

IT Service Management

ITIL 4 Lecture 7

Fall 2023

ITIL 4 management practices

ITIL 4 management practices consist of three groups

General management practices - 14 directions

- Financial management of services
- Strategy management
- Supplier management
- Workforce and talent management

Service management practices - 17 directions

Technical management practices - 3 directions

General Management Practices

1. Strategy management
2. Portfolio management
3. Architecture management
4. Service financial management
5. Workforce and talent management
6. Continual improvement
7. Measurement and reporting
8. Risk management
9. Information security management
10. Knowledge management
11. Organizational change management
12. Project management
13. Relationship management
14. Supplier management

ITIL 4 Financial Management of Services

Group: General management practices

Global market for IT services - \$3.5 trillion globally

For comparison: total IT industry - \$7.8 trillion; Oil & Gas \$7.4 trillion; Real estate \$2.7 trillion.

Purpose: Correct costing and financial return management of delivered value for service delivery, development, implementation of changes and other components of SVS / SVC operation.

- Costing and "hidden costs"
- Best Services Vs. financial result.
- Accounting-Reporting and Management Information System (MIS)
- Inventory management
- Classification of expenses
- Budgeting and cost/benefit analysis (capital costs, operating costs, benefits and/or cost optimization)
- Financial indicators - continuous improvement

<https://www.youtube.com/watch?v=qiLXJ0lhN2g>

TIL 4 Strategy Management

Group: General management practices

Purpose: defining the goals of the organization and determining the actions to achieve these goals and mobilizing the necessary resources.

Strategy implementation process:

- Analysis of the environment, requirements and opportunities
- Analysis of constraints and their avoidance or mitigation
- Agreement with stakeholders
- Analysis of the impact on users
- "Translation" of strategy into tactical/operational actions
- Impact on SVC and related change management
- Ensuring changes to internal governance documentation

<https://hbswk.hbs.edu/item/the-5-strategy-rules-of-bill-gates-andy-grove-and-steve-jobs>

<https://www.youtube.com/watch?v=s4i469PGyFM>

https://www.youtube.com/watch?v=sM6X_TswPA

Supplier management

Group: General management practices

Purpose: Ensuring compliance of existing agreements/contracts/practices with suppliers with the business needs of the organization and controlling compliance with these agreements by the supplier and taking appropriate measures.

Supplier management issues:

- **Contracts and Agreements**
- **Practice of "invisible" interaction**
- **Close relationship with key suppliers - to identify new opportunities/values.**
- **Managing operational and long-term supplier related risks**

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Group: General management practices

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6 Trends in Talent Management Process:

- Outsourcing and Freelancing: ...
- Positive and Flexible Company Culture: ...
- Employee Retention: ...
- Soft Skills Are Important: ...
- Boost Employees Engagement: ...
- Data-Driven Strategy:

<https://www.youtube.com/watch?v=XJgpl0BplnQ>

IT Service Management

ITIL 4 Lecture 6

Fall 2023

ITIL 4 Management practices

ITIL 4 Management practices consist of three groups:

- General management practices - 14 directions
 - Management of organizational changes
 - portfolio management
 - project management
 - relationship management
 -
- Service management practices - 17 directions
- Technical management practices - 3 directions

General Management Practices

1. Strategy management
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ITIL 4 Management of organizational changes

Group: General management practices

SVS/SVC Activities: Continuous Improvement Planning; design and change;

Purpose: Practices that ensure the successful implementation of organizational change with a particular focus on issues of "acceptance" by their team and reduction of internal resistance.

- **Changes and people**
- **Clearly defined goals and plan**
- **Management / leadership.**
- **Willingness and readiness**
- **Sustain**

IITIL 4 portfolio management

Group: General management practices

Purpose: A practice that focuses on managing the development of a company's "mix" of products and services

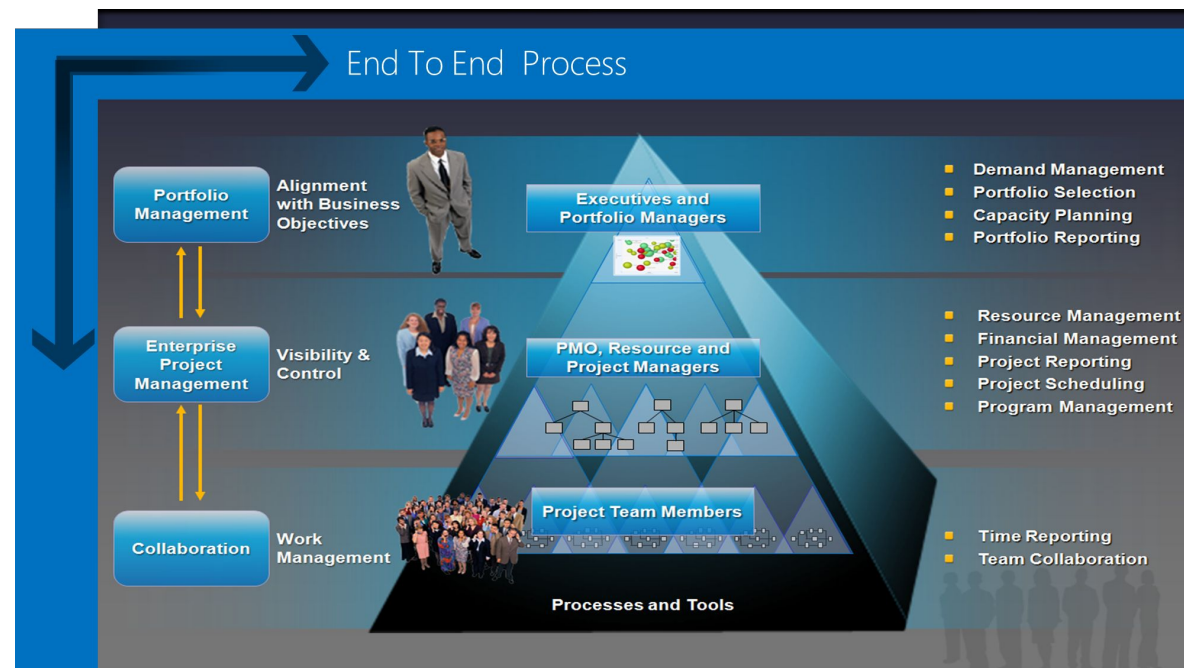
Balanced mix of products and services, focused on value maximization, harmonized with strategy

Balance between current business and new projects/directions

Adapting the value chain to portfolio management to achieve strategic goals.

Prioritization of projects/activities, taking into account resource constraints, financial/investment costs and other parameters.

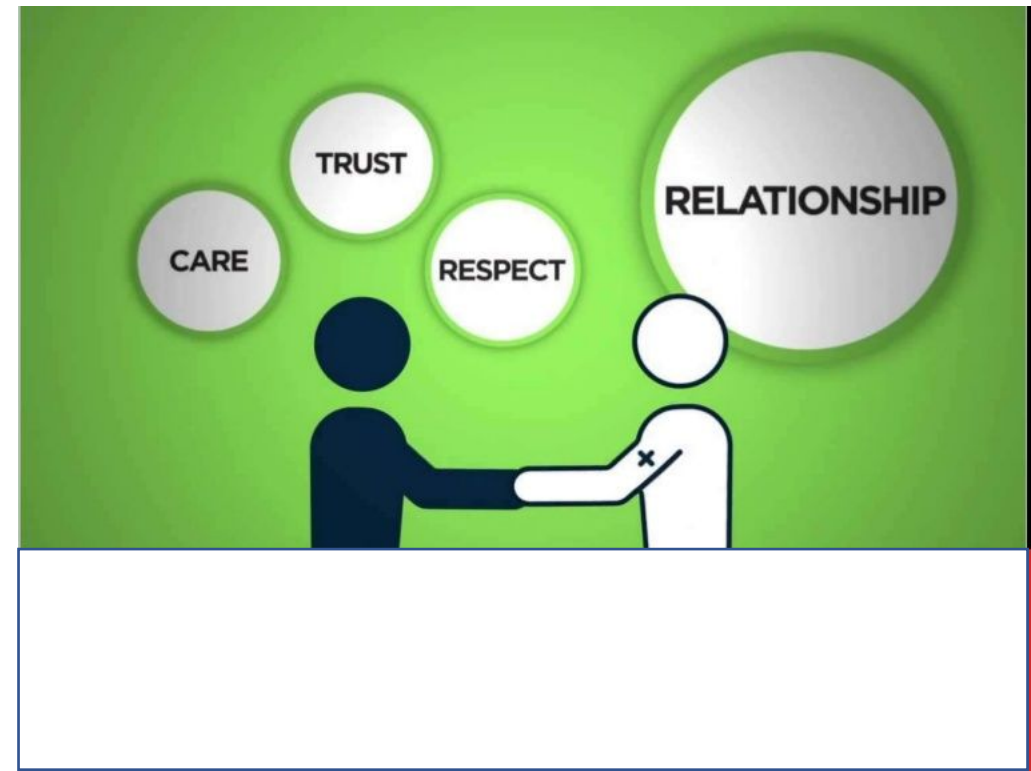
Control, performance monitoring and portfolio correction along with environmental changes



