

# ITIL 4 - PRACTICES INTRODUCTION

## Section 9

## CATEGORIES OF PRACTICES

14

GENERAL MANAGEMENT

17

SERVICE MANAGEMENT

3

TECHNICAL MANAGEMENT

## Practice

a set of organized resources designed for performing work or accomplishing an objective

The origins of the practices are as follows:

- **General Management** practices have been adopted and adapted for service management from general business management domains.
- **Service Management** practices have been developed in service management and ITSM industries.
- **Technical Management** practices have been adapted from technology management domains for service management purposes by expanding or shifting their focus from technology solutions to IT services.

# WHAT IS A PRACTICES?

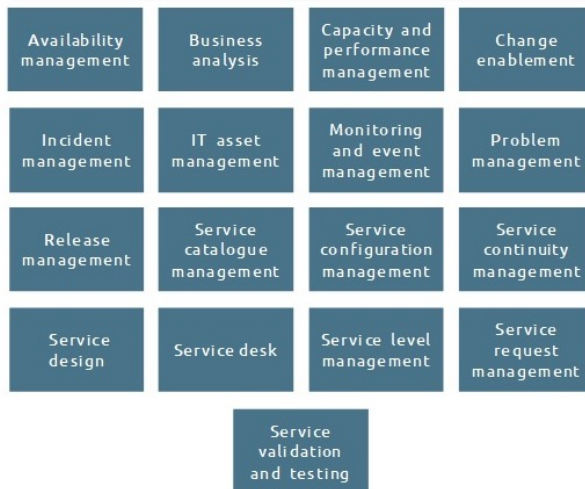


## ITIL® 4 Practices

### General management practices



### Service management practices



### Technical management practices



# GENERAL MANAGEMENT PRACTICES

Section 10

## SECTION 10: GENERAL MANAGEMENT PRACTICES

### GENERAL MANAGEMENT PRACTICES

Architecture  
Management

Continual  
Improvement

Information  
Security  
Management

Knowledge  
Management

Measurement  
and Reporting

Organizational  
Change  
Management

Portfolio  
Management

Project  
Management

Relationship  
Management

Risk  
Management

Service  
Financial  
Management

Strategy  
Management

Supplier  
Management

Workforce and  
Talent  
Management

## Architecture Management

provide an understanding of all the different elements that make up an organization and how those elements interrelate, enabling the organization to effectively achieve its current and future objectives

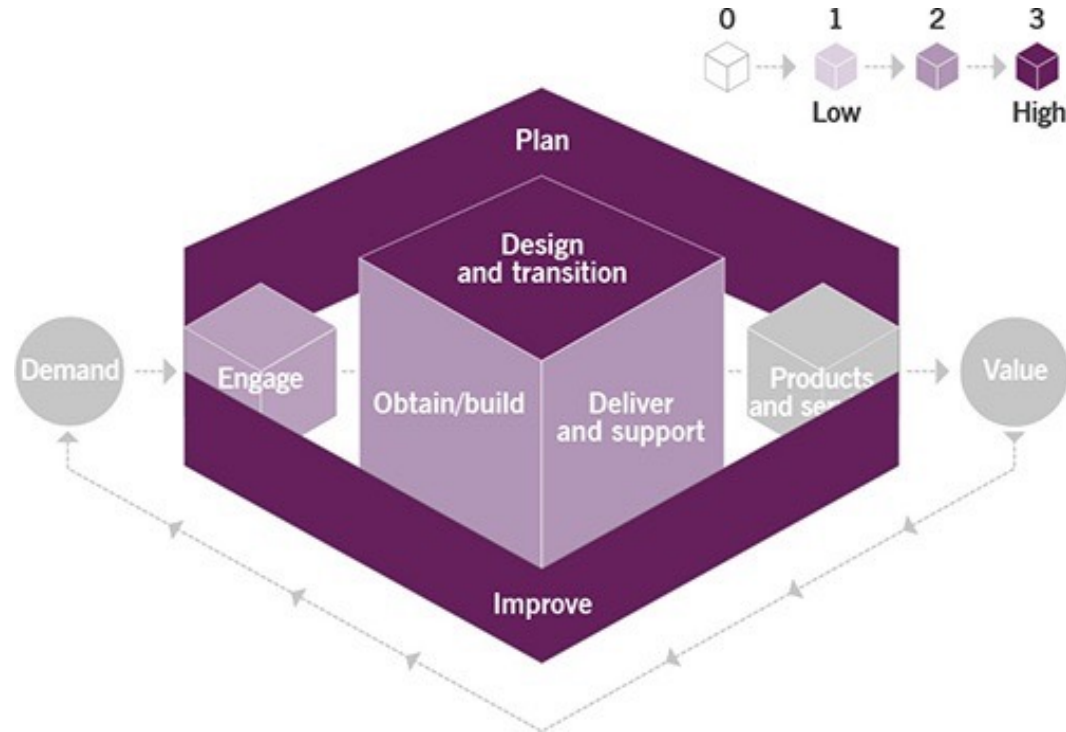
It provides the principles, standards, and tools that enable an organization to manage complex change in a structured and Agile way

## Architecture Types

- Business architecture
- Service architecture
- Information systems architecture, including data and applications architectures
- Technology architecture
- Environmental architecture



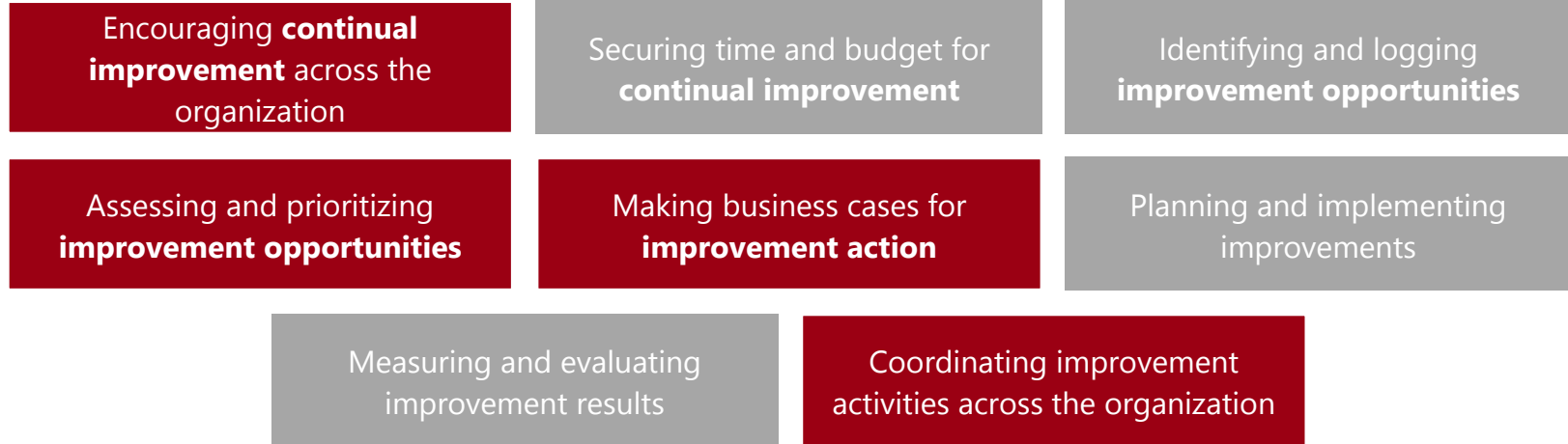
## SECTION 10: GENERAL MANAGEMENT PRACTICES > ARCHITECTURE MANAGEMENT



Heat map of the contribution of architecture management to value chain activities

## Continual Improvement

align the organization's practices and services with changing business needs through the ongoing improvement of products, services, and practices, or any element involved in the management of products and services



## SECTION 10: GENERAL MANAGEMENT PRACTICES > CONTINUAL IMPROVEMENT



## SECTION 10: GENERAL MANAGEMENT PRACTICES > CONTINUAL IMPROVEMENT



## SWOT ANALYSIS



Approaches to continual improvement can be found in many places

SWOT analysis

Balanced scorecard review

Internal and external  
assessments and audits

**Lean** methods provide  
perspectives on the elimination  
of waste

**Agile** methods focus on making  
improvements incrementally

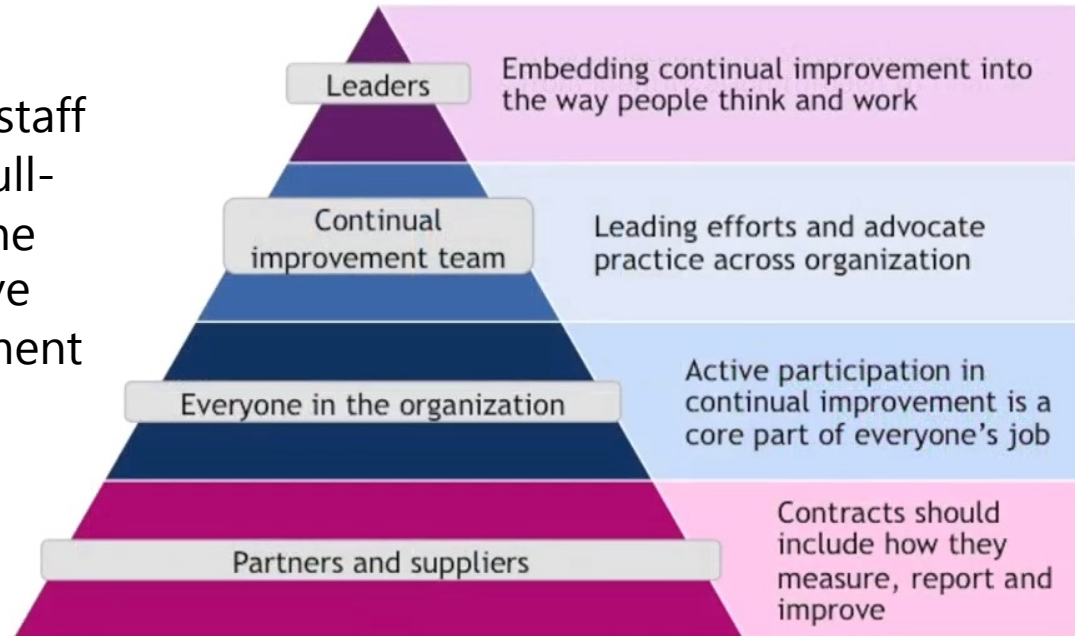
**DevOps** methods work  
holistically

Although there are several methods available, organizations should not try to formally commit to too many different approaches

## SECTION 10: GENERAL MANAGEMENT PRACTICES > CONTINUAL IMPROVEMENT

Continual improvement is everyone's **responsibility**

Although there may be a group of staff members who focus on this work full-time, it is critical that everyone in the organization understands that active participation in continual improvement activities is a core part of their job



