

LEARNING UNIT 02**INFORMATION TECHNOLOGY SERVICE MANAGEMENT (ITSM):****THE SERVICE VALUE SYSTEM (SVS)****2.1 INTRODUCTION**

This learning unit introduces you to Information Technology Service Management's (ITSM's) Service Value System (SVS) based on the prescribed textbook, which is Agutter, C. (2020). *ITIL® 4 Essentials: Your essential guide for the ITIL 4 Foundation exam and beyond*. 2nd edition. IT Governance Publishing. This book is freely available online from Unisa's e-library – Safari Books Online (O'Reilly) database at <https://learning.oreilly.com/library/view/itil-4-essentials/9781787782204/>.

The SVS is the model for how value is co-created and includes the concept of the service value chain. This learning unit presents the SVS components of opportunity, demand and value, the seven guiding principles, namely focus on value, start where you are, progress iteratively with feedback, collaborate and promote visibility, think and work holistically, keep it simple and practical, optimise and automate, governance and the operating model called the service value chain, which has some resemblance to the ITIL® 3 life cycle model. The service value chain includes the activities of plan, improve, engage, design and transition, obtain/build and deliver and support.

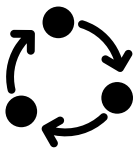
Watch this YouTube video:

Use the following link to watch a video giving you a brief overview of the SVS:

<https://www.youtube.com/watch?v=OtTTB0Desig> (1:23)

Purpose of the video:

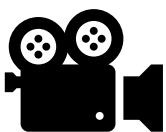
The video provides a holistic view of the SVS.



2.2 THE SERVICE VALUE SYSTEM (SVS)

Core to contemporary ITSM is the SVS, which is a model or a way of thinking about ITSM so that the important components and activities in an organisation can be considered, managed and coordinated to enable value co-creation. The SVS comprises guiding principles, governance, service value chain, practices, continual improvement, inputs and outcomes.

One of the objectives of the SVS is to combat silos in organisations. Silos are a problem because those departments ignore the rest of the organisation and operate according to their own agenda and the consequences are an inability to take advantage of new business opportunities, suboptimal resource use, inadequate decision making, lack of transparency, unhealthy politics and discoordination across processes.

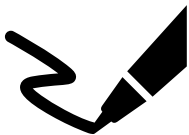


Watch this YouTube video:

Use the following link to watch a video elaborating on the SVS:
<https://www.youtube.com/watch?v=68Gy7BZAobl> (29:28)

Purpose of the video:

The video breaks down the various aspects relating to the SVS and its application in an organisation.



ACTIVITY 2.1: THE SERVICE VALUE SYSTEM (SVS)

Instructions:

- Go to the **Discussions** tool on the module's myUnisa website.
- Go to the Forum for Learning Unit 02: Specific Questions and Discussions.
- Open the discussion topic: Activity 2.1: The Service Value System (SVS).
- Provide your insight on the questions/tasks that are outlined below. Type your answer to each question in the discussion forum post using 300 words or less.

Purpose:

To provide an opportunity for you to apply your knowledge of the SVS in a real-life scenario.

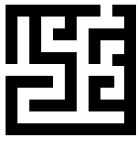
Task:

Study chapter 6 of the textbook (Agutter, 2020).

Provide explanatory responses to the following:

- Describe a departmental silo in an organisation that you are familiar with (do not use actual names).
- What problems have you observed as a result of the siloed department?

c) How do you think the idea of the SVS could be applied to address the observed problems of the siloed department?



2.3 OPPORTUNITY, DEMAND, VALUE, GUIDING PRINCIPLES AND GOVERNANCE

The SVS begins once suitable opportunities or demands are identified. For IT services and products, a minimum viable product (MVP) may be used as part of Agile development processes to determine the feasibility of a perceived opportunity or demand.

Once a feasible opportunity or demand has been identified, the SVS is applied to co-create value for the company providing the identified IT service and the company or individuals consuming or using the identified service.

How should we apply the SVS to create value for the company providing the identified IT service and the company or individuals consuming or using the identified service? The answer is the seven ITSM guiding principles that are recommendations for how to apply the SVS to create value.

The guiding principles are focus on value, start where you are, progress iteratively with feedback, collaborate and promote visibility, think and work holistically, keep it simple and practical, and optimise and automate.

The guiding principle of 'focus on value' means that whatever is done should result, directly or indirectly, in value co-creation. The guiding principle 'start where you are' is a practical and common-sense approach to change ITSM practices and processes, it recognises that it can be destructive and impossible to try and change everything at once and lead to organisational failure; instead, it is better to carefully change only the most problematic practices and processes first in manageable portions. This is closely related to the guiding principle of 'progress iteratively with feedback', where the change to ITSM should be done carefully and in manageable iterations to mitigate risk, loss and failure.