- ITIL 4 project management
- Group: General management practices
- Purpose: Practices that ensure the successful implementation/implementation/delivery of projects in an organization
-
- Planning, delegation, monitoring, control, motivation
- Temporary teams & ongoing business
- Cost and priority, connections with other projects
- Waterfall & Agile



- ITIL 4 Relationship Management
- Group: General management practices
-
- Purpose: An organization's internal practice that is intended to create valuable interactions between the organization's stakeholders at the strategic and tactical levels.
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- Informing stakeholders about the company's current business, plans and projects
- The degree of satisfaction of stakeholders (with the company's performance, etc.)

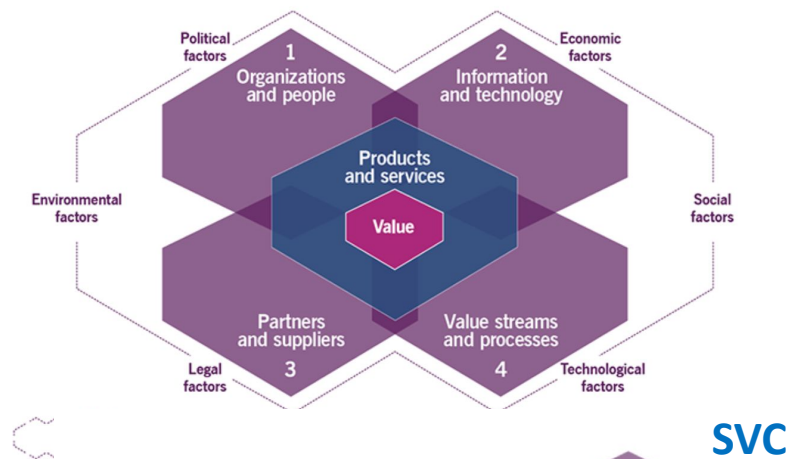


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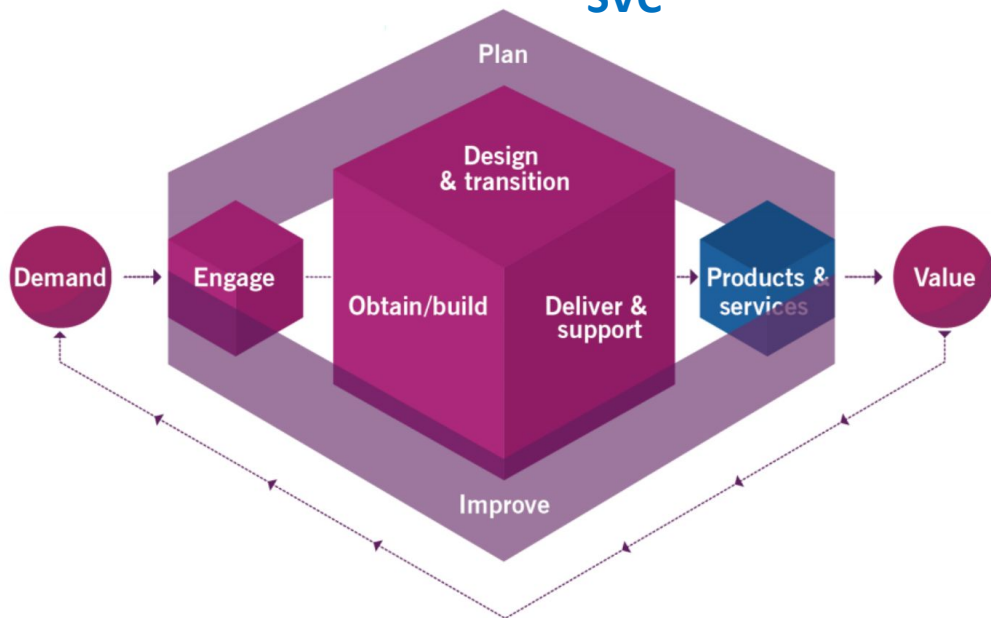
ITIL 5 Lecture 5

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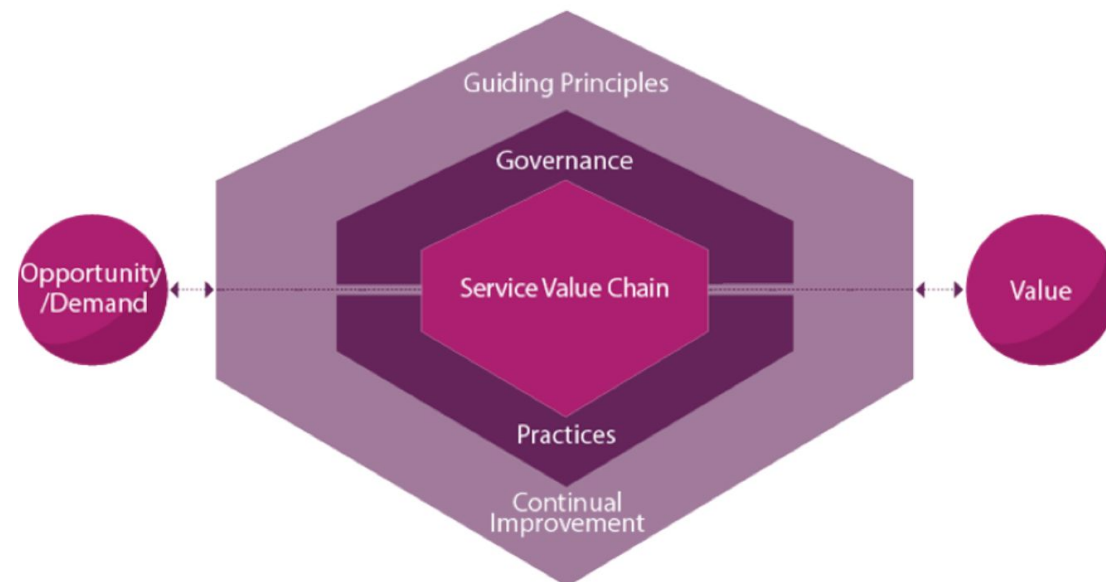
ITIL – 4 Four Dimensions & PESTLE Model



