PROCESSES

- A **well-defined** process can improve productivity, be optimized and then become automated
- What is the generic delivery model for the service and how does the service work?
- What are the value streams involving the agreed output of the service?
- Who and what will perform the required service actions?

SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > PESTLE

P – Political
E – Economic
S – Social
T – Technological
E – Environmental
L – Legal

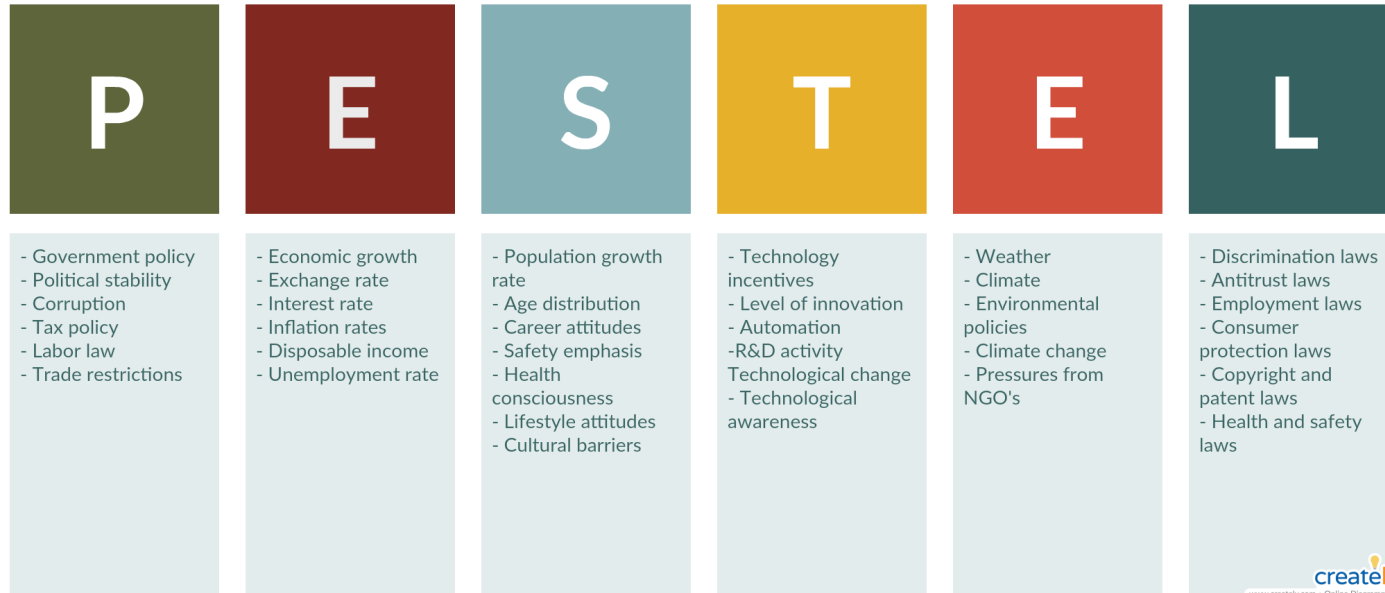
PESTEL model describes factors that constrain or influence how a service provider can operate



SECTION 3: FOUR DIMENSIONS OF SERVICE MANAGEMENT > PESTLE

PESTEL ANALYSIS

Add your company's basic information here



INCIDENT AS AN EXAMPLE

Organization and People

- How to organize our Team?
- How to organize communication, how to escalate, how to decide how many people we need...etc.
- Qualification, Hiring, paying salaries, testing...etc.

Information & Technology

- How to register the incident?
- Relationship between incidents, using technologies, software, hardware...etc.
- Incident workflow, reports, events, communicate data and share them.

INCIDENT AS AN EXAMPLE

Partner and Supplier

- How to communicate?
- How to choose suppliers, do we need partnership?
- Do we need external team for specific products like: printers, IPTV?

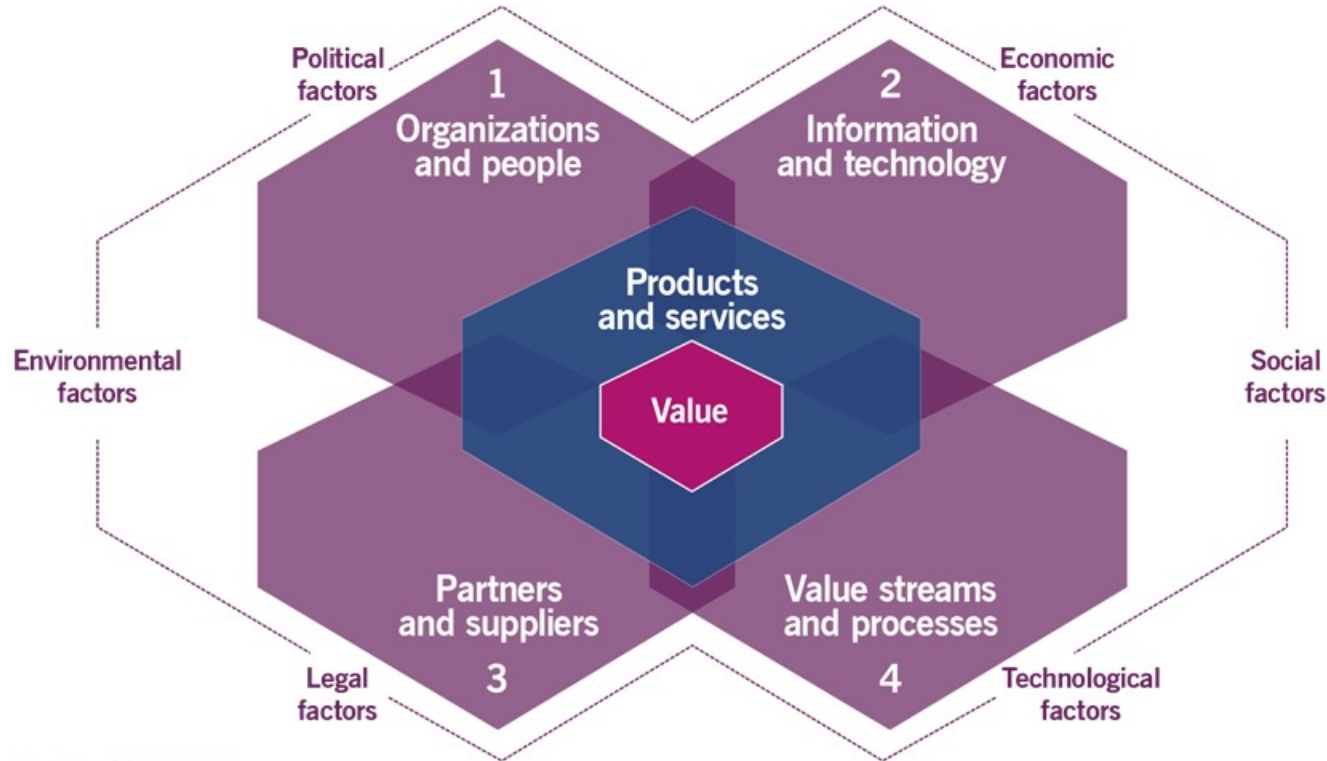
Value Streams & Processes

- How to build the incident process?
- who is the owner of this process?
- how to manage and how to monitor?

FOUR DIMENSIONS OF SERVICE MGMT



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > FOUR DIMENSIONS OF SERVICE MGMT



FOUR DIMENSIONS OF SERVICE MGMT



SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > FOUR DIMENSIONS OF SERVICE MGMT

ITIL v4 Other Stakeholders in Value <https://youtu.be/aYEwVmtcKsg>

SECTION 4: FOUR DIMENSIONS OF SERVICE MANAGEMENT > EXERCISE

Which service management dimension is focused on the communication systems and knowledge bases used by employees?

- Organizations and people
- Information and technology
- Partners and suppliers
- Value streams and processes

Which service management dimension is focused on the roles and responsibilities of the people involved in a process' workflow?

- Organizations and people
- Information and technology
- Partners and suppliers
- Value streams and processes

Which service management dimension is focused on an organization's relationships with other organizations in order to deliver its services?

