SERVICE VALUE SYSTEM

Section 6

SERVICE VALUE SYSTEM

For **Service Management** to function properly, it needs to work as a system

Service Value System (SVS)

- Describes how all the components and activities of the organization work together as s system to enable value co-creation

- One of the biggest challenges an organization can face is the presence of **organizational silos**

- **Require integration and coordination** of activities, practices, teams, authorities, and responsibilities

SERVICE VALUE SYSTEM

- The **key inputs** to the **SVS** are **opportunity** and **demand**

- **Opportunities** represent options or possibilities to add value for stakeholders or otherwise improve the organization

- **Demand** is the need or desire for products and services among internal and external consumers

- The **outcome** of the **SVS** is value, that is, the perceived benefits, usefulness, and importance of something

- The **ITIL SVS** can enable the creation of many different types of value for a wide group of stakeholders

SERVICE VALUE SYSTEM

The ITIL SVS includes the following components

Guiding principles — Recommendations that can guide an organization in all circumstances, regardless of changes in its goals, strategies, type of work, or management structure

Governance — The means by which an organization is directed and controlled

Service value chain — A set of interconnected activities that an organization performs to deliver a valuable product or service to its consumers and to facilitate value realization
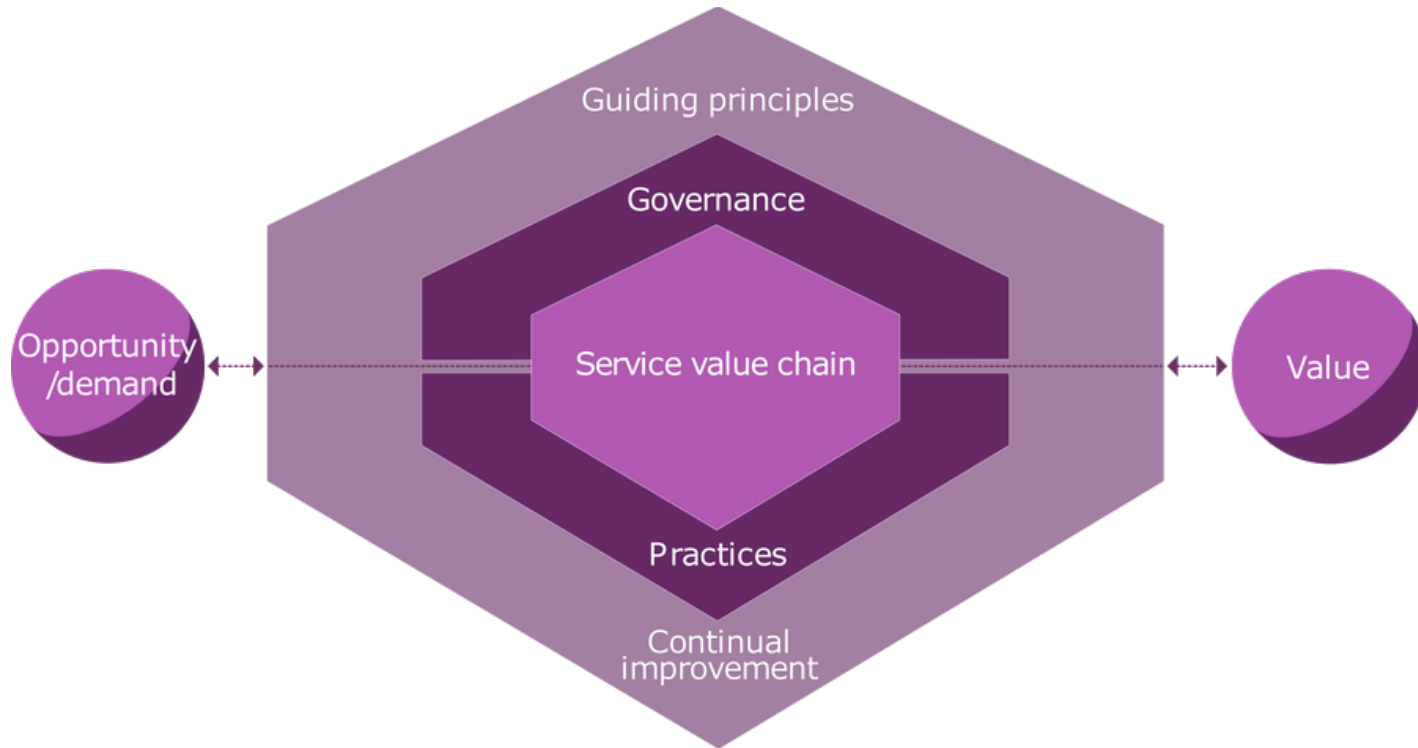
Practices — Sets of organizational resources designed for performing work or accomplishing an objective
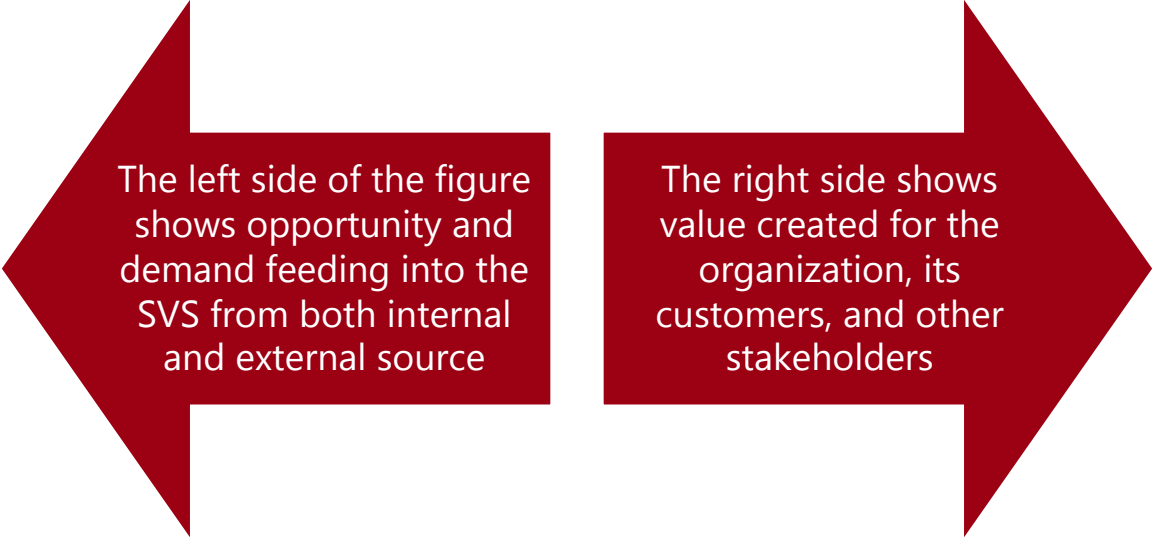
Continual improvement — A recurring organizational activity performed at all levels to ensure that an organization's performance continually meets stakeholders' expectations