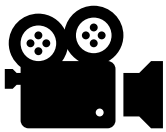
The guiding principle 'collaborate and promote visibility' encourages cooperation, communication, transparency and teamwork and discourages silos. The guiding principle 'think and work holistically' is required since value is created for customers via many interconnected processes, not a single process; therefore, people must think in terms of the overall picture to create value.

In relation, the guiding principle 'keep it simple and practical' means that even though the many interconnected processes may be complex, try to use the minimum set of activities to achieve a result, reduce complexity and improve quality. The guiding principle 'optimise and automate' encourages the use of technology to improve the quality and scalability of repetitive processes and leverage people's intellect and creativity for more complex activities.

Watch these YouTube videos:

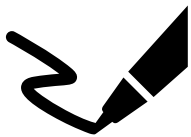
Use the following link to watch a video providing a high-level view on IT governance: <https://www.youtube.com/watch?v=5U5f17vO1Y0> (3:14)

Use the following link to watch a video providing an in-depth presentation on the guiding principles: <https://www.youtube.com/watch?v=60Uphq-W1SI> (1:01:53)

**Purpose of the video:**

The first video gives an orientation to IT governance and the second details the guiding principles.





ACTIVITY 2.2: OPPORTUNITY, DEMAND, VALUE, GUIDING PRINCIPLES AND GOVERNANCE

Instructions:

- Go to the **Discussions** tool on the module's myUnisa website.
- Go to the Forum for Learning Unit 02: Specific Questions and Discussions.
- Open the discussion topic: Activity 2.2: Opportunity, demand, value, guiding principles and governance.
- Provide your insight on the questions/tasks that are outlined below. Type your answer to each question in the discussion forum post using 300 words or less.

Purpose:

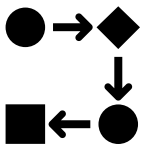
To provide an opportunity for you to apply your knowledge of ITSM opportunity, demand, value, guiding principles and governance in practice.

Task:

Study chapters 7, 8 and 9 of the textbook (Agutter, 2020).

Provide explanatory responses to the following:

- a) What elements of IT governance are apparent in an organisation that you are familiar with (do not use actual names)? Do you think there are other elements that need more attention?
- b) What guiding principles have you observed in an organisation that you are familiar with (do not use actual names) and that have stood out most? Why do you think those have stood out most?



2.4 THE SERVICE VALUE CHAIN

The service value chain is the central idea of the service value system. So, the overarching or highest-level concept of ITSM is the **SVS**, which explains how all the pieces and parts of an entire organisation work together to create value. Then, within the service value system, is the **service value chain**, which is the operating model or middle-level concept or set of activities that all service and product providers should carry out to create value. Finally, there are the **service value streams**, which are the lowest-level concept and are the specific sets of activities that create specific services and products. There may be one service value stream for one type of service and there will be many different service value streams running through an organisation's service value chain if the organisation offers many types of services.

Importantly, there are six activities in the service value chain, namely plan, improve, engage, design and transition, obtain/build and deliver and support. These activities do not have to be carried out in order and may be carried out in any order, the same time, and even repeated as required. Nevertheless, each activity requires key inputs from other activities and produces key inputs for the other activities.

Watch these YouTube videos:

Use the following links to watch videos defining the service value chain:

<https://www.youtube.com/watch?v=l4fmApRqVRy> (1:10)

<https://www.youtube.com/watch?v=J3RoUVFDdQ0> (3:14)

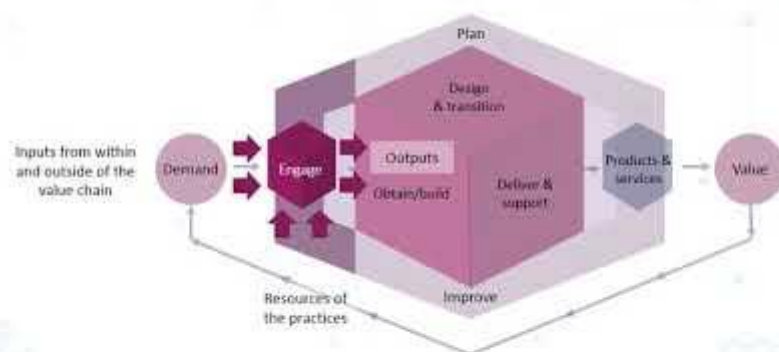
Purpose of the videos:

These videos provide concise definitions of the service value chain.





