

An Overview of (IT) Service Management

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This publication has been revised by Barclay Rae to bring the content up to date with current ITIL® guidelines. Rae is an independent management consultant, analyst, and writer in the ITSM Industry, with over 20 years consultancy experience involving over 500 projects. He is a ITIL4 co-author and lead editor of the ITIL4 Create, Delivery and Support publication, co-author of the 2016 “ITIL Practitioner Programme,” plus a contributor to SDI standards and certification programs. Rae has over 30 years’ experience in IT and is also currently operating as the CEO of ITSMF UK. ITIL® is a registered trade mark of AXELOS Limited. All rights reserved.

Note to Readers

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Introduction

This document provides a generic overview of service management – IT Service Management (ITSM). ITIL and ITIL4 are the most used and high-profile frameworks that deliver ITSM.

The core concepts of service management have existed in wider business areas for some time – ITSM has some specific applications and area of focus, however, service management is a universal concept.

The future development and implementation of ITIL and ITSM will also continue to grow into areas beyond IT and technology, with increasing adoption of ‘enterprise service management’ (ESM). It is useful therefore to have a clear view of the key areas and concepts involved.

This guide is an over-arching supplement to the other 4 BMC ITIL4 guides released in 2020:

- ITIL4 Overview
- ITIL4 Applying the Guiding Principles
- ITIL4 Value Streams
- ITIL4 Guide to Practices

ITIL4

In early 2019 Axelos released the latest version of the global best practice for IT Service Management, ITIL 4. This is a long-awaited update to the

framework, which has existed as the predominant global ITSM framework since the early 1990s. ITIL has had 3 major previous versions, the last of which (ITIL v.3) was initially released in 2008 and updated in 2011.

For this new version (ITIL4) of the framework, Axelos (the owner and authoring organisation) gathered subject matter experts from around the globe to ensure greater alignment and integration with modern day working practices, methodologies and standards, including DevOps, Agile and Lean approaches, amongst others.

In early 2020 the second phase of books has been published to support the ‘Managing Professional’ training programme and industry certifications and designation. This has included 4 new book titles:

- Create, Deliver and Support – a full set of guidance for end-to-end service management working, professionalism, tools, techniques and value streams.
- Driving Stakeholder Value – an approach to define and clarify service expectations, relationships and definitions of value
- High Velocity IT – a bleeding edge view of new ideas, contexts and thought leadership techniques in relationship to ITIL
- Direct, Plan and Improve – a management and planning perspective on service delivery and governance.

In addition, new content has been created for each of the 34 ITIL4 practices – this is available online and will be updated dynamically. The Practices are a development of processes – so a practice is a process plus people, skills, capabilities, work procedures, governance etc.

The 4 book titles all refer to the 34 practices and how these practices are used in various different contexts and by different stakeholders.

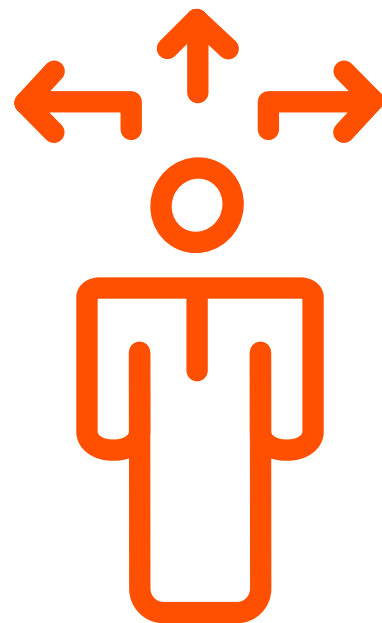
ITIL 4 recognises the focus of modern IT organizations on digital transformation, customer experience and the drive for service excellence. The framework is designed to offer practical guidance to any organization looking to understand how to adopt and apply a best practice mindset and approach to their IT Service Management capabilities.

ITIL 4 is specifically designed to address the needs of all verticals and levels of maturity, whether an organization be high velocity in nature, steady and stable evolving through organic growth. The

concepts and models defined can be used to deliver excellence and drive maturity in any approach to IT Service Management.

ITIL 4 is a significant development from previous versions, although much of the detailed ‘practice’ content remains in a recognisable form. The context and positioning of ITIL has however developed as a strategic and unifying element across the business and technology landscape.

