9 Challenges, Critical Success Factors and risks

9.1 Challenges

There are a number of challenges faced within Service Operation that need to be overcome. These include those set out in this section.

9.1.1 Lack of engagement with development and project staff

Traditionally, there has been a separation between Service Operation staff and those staff involved in developing new applications or running projects that will eventually deliver new functionality into the operational environment.

This separation was originally deliberate and driven by the desire to prevent collusion and avoid potential security risks (in some organizations it is still a legislative requirement). However, instead of using this separation of duties to create positive contributions, in many organizations it is a source of rivalry and political manoeuvring.

All too often, ITSM is seen as something that has been initiated in the operational areas and is nothing to do with development or projects.

This view is very damaging as the appropriate time to be thinking of Service Operation issues is at the outset of new developments or projects – when there is still time to include these factors in the planning stages.

The Service Design and Service Transition publications describe the steps needed to ensure that IT Operations issues are considered from the outset of new developments and projects.

Anecdotes

One organization uses an ‘Operation Transition-In Policy’ to ensure that services being deployed have had the appropriate level of input from the operational teams. This is basically a policy that clearly shows under what circumstances an application is ‘ready’ to transition into Operations. This helped with communication to development and project teams and also provided a clear set of guidelines on how to work with the operational teams.

Another organization uses Operations Use Cases to get development teams to include requirements that should be fulfilled by the application to be run in production under the control of Operations personnel.

9.1.2 Justifying funding

It is often difficult to justify expenditure in the area of Service Operation, as money spent in this sphere is often regarded as 'infrastructure costs' – with nothing new to show for the investment.

The Service Strategy publication discusses how to ensure a Return on Investment and eliminate the perception of investment as a purely Infrastructure 'overhead'. Good guidance is offered on how to justify investment.

In reality, many investments in ITSM, particularly in the Service Operation areas, can save money and show a positive Return on Investment – as well as resulting improvement in service quality. Some examples of potential areas of savings include:

- Reduced software licence costs through the better management of licences and deployed copies
- Reduced support costs due to fewer incidents and problems and reduced resolution times
- Reduced headcount through workforce rationalization, supporting roles and accountability structures
- Less 'lost business' due to poor IT service quality
- Better utilization of existing infrastructure equipment and deferral of further expenditure due to better Capacity Management
- Better-aligned processes, leading to less duplication of activities and better usage of existing resources.

9.1.3 Challenges for Service Operation Managers

The following is a list of some of the challenges that Managers in Service Operation should expect to face. There is no easy solution to these challenges, mainly because they are by-products of the organization culture and the decisions made during the process of deciding the organizational structure. The purpose of including the list is to ensure that Service Operation Managers are conscious of them and can create a plan to deal with them.

The differences between Design activities and Operational activities will continue to present challenges. This is for a number of reasons, including the following.

- Service Design may tend to focus on an individual service at a time, whereas Service Operation tends to focus on delivering and supporting all services at the same time. Operation Managers should work closely with Service Design and Service Transition to provide the Operation perspective to ensure that design and transition outcomes support the overall operational needs.

- Service Design will often be conducted in projects, while Service Operation focuses on ongoing, repeatable management processes and activities. The result of this is that operational staff are often not available to participate in Service Design project activities, which in turn results in IT services that are difficult to operate, or which do not include adequate manageability design elements. In addition, once project staff have finished the design of one IT Service they could move onto the next project and not be available to support difficulties in the operational environment. Overcoming this challenge requires Service Operation to plan for its staff to be actively involved in design projects, to resource the transition activities and participate in Early Life Support of services introduced in the operational environment.
- The two stages in the lifecycle have different metrics, which encourages Service Design to complete the project on time, to specification and in budget. In many cases it is difficult to forecast what the service will look like and how much it will cost after it has been deployed and operated for some time. When it does not run as expected, IT Operations Management is held responsible. While this challenge will always be a reality in Service Management, this can be addressed by active involvement in the Service Transition stage of the lifecycle. The objective of Service Transition is to ensure that designed services will operate as expected and the Operations Manager can provide the knowledge needed to Service Transition to assess, and remedy, issues before they become issues in the operational environment.
- Service Transition that is not used effectively to manage the transition between the Design and Operation phases. For example, some organizations may only use Change Management to schedule the deployment of changes that have already been made – rather than testing to see whether the change will successfully make the transition between Design and Operation. It is imperative that the practices of Service Transition are followed and organization policies to prevent poorly managed Change practices are in place. Operation, Change and Transition Managers must have the authority to deny any changes into the operational environment, without exception, that are not thoroughly tested.

These challenges can only be dealt with if Service Operation staff are involved in Service Design and Transition, and this will require that they are formally tasked and measured to do this. Roles identified in the Service Design processes should be included in Technical and IT Application Management staff job descriptions and their time allocated on a project-by-project basis.

Another set of challenges relates to measurement. Each alternative structure will introduce different combinations of items that are easy or difficult to measure. For example measuring the performance of a device or team could be relatively easy, but determining whether that performance is good or bad for the overall IT service is another matter altogether. A good Service Level Management process

will help to resolve this, but this means that Service Operation teams must be an integral part of that process (see Continual Service Improvement publication).