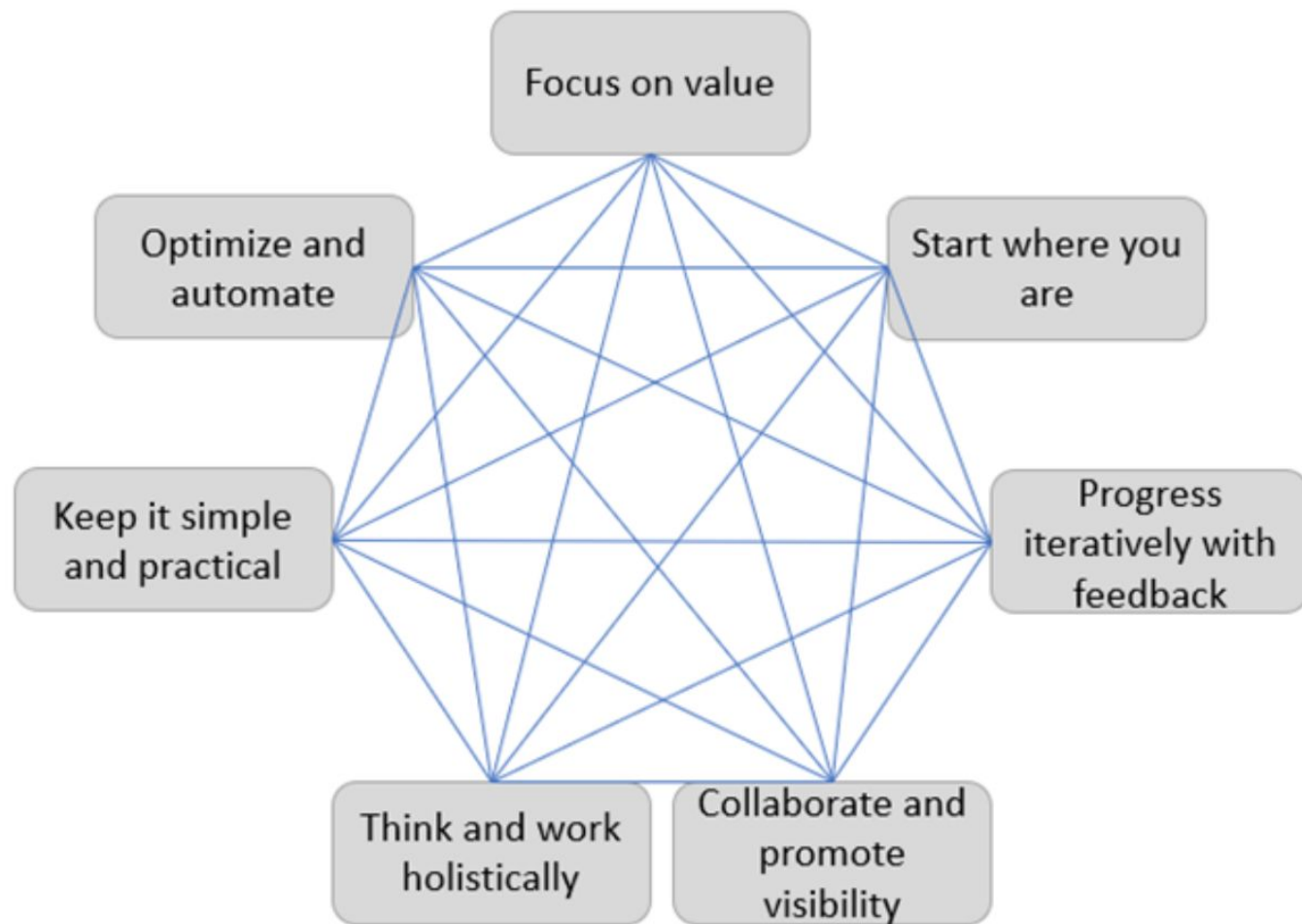
SVC



Service Value System



ITIL 4 Seven Guiding Principles



ITIL 4 management practices

— management practice is a collection of organizational resources,

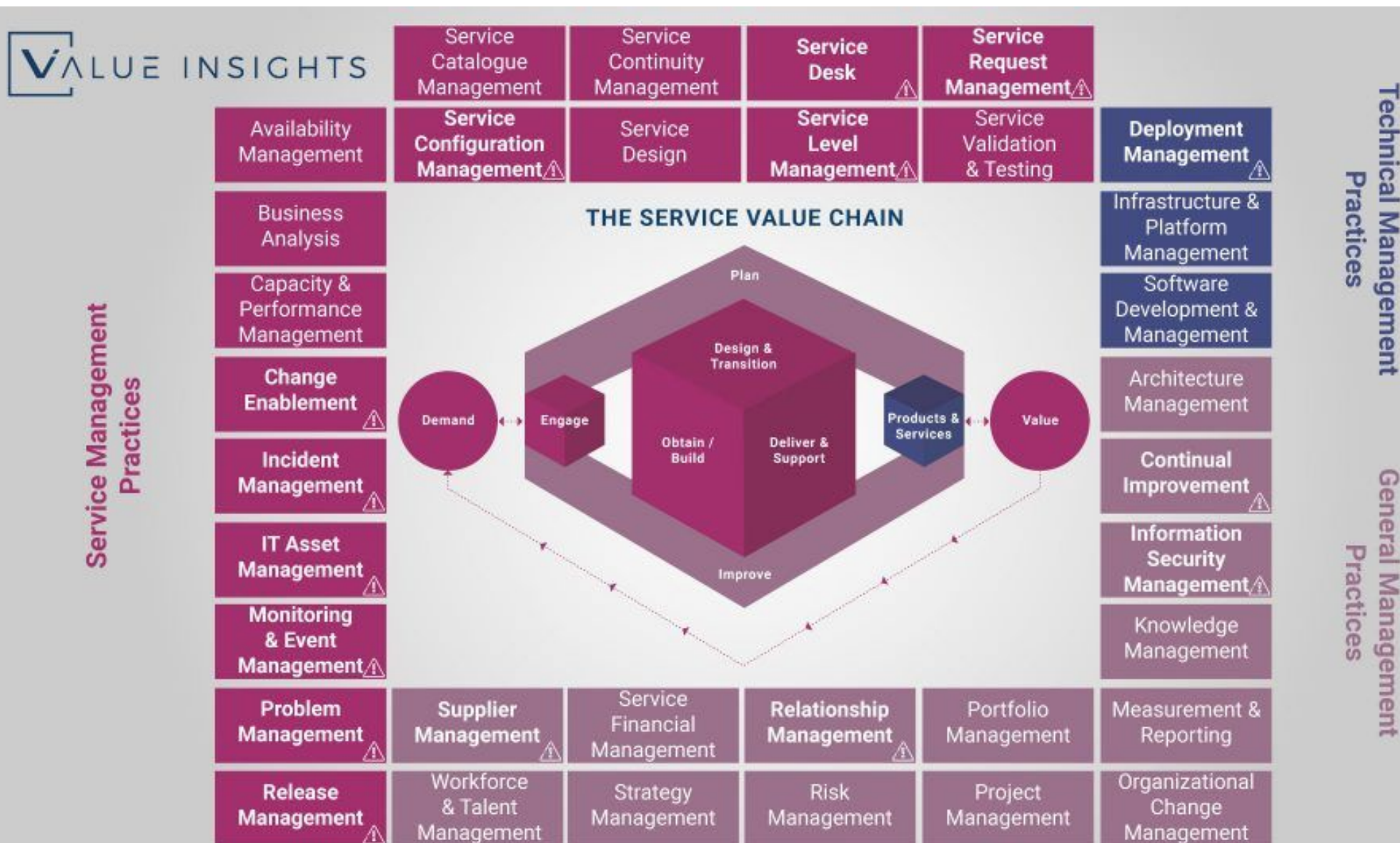
The purpose of which is to do some work or achieve a goal

ITIL 4 management practices consist of three groups:

- General management practices - 14 directions
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- Management of systems/processes architecture
- Ensuring continuous development
- Information security management
- Knowledge management
- Metrics and Reporting
-
- Service management practices - 17 directions
- Technical management practices - 3 directions

General Management Practices

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TIL 4 Systems/Processes General Architecture Management

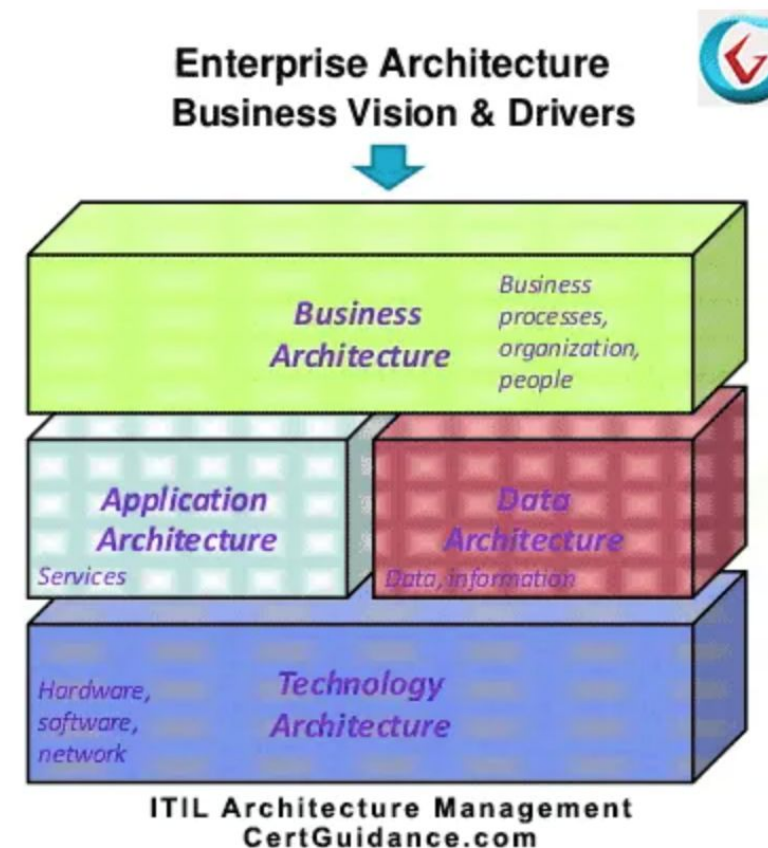
Group: General management practices

SVS/SVC Activities: Planning; design and change; continuous improvement.