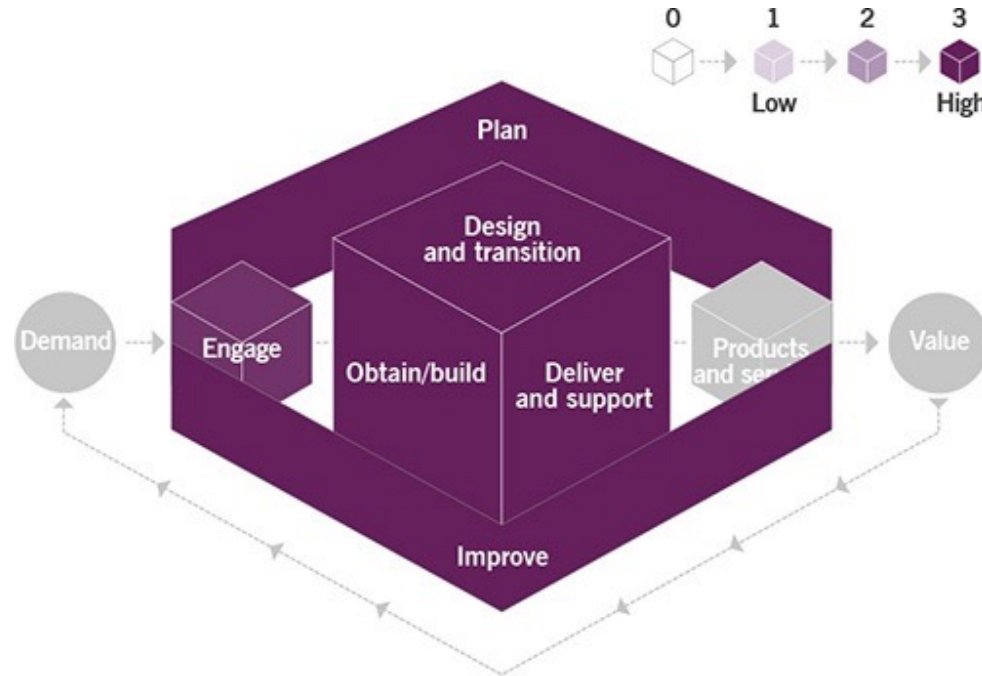
A **continual improvement register (CIR)** is a database or structured document to track and manage improvement ideas from identification through to final action

Example CIR

Improvement idea	Impact	...
Promote the guiding principles across partners and suppliers	M	
Automate software deployments to reduce manual labour	M	
Update service desk scripts to improve incident response time	H	

Ideas are captured, documented, assessed, prioritized and appropriately acted on.

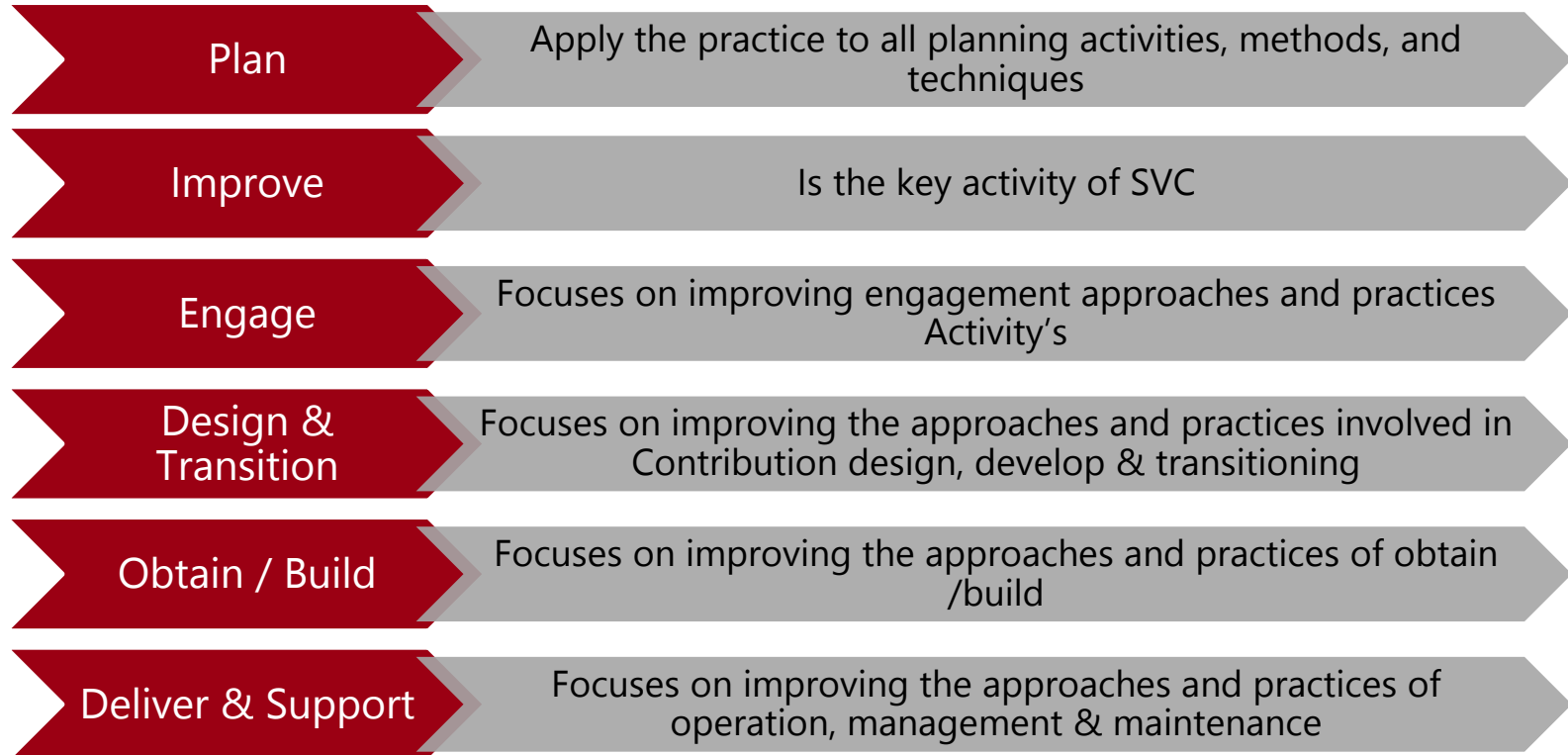
## SECTION 10: GENERAL MANAGEMENT PRACTICES > CONTINUAL IMPROVEMENT



Heat map of the contribution of continual improvement to value chain activities

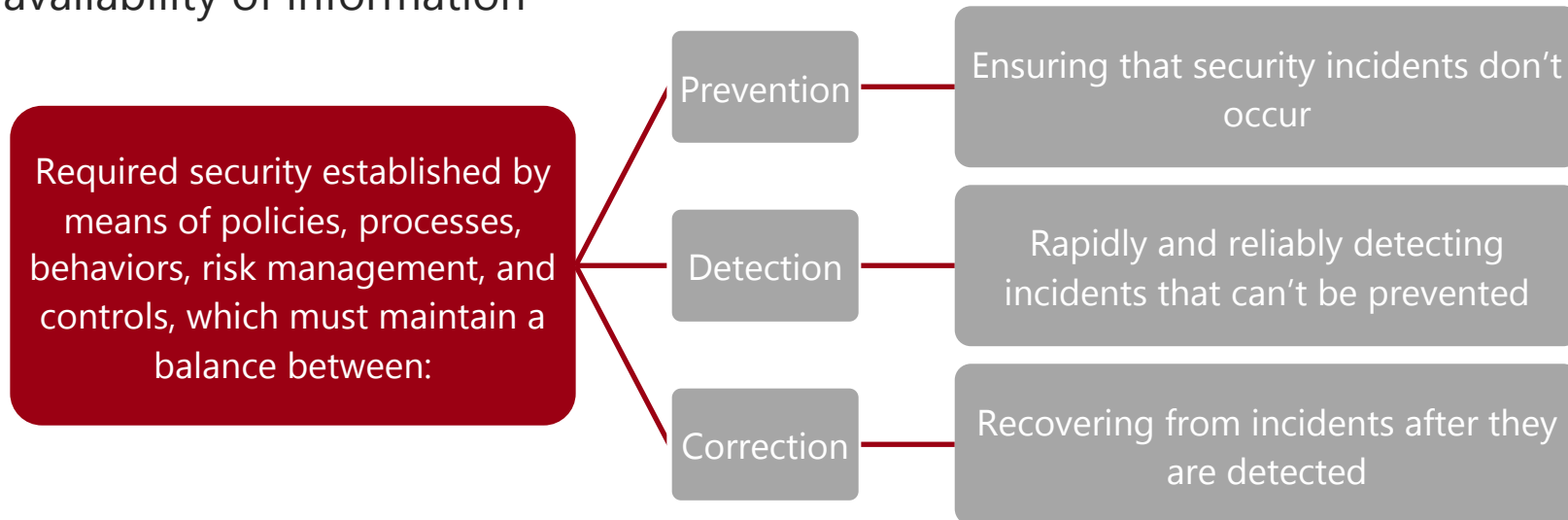


## SECTION 10: GENERAL MANAGEMENT PRACTICES > CONTINUAL IMPROVEMENT



## Purpose

- Protect the information needed by the organization to conduct its business
- Understanding and managing risks to the confidentiality, integrity, and availability of information



## SECTION 10: GENERAL MANAGEMENT PRACTICES > INFORMATION SECURITY MANAGEMENT

- It is also essential to balance protecting the organization from harm and allow it to innovate
- **Information security** controls should consider all aspects of the organization and align with its risk appetite
- **Information security management** interacts with every other practice
- It creates controls that each practice must consider when planning how work will be done

- It depends on other practices to help protect information
- It must be driven from the most senior level in the organization
- Most organizations have a dedicated **information security** team
- In **high-velocity** environments, **information security** is integrated into the daily work of development and operations

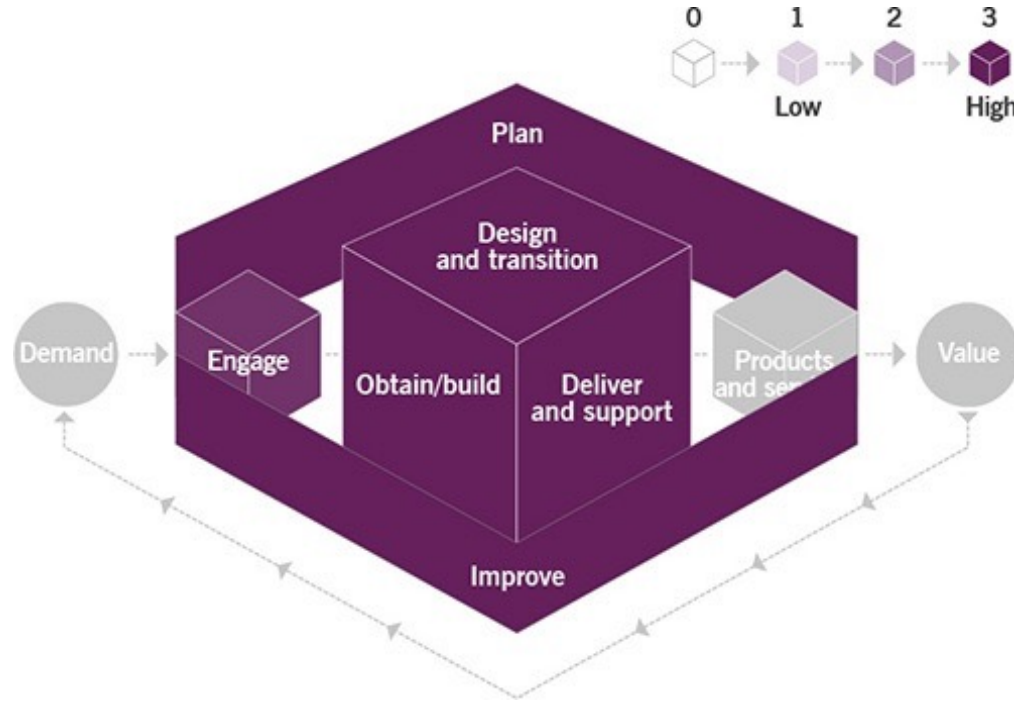
- **Information Security** is critically dependent on the behavior of people throughout the organization
- Staff who have been trained well and pay attention to **Information Security policies** and other controls can help to detect, prevent, and correct **Information Security incidents**
- Poorly trained or insufficiently motivated staff can be a major vulnerability

## SECTION 10: GENERAL MANAGEMENT PRACTICES > INFORMATION SECURITY MANAGEMENT

Many processes and procedures are required to support information security management.