- Organizations and people
- Information and technology
- Partners and suppliers
- Value streams and processes

SERVICE VALUE SYSTEM

Section 5

SECTION 5: SERVICE VALUE SYSTEM

For **Service Management** to function properly, it needs to work as a system

Service Value System (SVS)

- Describes how all the components and activities of the organization work together as a system to enable value co-creation
- One of the biggest challenges an organization can face is the presence of **organizational silos**
- **Require integration and coordination** of activities, practices, teams, authorities, and responsibilities

SECTION 5: SERVICE VALUE SYSTEM

- The **key inputs** to the **SVS** are **opportunity** and **demand**
- **Opportunities** represent options or possibilities to add value for stakeholders or otherwise improve the organization
- **Demand** is the need or desire for products and services among internal and external consumers
- The **outcome** of the **SVS** is value, that is, the perceived benefits, usefulness, and importance of something
- The **ITIL SVS** can enable the creation of many different types of value for a wide group of stakeholders

SECTION 5: SERVICE VALUE SYSTEM

The ITIL SVS includes the following components

Guiding principles

Recommendations 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 consumers and to facilitate value realization

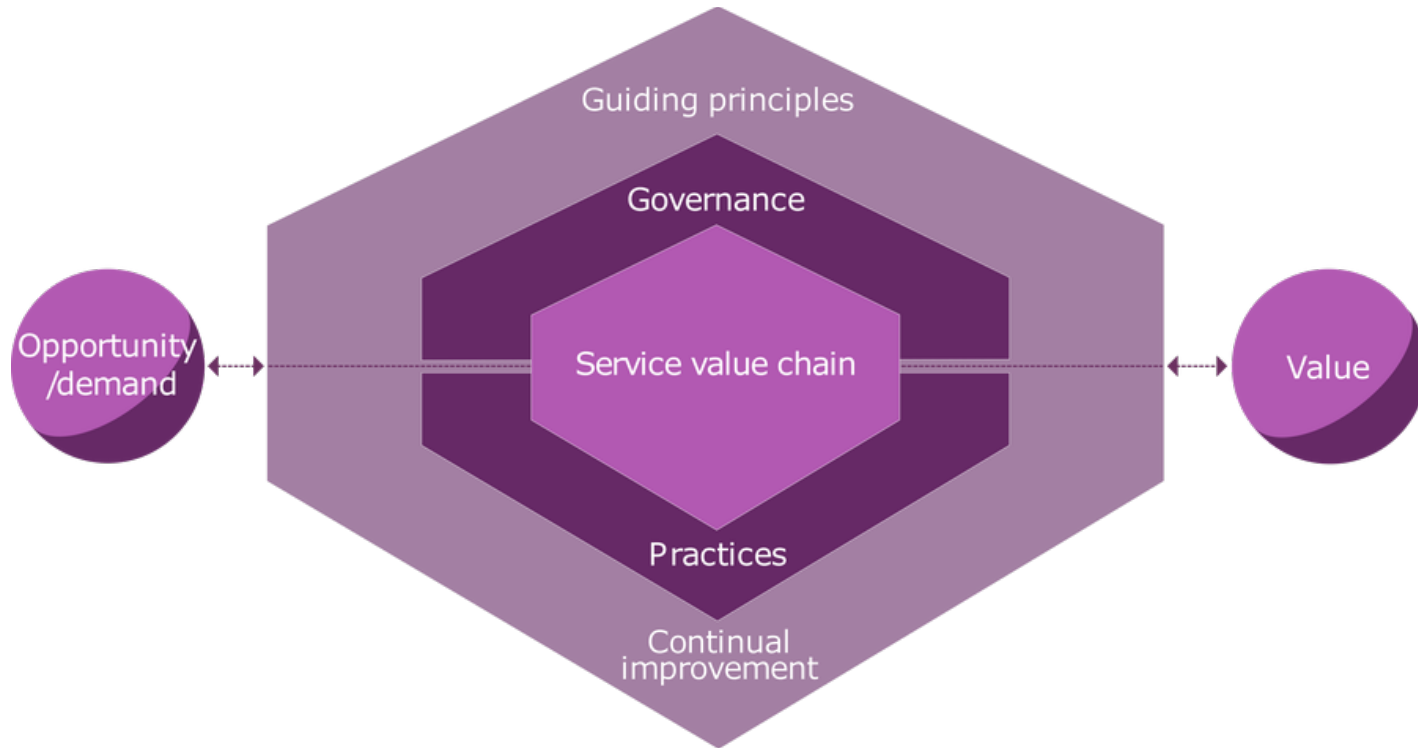
Practices

Sets of organizational resources designed for performing work or accomplishing an objective

Continual improvement

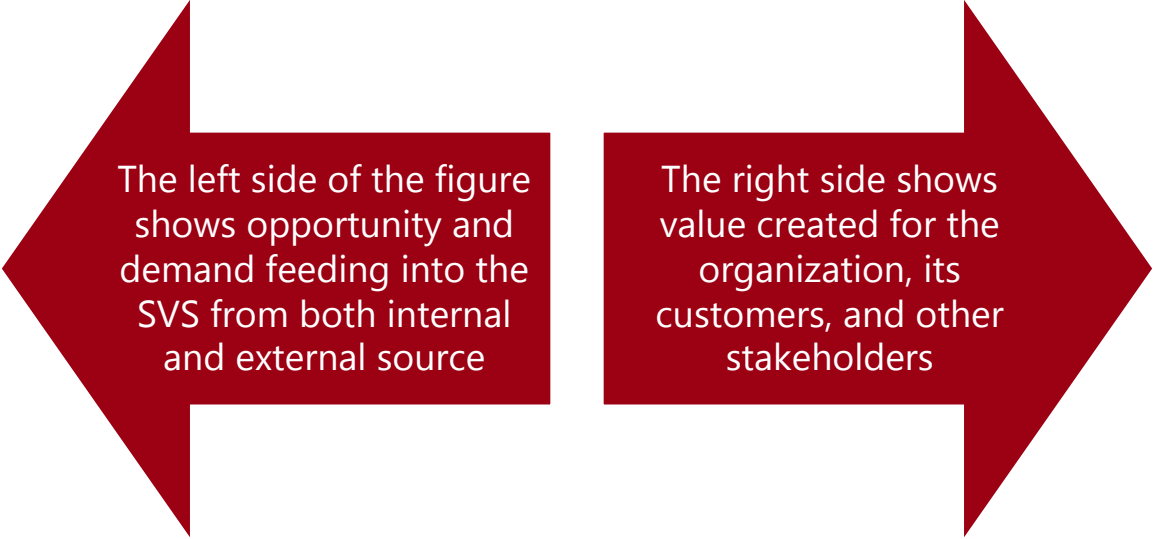
A recurring organizational activity performed at all levels to ensure that an organization's performance continually meets stakeholders' expectations

SECTION 5: SERVICE VALUE SYSTEM



Service Value System

ensure that the organization continually co-create value with all stakeholders through the use and management of products and services



The left side of the figure shows opportunity and demand feeding into the SVS from both internal and external source

The right side shows value created for the organization, its customers, and other stakeholders

SECTION 5: SERVICE VALUE SYSTEM > OPPORTUNITY, DEMAND, AND VALUE

Opportunities

Represent options or possibilities to add value for stakeholders or otherwise improve the organization

Demand

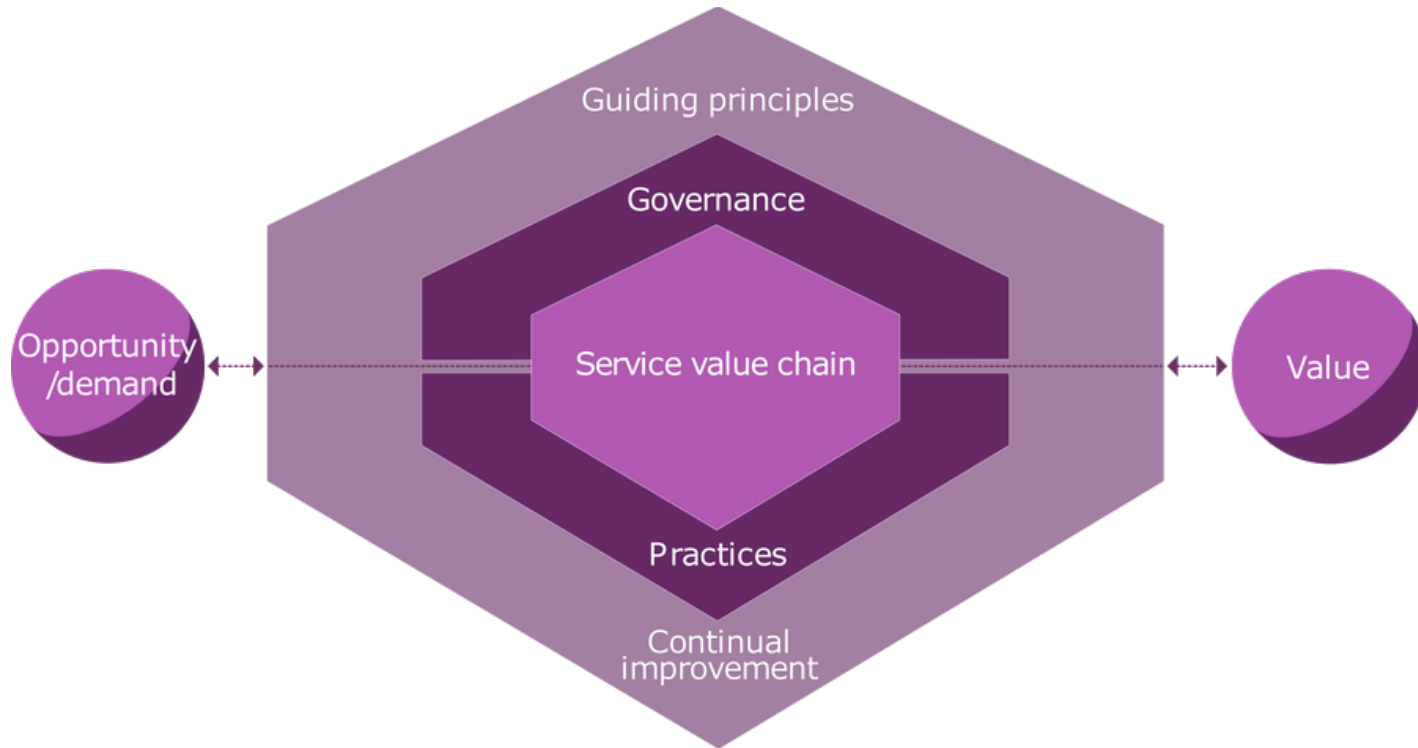
The need or desire for products and services among internal and external consumers