Purpose: to establish a picture of the constituent parts (elements) of the organization and their interaction in a unified mechanism that allows the organization to effectively generate value - to achieve its business goals (where are we?). Establishing the desired image (where we are going/want to be) and managing the implementation of this change.

- **Business architecture** - business processes, organization components and capabilities, human resources
- **Services** - interaction of services, relevant processes, hardware/software tools harmonized with business requirements - architecture
- **Architecture of data/information acquisition/storage/protection processes, information data structure, etc.**
- **Architecture of technological base** - software platforms, hardware, networks

Case: Architectural Differences - Corporate Lending Business Line at a Big Bank vs Online Lending Company

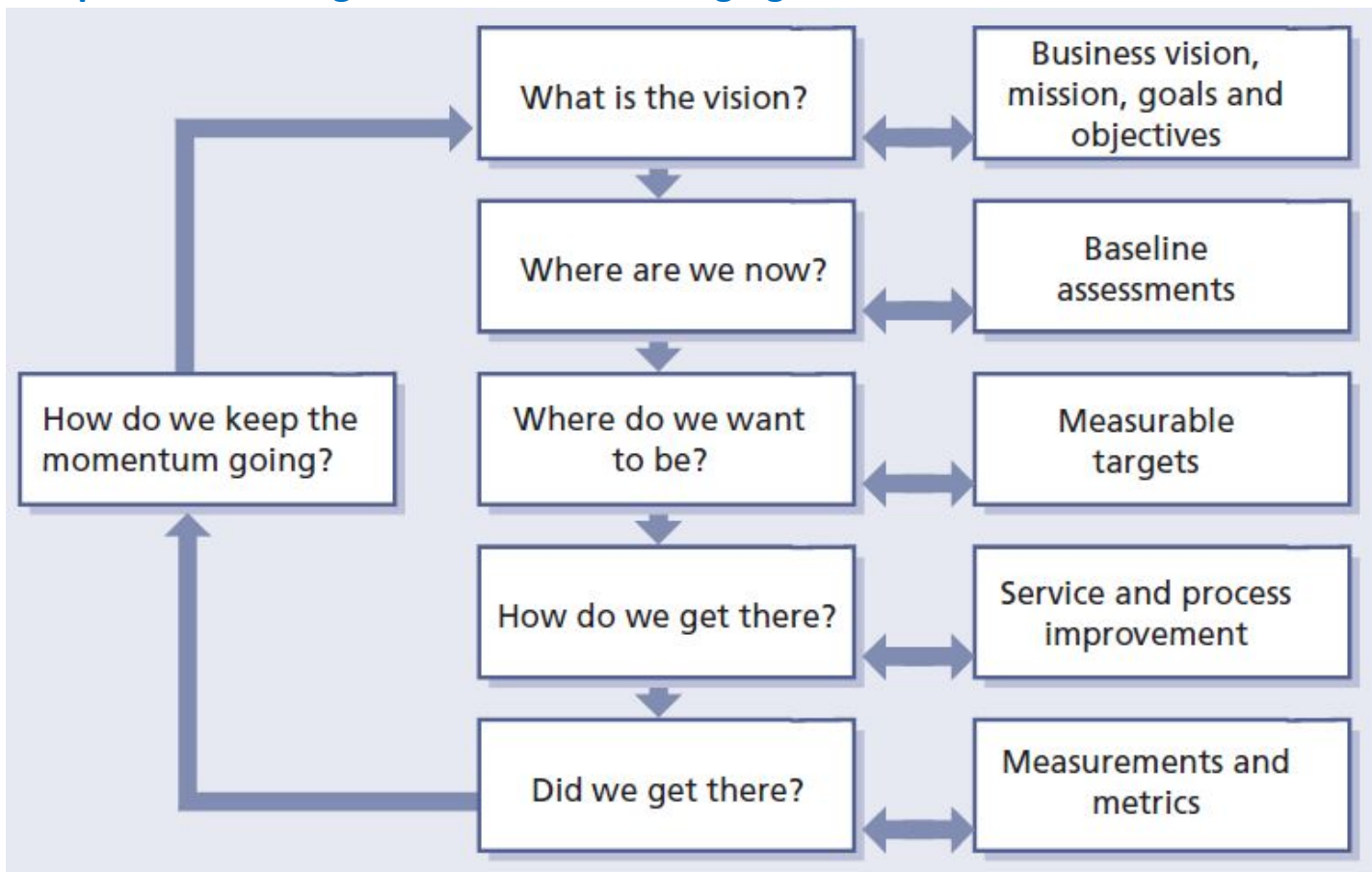


TIL 4 Continuous Development Management

Group: General management practices

SVS/SVC Activities: Planning; Get/Make, Design and Change; Continuous improvement, delivery/support

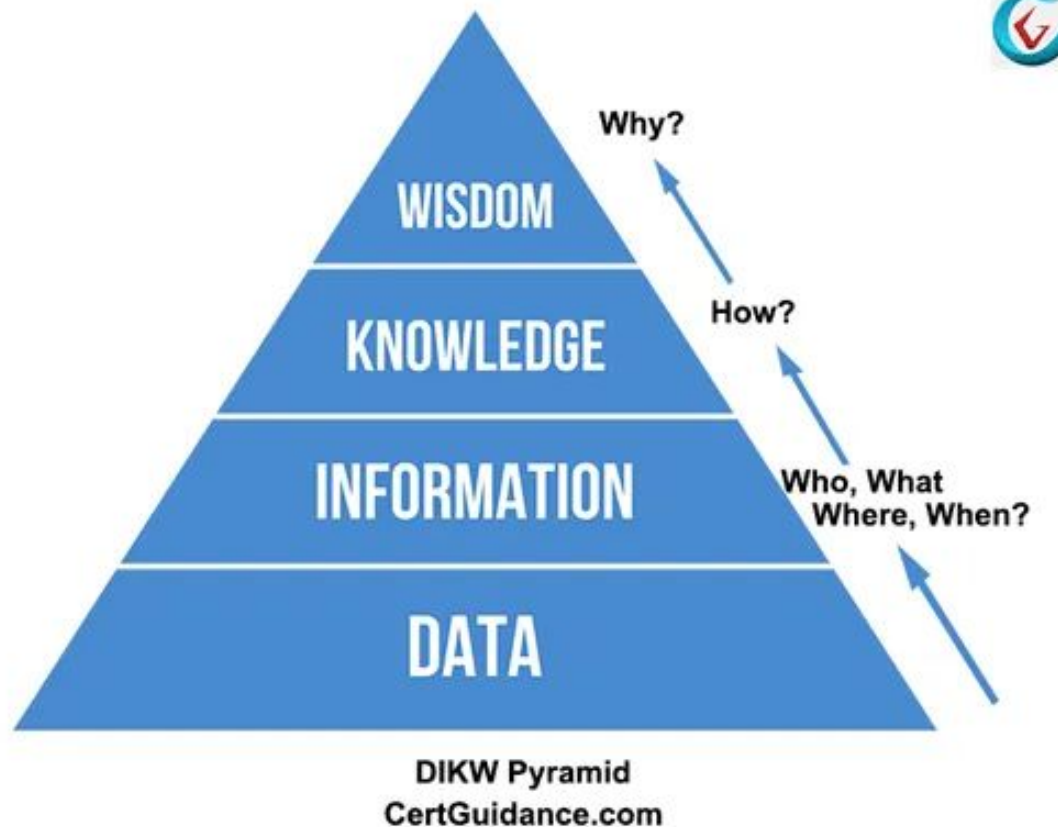
Purpose: Delivering more value in a changing environment



TIL 4 Knowledge Management

Group: General management practices

Purpose: To collect information / knowledge from all processes and ensure its delivery for the needs of all processes. It is a critical component for the continuous de



TIL 4 metrics and reporting

Group: General management practices

Purpose: Indicative evaluation and reporting of various practices and activities in an organization to provide informed decisions

Example Template for Designing Key Performance Indicators

	Example 1	Example 2
Strategic Goal: Name the strategic objective (from the strategy map), which is being assessed with this indicator.	Grow Customer Satisfaction. (Customer Perspective)	Grow Our Profits. (Finance Perspective)
Audience / Access: Name the key audience for this indicator and clarify who will have access rights to it.	Board of Directors and Marketing Team.	Board of Directors and Finance Team.
Key Performance Question(s): Name the performance question(s) this indicator is helping to answer.	To what extent are our customers satisfied with our service?	To what extent are we generating bottom-line results?



