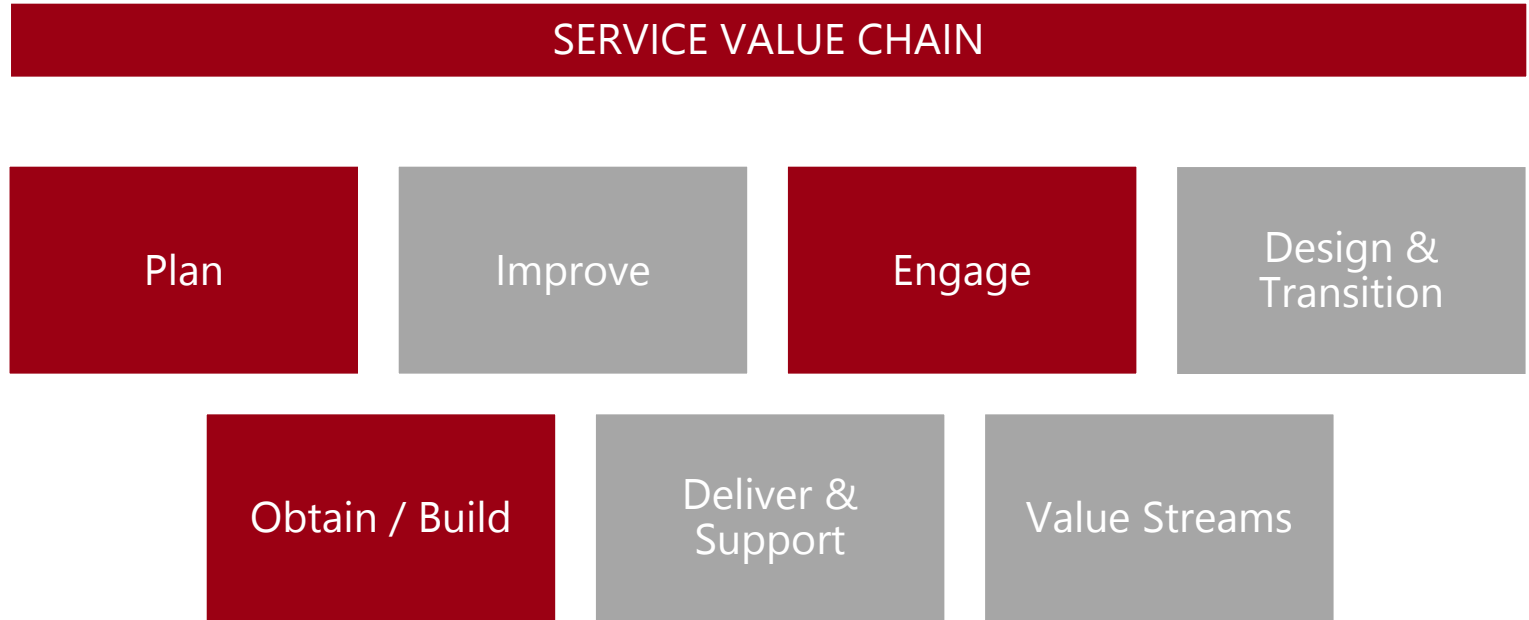


# SERVICE VALUE CHAIN

Section 8

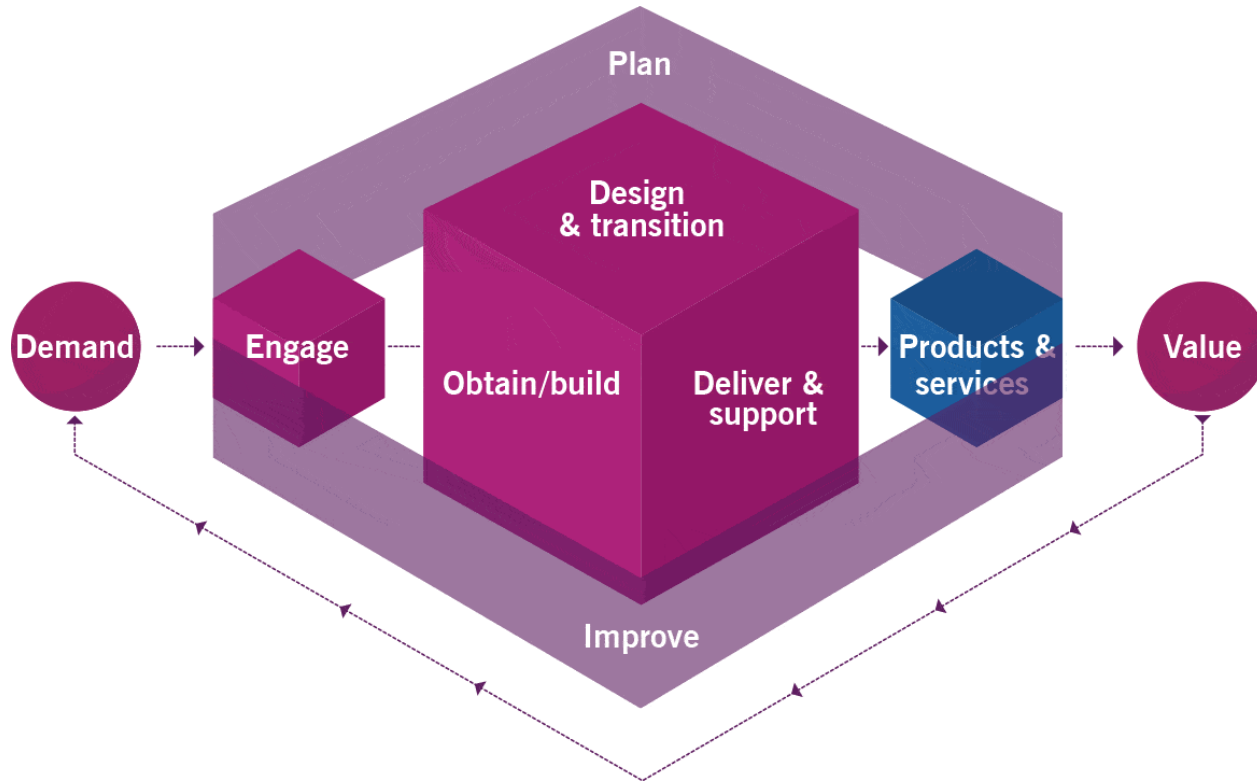
## SECTION 8: SERVICE VALUE CHAIN > AGENDA



# SERVICE VALUE CHAIN



## SECTION 8: SERVICE VALUE CHAIN



## SECTION 8: SERVICE VALUE CHAIN > SERVICE VALUE CHAIN INTRO

- The **central element** of the **SVS** is the **Service Value Chain**, an operating model which outlines the key activities required
- In respond to demand and facilitate value realization through the creation and management of products and services
- The six **value chain activities** are:

engage

improve

plan

design and transition

obtain/build

deliver and support.

## SECTION 8: SERVICE VALUE CHAIN > SERVICE VALUE CHAIN INTRO

- Doesn't introduce a linear sequence of actions
- Usually starts with Engage but not always
- Central activities depicted in the cube can interact in any order between each other and with other activities
- Overlaps between Improve and Engage, Improve and central cube, Improve and Products & services illustrate the feedback loops that should be present between each part of the service value chain via the improvement cycle
- Perceived value drives the demand for the next order, service, product, and iteration of service relationships
- Perceived value should also be managed and understood
- Once designed, **value streams** should be subject to continual improvement