A third set of challenges relates to the use of Virtual Teams. Traditional, hierarchical management structures are becoming inadequate because of the complexity and diversity of most organizations. A management paradigm (Matrix Management) has emerged where employees report to different sources for different tasks. This has resulted in a complex web of accountability and an increased risk of activities falling through the cracks. On the other hand, it also enables the organization to make skills and knowledge available where they are most needed to support the business. Knowledge Management and the mapping of authority structures will become increasingly important as organizations expand and diversify. This is discussed in the ITIL Service Strategy publication.

One of the most significant challenges faced by Service Operation Managers is the balancing of many internal and external relationships. Most IT organizations today are complex and as services become more commoditized there is an increased use of value networks, partnerships and shared services models. While a significant advantage to dynamically evolving business needs, this increases the complexity of managing services cohesively, efficiently and providing the invisible seam between the customer and the intricate web of how services are actually delivered. A Service Operation Manager should invest in relationship management knowledge and skills to help deal with the complexity of this challenge.

9.2 Critical Success Factors

9.2.1 Management support

Senior and Middle Management support is needed for all ITSM activities and processes, particularly in Service Operation.

Senior Management support is critical for obtaining and maintaining adequate funding and resourcing. Rather than seeing Service Operation as a 'black hole' for investment, Senior Management should quantify and champion the benefits of good Service Operation. They should also be fully informed of the dire results that can occur because of poor Service Operation.

Senior Management must provide visible support during the launch of new Service Operation initiatives (such as through appearances at seminars, signatories to memos and announcements, etc.) and their ongoing support must be equally well demonstrated. Entirely the wrong messaging can be given if a senior manager fails to turn up to an important project meeting or launch seminar. Even worse are senior managers who support the initiative verbally, but abuse their authority to encourage circumvention of the Service Operation practice.

Senior Managers should also empower the Middle Managers who will be directly responsible for Service Operation. Supporting the initiative publicly, but then overriding budget requirements or necessary changes, will harm both the implementation and ongoing Service Operation initiative.

Middle Managers must also provide the necessary support – and in particular this should be demonstrated by their actions. If a middle manager is seen to be circumventing or overriding an agreed procedure (e.g. implementing a change that has not been through the Change Management process) then this gives the clear message that others can do the same – and that the procedure is worthless and can be ignored by all. Middle Managers should go out of their way to make their support known, not just by their words but also by their actions and adherence to the organization's agreed processes and procedures.

Middle Managers should also give their full support to hiring staff to support the process, instead of accepting the need for formalized Service Operation and then simply increasing the workload of existing staff to get it done.

9.2.2 Business support

It is important that the Business Units also support Service Operation. This level of support can be far better achieved if the Service Operation staff involve the business in all of their activities and are open in their reporting of both successes and failures – and their efforts to improve.

It is equally important that the Business Units understand, accept and carry out the role they play in Service Operation. Good service requires good customers! Adhering to the policies, processes and procedures, such as using the Service Desk for logging all requests, is a direct responsibility of the customer to support and promote within the business.

Regular communications with the business to understand their concerns and aspirations and to give feed-back on efforts to meet their needs are essential in building the correct relationships and ensuring ongoing support.

Also the business should agree to the costs for implementing Service Operation and understand the return on the investment, unless this has already been agreed as part of the Design process.

9.2.3 Champions

ITSM projects and the resulting ongoing practice (performed by Service Operation staff) are often more successful if one or more 'champions' are forthcoming who can lead others through their enthusiasm and commitment for ITSM.

In some cases these champions may be senior managers who are leading from the top. But champions can also be successful if they come from other tiers of the organization. One or two junior staff can still have a significant beneficial influence on a successful conclusion.

Champions are often created or heavily influenced through formal Service Management training, particularly at more advanced levels where the potential benefits to an organization, and to the individuals who make a career path in Service Management, can be fully explored.

It should be noted that champions emerge over time. They cannot be created or appointed. Often it is users or customers who provide the most help in creating good Service Management processes as they are acutely aware of needed improvements from a business perspective. It is important to recognize that these are usually highly motivated staff who often voluntarily take on the greatest workloads. If their input is to be most effective they must be given time to work as the champion.

9.2.4 Staffing and retention

Having the appropriate number of staff with the appropriate skills is critical to the success of Service Operation. Some challenges that need to be overcome include the following.

- Projects for new services are usually quite good about specifying required new skills, but often underestimate the number of staff required and how to retain the new skills. See paragraph 9.2.1 for some ideas on how to facilitate better communication about requirements.
- Scarcity of resources who have a good understanding of Service Management. Having good technical people is necessary, but there needs to be a number of key people who are able to move between technology issues and service issues.
- Since these resources are fairly scarce it is quite common to train them, only to have them resign and join another company for a better salary. Clear career paths and good incentives should be part of every Service Management initiative.
- Attempting to assign too much, too soon, to existing staff. Achieving efficient Service Operation will take time, but if approached correctly it will be achieved. Unfortunately, some managers try to expedite the savings by assigning the interim work of implementing the new processes and tools to existing, very busy, staff. Invariably either the project fails, or service suffers and sometimes valuable staff will leave. Successful Service Management projects often require a short-term investment in either temporary staff or contractors, and this should not be underestimated.

