Assignment 1 IT SERVICE MANAGER

1) Define and Differentiate between Service, Utility, Warranty, Customer, User, Sponsor

- Service: A means of delivering value to customers by helping them achieve outcomes without owning specific costs and risks.

  Example: Email service provided by IT support.

- Utility: The functionality offered by a service to meet user needs. It answers the question, "What does the service do?"

  Example: A cloud storage service allows users to save and share files.

- Warranty: Assurance that the service will perform as expected, with availability, security, and capacity. It answers the question, "Is the service reliable and secure?"

  Example: Guarantee that cloud storage has 99.9% uptime.

- Customer: The person or organization who pays for the service.

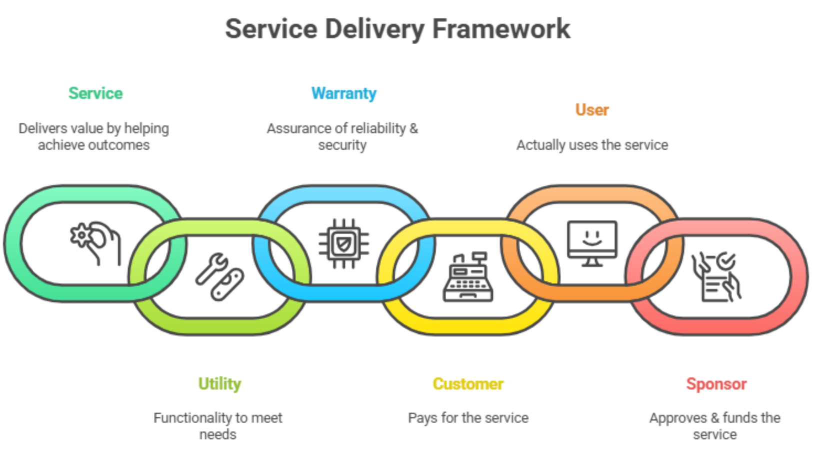
  Example: A company purchasing Microsoft 365 for employees.

- User: The individual who actually uses the service.

  Example: An employee who uses Outlook to send and receive emails.

- Sponsor: The person or group who approves and funds the service.

  Example: A manager who decides to invest in cloud services for their team.



Comparison Table

Term	Definition	Key Question	Example
Service	Means of delivering value without owning costs/risks	How is value delivered?	Email service by IT support
Utility	Functionality offered by service	What does the service do?	Cloud storage for file saving/sharing
Warranty	Assurance of reliable performance	Is the service reliable/secure?	99.9% uptime guarantee
Customer	Person/organization paying for service	Who pays?	Company purchasing Microsoft 365
User	Individual actually using the service	Who uses it?	Employee using Outlook
Sponsor	Person/group approving and funding	Who approves/funds?	Manager investing in cloud services

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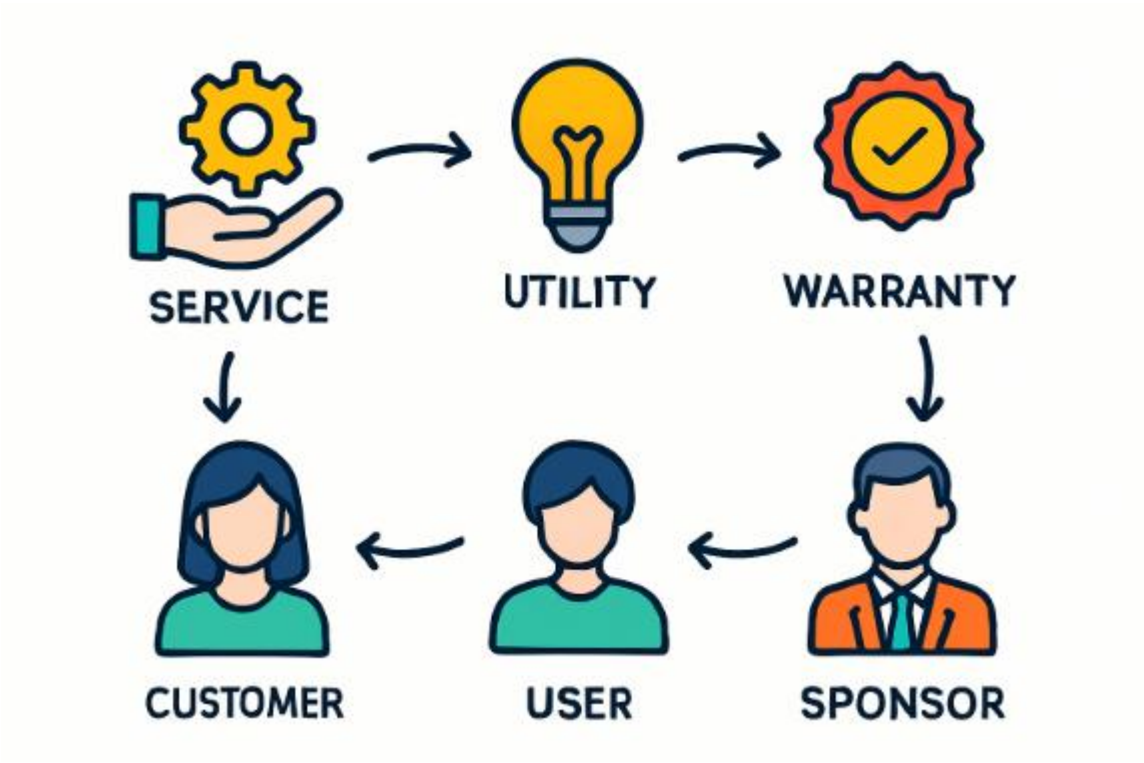