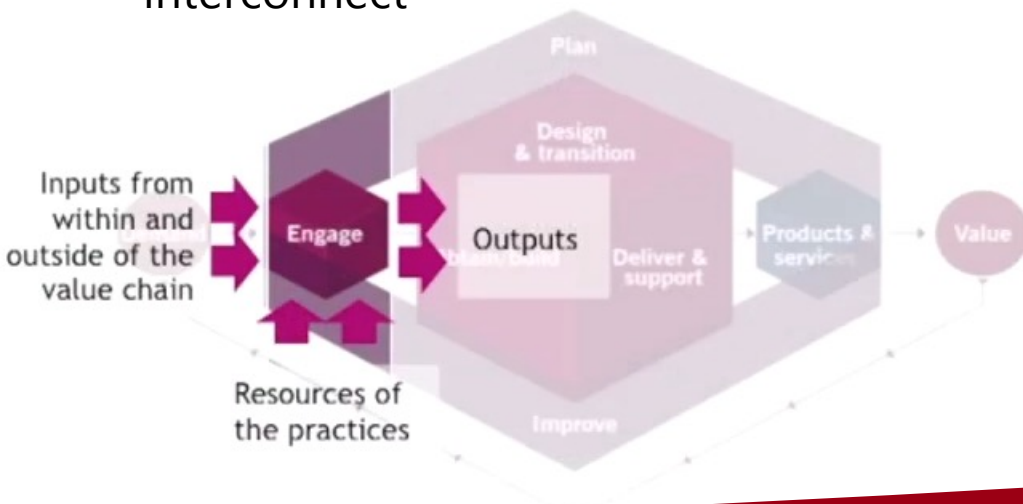
## SECTION 8: SERVICE VALUE CHAIN

- These activities represent the steps an organization takes in the **creation of value**
- Each **activity** transforms **inputs** into **outputs**. These inputs can be demand from outside the value chain or **outputs** of other **activities**
- All the **activities** are **interconnected**, with each **activity** receiving and providing triggers for further action
- For example, the engage activity might draw on supplier management, service desk management, relationship management, and service request management to respond to new demands for products and services, or information from various stakeholders.

# SERVICE VALUE CHAIN

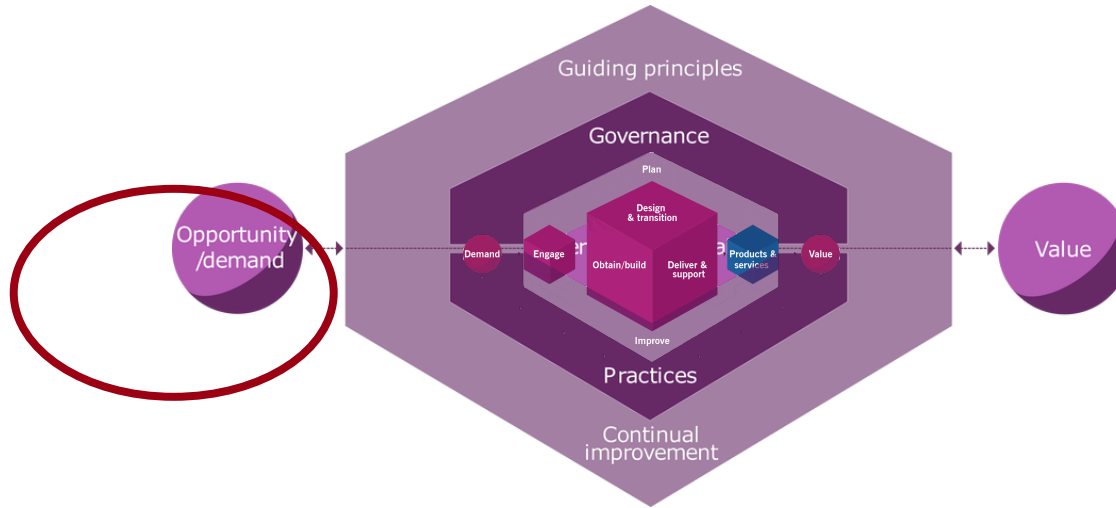
## SECTION 8: SERVICE VALUE CHAIN

- To convert **inputs** into **outputs**, the value chain activities use different combinations of **ITIL practices**, drawing on internal or third-party resources, processes, skills, and competencies as required
- Understanding the **activities** and the service value chain, and how they interconnect



- Describe the **interconnected** nature of the **service value chain** and how this support value streams

## SECTION 8: SERVICE VALUE CHAIN



Service Value System

Service Value Chain



## SECTION 8: SERVICE VALUE CHAIN



ITIL v4 Service Value Chain Defined <https://youtu.be/J3RoUVFDdQ0>

## SECTION 8: SERVICE VALUE CHAIN

### Service Value Chains Activities

- All incoming and outgoing interactions are performed through the **engage activity**
- All new resources are obtained through the **obtain/build activity**
- Planning at all levels is performed via **plan activity**
- Improvements at all levels are initiated and managed through the **improve activity**
- Integration and coordination between **design & transition, obtain/build, and delivery & support**

## PLAN

ensure a shared understanding of the vision, current status, and improvement direction for all four dimensions and all products and services across the organization

### Inputs

- Policies, requirements, and constraints provided by the organization's governance body
- Consolidated demands and opportunities provided by **engage**
- Value chain performance information, improvement initiatives, plans, and status provided by **improve**
- Information about new or changed products and services from **design & transition** and **obtain/build**