SECTION 6: SERVICE VALUE SYSTEM

Service Value System

ensure that the organization continually co-create value with all stakeholders through the use and management of products and services

The left side of the figure shows opportunity and demand feeding into the SVS from both internal and external source

The right side shows value created for the organization, its customers, and other stakeholders

SECTION 6: SERVICE VALUE SYSTEM > OPPORTUNITY, DEMAND, AND VALUE

Opportunities — Represent options or possibilities to add value for stakeholders or otherwise improve the organization
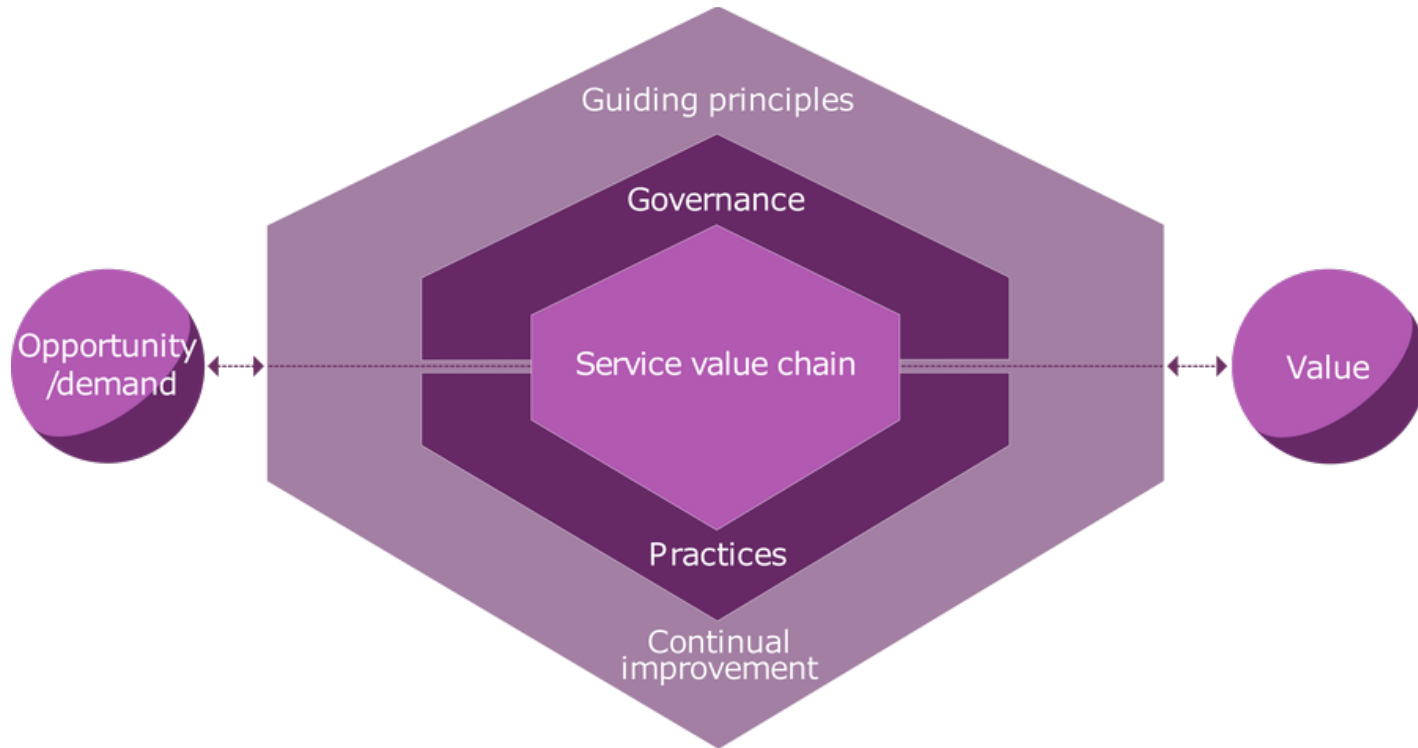
Demand — The need or desire for products and services among internal and external consumers

Value — is the outcome of the Service Value System — Enables the creation of many different types of **value** for a wide group of stakeholders

SECTION 6: SERVICE VALUE SYSTEM

SERVICE VALUE SYSTEM

- **Organizational silos** can form in many ways and for many different reasons

- **Silos** can be resistant to change and can prevent easy access to the information which can reduce efficiency and increase both cost and risk

- **Silos** make it more difficult for communication or collaboration to occur across different groups

- The architecture of the ITIL SVS specifically enables flexibility and discourages siloed working

SECTION 6: SERVICE VALUE SYSTEM

- The **service value chain activities** and the **practices** in the SVS can be combined in multiple value streams to address the needs of the organization in a variety of scenarios

- **Organizations** should be able to define and redefine their value streams in a flexible, yet safe and efficient manner

- This requires **continual improvement** activity to be carried out at all levels of the organization; the ITIL continual improvement model helps to structure this activity

SECTION 6: SERVICE VALUE SYSTEM

- **The ITIL SVS** supports many work approaches with a flexible value-oriented operating model

- **The scope** of the SVS can be a whole organization or a smaller subset of that organization

- Include the whole organization in **the scope** to achieve the maximum value from the SVS and to properly address the issue of organizational silos

SECTION 6: SERVICE VALUE SYSTEM > EXERCISE

Which ITIL concept describes governance?

- o   The seven guiding principles
- o   The four dimension of service management
- o   The service value chain
- o   The service value system

SECTION 6: SERVICE VALUE SYSTEM > EXERCISE

Which is intended to help an organization adopt and adapt ITIL guidance?

- o The four dimensions of service management
- o The guiding principles
- o The service value chain
- o Practices

SECTION 6: SERVICE VALUE SYSTEM > EXERCISE

Fill in the blank. The purpose of the [?] is to ensure that the organization continually co-creates value with all stakeholders through the use and management of products and service.

- o Activities
- o Practices
- o Service value system
- o Service value chain