ITIL® KPIs

ITIL KPIs Capacity Management

Key Performance Indicator	Definition
Incidents due to Capacity Shortages	<ul style="list-style-type: none"> Number of incidents occurring because of insufficient service or component capacity
Exactness of Capacity Forecast	<ul style="list-style-type: none"> Deviation of the predicted capacity development from actual course
Capacity Adjustments	<ul style="list-style-type: none"> Number of adjustments to service and component capacities due to changing demand
Unplanned Capacity Adjustments	<ul style="list-style-type: none"> Number of unplanned increases to service or component capacity as result of capacity bottlenecks
Resolution Time of Capacity Shortage	<ul style="list-style-type: none"> Resolution time for identified capacity bottlenecks
Capacity Reserves	<ul style="list-style-type: none"> Percentage of capacity reserves at times of normal and maximum demand
Percentage of Capacity Monitoring	<ul style="list-style-type: none"> Percentage of services and infrastructure components under capacity monitoring

ITIL KPIs Availability Management

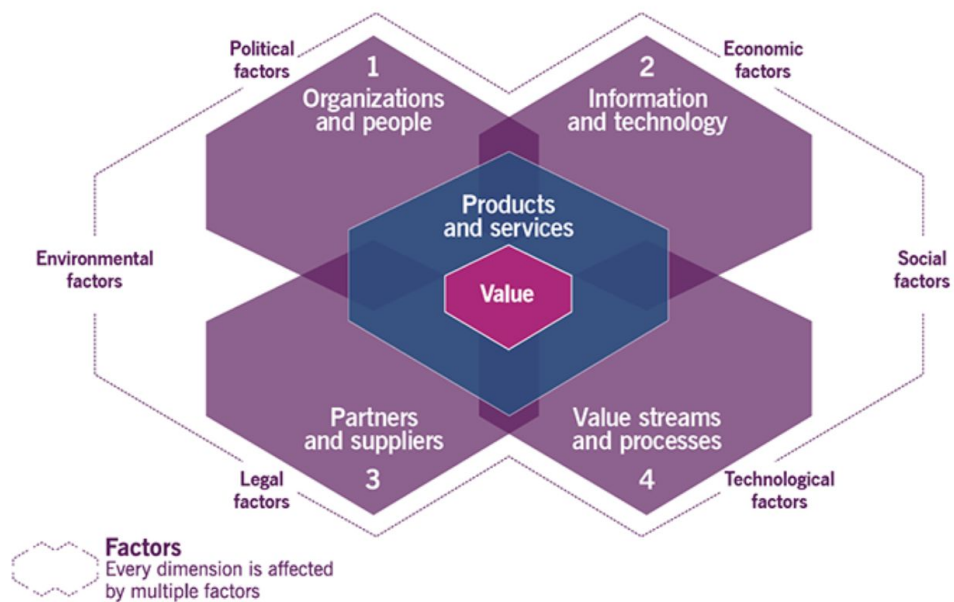
Key Performance Indicator	Definition
Service Availability	<ul style="list-style-type: none"> Availability of IT Services relative to the availability agreed in SLAs and OLAs
Number of Service Interruptions	<ul style="list-style-type: none"> Number of service interruptions
Duration of Service Interruptions	<ul style="list-style-type: none"> Average duration of service interruptions
Availability Monitoring	<ul style="list-style-type: none"> Percentage of services and infrastructure components under availability monitoring
Availability Measures	<ul style="list-style-type: none"> Number of implemented measures with the objective of increasing availability

IT Service Management

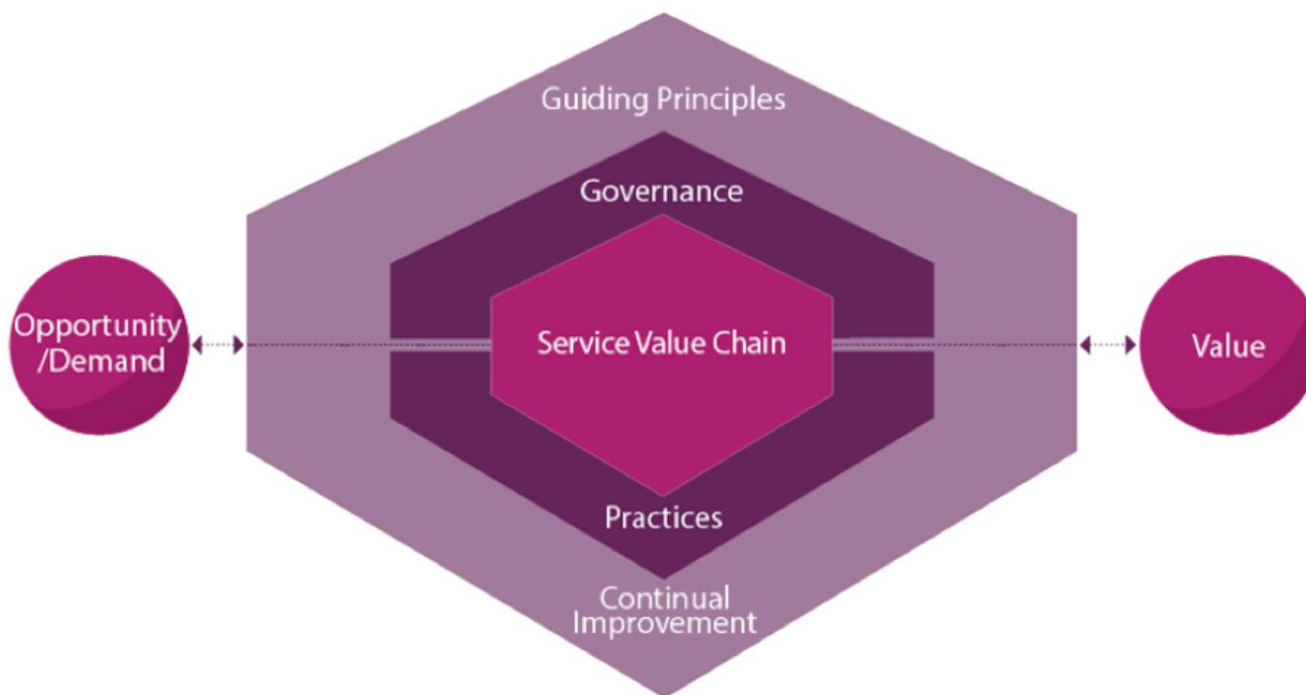
ITIL 4 Lecture 4

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ITIL – 4 Four Dimensions & PESTLE Model