## Outputs

- **Strategic, Tactical, and Operational** Plans
- **Portfolio decisions**, architecture, and policy are sent to **design & transition**
- **Feedback** on **improvement** opportunities to **improve**
- **Product** and **Service Portfolio**, contract requirements, and agreement requirements to **engage**
- **Contract** and agreement requirements for **engage**

## Improve

ensure continual improvement of products, services and practices across all value chain activities and the four dimensions of service management

## Inputs

- Product and service performance information from **deliver & support**
- Stakeholders feedback from **engage**
- Performance information and improvement opportunities from all **value chain activities**
- Knowledge and information about new and changed products and services from **design & transition** and **obtain/build**
- Knowledge and information about third-party components from **engage**

## Outputs

- Improvement initiatives and plans for all value chain activities
- **Value chain** performance information from plan and the governing body
- Improvement status reports for all value chain **activities**
- Contracts and agreement requirements for **engage**
- Service performance information for **design & transition**

## Engage

provides a good understanding of stakeholder needs, continual engagement, and transparency, and maintains good relationships with all stakeholders

## Input

- A product and service portfolio provided by **plan**
- **High-level** demand for services and products, provided by internal and external customers
- Detailed requirements for services and products, provided by customers
- Requests and feedback from customers
- Incidents, service requests, and feedback from users
- Information on the completion of user support tasks from **deliver & support**
- Marketing opportunities from current and potential customers and users

## SECTION 8: SERVICE VALUE CHAIN > ENGAGE

- **Cooperation** opportunities and feedback, provided by partners and suppliers
- Contract and agreement requirements from all value chain activities
- **Knowledge** and **information** about new and changed products and services from design and transition, and obtain/build
- **Knowledge** and **information** about third-party service components from suppliers and partners
- Product and service performance information from **deliver & support**
- Improvements initiatives and plans from **improve**
- Improvement status reports from **improve**



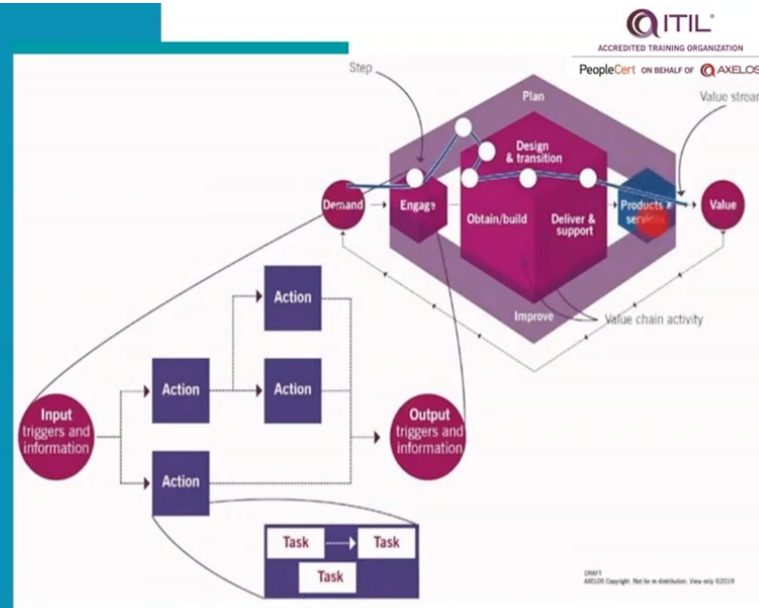
## Outputs

- Consolidated demands and opportunities for **plan**
- Product and service requirements for **design & transition**
- User support tasks for **deliver & support**
- Improvement opportunities and stakeholders' feedback for **improve**
- **Change** or project initiation requests for obtain/build
- **Contracts** and **agreements** with external and internal suppliers and partners for design and transition, and obtain/build
- **Knowledge** and **information** about third-party service components for all value chain activities
- **Service performance** reports for customers

## SECTION 8: SERVICE VALUE CHAIN > VALUE STREAMS

### ANATOMY OF A VALUE STREAM

Value streams activity hierarchy



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Anatomy of Value Stream [https://youtu.be/\\_cgIOD09DaY](https://youtu.be/_cgIOD09DaY)

## Design & Transition

ensure that products and services continually meet stakeholder expectations for quality, cost, and time to market

### Inputs

- Portfolio decisions, architectures and policies, provided by **plan**
- Product and service requirements, provided by **engage**
- Improvement initiatives and plans and Improvement status reports provided by **improve**
- Service performance information, provided by **deliver and support**, and **improve**