- an **information security** incident management process
- a risk management process
- a control review and audit process
- an identity and access management process
- event management
- procedures for penetration testing, vulnerability scanning, etc.
- procedures for managing **information security** related changes

## SECTION 10: GENERAL MANAGEMENT PRACTICES > INFORMATION SECURITY MANAGEMENT



Heat map of the contribution of information security management to value chain activities

## SECTION 10: GENERAL MANAGEMENT PRACTICES > INFORMATION SECURITY MANAGEMENT CONTRIBUTION

Plan

Considered in all planning activity and must be built into every practice and service

Improve

Considered in all improvement value chain activity to ensure that vulnerabilities are not introduced when making improvements

Engage

Information security requirements for new and changed services must be understood and captured



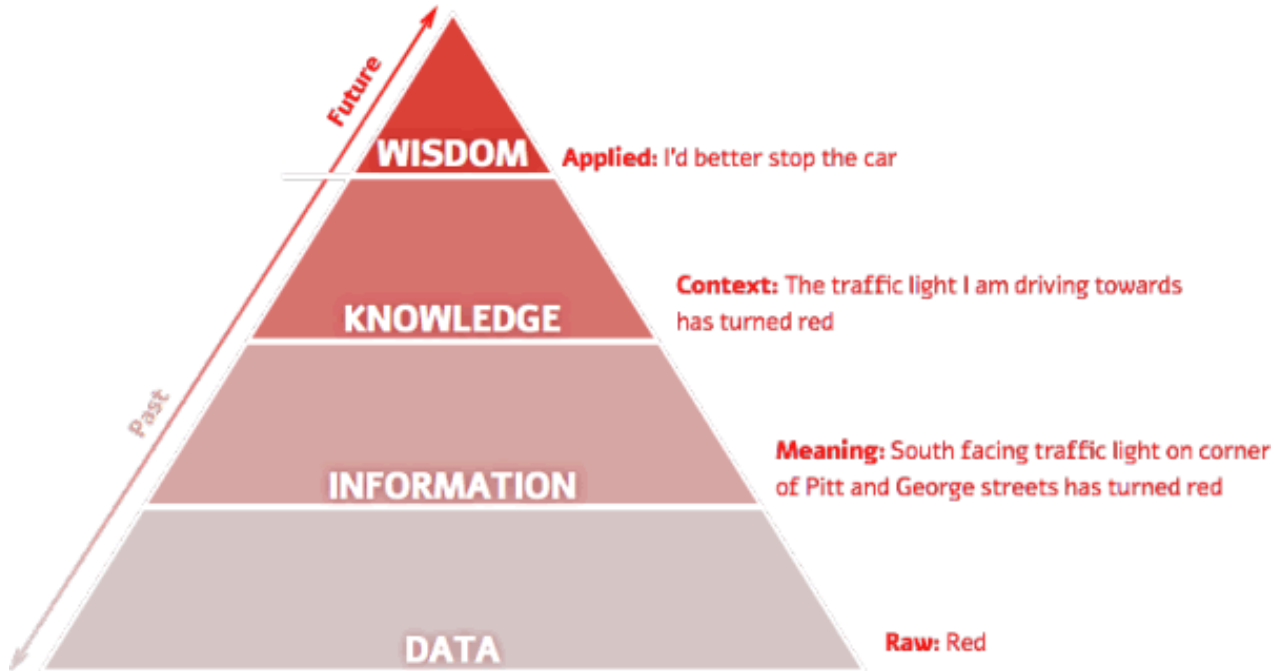
## Knowledge Management

maintain and improve the effective, efficient, and convenient use of information and knowledge across the organization

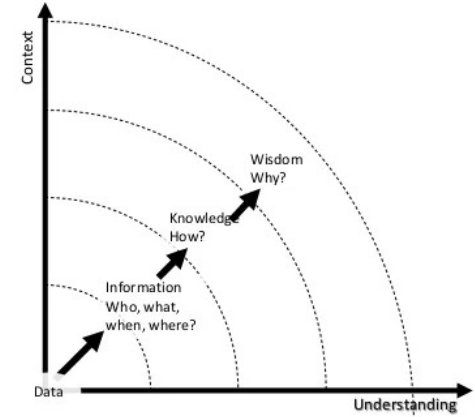
Structured approach:

- Defining
- Building
- Re-using
- sharing

## SECTION 10: GENERAL MANAGEMENT PRACTICES > KNOWLEDGE MANAGEMENT

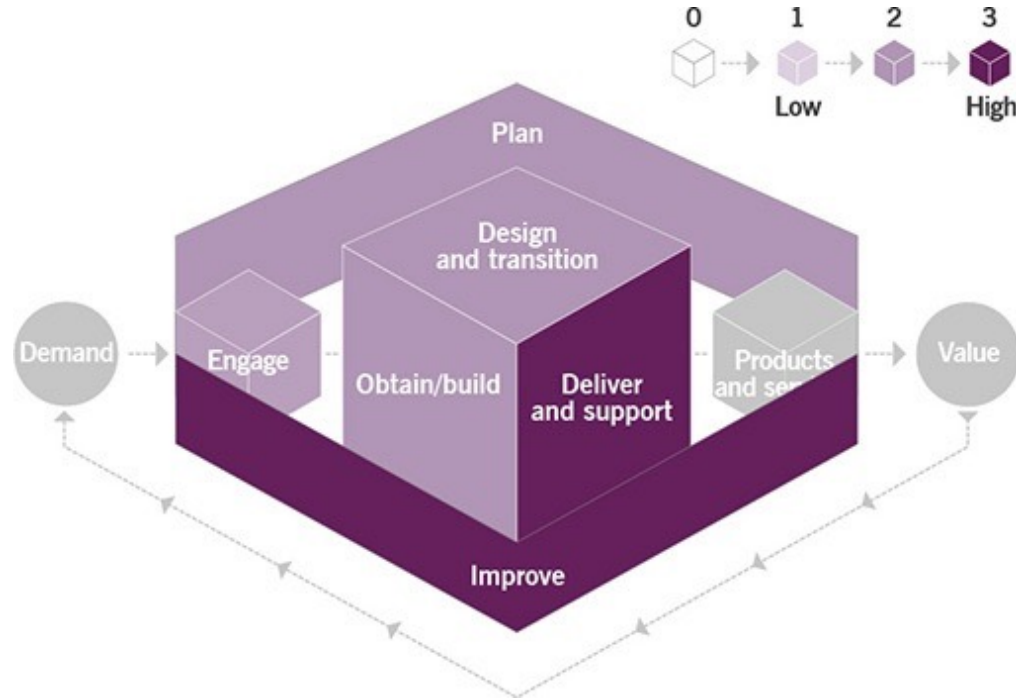


DIKW Model



Francisco Ferrão

## SECTION 10: GENERAL MANAGEMENT PRACTICES > KNOWLEDGE MANAGEMENT



Heat map of the contribution of knowledge management to value chain activities

## Measurement and Reporting

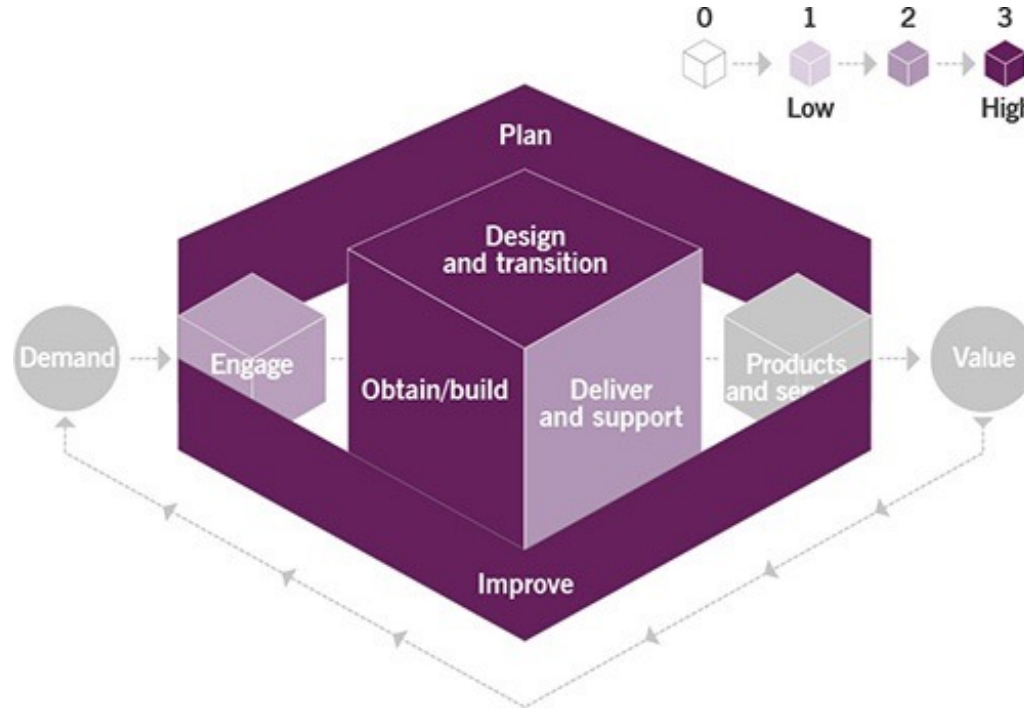
support good decision-making and continual improvement by decreasing the levels of uncertainty

This is achieved through the collection of relevant data on various managed objects and the valid assessment of this data in an appropriate context

### Definitions

- **Critical Success Factor (CSF)**
  - A necessary precondition for the achievement of intended results
- **Key Performance Indicator (KPI)**
  - An important metric used to evaluate the success in meeting an objective

## SECTION 10: GENERAL MANAGEMENT PRACTICES > MEASUREMENT AND REPORTING



Heat map of the contribution of measurement and reporting to value chain activities