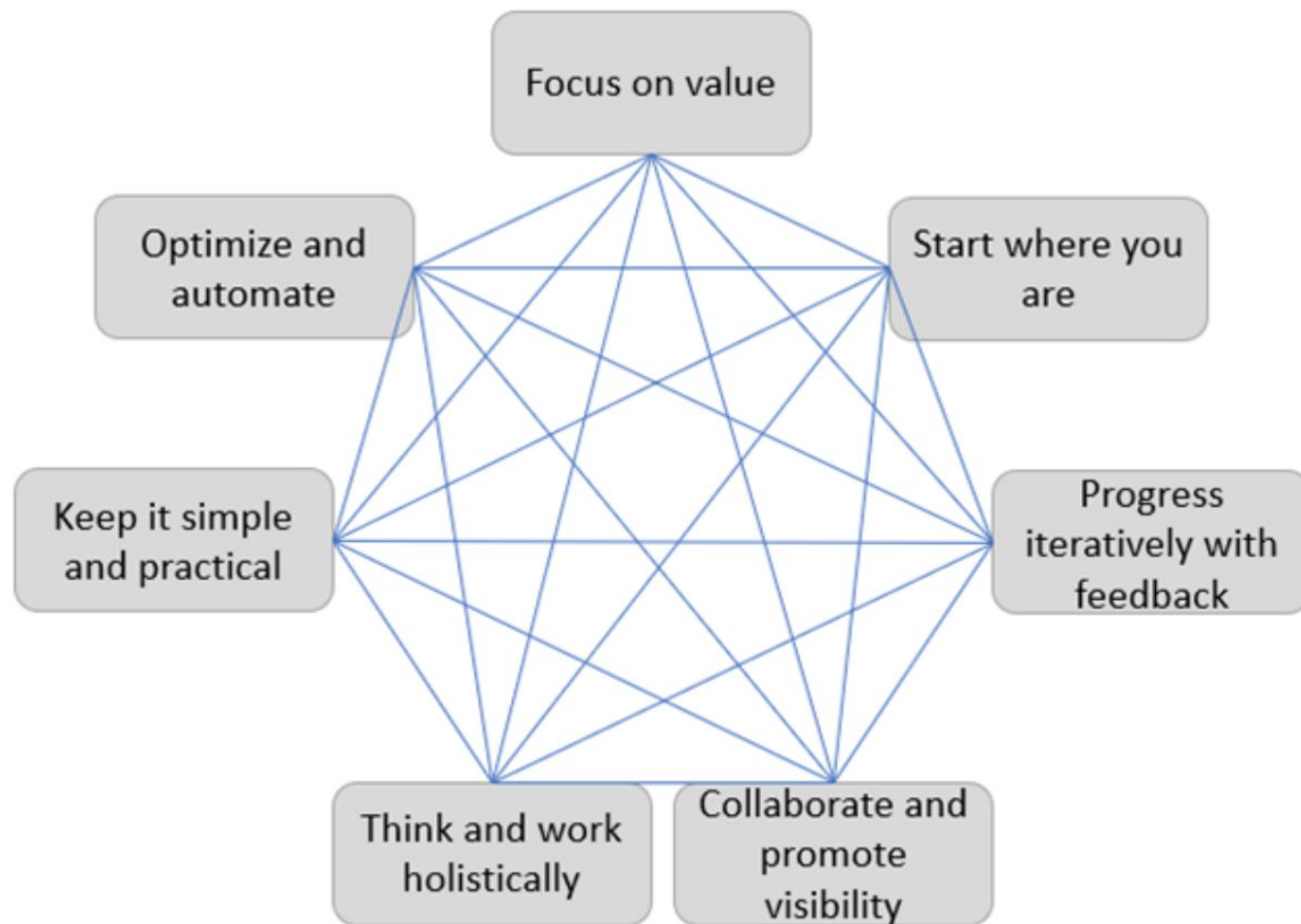
Service Value System

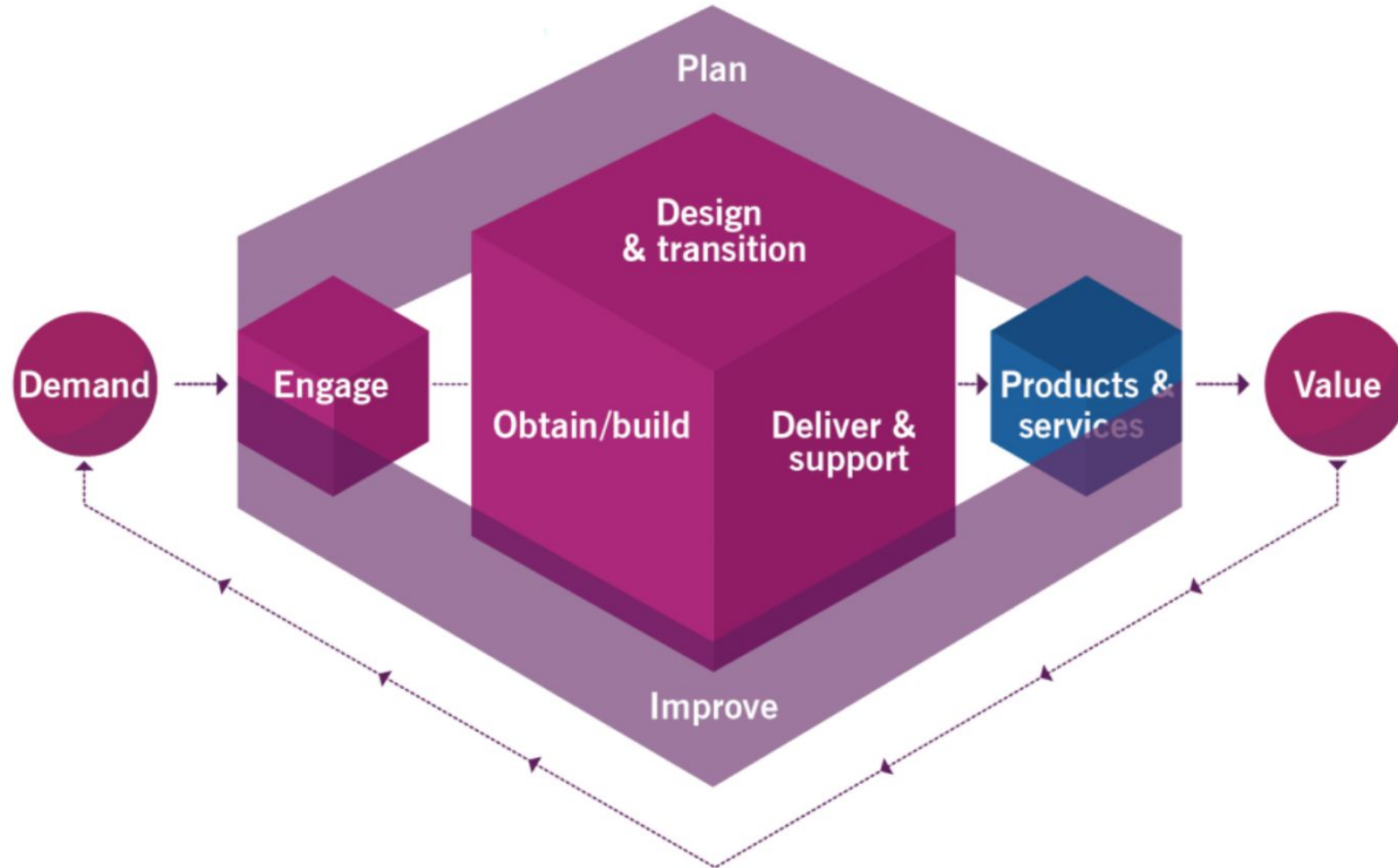


ITIL 4 SVS - Service Value System

- SVS - provides the transformation of requirements and opportunities into value (Value)
- A central component of SVS is the service value chain - the set of direct service processes that transform capabilities/requirements into value.
- For the functioning of the value chain, there are governance practices layer and all this is covered by the Guiding Principles "umbrella" and almost all components are covered by the continuous improvement process.

ITIL 4 Seven Guiding Principles





ITIL 4 SVC - Service Value Chain - How does it work?

SVC works through the interaction of the following components:

- Planning - planning the upgrade (improvement) or transformation of the operational part of the service at all possible levels.
- Stakeholder Engagement - Engaging, interacting and communicating with employees, customers, partners and suppliers to bring the plan to fruition
- Design and change - all preliminary analysis of new or existing services and understanding / agreement of changes
- Plan / Make - Directly mobilize resources for a new service and make / build / engineer it
- Delivery and Support - Service Delivery / Customer Instruction / Support
- Perfection - a permanent process of service development

ITIL 4 SVC - Service Value Chain

The Service Value Chain is an ITIL4 operational model for achieving the 3 main (general tasks) of service:

Run the business - i.e. constant/uninterrupted delivery of valuable services to interested parties

Business growth/improvement - development of quality, form, reliability, security and other parameters of existing services - incremental innovation

Business transformation - launch of new services - radical innovation to increase customer (stakeholder) satisfaction, deliver new value, launch new operating schemes, offer new products and services, develop new methods of sales and interaction with customers - launch.