The approach has changed to ensure that ITIL meets the needs of a modern digital based service management workforce. This guide provides generic guidance on key service management concepts and artefacts, independent of frameworks.



Service Management – Introduction and Value

Service management is the business activity of delivering sustainable services, applied in technical or non-‘business’ areas. In short, business practices applied to technical teams.

Service Management – A set of organizational capabilities for enabling value to customers in the form of services (ITIL4)

By ‘Services’ we mean a number of things – internal business capabilities, external products to customers, specific pieces of technology, and ‘bundles of systems and applications that go to deliver various aspects of organisational work. IT Services range usually from physical PCs, mobile devices, phone printers and laptops, to virtual services like access, development, applications, software, connect-ability, data, analytics, reports and of course, support.

By ‘delivery’ this includes design, build and implementation as well as ongoing operation – it’s a joined-up cycle. Service management is an end-to-end activity that involves a ‘supply chain’ of activities, from idea to reality, from demand to value.

Also, whatever it is that is being delivered, this requires more than just a technical capability – there is also a need to co-ordinate and manage the consistency, suitability, quality and success of the service, in order to provide business continuity and sustainable performance.

‘Sustainable’ implies that this is not just an ‘ad hoc’ or ‘one-off’ activity – the delivery is demonstrably consistent, accountable and repeatable, plus this also is a valuable and efficient and/or profitable activity.

Example – the rail industry. This was initially focused on developing new forms of transport and methods of delivering customer value through journeys, levels of comfort and speed etc. Over time this became a global service industry, whereby people use trains for varying types of travel for work and leisure.

There is still a need for engineers, drivers and other technical people to run the railways, however most of the other business roles involved are service management roles – to sell tickets, check tickets, manage safety at stations, build timetables, sell food and drink etc. These roles and activities form part of the overall experience and help determine the success and value of the service.

IT is now also at a stage where basic levels of delivery are expected, and the roles and activities involved are there to support users as people as much as to provide the technical capability. Service management supports technical and business capabilities through expectation and performance management, customer experience and value demonstration.

Traditional perception and application of ITSM

The way that (IT) service management has traditionally been applied has been to focus on delivering support, through processes and reactive work. However, frameworks such as ITIL have always included reference and guidance across the whole (development and operations) lifecycle. Despite this, support has been the main point of focus and the area mostly adopted by the operations community in the IT industry.

There has also been a tendency to see ITSM and ITIL as a 'process' framework. This has limited the perception of what ITSM actually is, and the value that should be derived from it, particularly in more recent times, when there has been more focus on ways of working, flexible and human-centred activities.

Additionally, as ITSM has been viewed in this way, primarily through the lens of a 'process-based' approach, ITSM has also been seen as prescriptive, rigid and doctrinaire. To be clear, this has never been the goal or approach from ITIL, however, due to many poor implementations and misinterpretation of the ITIL framework, this image has persisted.

As an approach for people working in IT, ITIL has been taken to be the 'way to do things', 'ITIL says so we must do it this way', a swiss army knife rather than a toolbox.

However, the idea has always been to use ITIL as a guide rather than an orthodoxy – i.e. to 'adopt and adapt', and not to blindly be followed by the letter.

ITIL4 has been clear that these misunderstandings must be removed and the true nature and value of ITSM must be clarified. Service delivery is usually a dynamic and ever-changing environment, and service management must be able to reflect this.

New ways of working like Agile and DevOps also highlight the need for flexibility, contextual working and people focus. ITIL4 has been created to meet these challenges and to provide an inclusive approach for all involved in creating, delivering and supporting (IT and business) services.

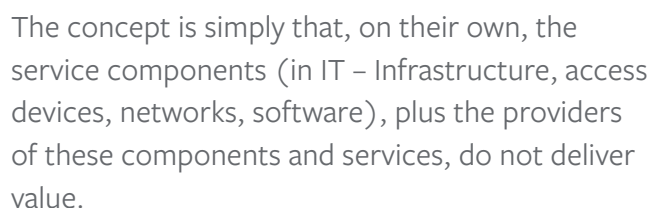
Value and 'co-created' value

It is vitally important that any organisation that carries out service management and delivers services has a clear understanding of the value that is expected and required from that service. Value is a term that requires clarity of definition:

Value – The perceived benefits, usefulness and importance of something

Value does not simply equate to cost. The purpose of using any service is to achieve some beneficial outcome – complete a task, sell a product, transfer funds, update records, etc. 'Value' should be understood as the expected benefit(s) received from using the service.