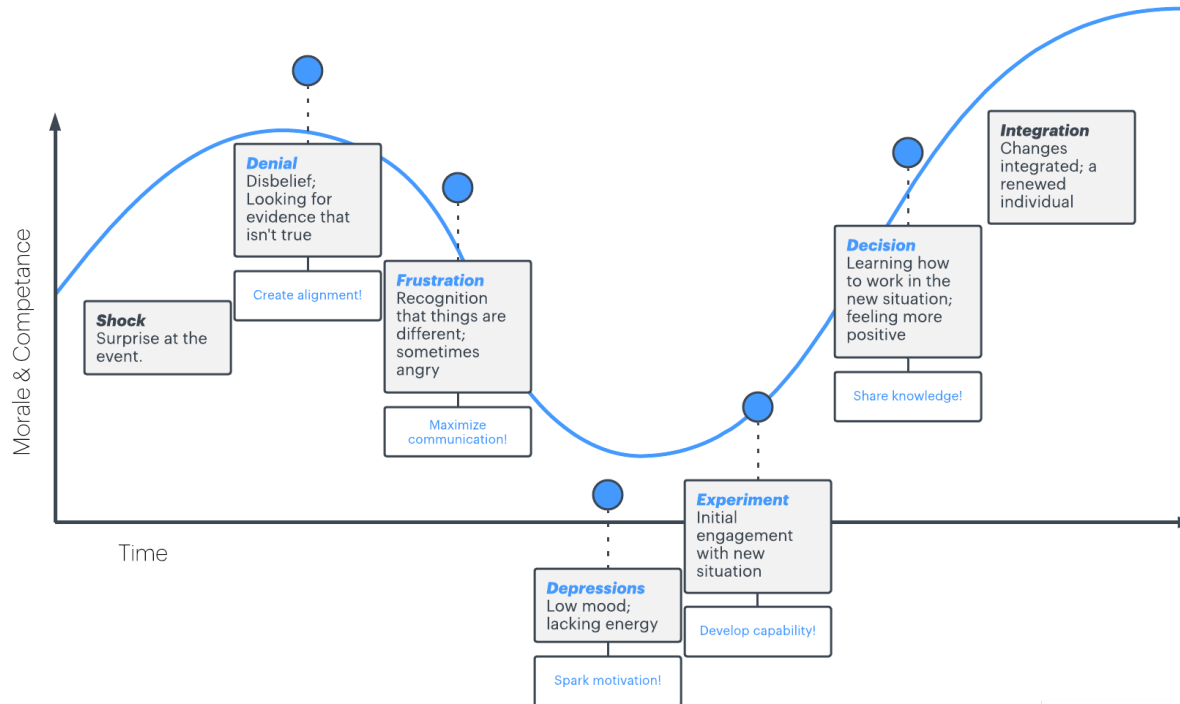
## Organizational Change Management

ensure that changes in an organization are smoothly and successfully implemented, and that lasting benefits are achieved by managing the human aspects of the changes

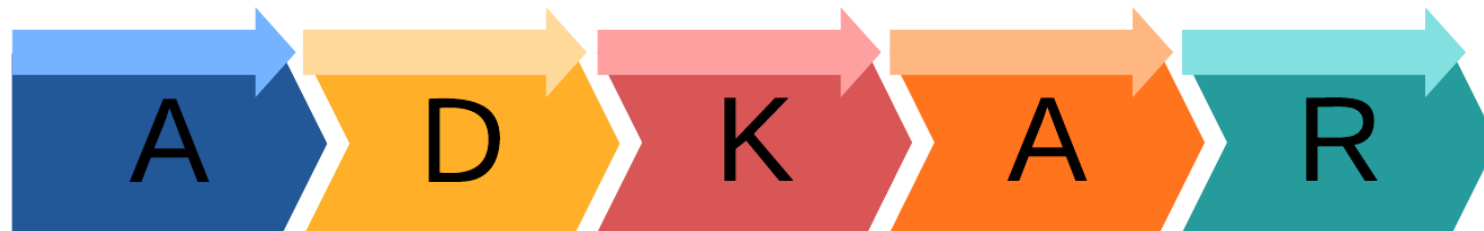
The organizational change management practice aims to ensure that everyone affected by the change accepts and supports it

## SECTION 10: GENERAL MANAGEMENT PRACTICES > ORGANIZATIONAL CHANGE MANAGEMENT

### *Kubler-Ross Model*



## SECTION 10: GENERAL MANAGEMENT PRACTICES > ORGANIZATIONAL CHANGE MANAGEMENT



### Awareness

- Announce the change to employees well ahead of time.
- Explain your reasoning behind the change, including current pain points and potential ROI of the new solution.
- Give employees an opportunity to ask questions and make suggestions.

### Desire

- Gauge employees' reactions to the change.
- Identify champions.
- If employees are resistant or indifferent, address their concerns or show them how the change benefits them personally.

### Knowledge

- Provide training or coaching to show what employees need to do after the change takes place.
- Address any skill gaps.
- Offer resources, such as process flowcharts, that employees can reference later on.

### Ability

- Schedule practice runs before the change is fully implemented.
- Monitor performance immediately following the change and provide constructive feedback.
- Set reasonable goals and metrics at the start.
- Adjust processes as necessary.

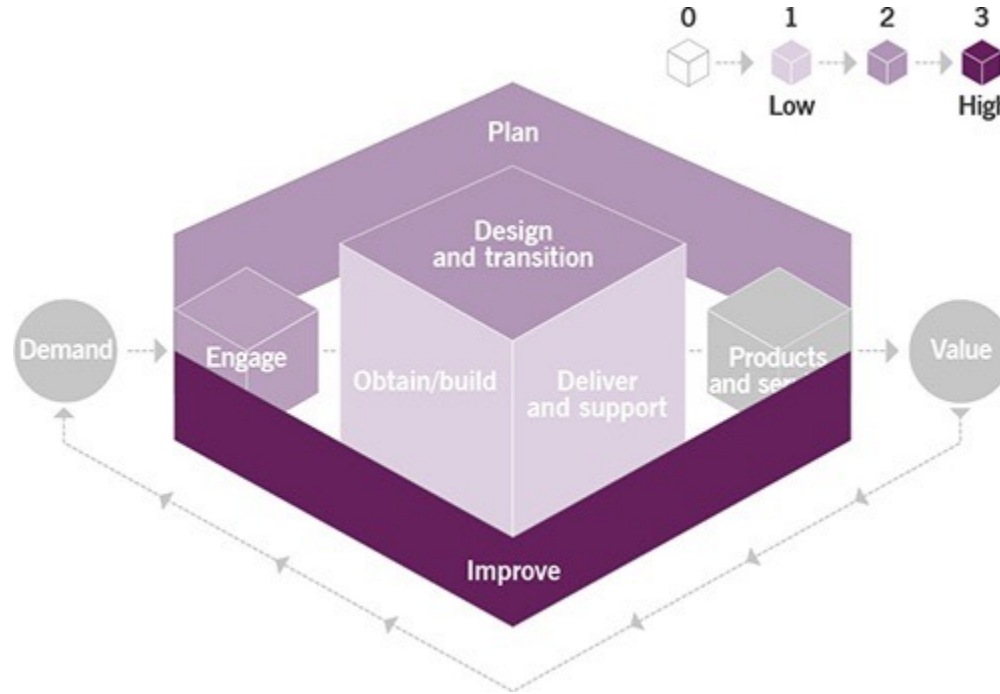
### Reinforcement

- Monitor the change over time to ensure it fulfills your desired outcome.
- Use positive feedback, rewards, and recognition to encourage employees to keep following the new process.





## SECTION 10: GENERAL MANAGEMENT PRACTICES > ORGANIZATIONAL CHANGE MANAGEMENT



Heat map of the contribution of organizational change management to value chain activities

## Portfolio Management

ensure that the organization has the right mix of programmes, projects, products, and services to execute the organization's strategy within its funding and resource constraints

Achieves this through the following activities:

- Developing and applying framework to define and deliver portfolios
- Defining products and services for the achievement of agreed outcomes
- Evaluating and prioritizing incoming change initiatives
- Implementing investment and decision-making process based on understanding
- Analysing and tracking investments based on the value
- Monitoring the performance of the overall portfolio and proposing adjustments
- Reviewing the portfolios

**Portfolio Management** encompasses a number of different portfolios:

**Product/service portfolio:** The product/service portfolio is the complete set of products and/or services that are managed by the organization, and it represents the organization's commitments and investments across all its customers and market spaces.

**Project portfolio:** The project portfolio is used to manage and coordinate projects that have been authorized, ensuring objectives are met within time and cost constraints and to specification.

**Customer portfolio:** the customer portfolio is used to record all the organization's customers and is the relationship manager's view of the internal and external customers who receive products and/or services from the organization.

The outcomes for existing services falls into six categories:

**Renew:** these services meet functional fitness criteria but fail technical fitness

**Replace:** these services have unclear and overlapping business functionality

**Retain:** largely self contained, with well defined asset, process and system boundaries

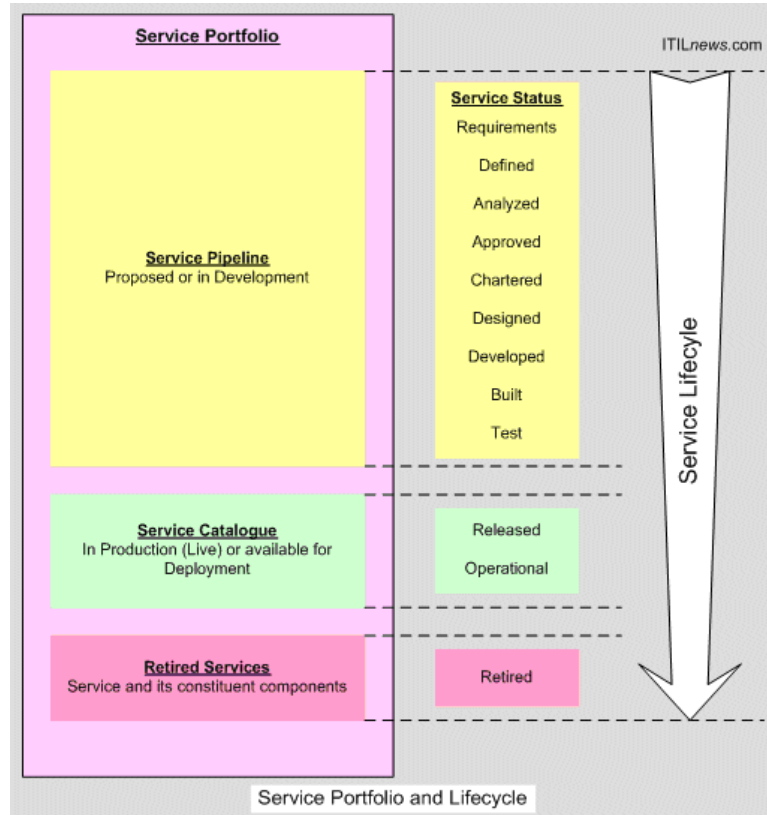
**Refactor:** often services that meet the technical and functional criteria of the organization have confused or inconsistent process or system boundaries

**Retire:** services that do not meet minimum levels of technical and functional fitness.

Retirement is an often overlooked investment

**Rationalise:** often organisations discover they are offering services that are composed of multiple multiple versions of the same software

## SECTION 10: GENERAL MANAGEMENT PRACTICES > PORTFOLIO MANAGEMENT



**Service Portfolio** represents the commitments and investments made by a service provider across all customers and market spaces