2) Illustrate the concept of Value Creation in Services by explaining cost, organization, outcomes, output, and risk.

Value creation in IT services happens when an organization balances cost, outcomes, outputs, and risks to deliver maximum benefit to customers.

- Cost: Resources (money, time, manpower) spent to provide a service.
- Organization: The structure, people, and processes needed to deliver the service.
- Outcomes: The results customers want to achieve from the service.
- Output: The deliverables produced by the service (tickets resolved, features provided).
- Risk: Possible issues that may reduce value, such as downtime or data loss.

Example (Real-life IT Service): Online Banking System

i. Cost → Infrastructure, servers, and staff
ii. Organization → IT department and support team
iii. Outcomes → Customers want secure and quick transactions
iv. Output → Online money transfers, bill payments, etc.
v. Risk → Cyberattacks or downtime

Value Creation Framework

The Value Creation Framework describes how an organization combines costs (resources and investments) and structure (organization and processes) to create value for customers. This process involves managing inputs, outputs, outcomes, and risks:

i. Cost (Resources & Investment): The money, time, and resources invested to produce services or products.
ii. Organization (Structure & Processes): The way people, teams, and processes are structured to deliver value.
iii. Value Creation: The central process where resources and organization combine to generate valuable offerings.
iv. Output (Deliverables & Services): The tangible products, services, or deliverables produced by the organization.
v. Outcomes (Customer Results): The real-world benefits or results experienced by customers from using the outputs.

3) Explain how Utility and Warranty contribute to value in IT services. Give an example of a real-world IT service where these concepts are evident.

Utility and Warranty together make a service valuable:

Utility gives the service its usefulness (what the service does).

Warranty ensures that the service is dependable (how well the service performs).

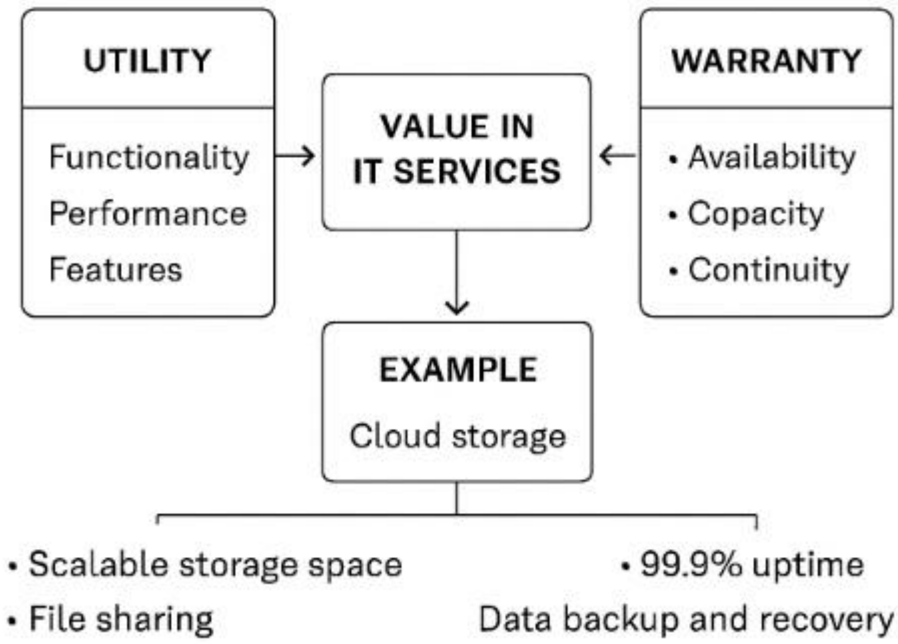
Example: Cloud Storage Service (Google Drive)

Utility → Provides file storage, sharing, and collaboration features.

Warranty → Guarantees availability, secure access, and reliable backup.

Because of both utility (functionality) and warranty (assurance), Google Drive is a valuable IT service for both individuals and businesses.

Value Creation Through Utility and Warranty



Conclusion

In this assignment, we studied key concepts in IT Service Management including service, utility, warranty, customer, user, and sponsor and explored how they work together to deliver value. We learned to use the value creation framework, understanding how cost, organization, output, outcomes, and risk interact in IT services