TIL 4 Organizational Governance

Typical governing bodies: Board of Directors, Board of Supervisors/Regulators / Executive Team

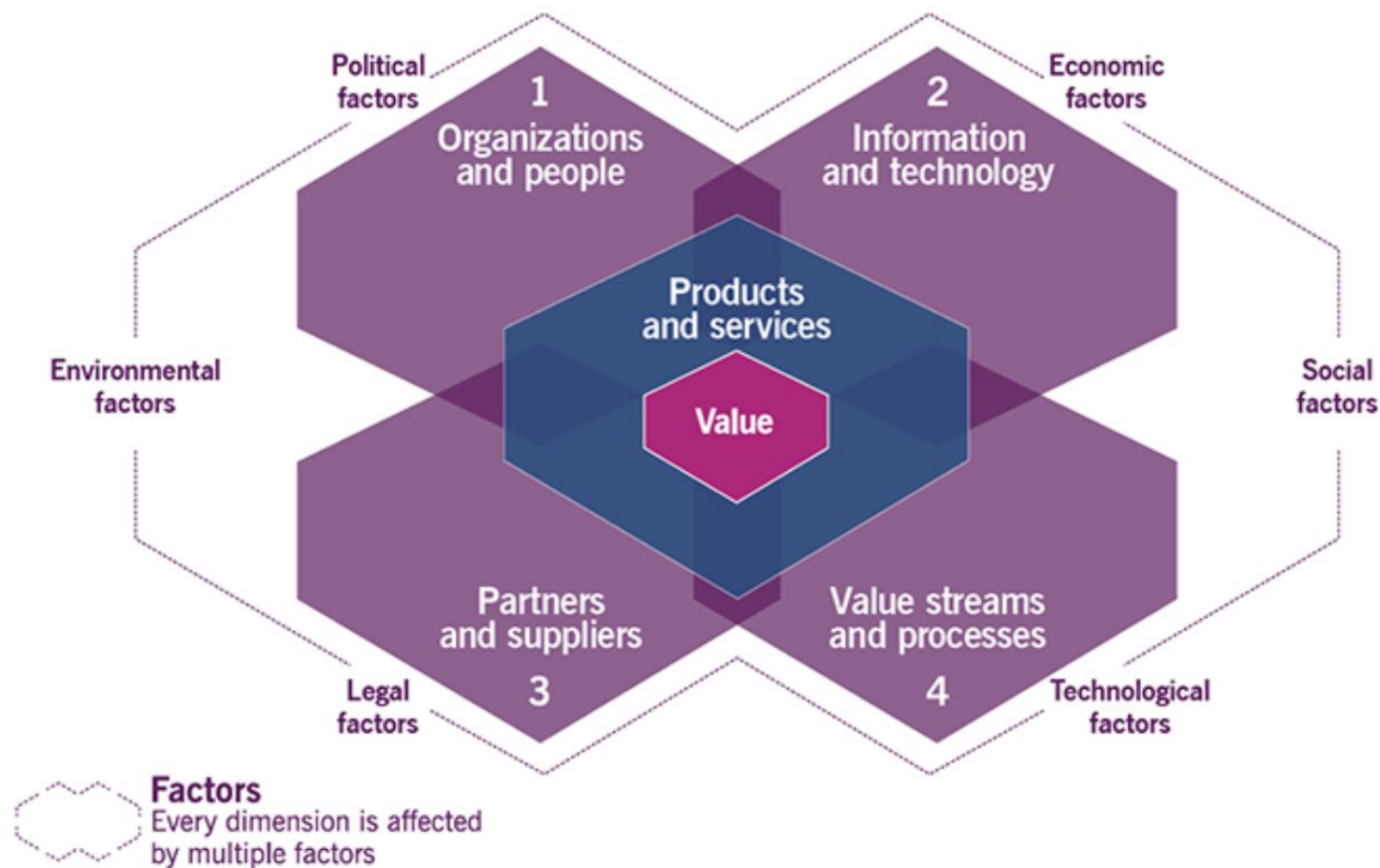


IT services management

ITIL 4 Lecture 3

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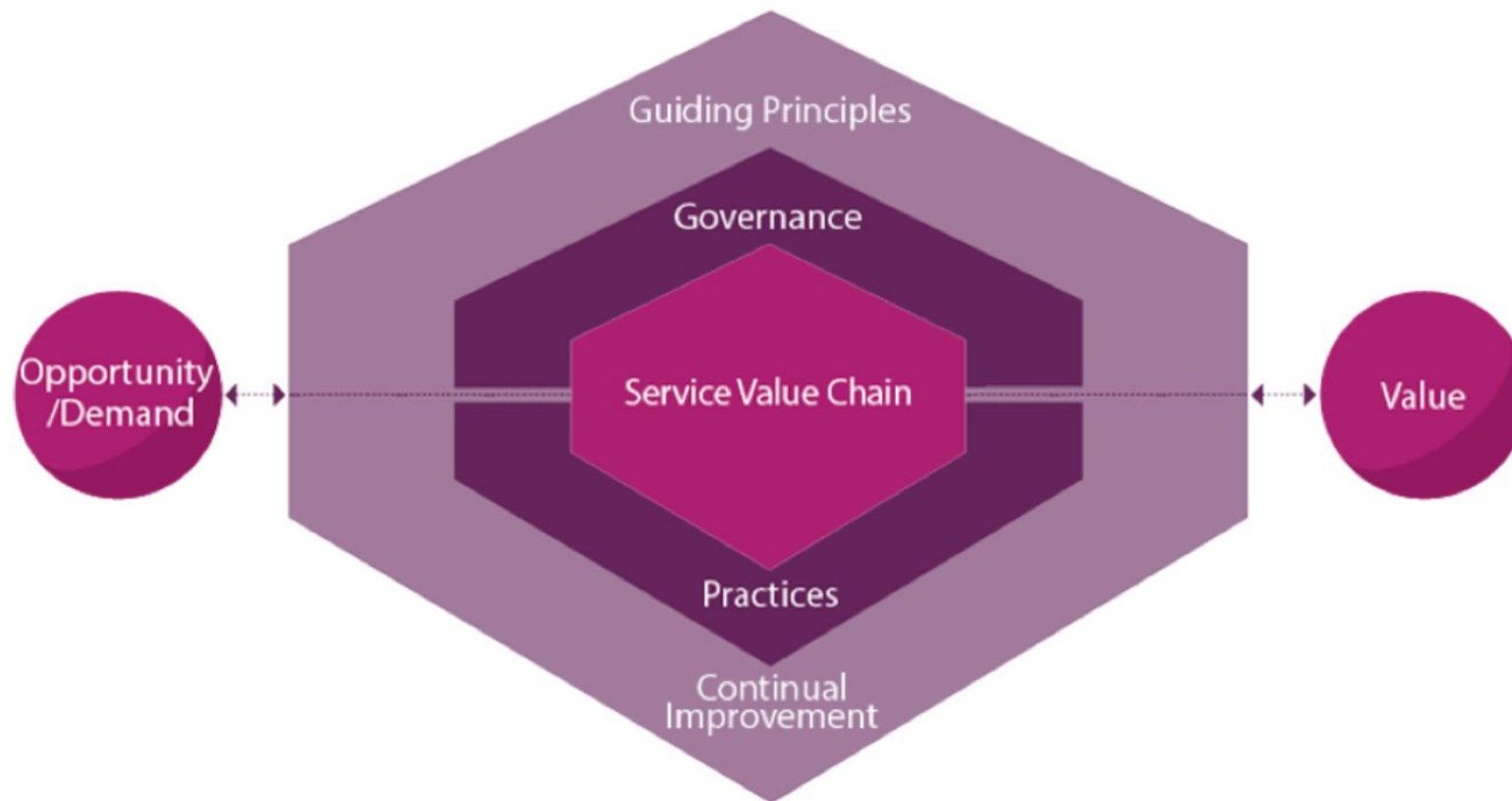
ITIL – 4 four dimensions & PESTLE model



TIL 4 Service Management Basic concept and concepts (terms) 2

- Product = specific configuration of resources.
- Service - outcome vs. output - result vs. product
- The product has potential value for customer/customers.
- To realize the potential of the product, the provider must formalize the offers(Service offerings) that describe the quality, price, capabilities/timeliness, risks associated with the use of the product. If the client has made a choice on the offer, then the service provider and the client enter into a service relationship.

