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MTI104 – IT Services

Session-01:

Practices to Manage Stakeholders

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Introduction to ITIL Stakeholder Management

- Services require continuous support and external parties.
- External parties include customers, users, sponsors, and suppliers.
- Managing work activities internally reduces complexity.
- Handling stakeholders involves managing relationships.
- Practices to manage stakeholders include:
  - Relationship management
  - Supplier management
  - Service level management

Relationship Management Overview

- Not all stakeholders are equally important.
- Stakeholders are engaged at different levels:
    - Strategic
    - Tactical
    - Operational
- Example: IT company with MS Teams collaboration.
- Strategic relationships focus on long-term collaboration.
- Tactical relationships involve medium-term agreements.
- Operational transactions are case-by-case with minimal relationship.

Relationship Management in ITIL

- Relationship management deals with strategic and tactical levels.
- Purpose: Establish and nurture links with stakeholders.
- Ensures relationships are fruitful for all involved.
- Follows a lifecycle through stages:
    - Identification
    - Analysis
    - Monitoring
    - Continual Improvement

Value Co-Creation in Relationship Managemen

- Value is co-created between service provider and customer.
- Emphasis on harmony and reducing conflicts.
- Key purposes of relationship management:
  - Understanding stakeholder requirements.
  - Prioritization of requirements.
  - Regular conversations to ensure transparency.
  - Managing customer satisfaction and complaints.
- Value co-creation must be the objective at strategic and tactical levels.

Engagement in Service Value Chain

- Relationship management engages with service value chain activities:
- High involvement in planning and design and transition stages.
- Medium involvement in obtain/build and improve stages.
- Ensures alignment between stakeholder requirements and service value.
- Facilitates feedback from customers to improve services.
- Builds strong relationships with stakeholders to enhance value delivery.

Supplier Management Overview

- Supplier management is a mature ITIL practice.
- A service provider's service provider is referred to as a supplier.
- Suppliers provide essential goods and services.
- Purpose: Ensure suppliers and their performance are managed appropriately.
- Strategy drawn from customer requirements and service provider capabilities.
- Supplier management activities include:
    - Evaluation and selection
    - Contract negotiations

Supplier Management Activities

- Supplier categorization into strategic, tactical, and operational.
- Managing performance through regular checks.
- KPIs and SLAs are defined during contract negotiations.
- Sourcing strategies: Insourcing, outsourcing, single sourcing, and multisourcing.
- Example: Application development split among multiple service providers.
- Supplier management engages in all stages of the service value chain.
- Performance management and improvement are ongoing activities.

Introduction

- Relationship Management: Builds strategic and tactical relationships.
- Supplier Management: Focuses on supplier relationships.
- Service Level Management: Engages operationally with stakeholders.
- Purpose: Set, monitor, and manage service level targets.
- Ensures services meet performance and efficiency targets.
- Metrics define expected service quality.
- Example: Pizza delivery within 30 minutes.

Primary Activities

- Agree on binding service levels (e.g., availability, resolution timelines).
- Monitor service levels and ensure they are met.
- Regular service reviews to identify root causes of inadequacies.
- Log issues and shortcomings to customers and stakeholders.
- Service levels measure end-to-end services, not individual components.

Service Level Agreements (SLAs)

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- SLA: Documented agreement between provider and customer.
- Defines services required and expected service levels.
- SLAs are appended to contract documents.
- Service Level Requirements (SLRs): Customer expectations aligned to business objectives.
- Balancing service levels with service costs.

SLA Details

- Reference service catalog for SLA definition.
- Define multiple facets of service levels.
- Ensure SLA aligns with business processes.
- SLA document should be simple, clear, and unambiguous.

The Watermelon SLA Effect

- Met SLA but failed in critical periods (e.g., month-end processing).
- Green on the outside, red on the inside metaphor.
- SLA may show high availability but fail when it matters.
- Avoid watermelon effect by considering business parameters.

Service Level Management in SVC

- Plan: Influences service planning and portfolios.
- Design and Transition: Affects future designs based on feedback.
- Obtain/Build: Receives service levels and reporting needs.
- Engage: Uses service levels for stakeholder engagement and reviews.
- Deliver and Support: Needs to maintain agreed service levels.
- Improve: Feedback drives improvement activities.

Question

Which activity in the service value chain is responsible primarily for providing feedback from customers?

A. Deliver and Support
B. Obtain/Build
C. Engage
D. Plan