Value: Utility and Warranty

ITILv3 Foundations

Value

- Value is created from the balance between *utility* and *warranty*

- *Services must have both utility and warranty in order to have value*

Utility

- "Fit for purpose"

- Functionality of a service

- Enabling a job to be done or done better

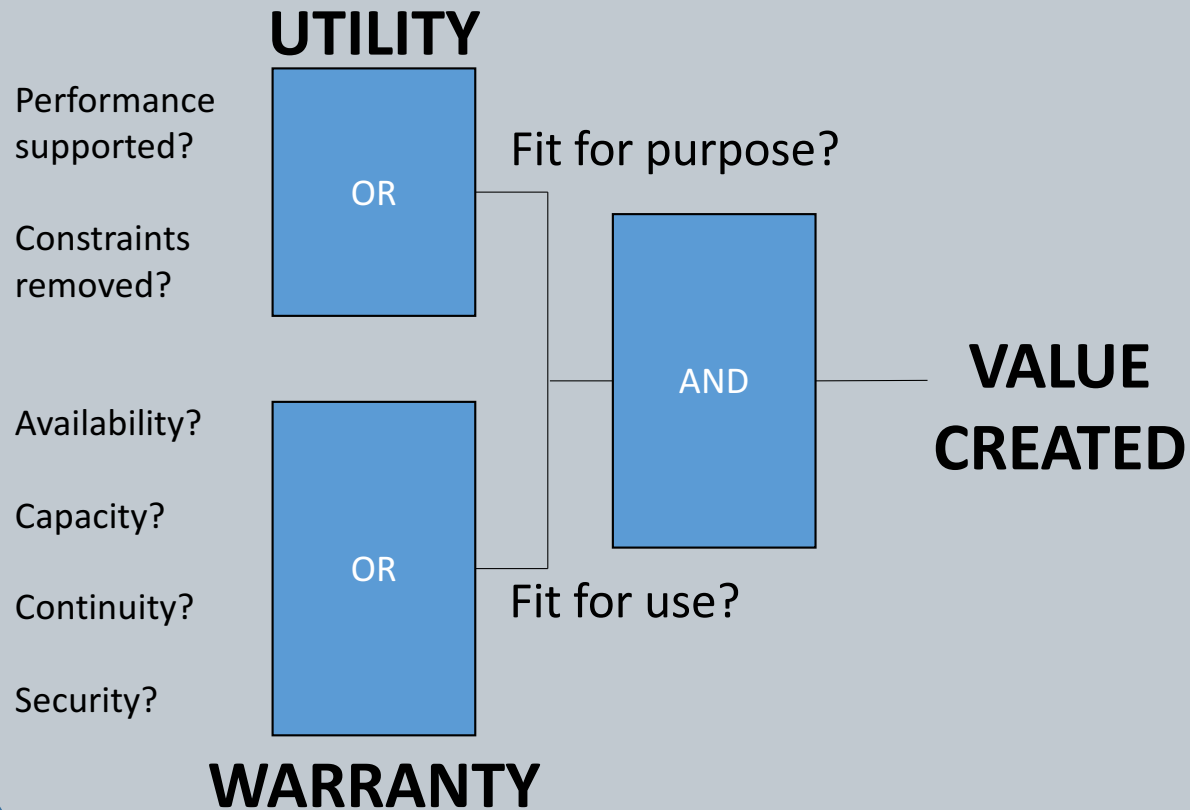- Removes constraints or increased performance for the customer

Warranty

- "Fit for use"

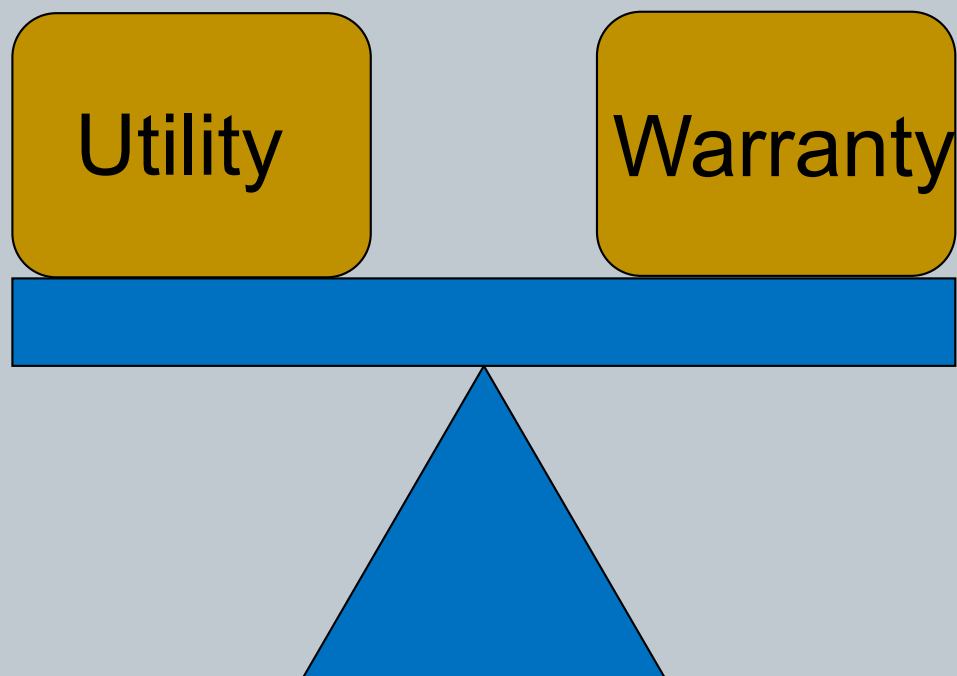- Mix of availability, capacity, continuity, and security

Creating Value

UTILITY

Performance supported?