Value

is the outcome of the Service Value System

Enables the creation of many different types of **value** for a wide group of stakeholders

SECTION 5: SERVICE VALUE SYSTEM



SECTION 5: SERVICE VALUE SYSTEM

- **Organizational silos** can form in many ways and for many different reasons
- **Silos** can be resistant to change and can prevent easy access to the information which can reduce efficiency and increase both cost and risk
- **Silos** make it more difficult for communication or collaboration to occur across different groups
- The architecture of the ITIL SVS specifically enables flexibility and discourages siloed working

SECTION 5: SERVICE VALUE SYSTEM

- The **service value chain activities** and the **practices** in the SVS can be combined in multiple value streams to address the needs of the organization in a variety of scenarios
- **Organizations** should be able to define and redefine their value streams in a flexible, yet safe and efficient manner
- This requires **continual improvement** activity to be carried out at all levels of the organization; the ITIL continual improvement model helps to structure this activity

SECTION 5: SERVICE VALUE SYSTEM

- **The ITIL SVS** supports many work approaches with a flexible value-oriented operating model
- **The scope** of the SVS can be a whole organization or a smaller subset of that organization
- Include the whole organization in **the scope** to achieve the maximum value from the SVS and to properly address the issue of organizational silos

Which ITIL concept describes governance?

- The seven guiding principles
- The four dimension of service management
- The service value chain
- The service value system

Which is intended to help an organization adopt and adapt ITIL guidance?

- The four dimensions of service management
- The guiding principles
- The service value chain
- Practices

SECTION 5: SERVICE VALUE SYSTEM > EXERCISE

Fill in the blank. The purpose of the [?] is to ensure that the organization continually co-creates value with all stakeholders through the use and management of products and service.

- Activities
- Practices
- Service value system
- Service value chain

GUIDING PRINCIPLES

Section 6

SECTION 6: SERVICE VALUE SYSTEM > AGENDA

GUIDING PRINCIPLES

Focus on Value

Start Where You
Are

Progress
Iteratively with
Feedback

Collaborate and
Promote
Visibility

Think and Work
Holistically

Keep it simple
and practical

Optimize and
Automate

Guiding Principles

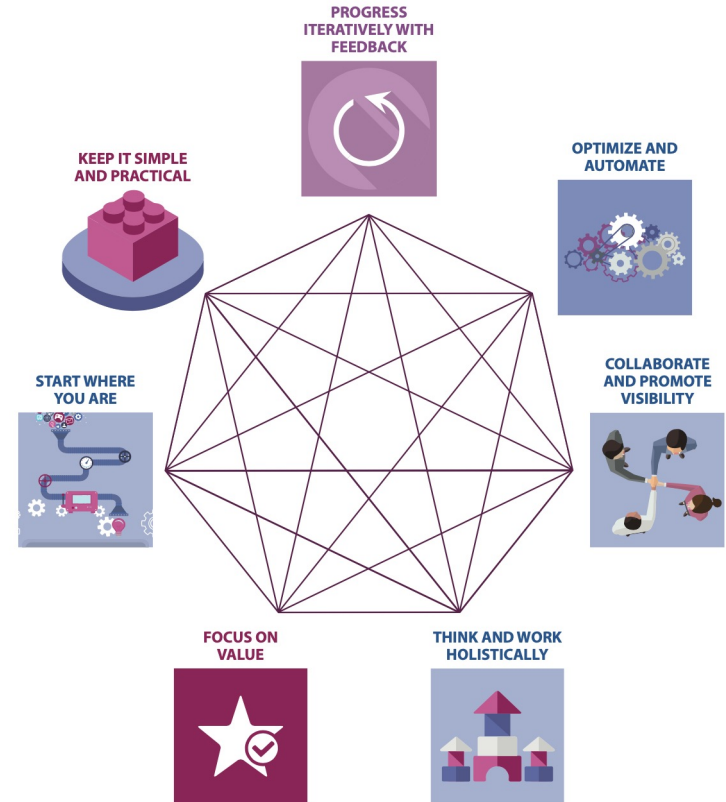
- a recommendation that guides an organization in all circumstances
- The **guiding principles** embody the core messages of ITIL and service management in general, supporting successful actions and good decisions of all types and at all levels
- These principles reflected in many other frameworks, methods, standards, philosophies, and/or bodies of knowledge, such as **Lean, Agile, DevOps**, and **COBIT**
- This allows organizations to effectively integrate multiple methods into an overall approach to service management

SECTION 6: GUIDING PRINCIPLES

Guiding Principles

Organizations should not use just one or two of the principles but should consider the relevance of each of them and how they apply together.

Not all principles will be critical in every situation, but they should all be reviewed on each occasion to determine how appropriate they are.



SECTION 6: GUIDING PRINCIPLES

- The **guiding principles** apply to practically any initiative and to all relationships with stakeholder groups
 - For example, the first principle, focus on value, can (and should) be applied not only to service consumers, but to all relevant stakeholders and their respective definitions of value
- **Guiding principles** are applied universally to any initiative
- Encourage and support organizations in **continual improvement**
- Consider which of the guiding principles are relevant to your situation

Focus on Value

everything the organization does should link back, directly or indirectly, to value for itself, its customers, and other stakeholder

Understand and identify the service consume



Understand the consumer's perspective of value



Map value to intended outcomes which change over time.



Understand the customer experience or user experience

SECTION 6: GUIDING PRINCIPLES > FOCUS ON VALUE

- Know how your **consumers** and customers will use each service
- Encourage a **focus on value** among the entire staff
- **Focus on value** during operational activity and during improvement initiatives
- Include a **focus on value** in every step of any improvement initiative

Start Where You Are

don't start over without first considering what is already available to be leveraged

- If you have a decision on how to proceed, then it should be based on accurate information
- Measurement should be used to support the analysis of what has been observed rather than to replace it
- Measuring can affect the results
 - employees can play with measurements, so they get better results

SECTION 6: GUIDING PRINCIPLES > START WHERE YOU ARE

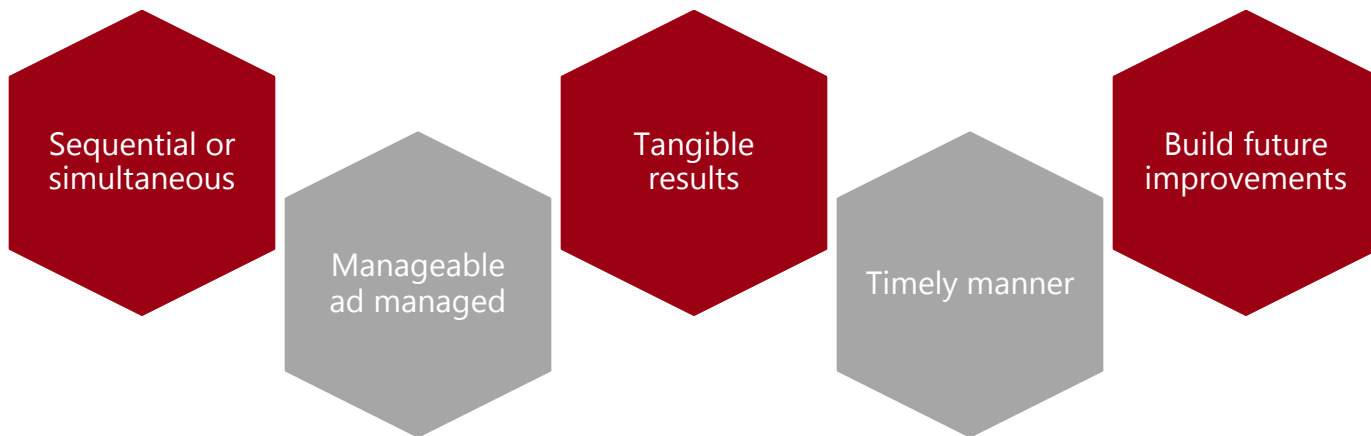
- Measure your **outcomes**, not your **outputs**
 - Look at what exists as objectively as possible
 - Determine if successful practices or services can be replicated or expanded
 - Apply your risk management in the decision-making process
 - Recognize that sometimes nothing from your current state can be reused
- What can be reused or improved upon?