- Service components from **obtain/build**
- Knowledge and information about third-party service components from **engage**
- Knowledge and information about new and changed products and services from **obtain/build**

## Output

- Requirements and specifications for **obtain/build**
- Contract and agreement requirements for **engage**
- New and changed products and services for **deliver and support**
- Knowledge and information about new and changed products and services to all **value chain activities**
- Performance information and improvement opportunities for **improve**

## Obtain/Build

to ensure that service components are available when and where they are needed, and that they meet agreed specifications

## Inputs

- Architectures and policies provided by **plan**
- Contracts and agreements with external and internal suppliers and partners, provided by **engage**
- Goods and services, provided by external and internal suppliers and partners
- Requirements and specifications, provided by **design & transition**
- Improvement initiatives and plans, provided by **improve**
- Improvement status reports from **improve**

## SECTION 8: SERVICE VALUE CHAIN > DELIVER AND SUPPORT

- Change or project initiation requests, provided by **engage**
- Change requests, provided by **deliver & support**
- Knowledge and information about new and changed products and services from **design & transition**
- Knowledge and information about third-party service components from **engage**

### Output

- Service components for **deliver & support**
- Service components for **design & transition**
- Knowledge and information about new and changed service components to all value chain activities
- Contract and agreement requirements for **engage**
- Performance information and improvement opportunities for **improve**

## Deliver and Support

to ensure that services are delivered and supported according to agreed specifications and stakeholders' expectations

## Input

- New and changed products and services, provided by **design & transition**
- Contracts and agreements with external and internal suppliers and partners, provided by **engage**
- Service components provided by **obtain/build**
- Improvement initiatives and plans, provided by **improve**
- Improvement status reports from **improve**
- User support tasks provided by **engage**

## SECTION 8: SERVICE VALUE CHAIN > DELIVER & SUPPORT

- Knowledge and information about new and changed service components and services from design and transition and **obtain/build**
- Knowledge and information about third party service components from **engage**

### Output

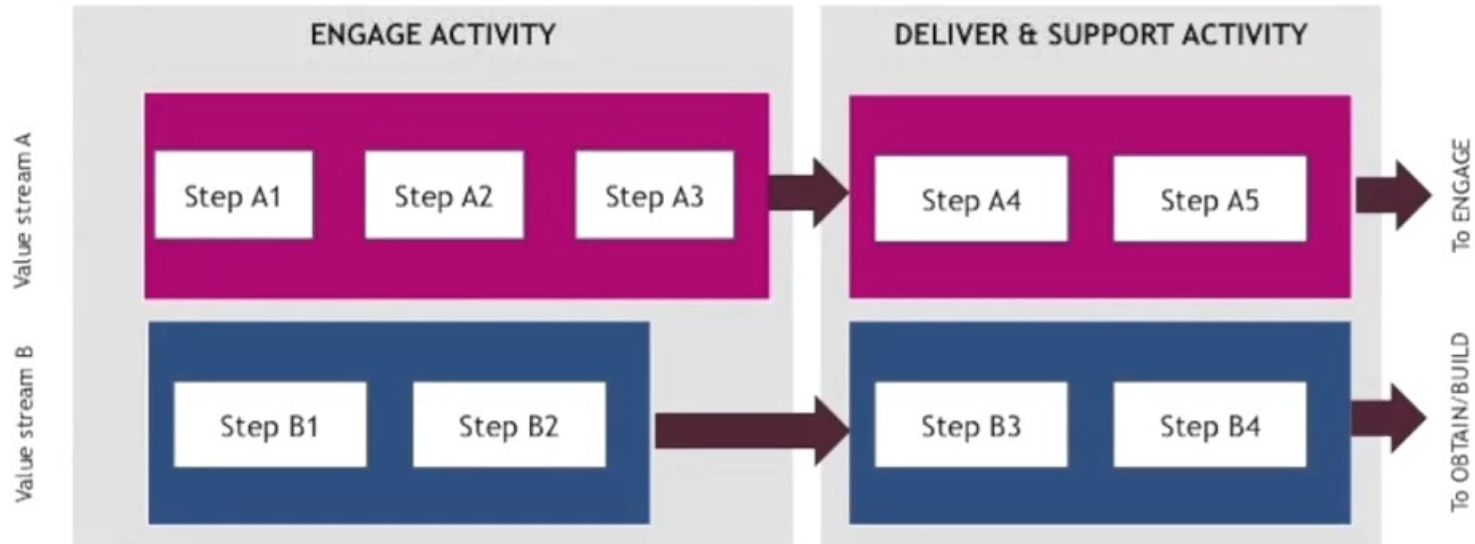
- Services delivered to customers and users
- Information on the completion of user support tasks for **engage**
- Product and service performance information for **engage** and **improve**
- Improvement opportunities for **improve**
- Contract and agreement requirements for **engage**
- Change requests for **obtain/build**
- Service performance information for **design & transition**