ITIL4 has developed the definition of value to include 'co-creation' This is a new and hugely important distinction from previous definitions.

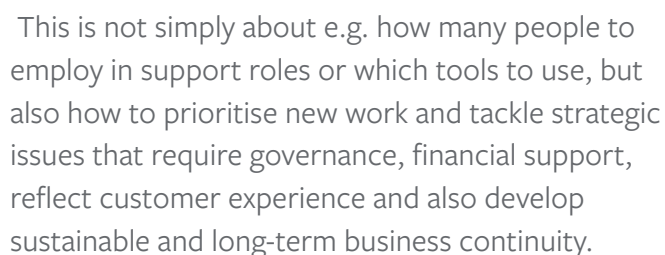


party 'to' the other – value comes when users consume the service provided by the (IT) delivery organisation – value is 'co-created' by stakeholders.

As a consequence, all parties must have a common and agreed definition of what the value outcomes are, the quality levels, costs etc. Engagement, collaboration and good relationships are therefore key elements in effective service delivery.

Ultimately service management should not only improve the quality and effectiveness of work, it should also be able to present valuable information and analytics on performance and capability to leadership, to support good decision-making.

BARCLAYRAI
Independent Management Consultancy



To simplify service management down to core objectives from a strategic perspective;

- 1.** Are we delivering on expectations? Is the service organisation able to meet the expectations of the organisation's business and customers that are served. This requires an understanding of the expectations, plus a clear set of resources, tools, practices, measures and processes place in order to meet these expectations.
- 2.** Can we demonstrate our value delivered? Can we demonstrate the value that is delivered through the services delivered. This requires suitable measurement and reporting in place to identify that the expectations are being met - or not. This also requires presentation of the performance data in a manner that can be easily understood and used as input to decision making.
- 3.** Do our customers agree that we meet their expectations? This involves achieving 'trusted partner' status with customers and users of the services. Whereby there are effective relationships in place across all stakeholders, based on clear shared understanding of business needs and service delivery. Data and performance reporting is accepted and understood at a narrative level and used to support decision making.

The above objectives can be used to drive successful service management. From experience, many organisations are often not able to meet these objectives, even to be able to answer these as simple questions – e.g. able to say for sure whether they are really meeting their business and customer expectations.

This may be despite some well-defined 'processes' being in place in these organisations. These practices need to be linked to business expectations, based on discussion and agreement – and often are not, simply taken from some standard generic SLA.

SLAs must be 'living' agreements that are relevant to the businesses that they relate to.

Working back from these 3 objectives provides clarity on the goals and requirements from service management:

- 1.** Are we delivering on expectations? This requires customer engagement, experience mapping, service level definitions, reporting and tracking defined and in place to manage consistent levels of service, practices to maintain suitable levels of business continuity etc.
- 2.** Can we demonstrate our value? This requires suitable governance and direction in place to drive actions and record actual performance against the expectations – not just against processes but the whole expectation
- 3.** Do our customers agree that we meet their expectations? This requires mature relationship management, service level management, reporting, analytics and clear, business-focussed presentation of information

Ultimately the value of (IT) service management is to provide some strong proven guidance on how to manage work – essentially providing business practices that support sustainable ways of working for technical (and other) teams.

In addition, the output from these ways of working helps to identify clear priorities and actions that are required to ensure that the organisation is focussed on doing the right end best thing for its long term benefit.

It can sometimes be difficult to see the ‘wood from the tress’ and identify clear priorities in complex technical and organisational structures – service management is there to provide a clear focussed and dynamic vision to ensure that the organisation is working in its own best interests, - consistently, profitably, efficiently, flexibly and sustainably.



Service Management – Core Functions

Service Management is the chain of activities, support and escalation that are delivered by IT and other service provider organisations. This delivers consistent, efficient and accountable services and service experiences to customers, by using repeatable processes, best practices and governance.

There are some key points to remember in order to succeed with ITSM:

- Service Desks (See Service Desk Notes below) - these are the single point of contact (SPOC) teams that support services by responding to and resolving interruptions to services (incidents) as well as processing requests for new and changed services (request and change management). In ITIL4 this is described as a practice – so this may be a virtual approach), Service desks are often the central point of focus for service management practices and an escalation and communications hub to co-ordinate and manage customer response.