Start Where You Are - ITIL Practitioner Guiding Principles <https://youtu.be/CX3KYVACYTQ>

Progress Iteratively with Feedback

working in a time-boxed and embedded feedback loops allows for greater flexibility, faster responses to needs, the ability to respond to failure earlier, and an overall improvement in quality



SECTION 6: GUIDING PRINCIPLES > PROGRESS ITERATIVELY WITH FEEDBACK

Feedback Loop

occurs when part of the output of an activity is used as a new input

To apply this principle successfully, consider this advice

Comprehend the whole, but do something

Must be continually reevaluated to reflect changes to the circumstances accurately

The ecosystem is constantly changing, so feedback is essential

Utilize feedback before, throughout, and after each iteration

Fast does not mean incomplete

Understand where work comes from, where outputs go, and how actions affect outcomes

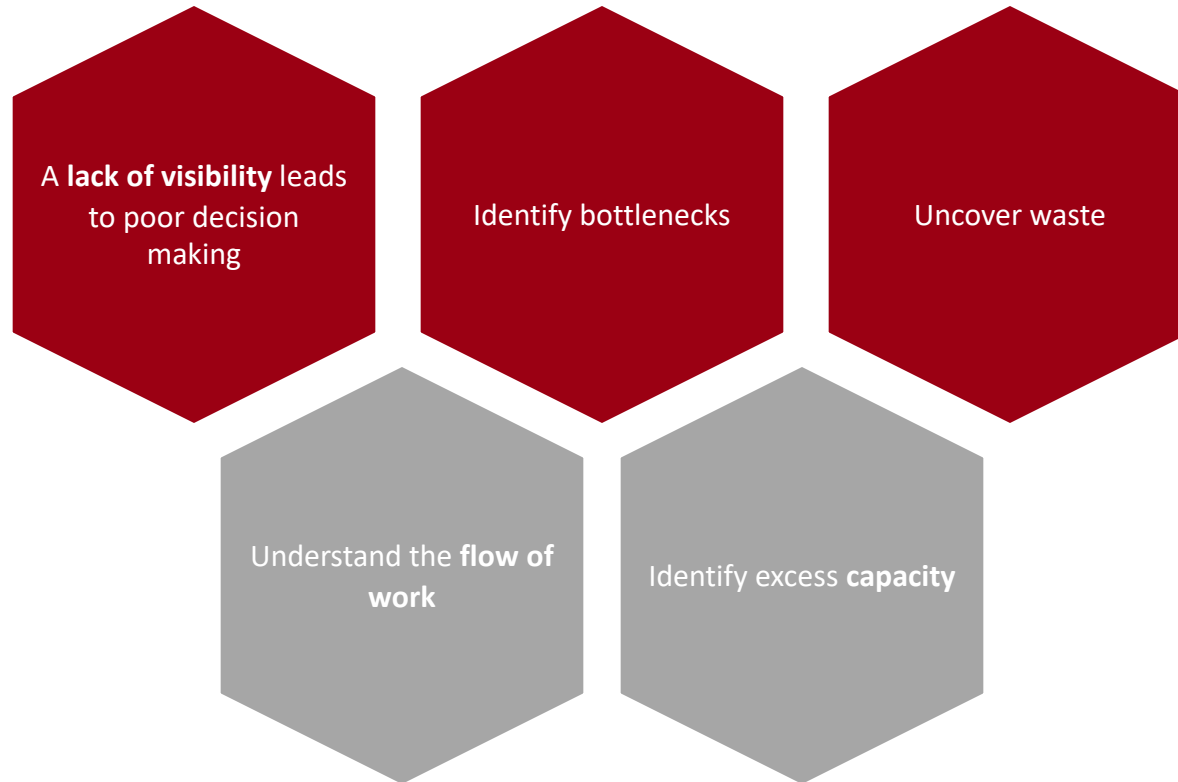
SECTION 6: GUIDING PRINCIPLES > COLLABORATE AND PROMOTE VISIBILITY

Collaborate and Promote Visibility

puts the right people in the correct roles, achieve better buy-in, have more relevance, and gain an increased likelihood of long-term success

- **Collaboration** is about working together
- **Collaboration** increases visibility
- **Improvement** work may take a lower priority over other tasks with daily urgency

SECTION 6: GUIDING PRINCIPLES > COLLABORATE AND PROMOTE VISIBILITY



KANBAN BORAD

INFORMATION
RADIATOR

- **Collaboration** does not necessarily mean consensus
 - It is 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

SECTION 6: GUIDING PRINCIPLES > THINK AND WORK HOLISTICALLY

Taking a holistic approach to service management includes establishing an understanding of how all the parts of an organization work together in an integrated way

When you have a holistic understanding, you know how something works from end to end

SECTION 6: GUIDING PRINCIPLES > THINK AND WORK HOLISTICALLY

- Recognize the **complexity** of the system
 - Different levels of complexity require different heuristics for decision-making
- **Collaboration** is key to thinking and working holistically
- Look for patterns of interactions between system elements
 - Draw on knowledge in each area to identify what is essential for success
- Automation can help you to work more holistically
 - Automation can support end-to-end visibility for the organization and provide an efficient means of integrated management

Keep It Simple and Practical

Outcome-based thinking should be used to produce practical solutions which deliver valuable outcomes using the minimum number of steps

- Establish a holistic view of the organization's work
- Start with an uncomplicated approach
- Do not try to produce a solution for every exception
- Be mindful of how we can complete the objectives
- Keep it simple and practical

Optimize & Automate

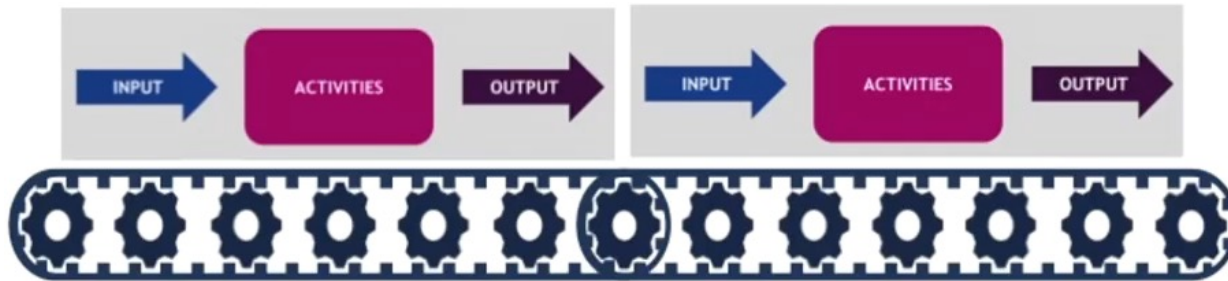
Optimization means to make something as effective and useful as it needs to be



Automation

Using technology to perform a step or series of steps correctly and consistently with limited or no human intervention.

- Automate frequent and repetitive tasks
- Simplest form of automation involves standardizing and streamlining manual tasks



SECTION 6: GUIDING PRINCIPLES > OPTIMIZE AND AUTOMATE

- **Simplify** and/or optimize before automating
 - Attempting to automate something that is complex or suboptimal is unlikely to achieve the desired outcome.
- **Define** your metric
 - The intended and actual result of the optimization should be evaluated using an appropriate set of metrics.
- Use the other guiding principles when applying this one (see the next slide)

Use the other guiding principles when applying this one

- Progress iteratively with feedback
 - Iterative optimization and automation will make progress visible and increase stakeholder buy-in for future iterations
- Keep it simple and practical
 - It is possible for something to be simple, but not optimized, so use these two principles together when selecting improvements
- Focus on value
 - Selecting what to optimize and automate and how to do so should be based on what will create the best value for the organization
- Start where you are
 - The technology already available in the organization may have features and functionalities that are currently untapped or under-utilized

Which describes the nature of the guiding principles?