## SECTION 8: SERVICE VALUE CHAIN > VALUE STREAMS

### Service value stream

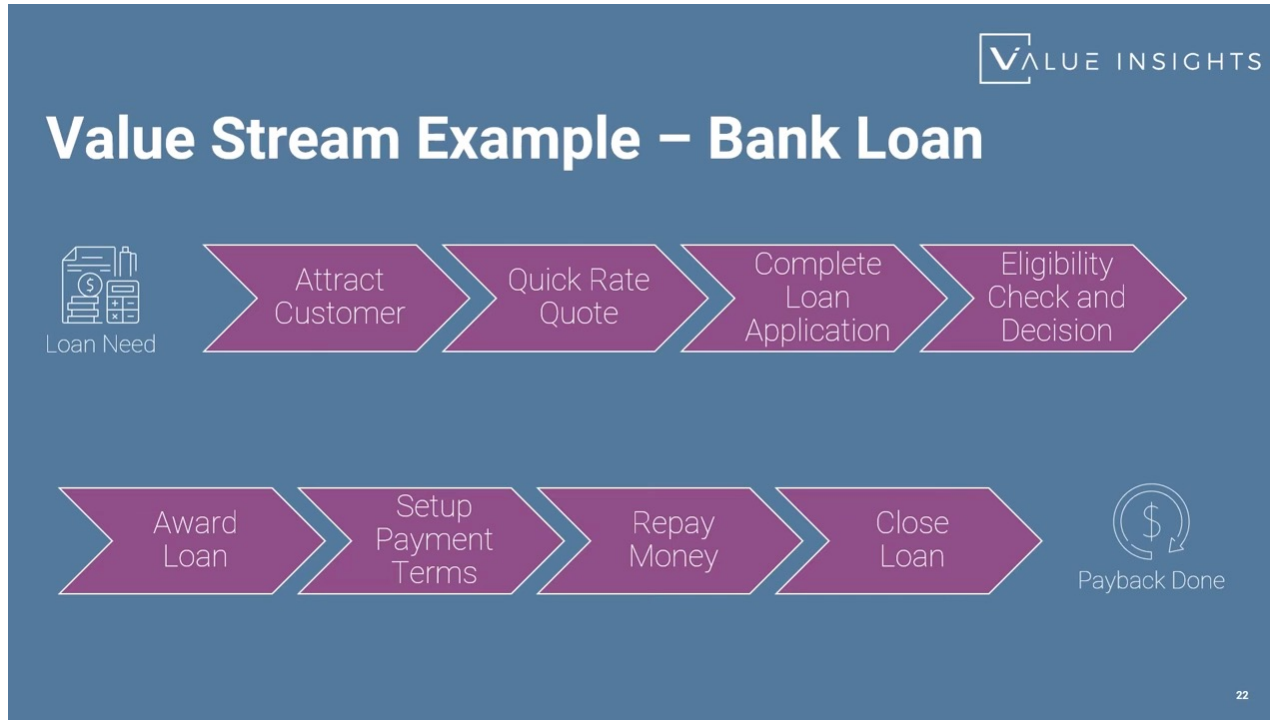
specific combinations of activities and practices and each one is designed for a particular scenario



## SECTION 8: SERVICE VALUE CHAIN > VALUE STREAMS

- We can run the value chain in a flexible way
- Each **value stream** is made up of a different combination of value chain activities
- The **service value chain's** strength is the interrelationships throughout the process

## SECTION 8: SERVICE VALUE CHAIN > VALUE STREAMS



Value Stream example <https://youtu.be/mmPirGAnC04>

Which statement about the value chain activities is CORRECT

- Practices are considered a value chain activity
- Continual improvement is considered a value chain activity
- Service value chain activities receive and provide triggers for further actions to be taken
- Activities within a service value chain operate independently from each other

Which ITIL concept describes the service value chain

- Service value system
- Four dimensions of service management
- Service guiding principles
- Practices