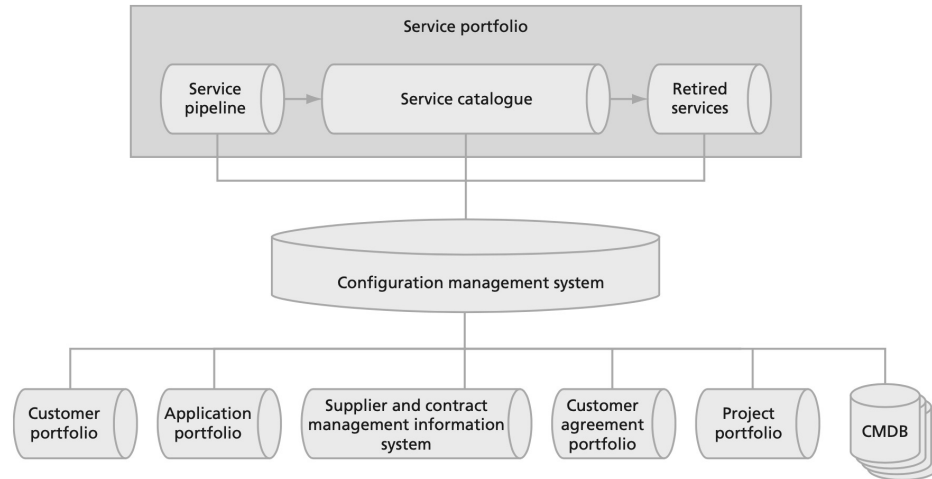
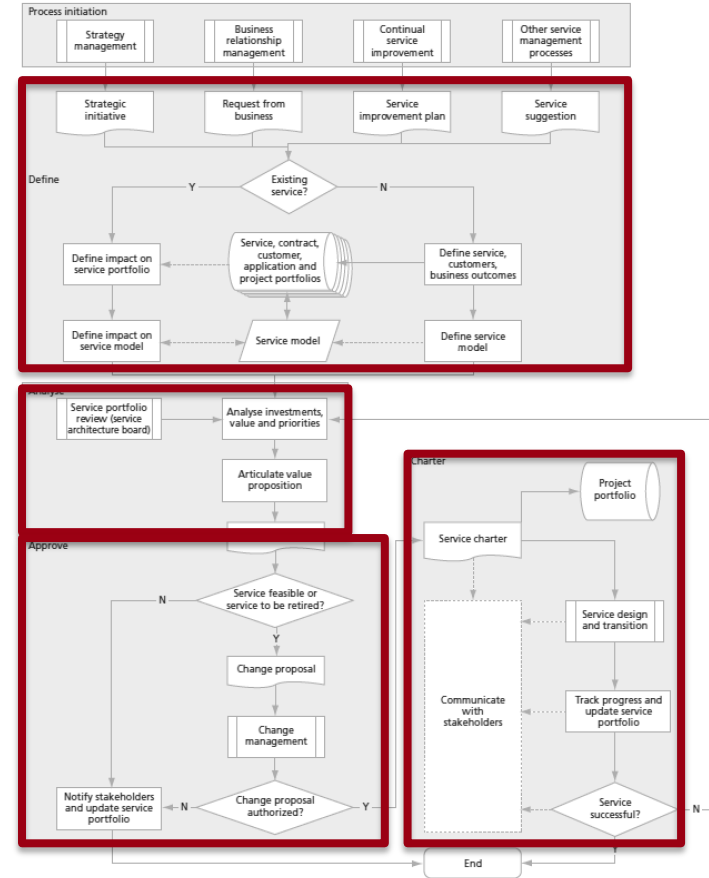
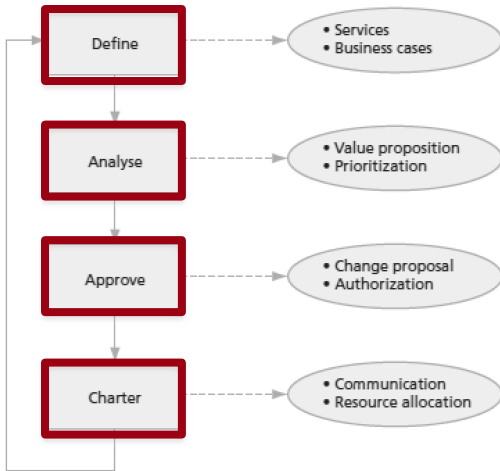
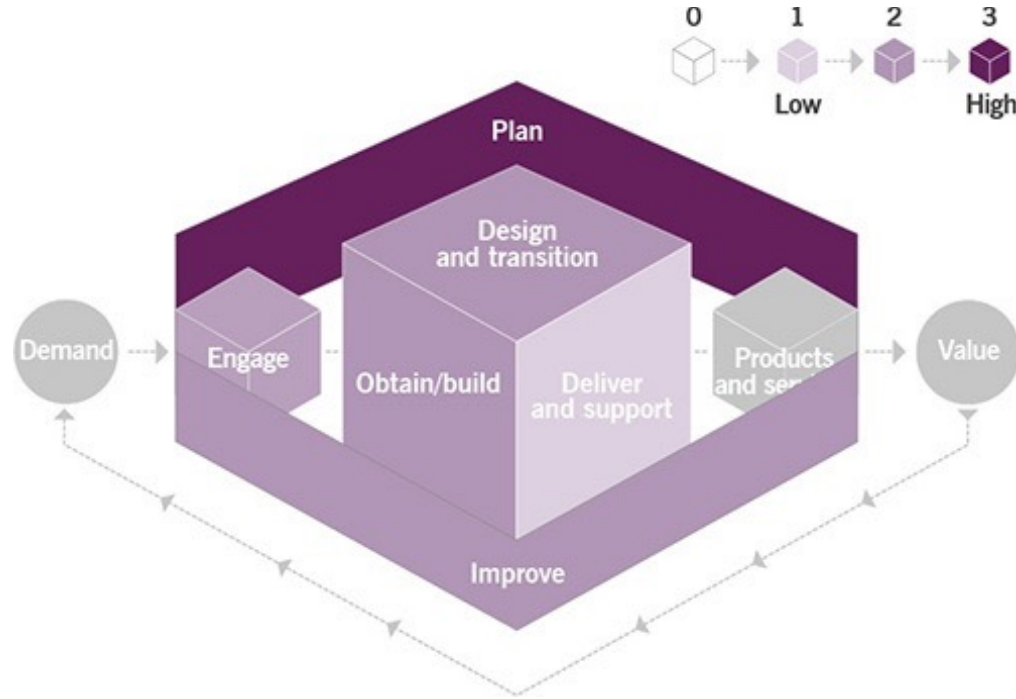


Figure 4.14 The service portfolio

## SECTION 10: GENERAL MANAGEMENT PRACTICES > PORTFOLIO MANAGEMENT



## SECTION 10: GENERAL MANAGEMENT PRACTICES > PORTFOLIO MANAGEMENT



Heat map of the contribution of portfolio management to value chain activities

## Project Management

ensure that all projects in the organization are successfully delivered

This is achieved by planning, delegating, monitoring, and maintaining control of all aspects of a project, and keeping the motivation of the people involved

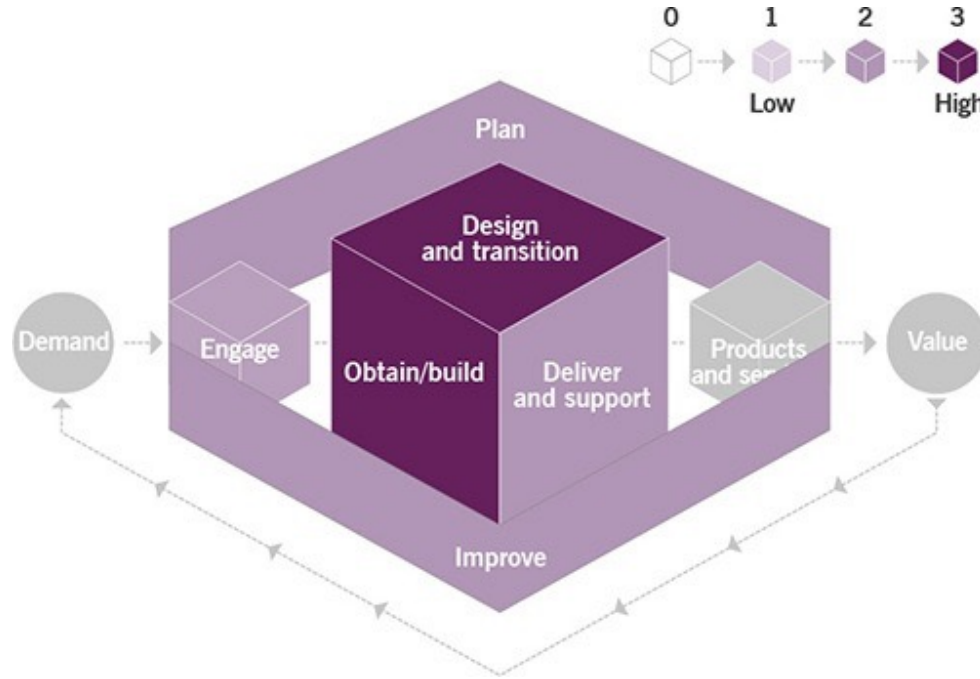
There are different approaches to the way in which projects are delivered:

- Waterfall method
- Agile method
- Mixed...

ISO 21500, PMI, PRINCE 2, several types of Agile (Kandan, Scrum, XP, Crystal, DSDM, FDD, SAFe...)



## SECTION 10: GENERAL MANAGEMENT PRACTICES > PROJECT MANAGEMENT

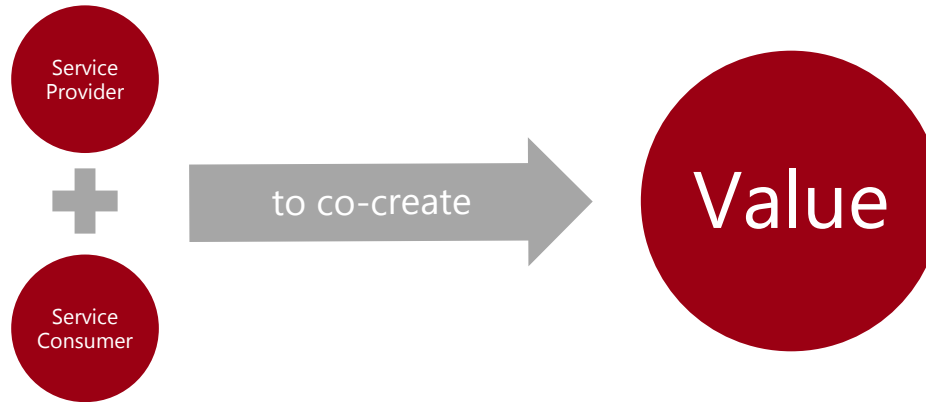


Heat map of the contribution of project management to value chain activities

## Relationship Management

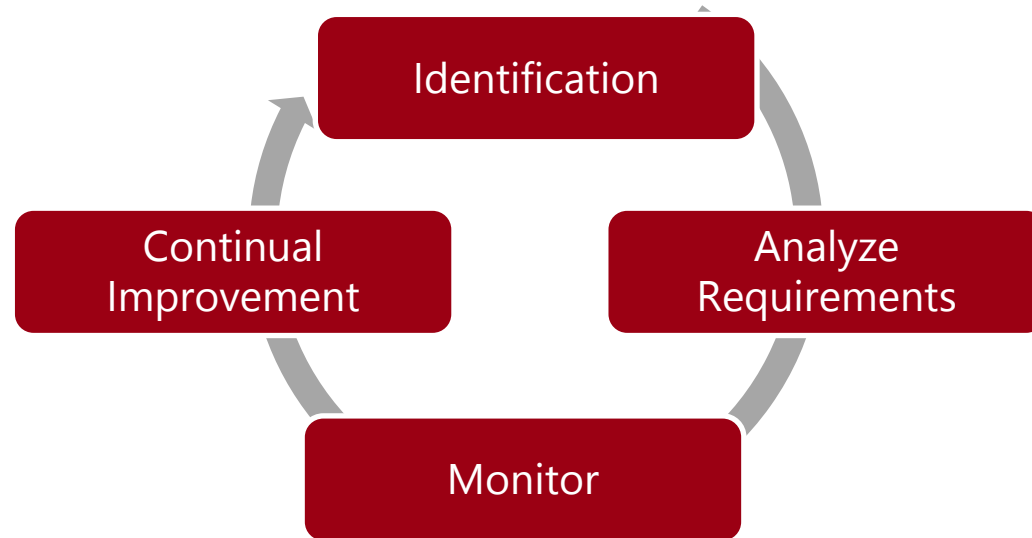
ensure engaging and establishing the relationship with all the stakeholders at all levels, right from strategic to tactical levels