- A guiding principle can guide an organization in all circumstances
- Each guiding principles mandates specific actions and decisions
- An organization will select one of the principles to adopt.
- Guiding principles describe the processes that all organizations must adopt

Which is intended to help an organization adopt and adapt ITIL guidance?

- The four dimensions of service management
- The guiding principles
- The service value chain
- Practices

SECTION 6: GUIDING PRINCIPLES > EXERCISE

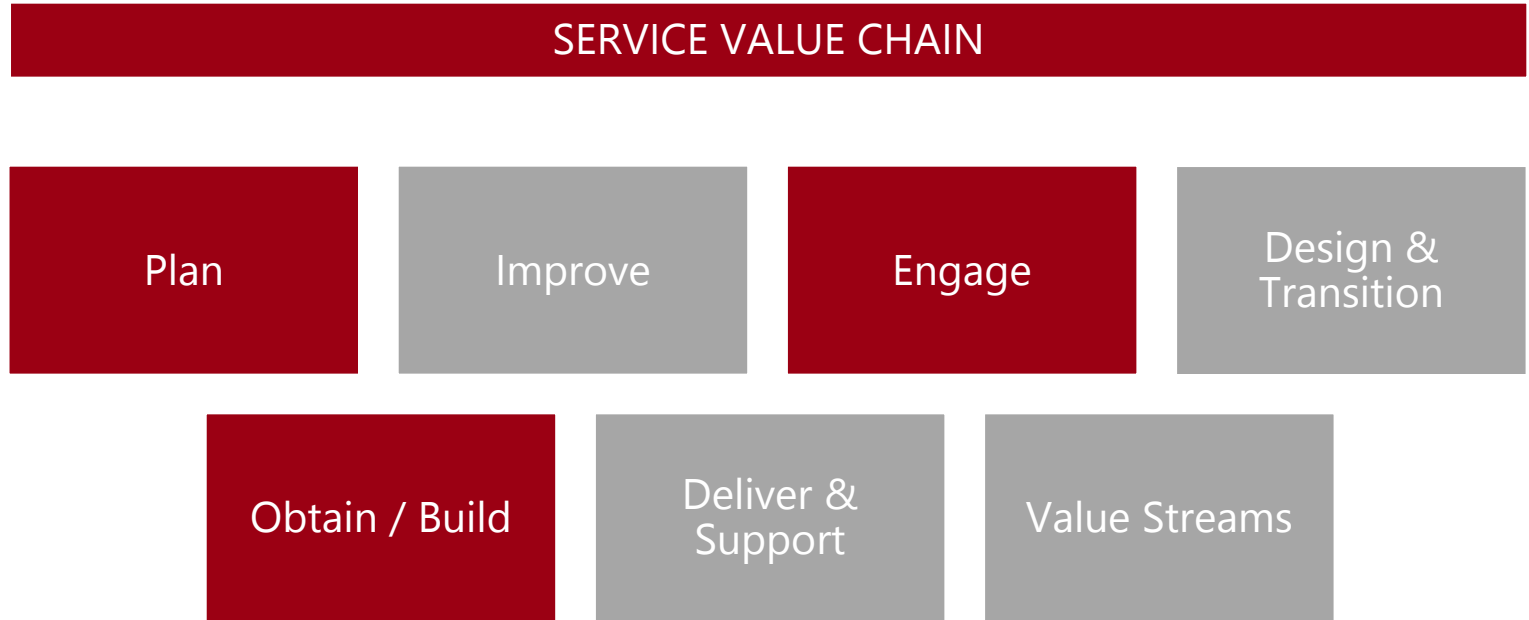
You have been asked to investigate an email service within your organization that is failing to meet its intended outcomes. You begin by determining the intended outcome and then observe the current service with as much objectivity as possible. Based on your observations, you are able to determine that the current service is not meeting its utility and warranty requirements. Which guiding principles best describes your actions in this scenario

- Optimize and automate
- Keep it simple and practical
- Collaborate and promote visibility
- Start where you are

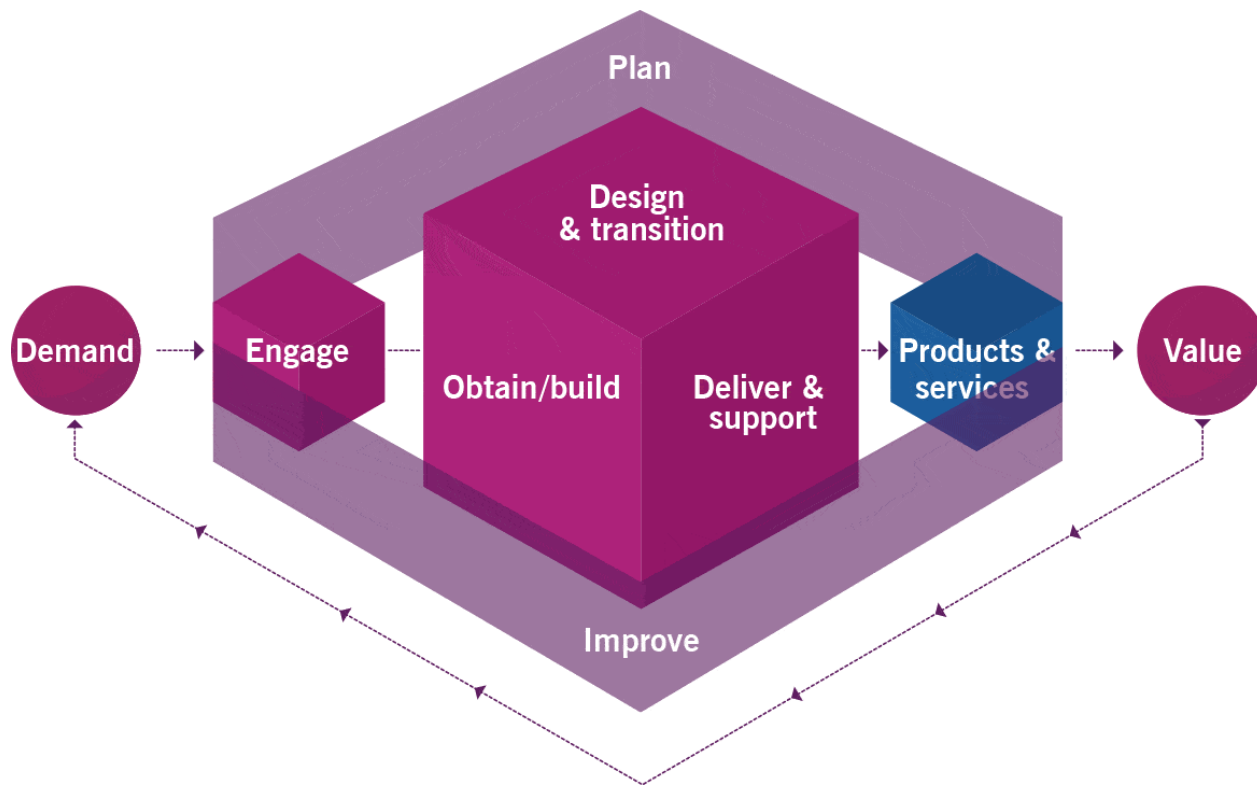
SERVICE VALUE CHAIN

Section 7

SECTION 7: SERVICE VALUE CHAIN > AGENDA



SECTION 7: SERVICE VALUE CHAIN



SECTION 7: SERVICE VALUE CHAIN > SERVICE VALUE CHAIN INTRO

- The **central element** of the **SVS** is the **Service Value Chain**, an operating model which outlines the key activities required
- In respond to demand and facilitate value realization through the creation and management of products and services
- The six **value chain activities** are:

engage

improve

plan

design and transition

obtain/build

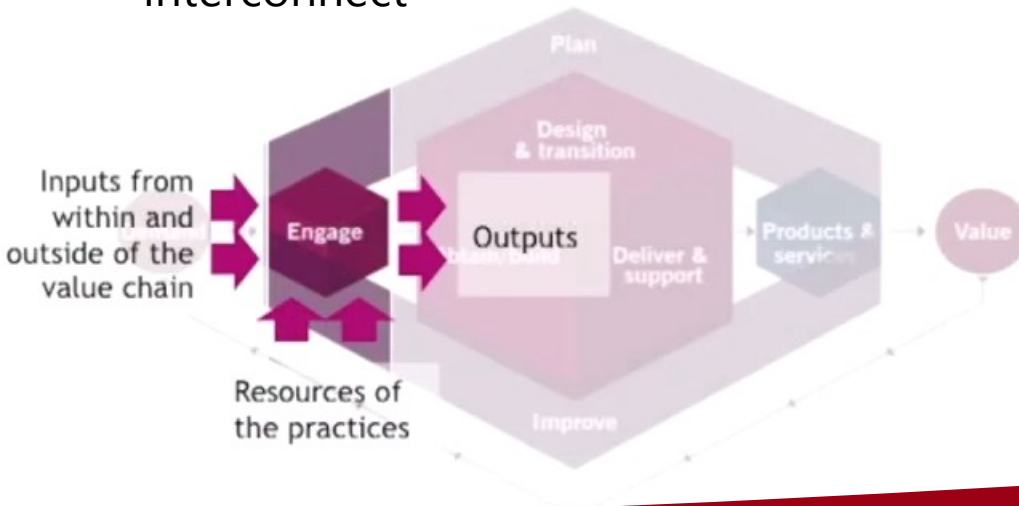
deliver and support.