9.2.5 Service Management training

Adequate training and awareness can have much wider overall benefits. As well as creating champions of a few, it can be used to win the 'hearts and minds' of many. Service Operation staff must all be aware of the consequences of their actions, both good and bad, on the organization – and all must be instilled with a 'Service Management culture'.

It is possible to have the finest Service Operation practice and tools in the world – but Service Management will not be successful unless the people are also attuned to the overall Service Management objectives. Buy-in and support of all staff are therefore very important – and the role of training and awareness, and even formal qualifications that benefit the individual, should not be underestimated.

Training required for successful Service Management includes:

- Training IT staff on the processes that have been implemented. This will include generic training so that they understand the concepts fully, as well as training specially targeted at the organization's own processes
- Training on 'soft' or 'people' skills, especially for those staff in customer-facing positions
- Training about understanding the business, and the importance of achieving a service culture

- Where tools have been implemented, training on how to use and manage those tools
- Also, customers and users need appropriate training on how to work with IT – access services, request changes, submit requests, use tools, etc.

9.2.6 Suitable tools

Many Service Operation processes and activities cannot be performed effectively without adequate support tools (as outlined in Chapter 7). Senior management must ensure that funding for such tools is included in ongoing budgets and support their procurement, deployment and ongoing maintenance.

9.2.7 Validity of testing

The quality of IT services that can be provided in Service Operation is dependent upon the quality of systems and components delivered into the operational environment.

The quality level will be significantly enhanced if adequate and complete testing of new components and releases is carried out in good time. Documentation should also be tested for completeness and quality.

This requires a comprehensive and realistic testing environment to be in place for all systems/components – which mirrors the operational environment in terms of volume as well as characteristics. There should be independent testers wherever possible. Funding for such testing environments is essential if high-quality services are to be achieved.

Additionally, sufficient time and effort are needed to ensure that testing is properly planned and designed – and adequate time is included for testing, and re-testing should some parts fail! The best way to ensure this is by following the guidance in the Service Transition publication.

9.2.8 Measurement and reporting

A clear definition is needed of how things will be measured and reported (as outlined in Appendix B) so that all staff have clear targets to aim for and IT and Business Managers are able to quickly and easily review progress and pinpoint any areas for attention.

9.3 Risks

Failure to meet the challenges already described in section 9.1 or to address the Critical Success Factors outlined in section 9.2 are obvious risks – but others are described as set out below.

9.3.1 Service loss

The ultimate risk to the business of weaknesses in Service Operation is the loss of critical IT services with subsequent adverse impact on its employees, customers and finances. In extreme cases there may be potential loss to life and limb where the IT services affected are used for critical health or safety purposes – such as emergency vehicle deployment or health scanning, etc.

9.3.2 Risks to successful Service Operation

The risks to achieving successful Service Operation are numerous – and in many cases are the opposite of the Critical Success Factors as described earlier – but also include:

- **Inadequate funding and resources:** Funding must be justified, allocated and held in reserve for its original purpose.
- **Loss of momentum:** Where staff see Service Management as 'flavour of the month' rather than permanently changing the way they work for the future, any impetus is lost as a result: it must be made clear from the outset that a new way of working is required. Also, mechanisms should be in place to ensure that the initiative survives organizational changes.
- **Loss of key personnel:** Sometimes the loss of one or two key personnel can have a severe impact: to try to minimize this effect, organizations should seek to cross-train staff and reduce dependencies upon individuals. This is especially true in less mature organizations where knowledge has still not been formalized into processes, documents and tools. These organizations tend to be dependent on 'heroic' efforts of a few knowledgeable people, and are devastated when they leave.
- **Resistance to** change**:** Sometimes people object to new things and are reluctant to take them on board. Education, training, communication and highlighting benefits will help.
- **Lack of management support:** This often occursamong Middle Managers who may not see the overall vision or gain the hands-on benefits that more junior staff may gain. See paragraph 9.2.1 for more information on this, but managers need to support Service Management and participate in the appropriate phases and processes of Service Design, Transition and Operation to provide tangible support.
- If the initial design **is faulty**, a successful implementation will never give the required results – and redesign will ultimately be necessary.

- In some organizations Service Management can be viewed with **suspicion** by both IT and the business. IT staff see it as an attempt to control them, while the business perceives it as an attempt by IT to gain more funding without actually improving anything. The benefits of Service Management should be clearly articulated for all stakeholders.
- **Differing** customer **expectations.** While operational staff are encouraged to execute against standards, customer and user expectations sometimes differ. In other cases one customer may have paid more for a superior service, but when a user from a different area sees the superior service, they feel cheated. This problem should be resolved through clear SLM and careful communication during Service Design. Complaints of this nature should be taken up through Continual Service Improvement processes and should not simply involve Service Operation automatically increasing service upon request.