THE SERVICE DESK:

- » Is the 'Shop front' / flagship for the service organisation
- » Is an engine for service quality and improvement
- » Needs support and collaboration from across the organisation to do a good job

- » Provides a great opportunity to manage customer expectations and service improvement

The quality of the service desk is a clear indicator of whether (or not) service and support (and Customers) are valued by the organisation – i.e. via investment, empowerment, resources and visible support from management.

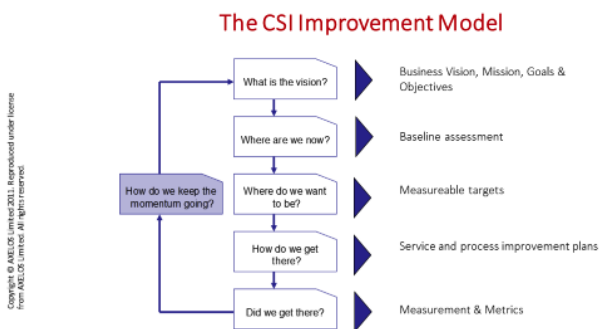
- ITSM is not just about Service Desks – although these obviously are often the focal point of these activities. Most of the processes involved require a 'Supply Chain' of collaboration and support from all teams. A good Service Desk is only as good as the teams that are working to support it.
- Processes alone will not deliver success – these don't happen by themselves and good management and governance are essential. It's important to be clear around how each process works, the responsibilities for each team and individual in delivering this, plus how this will be monitored.
- 'Best Practice' should always be regarded as advice and guidelines rather than slavish doctrine – each organisation must define its own adaption and implementation of these guidelines. So whilst there may be standards and best practice guidelines that can be used for a general model, successful service

improvement will result from a specific and bespoke approach.

- A common, consistent and collaborative approach is required across teams for success – it's all about teamwork and shared goals.

Key Practices

Continual Service Improvement – the focus of all ITSM activity must be to deliver quality services in an environment of continual improvement. This is achieved by measurement as a means to drive incremental changes, applying good problem management and also using knowledge management to improve resolution times and avoid re-work.



Incident Management – the practice of restoring services that have failed or been interrupted from normal operations, ideally done as quickly as possible and in line with business priorities.

An incident is any event which is not part of the standard operation of a service and which causes, or may cause an interruption to, or a reduction in, the quality of that service.

Problem Management – the practice used to avoid, remove and minimise incidents and recurring issues, by identifying trends and taking actions to remove root causes.

Problem management is the unknown underlying cause of one or more incidents. A condition of the IT infrastructure that is identified through incidents with similar symptoms or a significant incident that is indicative for an error of which the cause is not yet known.

Request Management – this is the practice to accept, approve and deliver user requests for new equipment or standard services, usually provided via an online portal. The automation of this process can help to speed up delivery of requests which can often be a bottleneck for users.

Change Management – the practice to control and manage any changes to the services, by assessing the risk and potential impact of downtime, avoiding carrying out changes in critical business periods and minimising any impact of unplanned changes.

A Change is any action resulting in a new status of one or more of the Configuration Items. The addition, modification or removal of approved supported or baselined hardware, network, software, application, environment, system, desktop build or associated documentation.

Change Advisory Board (CAB) is a regular meeting group that discusses proposed changes and assesses the risk and impact to business services. This is used mostly for high impact or emergency changes. The CAB has been much maligned in recent years and is seen as a ‘blocker’ in many agile and devops circles. If CABs have been set up and managed in a doctrinaire manner, then this may be

true. However, CABs are meant to be advisory not approval boards – most changes can and should be automated – and major changes need to be discussed. Good CABS are valuable events – if appropriately managed.

A forward schedule of Change - contains details of all the changes approved for implementation and their proposed implementation dates. In simple terms a change clander is a very useful artefact to ensure that changes don't clash with key business events – ideally this should be transparent and publicly available.

Service Level Management – this involves defining business services and service levels to set clear targets for delivery and using these targets through reporting as a measure of success in Service Delivery.

An SLA is a written agreement between the service provider and its customer(s) that documents agreed service levels and key service targets, the responsibilities of both parties and how service performance is to be measured.