SECTION 7: SERVICE VALUE CHAIN

- 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

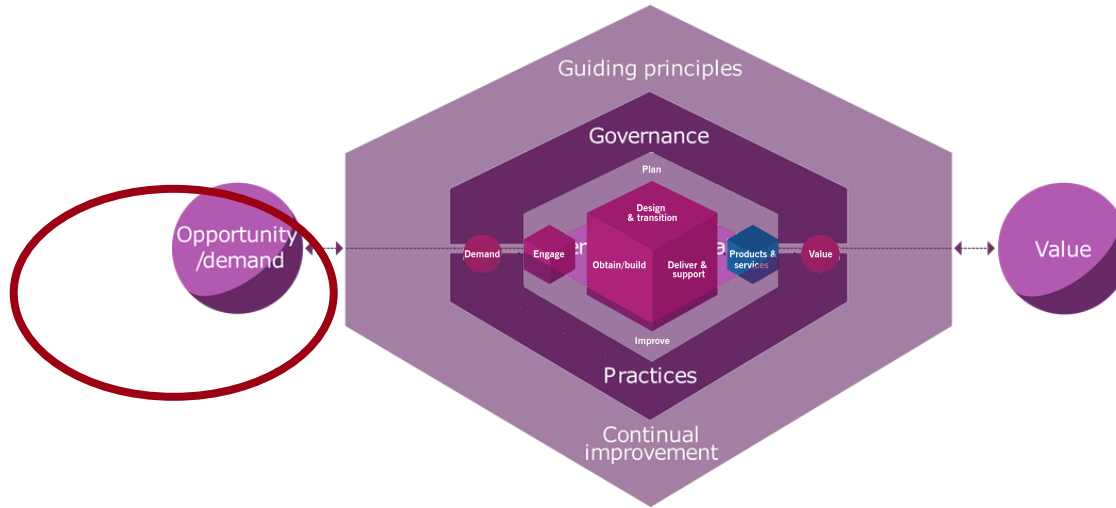
SECTION 7: SERVICE VALUE CHAIN

- To convert **inputs** into **outputs**, the value chain activities use different combinations of **ITIL practices**, drawing on internal or third-party resources, processes, skills, and competencies as required
- Understanding the **activities** and the service value chain, and how they interconnect



- Describe the **interconnected** nature of the **service value chain** and how this support value streams

SECTION 7: SERVICE VALUE CHAIN



Service Value System

Service Value Chain

SECTION 7: SERVICE VALUE CHAIN



ITIL v4 Service Value Chain Defined <https://youtu.be/J3RoUVFDdQ0>

SECTION 7: SERVICE VALUE CHAIN

Service Value Chains Activities

- All incoming and outgoing interactions are performed through the **engage activity**
- All new resources are obtained through the **obtain/build activity**
- Planning at all levels is performed via **plan activity**
- Improvements at all levels are initiated and managed through the **improve activity**
- Integration and coordination between **design & transition, obtain/build, and delivery & support**

PLAN

ensure a shared understanding of the vision, current status, and improvement direction for all four dimensions and all products and services across the organization

Inputs

- Policies, requirements, and constraints provided by the organization's governance body
- Consolidated demands and opportunities provided by **engage**
- Value chain performance information, improvement initiatives, plans, and status provided by **improve**
- Information about new or changed products and services from **design & transition** and **obtain/build**

Outputs

- **Strategic, Tactical, and Operational** Plans
- **Portfolio decisions**, architecture, and policy are sent to **design & transition**
- **Feedback** on **improvement** opportunities to **improve**
- **Product** and **Service Portfolio**, contract requirements, and agreement requirements to **engage**
- **Contract** and agreement requirements for **engage**

Improve

ensure continual improvement of products, services and practices across all value chain activities and the four dimensions of service management

Inputs

- Product and service performance information from **deliver & support**
- Stakeholders feedback from **engage**
- Performance information and improvement opportunities from all **value chain activities**
- Knowledge and information about new and changed products and services from **design & transition** and **obtain/build**
- Knowledge and information about third-party components from **engage**

Outputs

- Improvement initiatives and plans for all value chain activities
- **Value chain** performance information from plan and the governing body
- Improvement status reports for all value chain **activities**
- Contracts and agreement requirements for **engage**
- Service performance information for **design & transition**

Engage

provides a good understanding of stakeholder needs, continual engagement, and transparency, and maintains good relationships with all stakeholders

Input

- A 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 & support**
- Marketing opportunities from current and potential customers and users

SECTION 7: SERVICE VALUE CHAIN > ENGAGE

- **Cooperation** opportunities and feedback, provided by partners and suppliers
- Contract and agreement requirements from 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 suppliers and partners
- Product and service performance information from **deliver & support**
- Improvements initiatives and plans from **improve**
- Improvement status reports from **improve**

Outputs

- Consolidated demands and opportunities for **plan**
- Product and service requirements for **design & transition**
- User support tasks for **deliver & 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

Design & Transition

ensure that products and services continually meet stakeholder expectations for quality, cost, and time to market

Inputs

- Portfolio decisions, architectures and policies, provided by **plan**
- Product and service requirements, provided by **engage**
- Improvement initiatives and plans and Improvement status reports provided by **improve**
- Service performance information, provided by **deliver and support**, and **improve**

- Service components from **obtain/build**
- Knowledge and information about third-party service components from **engage**
- Knowledge and information about new and changed products and services from **obtain/build**

Output

- 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**

Obtain/Build

to ensure that service components are available when and where they are needed, and that they meet agreed specifications

Inputs

- 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 & transition**
- Improvement initiatives and plans, provided by **improve**
- Improvement status reports from **improve**

SECTION 7: SERVICE VALUE CHAIN > DELIVER AND SUPPORT

- Change or project initiation requests, provided by **engage**
- Change requests, provided by **deliver & support**
- Knowledge and information about new and changed products and services from **design & transition**
- Knowledge and information about third-party service components from **engage**

Output

- Service components for **deliver & support**
- Service components for **design & 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**

Deliver and Support

to ensure that services are delivered and supported according to agreed specifications and stakeholders' expectations

Input

- New and changed products and services, provided by **design & transition**
- Contracts and agreements with external and internal suppliers and partners, provided by **engage**
- Service components provided by **obtain/build**
- Improvement initiatives and plans, provided by **improve**
- Improvement status reports from **improve**
- User support tasks provided by **engage**

SECTION 7: SERVICE VALUE CHAIN > DELIVER & SUPPORT

- Knowledge and information about new and changed service components and services from design and transition and **obtain/build**
- Knowledge and information about third party service components from **engage**