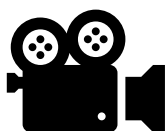
Value Chain Interactions with Practices



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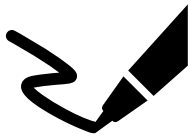
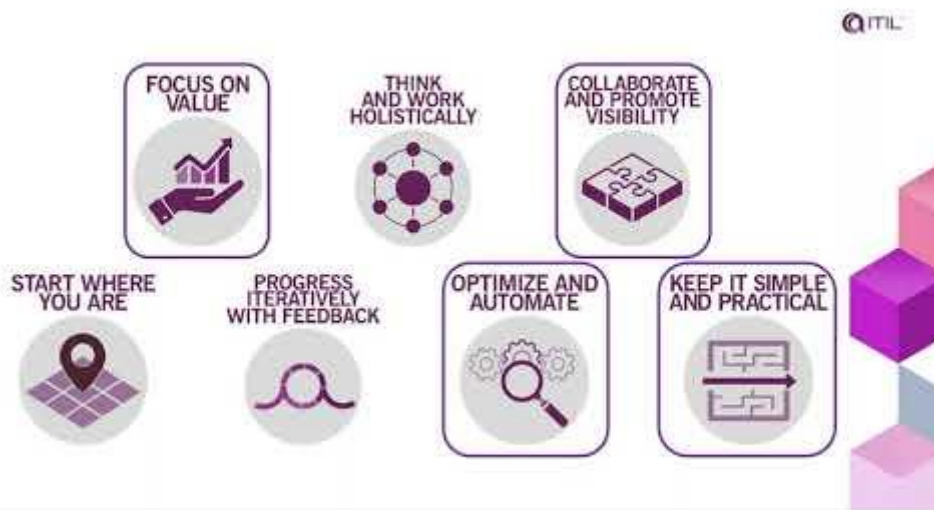
Watch this YouTube video:



Use the following link to watch a video about applying ITSM to everyday situations: <https://www.youtube.com/watch?v=vazTQb2XC70> (1:03:07)

Purpose of the video:

This video provides a look at how ITSM can be applied to everyday situations.



ACTIVITY 2.3: THE SERVICE VALUE CHAIN

Instructions:

- Go to the **Discussions** tool on the module's myUnisa website.
- Go to the Forum for Learning Unit 02: Specific Questions and Discussions.
- Open the discussion topic: Activity 2.3: The service value chain.
- Provide your insight on the questions/tasks that are outlined below. Type your answer to each question in the discussion forum post using 300 words or less.

Purpose:

To provide an opportunity for you to view your work environment from the perspective of the service value chain.

Task:

Study chapter 10 of the textbook (Agutter, 2020).

Provide explanatory responses to the following:

- a) Think about a core service that an organisation that you are familiar with (do not use actual names) provides and describe the specific service value stream activities required to produce the core service
- b) Explain how that core service co-creates value.



2.5 CONCLUSION

This learning unit introduced you to the Information Technology Service Management (ITSM) and the Service Value System (SVS) based on the prescribed textbook (Agutter, 2020). The next learning unit introduces DevOps and explains what DevOps is, how and why it came about, the problems it addresses and its principles.

After reviewing all the topics and completing all the activities, you should be able to create your own summary of the learning unit and use it during your preparation for the examination. In addition, you should now understand the central idea of ITIL® 4, which is the SVS, being the model for how value is co-created and includes the concept of the service value chain. You should also be able to apply the SVS components of opportunity, demand and value, the seven guiding principles, namely focus on value, start where you are, progress iteratively with feedback, collaborate and promote visibility, think and work holistically, keep it simple and practical, optimise and automate, governance and the operating model called the service value chain, which has some resemblance to the ITIL® 3 life cycle model. The service value chain includes the activities of plan, improve, engage, design and transition, obtain/build and deliver and support. We trust that this learning unit significantly improved your understanding of the SVS in ITSM.

The next learning unit introduces DevOps and explains what DevOps is, how and why it came about, the problems it addresses and its principles. It also details how DevOps relates to IT services, software development (Dev) and IT operations (Ops).

References

Agutter, C. (2020). *ITIL® 4 Essentials: Your essential guide for the ITIL 4 Foundation exam and beyond* (2nd edition). Cambridgeshire, United Kingdom: IT Governance Publishing.
<https://learning.oreilly.com/library/view/itil-4-essentials/9781787782204/> (Freely available ONLINE from Unisa's e-library – Safari Books Online (O'Reilly) database).