Operational Level Agreements (OLAs) are agreements between the first level support team (e.g. the Help or Service Desk) and all other internal support teams who are required, and have agreed, to deliver their services to enable the successful achievement of the Service Level Agreements (SLAs).

Configuration Management – this involves defining and maintain records of assets, technology, people and other organisational details in order to map and asses relative risk and interdependence, as well as just keeping good accountable records.

A configuration ITEM (CI) is a component of an infrastructure – or an item, such as a Request for Change, associated with an infrastructure – which is (or is to be) under the control of Configuration Management. CIs may vary widely in complexity, size and type – from an entire system (including all hardware, software) to a relatively small component like a switch or access device, phone or PC.

Service Desk Notes

A Service Desk or support service is the 'shop window' to a service organisation and can strongly influence customer perception of the overall service, regardless of the quality.

A great service experience can elevate average service delivery to a high satisfaction level, whereas of course a poor service experience can actually ruin perfectly good product or service delivery. So it's vital that this operation is run with professionalism and quality in mind.

There are several factors that need to be considered to make your service desk successful:

1. People – the people running and operating the service need to be skilled, supported and empowered in line with how you want the service and your business to be presented and perceived, e.g. presenting a competent, positive, motivated, professional and committed image.
2. Service Model – it's important to clearly define how the service works, in order to deliver consistent and accountable service quality. So you need some processes, work instructions

and accountabilities defined and documented (even just in summary form).

3. Value Stream – Every Service Desk is only as good as the organisation behind it, so the service it delivers needs to be supported, promoted and appreciated by other parts of your team and organisation. We can think of this as a ‘n end-to-end ‘value stream’, whereby other teams or technicians provide support and relevant skills at key times to make the Service Desk a seamless and effective service to customers.
4. Services – It’s also essential to be clear on what technology and business services are being supported and provided by the Service Desk. Clear expectation must be set firstly for the Service Desk service itself (available times, telephone response, etc.), then for the actual types and quality levels of technology support services and how these are delivered, e.g.:
 - Service Definition – what the service is e.g. financial applications, network monitoring, user support etc.
 - Quality Levels – any quantifiable metrics on what is being delivered, e.g. service availability,
 - Support details when things fail – response and fix SLAs, frequency of updates etc.
 - Value – what are the key outcomes that the service delivers to the customer, e.g.: to process financial transactions, provide online retail, provide security etc.

5. Tools – you need technical systems to help you monitor and control your customers’ services, in addition you need appropriate management tools (e.g. for logging, tracking and reporting) to help you provide a consistent, accountable and professional service.

What tooling categories will be useful?

The value of good categorisation on your tool cannot be over-estimated, for 2 reasons:

1. In order to ensure that you can deliver the most efficient and professional service and support as a live process, and
2. To provide useable input to reporting and metrics – which can help you to develop quality

There are some simple steps that you can take to ensure that you get the most out of using the tool and to help develop quality.

It’s useful to use separate categories for Logging, Tracking and Closing

Logging – this should focus on the customer and the impact and severity of their issue. This can also include details of the service and technology that is affected. This helps to prioritise and to ensure that the issue is properly understood and classified

Tracking involves status and ownership – who has the issue and what has and is happening with it – this helps to ensure ownership and accountability, plus also visibility of the issue, to also avoid issues disappearing into a black hole – so this can also include SLA targets and identify potential breaches.

Closing requires assigning suitable information to the call that helps to understand and identify why it happened – so this could be completely different from the logging category.

Service Desks can learn and benefit from the examples of fixing and resolution supplied by their own support groups – so if the issue happens again, they can react more quickly and effectively. It's essential to make sure that the information in a closed call is accurate, appropriate and re-useable

Also: Try to keep the number of categories and sub-categories as small as possible – in order to provide useful and manageable output. Plus, keep control over how new categories are added – there should be a good reason for adding any new ones.

How can we use knowledge to improve our service quality?

Once you have created a particular fix or piece of information about how to support a customer, obviously this can be re-used to provide a faster response and resolution if it re-curs. This can save the customer and the service operation time and money (i.e. if service is restored more quickly and at the first point of contact), so all the information that is entered into a service management system should be considered as potentially useful and re-useable.