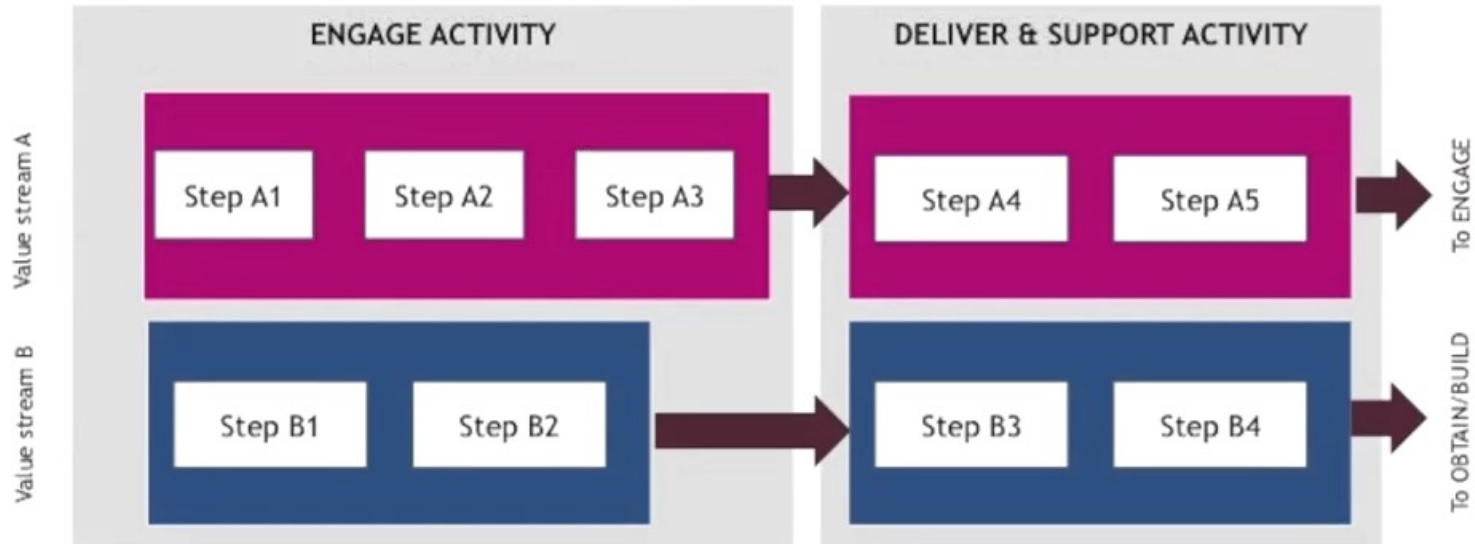
Output

- 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 & transition**

SECTION 7: SERVICE VALUE CHAIN > VALUE STREAMS

Service value stream

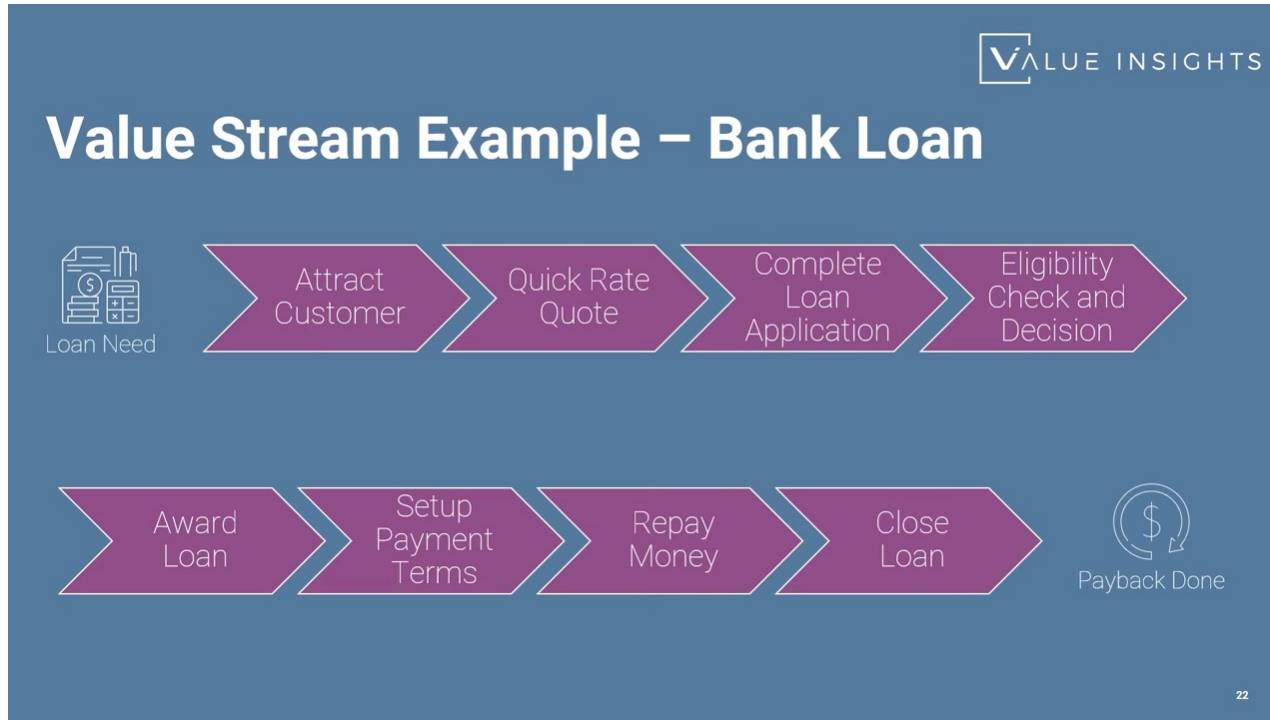
specific combinations of activities and practices and each one is designed for a particular scenario



SECTION 7: SERVICE VALUE CHAIN > VALUE STREAMS

- We can run the value chain in a flexible way
- Each **value stream** is made up of a different combination of value chain activities
- The **service value chain's** strength is the interrelationships throughout the process

SECTION 7: SERVICE VALUE CHAIN > VALUE STREAMS



Value Stream example <https://youtu.be/mmPirGAnC04>

Which statement about the value chain activities is CORRECT

- Practices are considered a value chain activity
- Continual improvement is considered a value chain activity
- Service value chain activities receive and provide triggers for further actions to be taken
- Activities within a service value chain operate independently from each other

Which ITIL concept describes the service value chain

- Service value system
- Four dimensions of service management
- Service guiding principles
- Practices

CONTINUAL IMPROVEMENT

Section 8

SECTION 8: CONTINUAL IMPROVEMENT > AGENDA

CONTINUAL IMPROVEMENT

1

What is the vision?

2

Where are we now?

3

Where do we want
to be?

4

How do we get
there?

5

Take action

6

Did we get there?

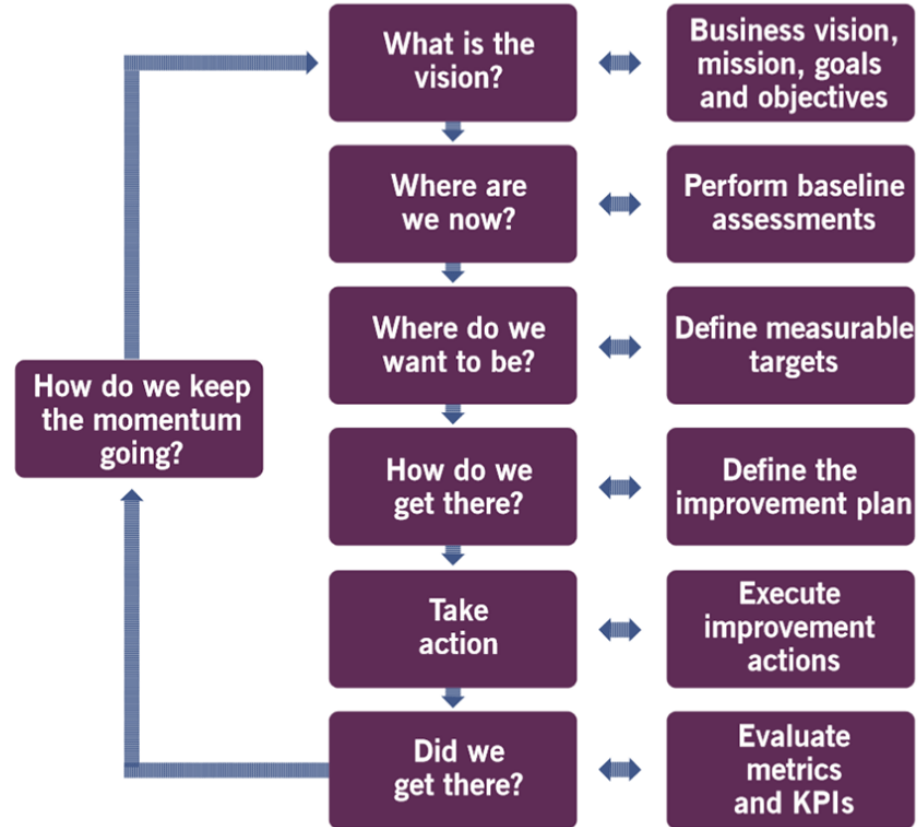
7

Keep the
momentum going

SECTION 8: CONTINUAL IMPROVEMENT

Continual Improvement

aligning an organization's practices and services with changing business needs, through the ongoing assessment and improvement of each element involved in the management of products and services



SECTION 8: CONTINUAL IMPROVEMENT

The ITIL story: Improving Axle

Henri would like Axle to become a greener company and introduce more environmentally friendly practices into its work. Over the following sections the Axle team uses the steps of the continual improvement model to implement changes to the organization.



Henri: At Axle we strive for continual improvement at all levels. One of our objectives is to be a greener business and incorporate sustainable principles into every business decision. My team is committed to this initiative. As part of our service relationship model, our partners and suppliers are also involved in this.

SECTION 8: CONTINUAL IMPROVEMENT

Steps of the continual improvement model

- We are going to provide more detail on each step of the continual improvement model
- An organization can adjust these steps to its culture and goals
- The model is simple and flexible, and can just as easily be used in an Agile culture as in a more traditional waterfall culture

STEP 1: WHAT IS THE VISION?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 1: WHAT IS THE VISION?