Constraints removed?

Availability?

Capacity?

Continuity?

Security?

WARRANTY

OR

Fit for purpose?

OR

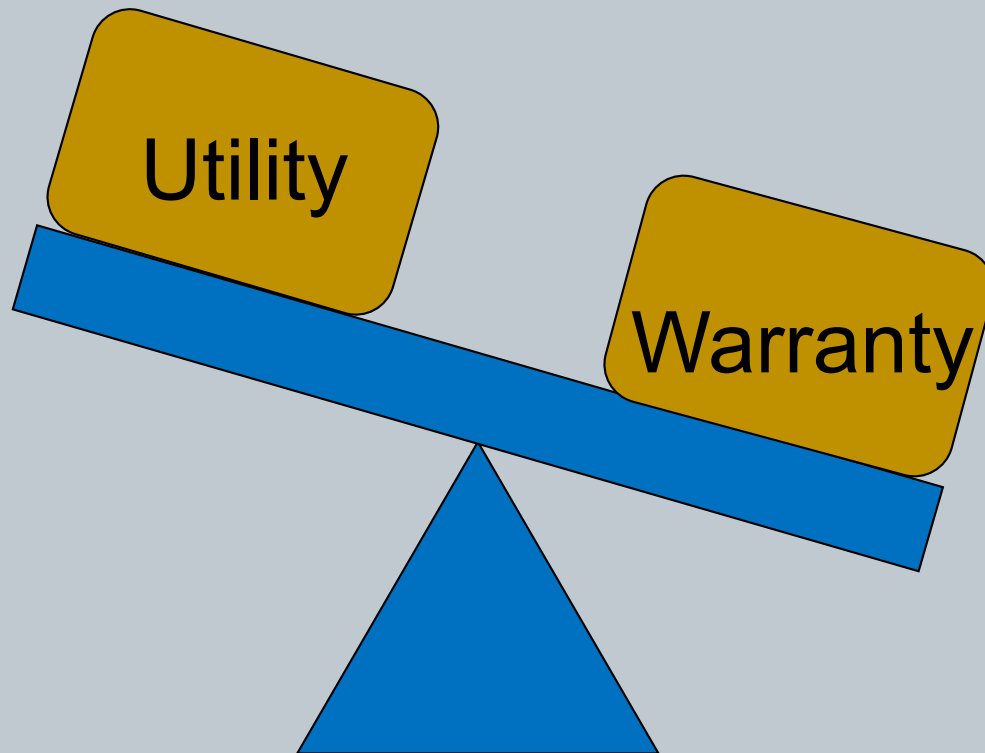Fit for use?

AND

VALUE CREATED

Maximum Value

- Perfect balance provides the most value
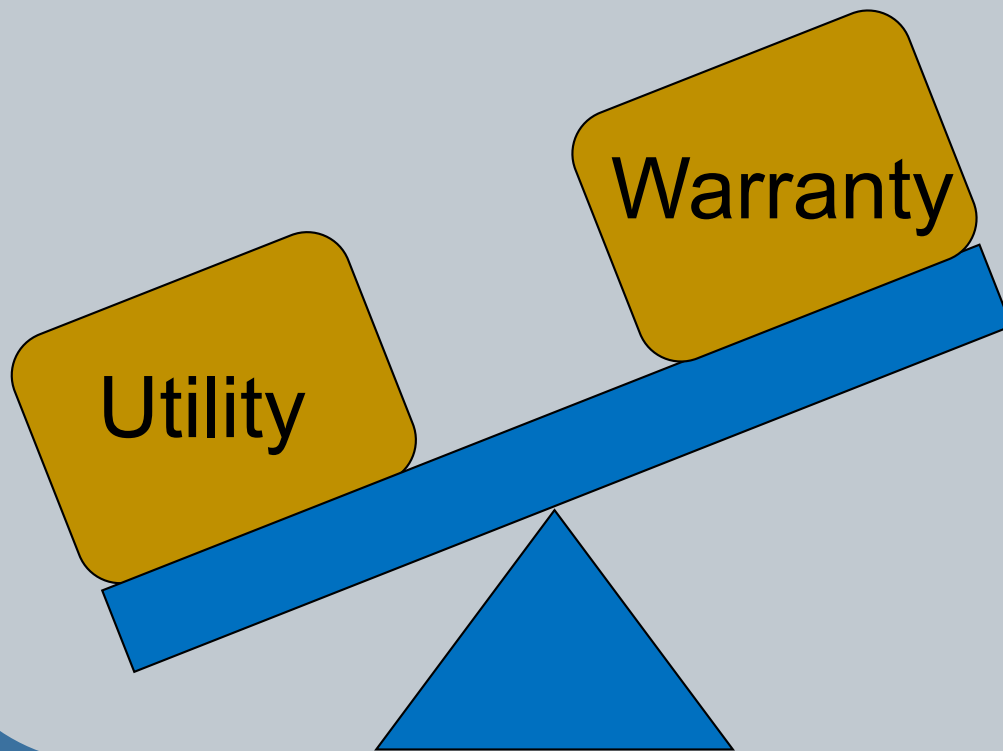- Neither piece is more important

Poor Value

- High Utility: Best website
- Low Warranty: Limited bandwidth

Poor Value

- Low Utility: Poorly designed database
- High Warranty: 100% Availability

Value in Service Strategy

- Always try to understand the utility and warranty of any new or changed service

- Utility "sells" services

- Warranty requires resources & therefore represents cost