To do this you need to consider how this (knowledge) will be captured and managed – ideally you need a pro forma for a 'knowledge article', such that these are produced in a consistent and useful way, particularly so that they are relevant for 1st line/service desk staff

What do service desk and support staff need to know?

In order to provide a professional and competent service and image, Service Desk staff need to have the following:

Clear definition and documentation on the services provided and supported
o Information on who the customers are, their commercial /contract details and their expectations

Definitions of the levels of support that they are expected to deliver for each service – i.e. simply log and refer, fulfil requests, answer queries, deliver customer advice and tips, or resolve technical issues etc...
o Technical skills and capability to deliver these levels of support

Access of knowledge and documentation to support these levels of support

o Clear expectations and objective targets on the expectations of their performance – levels of support, customer contact and communications skills, expected volumes
o Feedback on performance – how individuals and the team are performing – are we doing a good job and how can we improve?

Service Desk and IT Support is no longer just about providing technical skills – we need to understand our customers' business needs and be aware of how we interact with them. Expectation from customers is now heavily driven by their own experiences using mobile and personal technology.

So 'Customer Experience' is a key concept that any service and support organisation must consider – i.e. 'what is it like dealing or doing business with us' – this is now a key differentiator in the industry.

We also need to ensure that we can demonstrate that we understand what is important to our customers – hence the need to define, deliver, manage and report on 'services' rather than just 'systems'.

So whilst there are many 'best practice' frameworks and methodologies out there that can be used – the key focus must be on getting closer to your customer and their business - that's the real best practise.

How can we get useful feedback?

The trend in terms of user/customer feedback is now moving away from cumbersome 'Customer Satisfaction Surveys', to a more 'light touch' approach using regular feedback and simple assessment-type surveys.

The best feedback is always to talk to your customers regularly in a way that shows that you understand their issues and are trying to improve your service – i.e. 'so how can we improve the service?'

So Relationship Management is absolutely essential as an ongoing conversation that can identify issues and opportunities, whilst maintaining a regular eye on service quality and customer perception - 'Relationship' is more important than individual SLAs.

From the survey perspective, picking up regular feedback around or after issues is a useful barometer of service – keep questions very simple and short and simply focussed on the overall quality of service and e.g. advocacy – so e.g. 'How would you rate us out of 10' and 'would you recommend us to your friends...?'

Ultimately your Service Desk will provide the flagship point of contact for your organisation, so it's worth spending some time and thought on making sure that you have the right foundations in place to make this work



ITIL 4 Definitions

Service Management – A set of organizational capabilities for enabling value to customers in the form of services

Service – A means of enabling value co-creation by facilitating outcomes that customers want to achieve, without customers having to manage specific costs and risk

Value – The perceived benefits, usefulness and importance of something

Product – A configuration of an organization's resources designed to offer value to a customer

Organization – A person or a group of people that has its own functions with responsibilities, authorities and relationships to achieve its objectives

Customer – A person who defines requirements for services and takes responsibility for outcomes from service consumption

User – A person who uses services

Sponsor – A person who authorizes the budget for service consumption

Stakeholder – A person with a (vested) interest in the service provision, this can include shareholders, executive, customers and users etc

Output – The tangible or intangible delivery of an activity

Outcome – A result for a stakeholder enabled by one or more activities

Utility – The functionality offered by a product or service to meet a particular need

This is more easily understood as considering “what the service does”

Warranty – The assurance that a product or service will meet agreed requirements

This is more easily understood as considering “how the service performs”

Service Offering – A formal description of one or more services, designed to meet the needs of a target consumer group. A service offering may include goods, access to resources and service actions

Service Relationship – A cooperation between a service provider and a service consumer. Service relationships include service provision, service consumption and service relationship management

Service Consumer – A role performed by an organization in a service relationship to consume services

Service Provider – A role performed by an organization in a service relationship to provide services to consumers

Service Relationship Management – Joint activities performed by a service provider and a service consumer to ensure continual value co-creation based on agreed available service offerings

Output – A tangible or intangible delivery of an activity

Outcome – A result for a stakeholder enabled by one or more outputs

Cost – The amount of money spent on a specific activity or resource

Risk – A possible event that could cause harm or loss or make it more difficult to achieve objectives. Risk can also be defined as uncertainty of outcome, and can be used in the context of measuring the probability of positive outcomes as well as negative outcomes



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