- This includes the customer, supplier, partner, and functions within the organization



## SECTION 10: GENERAL MANAGEMENT PRACTICES > RELATIONSHIP MANAGEMENT

It includes the identification, analysis, monitoring, and continual improvement of relationships with and between stakeholders



## SECTION 10: GENERAL MANAGEMENT PRACTICES > RELATIONSHIP MANAGEMENT

Stakeholders' needs and drivers are understood

Products and services are prioritized appropriately

Stakeholders' satisfaction is high.

Customers' priorities

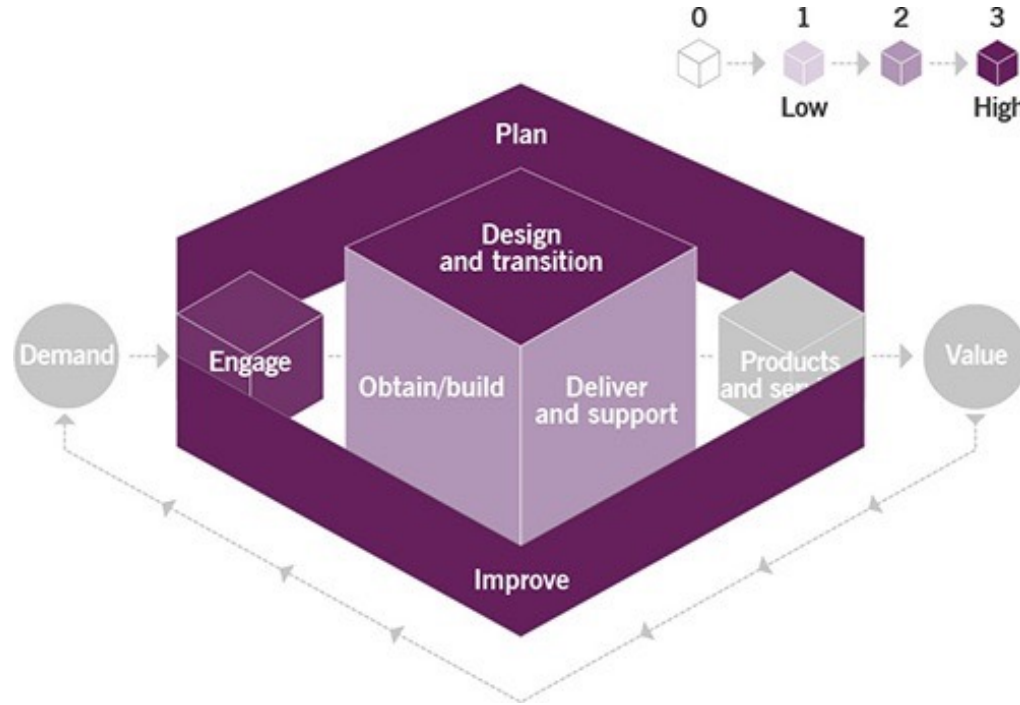
Any stakeholders' complaints and escalations are handled well through a sympathetic process

Products and services facilitate value creation for the service consumers and the organization

The organization facilitates value creation for all stakeholders

Conflicting stakeholder requirements are mediated appropriately.

## SECTION 10: GENERAL MANAGEMENT PRACTICES > RELATIONSHIP MANAGEMENT



Heat map of the contribution of relationship management to value chain activities

## SECTION 10: GENERAL MANAGEMENT PRACTICES > RELATIONSHIP MANAGEMENT CONTRIBUTION

### Plan

Information about the requirements and expectations, assessment and prioritization across portfolios and evaluating current and future market spaces

### Improve

Harmonize and synergize different organizational relationships with internal and external customers

### Engage

Engaging with internal and external customers to understand their requirements and priorities

## SECTION 10: GENERAL MANAGEMENT PRACTICES > RELATIONSHIP MANAGEMENT CONTRIBUTION

### Design & Transition

Plays a key role in coordinating feedback from internal and external customers, ensures that inconvenience and adverse impacts to customers during transition are prevented or minimized

### Obtain / Build

Provides the customer requirements and priorities to help select products, services or service components to be obtained or built

### Deliver & Support

Responsible for ensuring that a high level of customer satisfaction and a constructive relationship

## Risk Management

ensure that the organization understands and effectively handles risks

Managing risk is essential to ensuring the ongoing sustainability of an organization and creating value for its customers

## Risk

a possible event that could cause harm or loss or make it more difficult to achieve objectives. Can also be defined as uncertainty of outcome and can be used in the context of measuring the probability of positive outcomes as well as negative outcomes.



## Risk Management

ensure that the organization understands and effectively handles risks

Risk need to be:

- Identified
- Assessed
- Treated

The following principles apply specifically to the risk management practice:

- Risk is part of business
- Risk management must be consistent across the organization
- Risk management culture and behaviours are important

## ISO 31000:2018 Risk Management

These guidelines provide an overall and general perspective of the purpose and principles of risk management

They are applicable at all levels in any type of organization

ISO 31000 states that 'the purpose of risk management is the creation and protection of value' and that risk management 'improves performance, encourages innovation and supports the achievement of objectives'

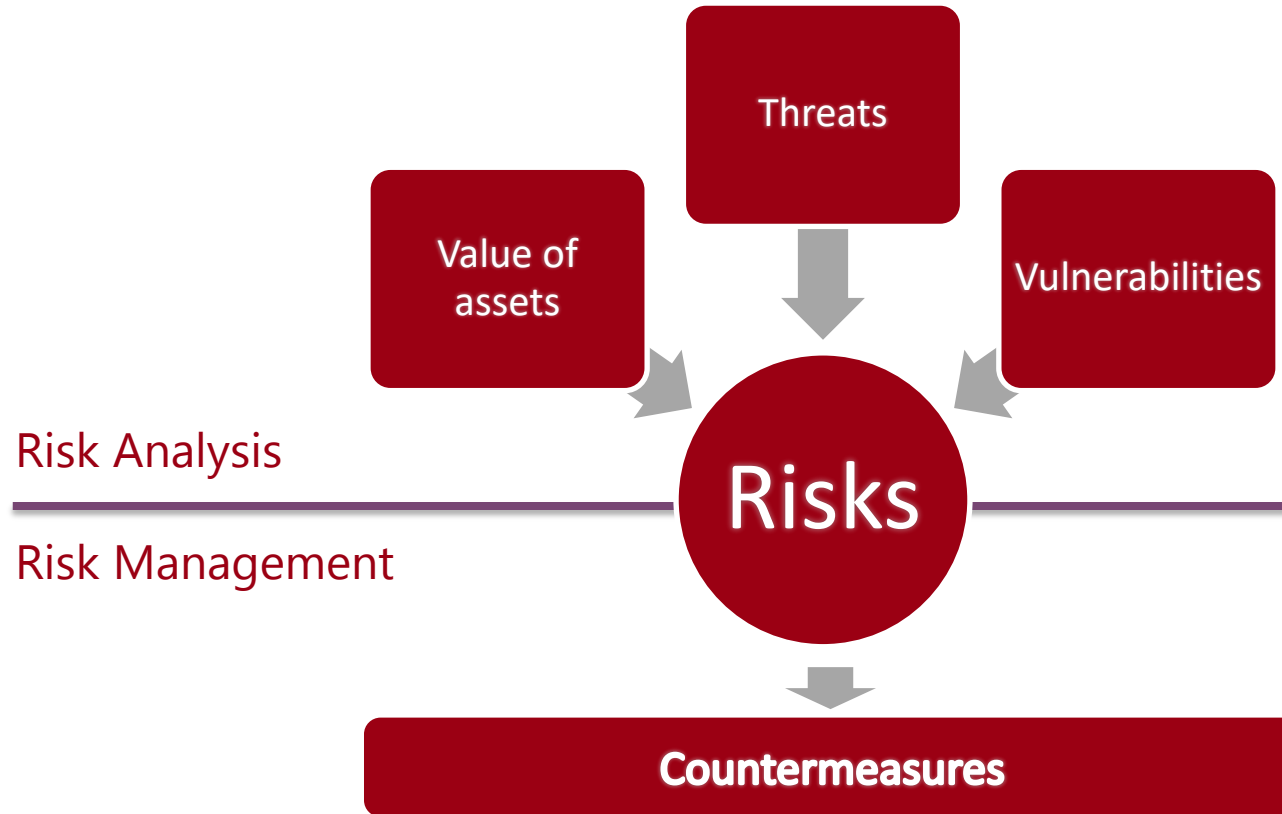
## SECTION 10: GENERAL MANAGEMENT PRACTICES > RISK MANAGEMENT

### CCTA

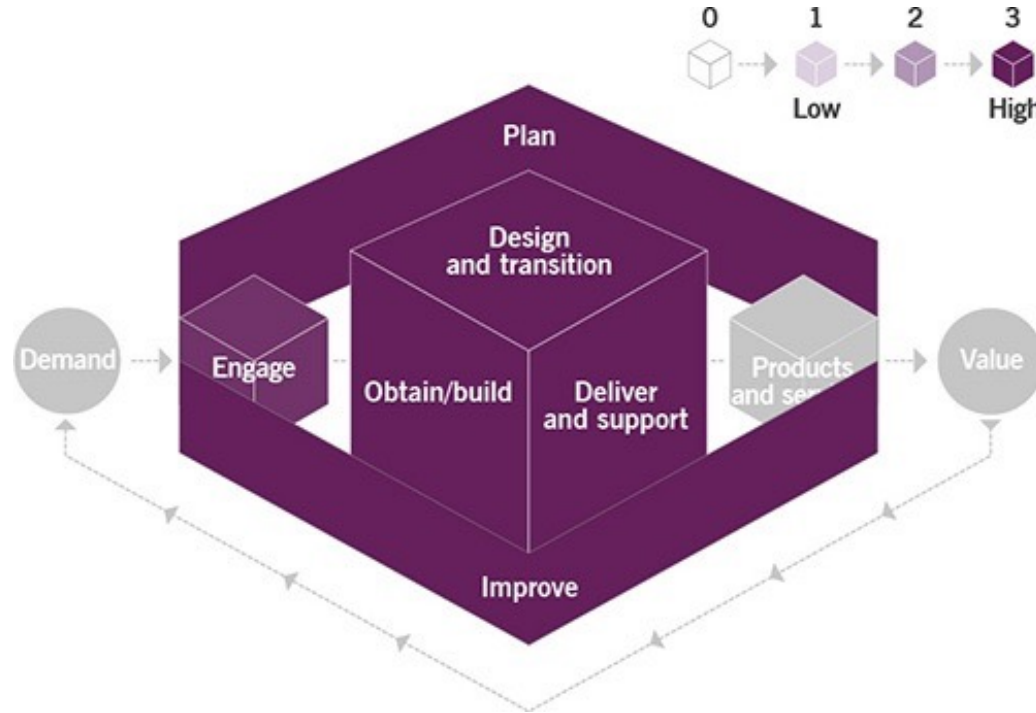
The United Kingdom's  
Central  
Computer and  
Telecommunications  
Agency

