Implementing ITIL v3 Service Lifecycle

WHITE PAPER

INTRODUCTION

IT services have become an integral means for conducting business for all sizes of businesses, private and public organizations, educational institutions, consumers and the individuals working within these organizations. Moreover, IT and support organizations are moving towards a service-oriented model that revolves around the services they deliver, managing requests and providing support for the services. At the same time, they are faced with surging operations cost, regulatory compliance issues, carrying out process improvements and most of important all, delivering effective services aligned to business and customer demands. These requirements are becoming increasingly difficult to manage, especially organizations with reduced or limited resources brought about by the tough economic climate.

Most organizations would be unable to deliver their products and services in today's market without IT services. The expectations for availability, reliability and stability increase with higher reliance on these IT services.

IT departments have been using the IT Infrastructure Library (ITIL), to meet these expectations, which was originally developed by the UK government and eventually becoming popular worldwide.

The ITIL framework of Best Practices has been adopted by more organizations than any other standard for IT service management to effectively control and manage service delivery. The IT Infrastructure Library v3 outlines a service lifecycle approach to IT operations in supporting the business. Adopting the framework involves upfront planning, resources and commitment. It requires IT organizations to carefully consider their approach to the implementation and the solution that will align these processes with business needs.

> The purpose of this whitepaper is to underline the importance of implementing ITIL v3 for better business, improved process management, and higher savings. The whitepaper also brings out the different approaches to the implementation and solution layers that help organizations to align better with customer requirements.

JOURNEY OF ITIL UP TO VERSION-3

The ITIL® framework evolved from the UK government's efforts during the 1980s to document how successful organizations approached service management. By the early 1990s they had come up with a huge collection of books documenting the "Best Practices" for IT Service Management. This library was eventually entitled as the IT Infrastructure Library. The Office of Government Commerce in the UK continues to operate as the trademark owner of ITIL®.

ITIL has gone through multiple phases and was refreshed with the release of version 3 in 2007. Through these iterations the scope of practices documented has increased largely, helping it to stay updated with the continued progress and meet the needs and requirements of the ITSM professional community.

ITIL is only one of many sources for Best Practices, including those documented by:

- Public frameworks (ITIL®, COBIT, and CMMi etc.)
- Standards (ISO 20 000, BS 15 000)
- Proprietary knowledge of organizations and individuals.

WHAT'S NEW IN ITIL VERSION - 3.0?

The goal of the new ITIL (version – 3.0) is to provide a simple-to-understand, business-aligned implementation that you can customize to your specific operational situation and IT environment. The new topics included are understanding business catalysts and how they produce IT strategies; how you should respond to specific business drivers like compliance and regulation; and how to interoperate with other standards.

ITIL v3 uses a hub-and-spoke model with fundamental core concepts as the hub and specific market and industry guidance in complementary components as the spokes. Because ITIL involves Best Practices, it can never be fully prescriptive and must always remain descriptive. However, the changes do make ITIL v3 more detailed and industry directed and, thus, more prescriptive than the ITIL v2.

ITIL v3 will also provide significant new resources to help you "do-it-yourself". These resources include case studies, templates, and examples. For instance, you can find out of how to build a service catalog or how to perform self-assessments.

The IT Infrastructure Library Version 3.0 is composed of 5 volumes.

- Service Strategy
- Service Design
- Service Transition
- Service Operation
- Continual Service Improvement.

The New Approach of IT Service Management — the Service Lifecycle
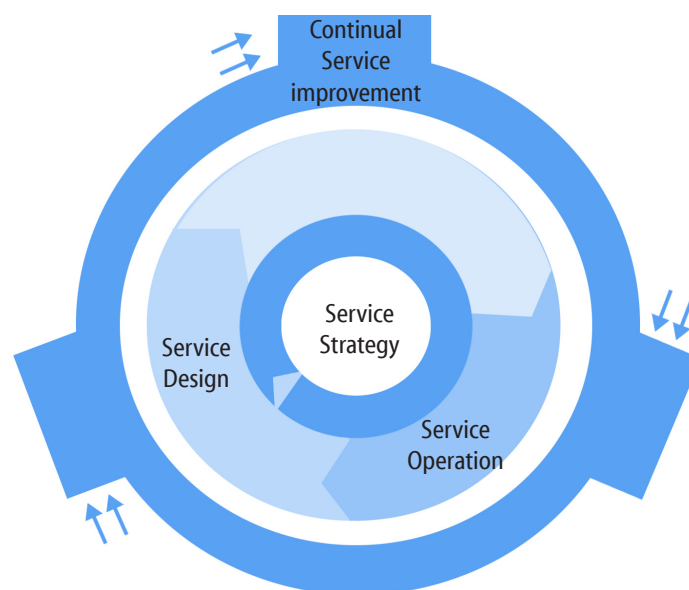
The concept of the Service Lifecycle is fundamental to the refresh of ITIL® for Version 3. Previously, ITIL® focus was on the processes required to design, deliver and support services for customers.

Version 2 of the ITIL® Framework provided Best Practices for ITSM based around the how questions, which included:

- How should we design for availability, capacity, and continuity of services?
- How can we respond to and manage incidents, problems and known errors?

As Version 3 maintains a holistic view, covering the entire service life cycle, ITIL® no longer just answer the how questions, but also why?

- Why does a customer need this service?
- Why should the customer purchase services from us?
- Why should we provide (x) levels of availability, capacity and continuity?

By asking these questions it enables a service provider to provide overall strategic objectives for the IT organization, which will then be used to direct how services are designed, transitioned, supported and improved in order to deliver the maximum value to customers and stakeholders.