Key Message

Each improvement initiative should support the organization's goals and objectives

1. Translating the vision and objectives so that the context is understood
2. Create a high-level vision for the planned improvement

Focuses on two key areas

- the organization and the initiative

STEP 1: WHAT IS THE VISION?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 1: WHAT IS THE VISION?



STEP 1: WHAT IS THE VISION?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 1: WHAT IS THE VISION?

The ITIL story: What is the vision?



Henri: Axle's vision is for the business to become one of the top three green car-hire companies globally. A continual improvement initiative called Axle Green was created for this purpose.



Craig: As a supplier of cleaning services to Axle, I'll support them in this improvement initiative.

STEP 2: WHERE ARE WE NOW?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 2: WHERE ARE WE NOW?

Key Message

The success of an improvement initiative depends on a clear and accurate understanding of the starting point and the impact of the initiative. An improvement can be thought of as a journey from Point A to Point B, and this step clearly defines what Point A looks like. A journey cannot be mapped out if the starting point is not known.

- You need to know your starting point to properly plan out your journey
- Conduct **current-state** assessment of the existing services
- **Baseline**: Report or metric that serves as a starting point against which progress or change can be assessed

STEP 2: WHERE ARE WE NOW?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 2: WHERE ARE WE NOW?

The ITIL story: Where are we now?



Su: We need to understand the baseline. How do we know if we've improved, if we don't know where we started? Currently, only 5 per cent of the vehicles in our fleet are electric.



Craig: Only 20 per cent of my cleaning products are biodegradable.

STEP 3: WHERE DO WE WANT TO BE?

SECTION 8: CONTINUAL IMPROVEMENT > STEP 3: WHERE DO WE WANT TO BE?

Key message

Just as the previous step (Step 2) describes Point A on the improvement journey, Step 3 outlines what Point B, the target state for the next step of the journey, should look like. A journey cannot be mapped out if the destination is not clear.

Gap Analysis

a method to evaluate the scope and nature of the distance to be travelled from the starting point to the achievement of the initiative's vision

Metrics

such as the key performance Indicators (KPIs) and Critical Success Factors (CSFs) are used for measurement

- Your vision might be aspirational and never truly achieved
- Set our goals and agree to metrics such as KPI's and CSFs

STEP 3: WHERE DO WE WANT TO BE?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 3: WHERE DO WE WANT TO BE?

The ITIL story: Where do we want to be?



Su: Within five years, we want 50 per cent of our fleet to consist of electric vehicles. The other half should comply with the strictest ecological requirements for petrol and diesel cars.



Craig: One of my targets is that 90 per cent of my cleaning products will be biodegradable within the next two years.



Radhika: This is a great initiative. In our IT team, we want to use biodegradable cups. We would also like Axle to use environmentally friendly light bulbs in all our offices.

STEP 4: HOW DO WE GET THERE?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 4: HOW DO WE GET THERE?

Key Message

The plan for Step 4 can be a straightforward and direct route to completing a single simple improvement, or it may be more involved. The most effective approach to executing the improvement may not be clear, and it will sometimes be necessary to design experiments that will test which options have the most potential.

Even if the path to follow is clear, it may be most effective to carry out the work in a series of iterations, each of which will move the improvement forward part of the way. With each iteration, there is an opportunity to check progress, re-evaluate the approach, and change direction if appropriate.

- Create your plan
- Check progress after each iterative of your plan
- If you fail to plan, then you plan to fail

STEP 4: HOW DO WE GET THERE?



The ITIL story: How do we get there?



Craig: My plan is to replace our current stocks of cleaning products with biodegradable options as we run out. Meanwhile, we'll test new products to find the optimal balance of price and quality.



Su: Sometimes knowing how you get there is easy, but replacing half of our fleet with electric cars is a bigger challenge. We don't want excess cars in our car lots if they're not being used. We must also consider specifics and infrastructure in different countries, as well as local regulations.



Radhika: We're encouraging the use of ceramic cups over plastic ones. We're discontinuing the purchase of plastic cups, and we are buying ceramic cups for all our offices.

Key message

In Step 5 the plan for the improvement is acted upon. This could involve a traditional waterfall-style approach, but it could be more appropriate to follow an Agile approach by experimenting, iterating, changing directions, or even going back to previous steps.

- **Measuring** progress towards the vision
- **Managing** the **risk** during these changes
- **Ensuring** the visibility of the initiative is spread throughout the organization

The ITIL story: Take action



Craig: We have started to replace our stocks of cleaning products with biodegradable options. We've found some great new products to use, and even managed to save money by using cheaper alternatives that don't compromise on quality.



Su: We have started to phase out some of our older petrol and diesel cars and replace them with new electric models. We have carried out a thorough check of the petrol and diesel cars we are keeping to ensure they meet ecological requirements, and will take action to fix this where they do not.



Radhika: We have brought the new biodegradable cups and environmentally friendly light bulbs into our offices and started to remove the plastic cups.

STEP 6: DID WE GET THERE?

SECTION 8: CONTINUAL IMPROVEMENT > STEP 6: DID WE GET THERE?

Key message

Too often, once an improvement plan is set in motion, it is assumed that the expected benefits have been achieved, and that attention can be redirected to the next initiative. In reality, the path to improvement is filled with various obstacles, so success must be validated.

- **Success** is not guaranteed
- **Conduct** the current state assessment again

STEP 6: DID WE GET THERE?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 6: DID WE GET THERE?

The ITIL story: Didi we get there?



Craig: After a few months we managed to hit our target of having 90 per cent of our products being biodegradable.



Su: The electric cars are being introduced, but for logistical reasons it is proving more difficult to replace the petrol and diesel cars than we had anticipated. We will need to do this at a faster pace if we want to hit our five- year target. We may now have to reconsider our target, and decide whether we should do more to support it, or if it needs to be revised.



Radhika: Our offices now have biodegradable cups and environmentally friendly light bulbs. Some of the old plastic cups are still being used, but we have stopped purchasing more, so once they run out they'll be gone.

STEP 7: KEEP THE MOMENTUM GOING?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 7: HOW DO WE KEEP THE MOMENTUM GOING?

Key message

If the improvement has delivered the expected value, the focus of the initiative should shift to marketing these successes and reinforcing any new methods introduced. This is to ensure that the progress made will not be lost and to build support and momentum for the next improvements.

- **Attempt** to **continue** the improvement again across the organization
- If this **step is skipped**, then it is likely that improvements will remain isolated and independent initiatives
- It may also be **difficult** to get support for future improvements

STEP 7: KEEP THE MOMENTUM GOING?



SECTION 8: CONTINUAL IMPROVEMENT > STEP 7: HOW DO WE KEEP THE MOMENTUM GOING?

The ITIL story: How do we keep the momentum going?



Craig: Now that we have hit our target we will monitor any new products we buy to ensure that they meet our standards of being biodegradable. We will also be on the lookout for any opportunities to replace our remaining non- biodegradable products with more environmentally friendly alternatives.



Su: We've made a great start on adding new electric vehicles to the Axle fleet, but haven't hit our targets yet. Now we need to analyse what has prevented us from reaching our objectives, record what lessons we have learned, and decide what can be done differently in the future to make the introduction of electric cars more effective.



Radhika: We will continue to buy ceramic cups and environmentally friendly light bulbs for our offices. We will also consider further ways to make our offices greener, and run campaigns with staff members to encourage them to become more environmentally aware.

SECTION 8: CONTINUAL IMPROVEMENT

	Focus on value	Start where you are	Progress iteratively with feedback	Collaborate and promote visibility	Think and work holistically	Keep it simple and practical	Optimize and automate
What is the vision?	√			√	√		
Where are we now?		√		√			
Where do we want to be?			√		√	√	√
How do we get there?			√	√	√	√	
Take action	√		√	√			
Did we get there?	√			√	√		
How do we keep the momentum going?	√			√	√		√

Correlation Matrix between continual improvement steps and guiding principles

SECTION 8: CONTINUAL IMPROVEMENT > EXERCISE

When working within the 'what is the vision' step of the continual improvement model, what must you ensure to occur?

- The high-level direction of the initiative has been understood
- The detailed steps of how to achieve your objectives
- What metrics you will use to measure success
- The current processes being used

SECTION 8: CONTINUAL IMPROVEMENT > EXERCISE

Jasmin is leading an improvement initiative within your company. She has been told that the company wants to have the highest customer satisfaction in the industry. Currently, the company has a customer satisfaction rating of 92% but the industry leader has an average of 94%. Bridgett decides that the company should set their goal of obtaining a 96% customer satisfaction score within the next 12 months. What step of the continual improvement model is Bridgett currently in?

- What is the vision
- Where do we want to be
- How do we get there
- Where are we now