### CRAMM

CCTA  
Risk  
Analysis and  
Management  
Method



## SECTION 10: GENERAL MANAGEMENT PRACTICES > RISK MANAGEMENT



Heat map of the contribution of risk management to value chain activities

## Service Financial Management

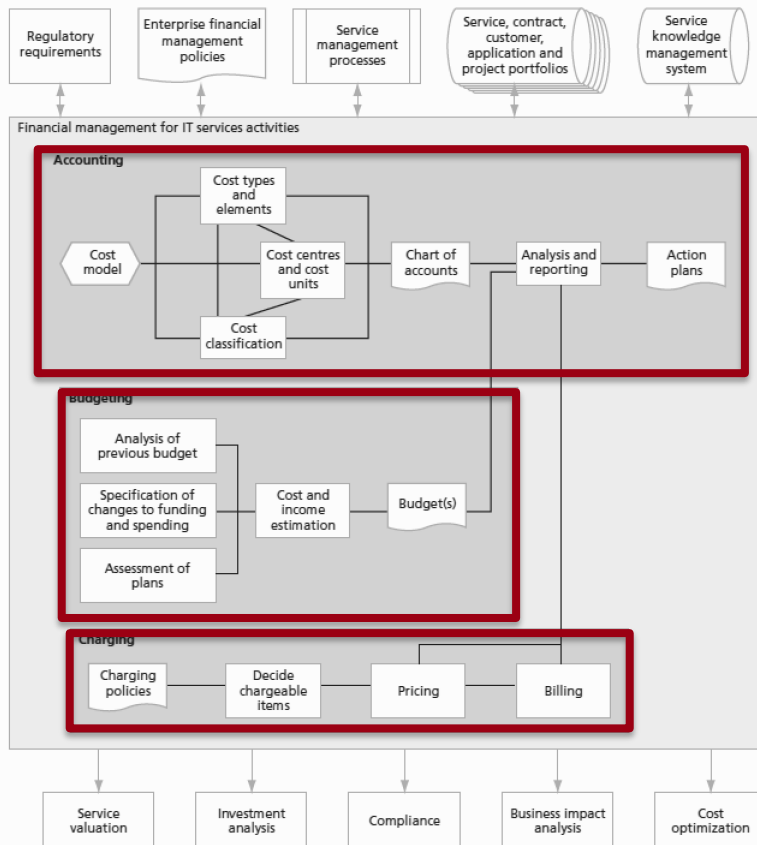
support the organization's strategies and plans for service management by ensuring that the organization's financial resources and investments are being used effectively

Service financial management is responsible for managing the

- Budgeting
- Costing
- Accounting
- Charging

for the activities of an organization

## SECTION 10: GENERAL MANAGEMENT PRACTICES > SERVICE FINANCIAL MANAGEMENT



Main process inputs

Accounting

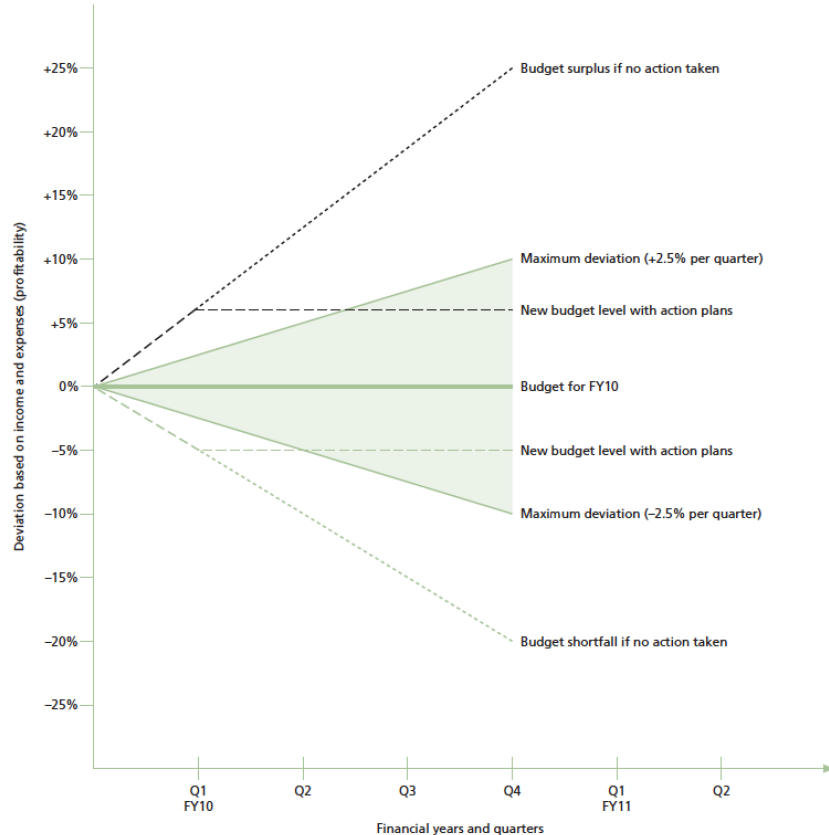
Budgeting

Charging

Main process outputs



## SECTION 10: GENERAL MANAGEMENT PRACTICES > SERVICE FINANCIAL MANAGEMENT



## Example of budget deviation analysis

- Example where business performance exceeds budget by 6.5% in the first quarter
- Projected result if no action is taken
- Example where business performance is under budget by 5% in the first quarter
- Projected result if no action is taken

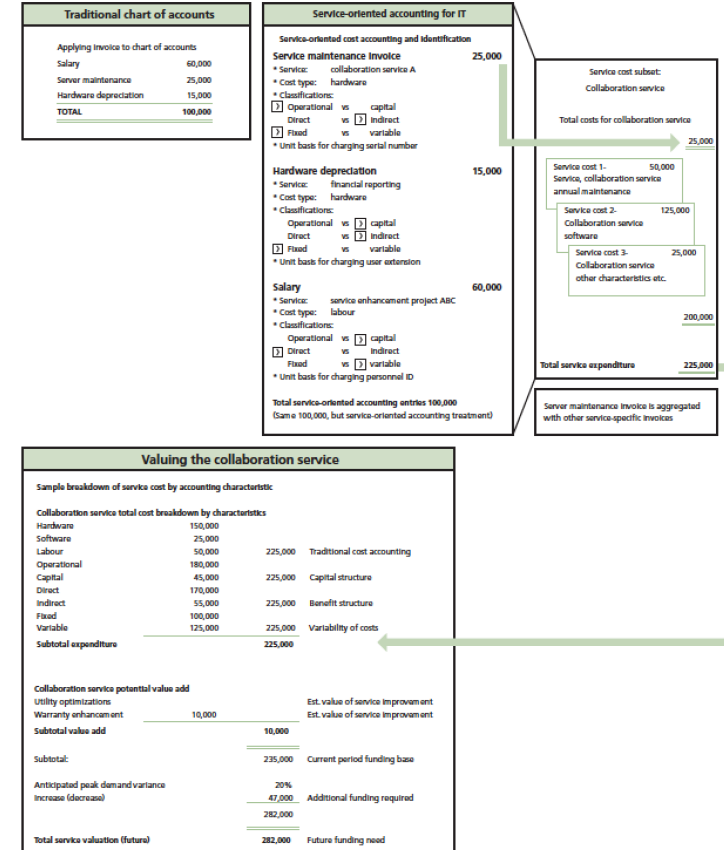
## SECTION 10: GENERAL MANAGEMENT PRACTICES > SERVICE FINANCIAL MANAGEMENT

### Accounting: chart of accounts

Service Financial Management needs to align the chart of accounts with its own cost models, services and expenditure

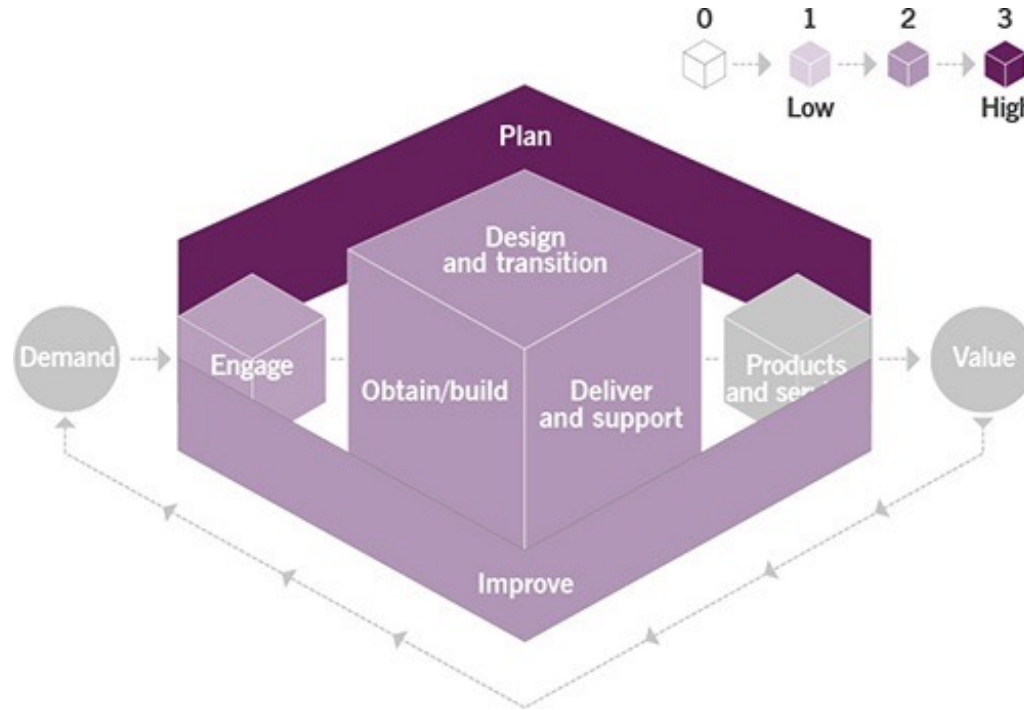
More IT organizations are creating their own charts of accounts and then aligning them with the enterprise chart of accounts