ITIL – 4 SVS – Service Value System



<https://youtu.be/sYdSCGTOAKI?si=4NNCexMV3kydKQLj>

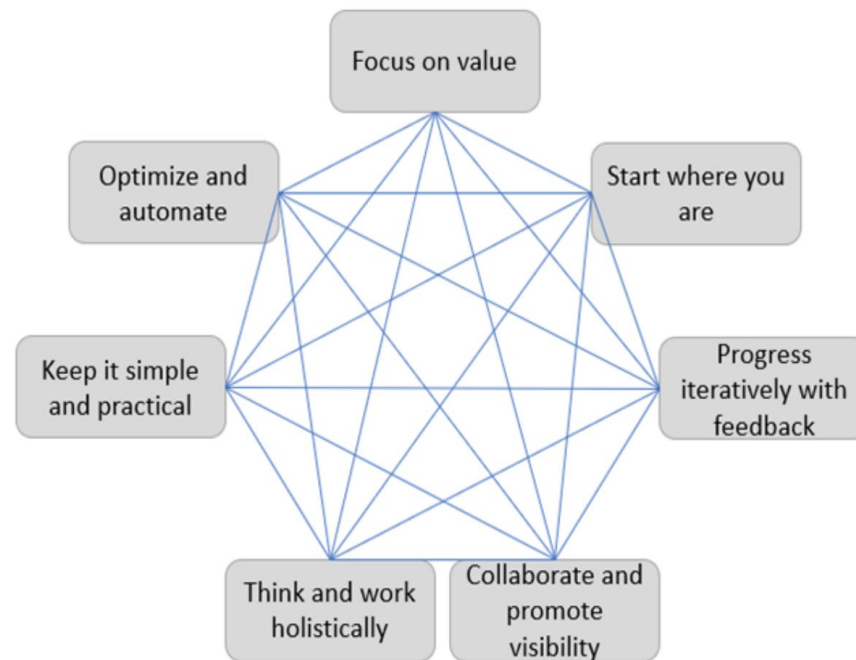
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- A central component of SVS is the service value chain - the set of direct service processes that transform capabilities/requirements into value.
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ITIL 4 Seven Guiding Principles

- 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

<https://www.youtube.com/watch?v=8mgHDVgp4G8>



IT Service Management

ITIL 4 Lecture 2

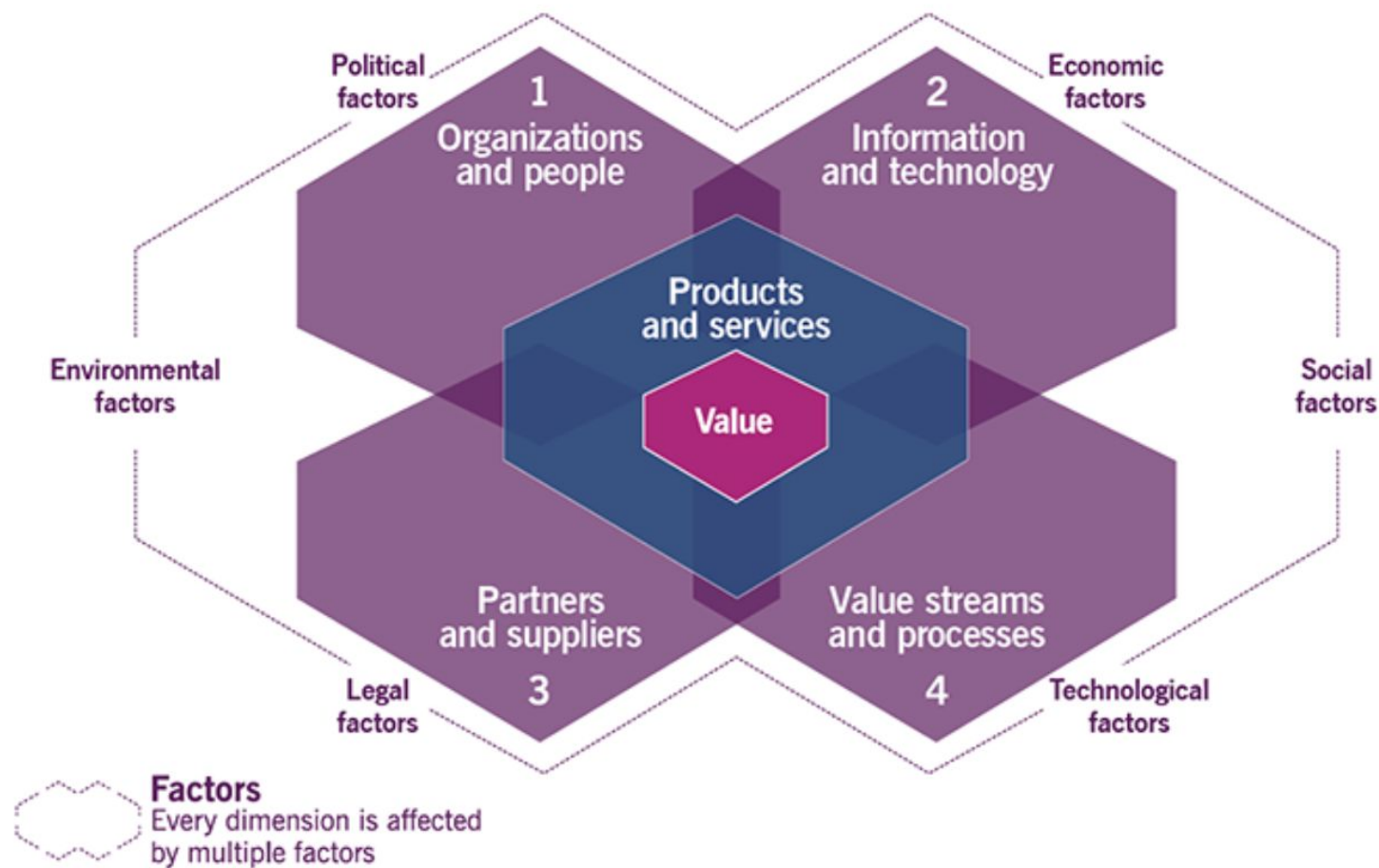
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Agile Manifesto 2001

- People and interactions are more important than processes and tools
- Working software is more important than perfect documentation
- The customer is more important than contractual issues
- Responding to change is more important than following a plan

ITIL - Information Technology Infrastructure Library - IT service management framework/general methodology and collection of practices. The first prototype appeared in the 80s (British government), V2 was released in 2006, V3 in 2007 and V4 in 2019.

ITIL – 4 Four Dimensions & PESTLE Model



ITIL 4 Service management - basic concepts

Value/Value creation - the basic concept on which ITIL 4 focuses. It emphasizes the fact that the result of an IT service should be created value/ valuable outcome for organization, its individual groups and/or its users.

Service - a set of means that ensures the creation of a valuable result is delivered to the user through joint efforts (Co-creation of value), without the need to manage risks and costs by the user.

Service management - a set of special organizational capabilities that ensure the creation of value for customers through service delivery.

Utility - specific functionality, provided by the service to meet the requirements of users. The essence of a particular service, what the service actually does and/or represents. Analyzing this parameter of the service determines how fully the service meets the requirements/purpose

ITIL 4 Service management - basic concepts (continued)

Warranty - The parameter reflects the level/possibility of ensuring the appropriate quality of service (compliance with requirements), its general performance.

სხვა ტერმინები:

- Cost / price / expenditures
- Customer / client
- Risk connected
- User
- Sponsor

VOCR - Value – Outcome – Cost – Risk

ITIL 4 Service management - basic concepts (continued)

- Product = specific configuration of resources
- Service - outcome vs. output - result vs. product
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- To realize the potential of the product, the provider must formalize the offers(Service offerings) that describe the quality, price, capabilities, risks associated with the product/service and its utilization/usage.
- If the client has made a choice on the offer, then the service provider and the client enter into a **service relationship**.

TIL 4 Discussion Topics

4 dimensions: organization and people; technology; value streams and processes; Partners and suppliers
external factors (PSTLE): political, social, technological, legislative, environmental;
Service delivery is a continuous process of value conversion

Cases:

- Microsoft Mobile OS - why the platform failed to develop?
- Internet Explorer vs. Chrome - Compare "Dimensions"
- China and "Quality Management"
- The case of Biletebi.ge;
- ecommerce platforms - what are "problems" for Georgian online stores?
- Networks of self-service terminals - "payboxes" and ATMs
- Strong authentication regulation has been implemented in Georgia today - let's consider the issue in terms of 4 dimensions.