In the figure, an example of translation of cost account data to service account information





## SECTION 10: GENERAL MANAGEMENT PRACTICES > SERVICE FINANCIAL MANAGEMENT



Heat map of the contribution of service financial management to value chain activities

## Strategy Management

formulate the goals of the organization and adopt the courses of action and allocation of resources necessary for achieving those goals

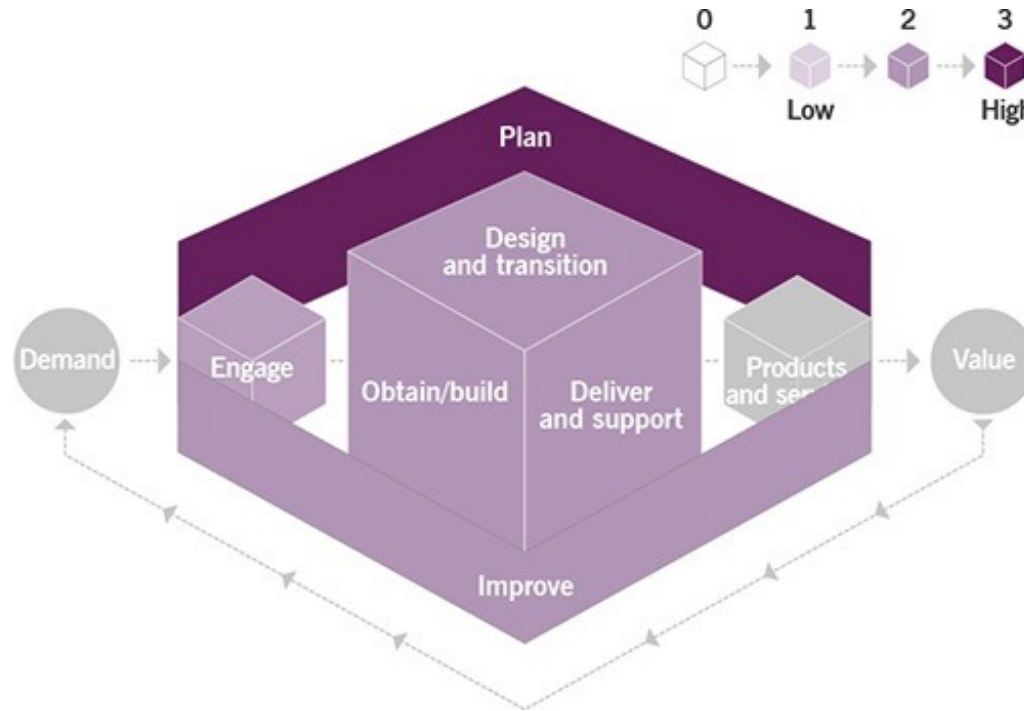
Strategy management establishes the organization's direction, focuses effort, defines or clarifies the organization's priorities, and provides consistency or guidance in response to the environment

Strategy management is often seen as the responsibility of the senior management and governing body of an organization

The objectives of strategy management are to:

- analyse the environment to identify opportunities
- identify constraints and define how they could be removed
- decide and agree the organization's perspective and direction
- establish the perspective and position of the organization relative to its customers and competitors
- ensure that the strategy has been translated into tactical and operational plans
- ensure the strategy is implemented through execution of the strategic plans
- manage changes to the strategies ensuring that strategies keep pace with changes

## SECTION 10: GENERAL MANAGEMENT PRACTICES > STRATEGY MANAGEMENT



Heat map of the contribution of strategy management to value chain activities

## Supplier Management

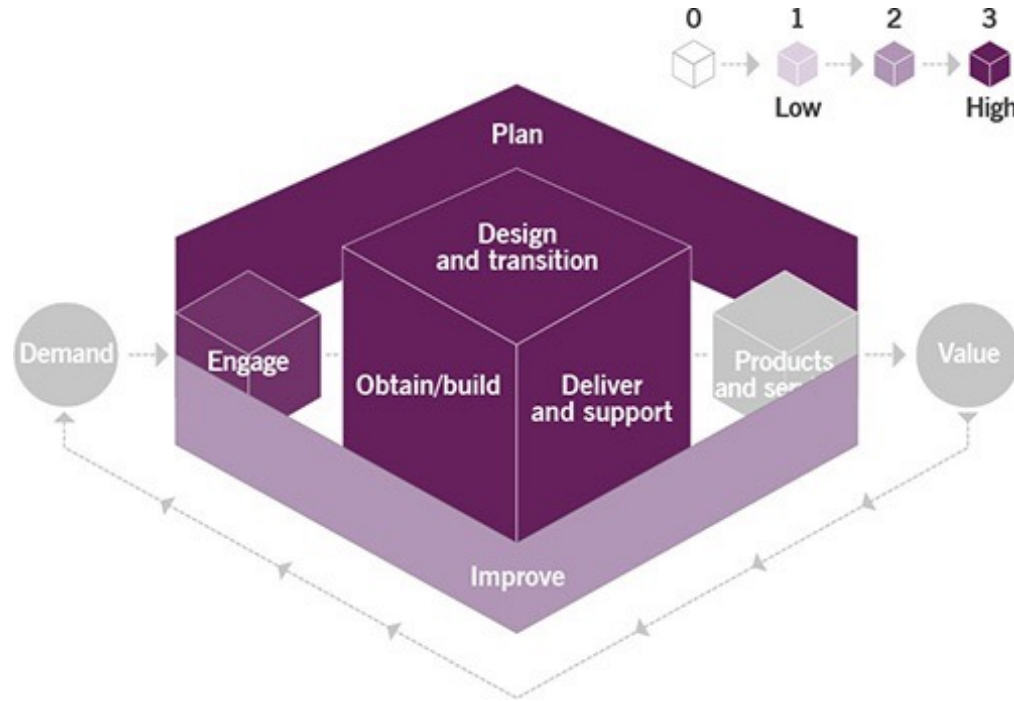
ensure the management of supplier and their performance to support the seamless provisioning of quality products, services and components

- Good relationships with suppliers can provide you with advanced warning

Activities that are central to the practice include:

- Creating a single point of visibility and control to ensure consistency
- Maintaining a supplier strategy, policy, and contract management information
- Negotiating and agreeing contracts and arrangements
- Managing relationships and contracts with internal and external suppliers
- Managing supplier performance

## SECTION 10: GENERAL MANAGEMENT PRACTICES > SUPPLIER MANAGEMENT



Heat map of the contribution of strategy management to value chain activities

## SECTION 10: GENERAL MANAGEMENT PRACTICES > SUPPLIER MANAGEMENT ACTIVITIES

Plan

Provides approved sourcing strategy and plan

Improve

Identifies opportunities for improvement

Engage

Responsible for engaging with all suppliers and for the evaluation and selection of suppliers

## SECTION 10: GENERAL MANAGEMENT PRACTICES > SUPPLIER MANAGEMENT ACTIVITIES

### Design & Transition

Responsible for defining requirements for contracts and agreements related to new or changed products or services

### Obtain / Build

Supports the procurement or obtaining of products, services, and service components from third parties

### Deliver & Support

Ensure that suppliers meet the terms, conditions, and targets of their contracts and agreements



## Workforce and Talent Management

ensure that the organization has the right people with the appropriate skills and knowledge and in the correct roles to support its business objectives

The practice covers a broad set of activities focused on successfully engaging with the organization's employees and people resources, including planning, recruitment, onboarding, learning and development, performance measurement, and succession planning

## Definitions

**Organizational velocity** - The speed, effectiveness, and efficiency with which an organization operates. Organizational velocity influences time to market, quality, safety, costs, and risks.

**Competencies** - The combination of observable and measurable knowledge, skills, abilities, and attitudes that contribute to enhanced employee performance and ultimately result in organizational success.

**Skills** - A developed proficiency or dexterity in thought, verbal communication, or physical action.

**Ability** - The power or aptitude to perform physical or mental activities related to a profession or trade.

**Knowledge** - The understanding of facts or information acquired by a person through experience or education; the theoretical or practical understanding of a subject.

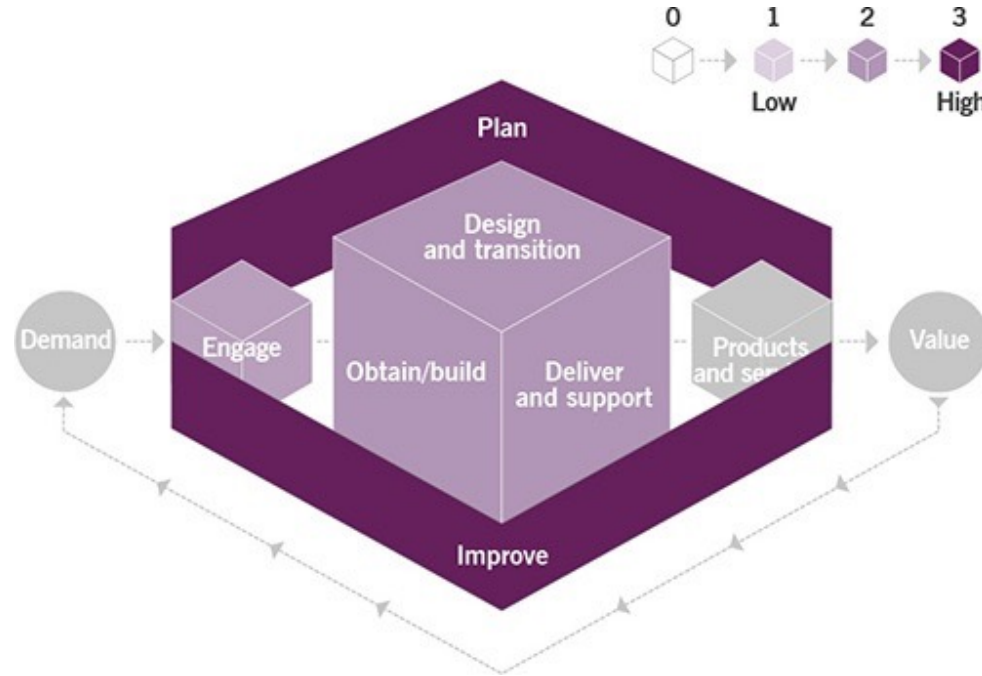
**Attitude** - A set of emotions, beliefs, and behaviours towards a particular object, person, thing, or event.

## Workforce and Talent Management activities

The activities of this practice cover a broad range of areas and are performed by a variety of roles for specific purposes, including the ones depicted on the figure



## SECTION 10: GENERAL MANAGEMENT PRACTICES > WORKFORCE AND TALENT MANAGEMENT



Heat map of the contribution of workforce and talent management to value chain activities

What is defined as the practice of protecting an organization by understanding and managing risks to the confidentiality, integrity, and availability of information?

- Information security management
- Availability management
- Service continuity management
- Change control

## SECTION 10: GENERAL MANAGEMENT PRACTICES > EXERCISE

What is defined as the practice of ensuring that an organization's suppliers and their performance levels are managed appropriately to support the provision of seamless quality products and services?

- Supplier management
- Service level management
- Capacity and performance management
- Monitoring and even management