The ultimate success of service management is indicated by the strength of the relationship between customers and service providers. The 5 phases of the Service Lifecycle provide the necessary guidance to achieve this success. Together they provide a body of knowledge and set of good practices for successful service management.

This end-to-end view of how IT should be integrated with business strategy is at the heart of ITIL's five core volumes (books).

The following figure demonstrates the processes and functions of ITIL® in relation to the 5-phase Service Lifecycle. It also demonstrates the broadened scope of ITIL® (version-3) over the previous version (version-2).
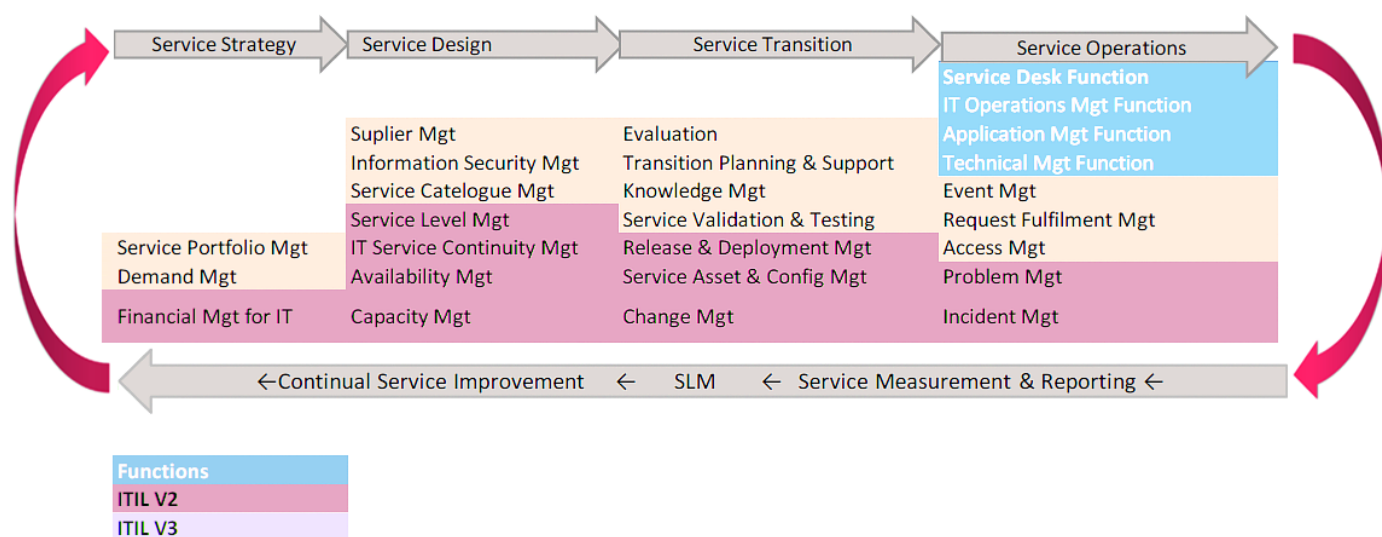
Notes:
- The Service Lifecycle phases (and ITIL® books) are shown through the arrows at the Top
- The concepts in yellow shading are the V2 ITIL® concepts
- The concepts in pink shading are the new ITIL® V3 concepts
- The concepts in Blue shading are Functions

Although Service Level Management officially sits in the Service Design book, it plays a very important role in the Continual Service Improvement phase, and therefore could also fit in the CSI book as a process. Although, there are 5 phases throughout the Lifecycle, they are not separate, nor are the phases necessarily carried out in a particular order. The whole ethos of the Service Lifecycle approach is that each phase will affect the other, creating a continuous cycle. The Continuous Service Improvement (CSI) phase is incorporated throughout all of the other phases to make this work successfully.

Benefits of ITSM:

While the benefits of applying IT Service Management practices vary depending on the organization needs, some typical benefits are —

- Improved quality service provision
- Cost-efficient service quality
- Services that meet business, customer and user demands
  Integrated centralized processes
- Everyone in the service provision is aware of their roles and responsibilities
- Learning from previous experience
- Scalable performance indicators

In particular reference to the scope of Operational Support & Analysis, such benefits include the following:

- Improved capability for supporting business growth and change
- Improved business efficiency and IT staff though quality information and easily available knowledge
- Reduced variance between estimated and actual resource requirements
- Higher visibility of the critical components within the IT infrastructure
- Improvement in the actual availability of services and systems available to users
- Enhanced uptake and effective use of IT Services by the user community.

ITIL is already helping IT organizations perform well under stressful economic conditions. Some of the significant implications have been discussed as follows:

Improved Visibility and ControlIf you want higher:
visibility and control of your IT environment and how it supports business services, you need a clear understanding of what you are doing, the dependencies in your IT landscape (including skill sets and competencies), and areas of weakness or constraints, if any. An ITIL process maturity assessment is a key starting point —a baseline "health check" to IT process optimization.

Ongoing measurement of IT service management processes can help you gain visibility into how to prioritize improvements based on business objectives and your customer needs. Clearly defined IT service management metrics help in addressing some of the greatest challenges faced by CIOs today, such as defining the impact of service delivery and support on business services and quantify¬ing the cost of service improvement. Achieving end-to-end visibility and control of your IT environment also requires the ability to see every aspect of your IT environment from the business and service levels down to the component level — including all the relationships and dependencies.

Greater Integration with Business Objectives:
IT improvements ensure efficient business more efficient and effective by optimizing customer satisfaction, reducing downtime, automating tasks, and achieving required compliance.

Increased Focus on Continual Service Improvement:

ITIL recommends that you implement a continual service improvement program. This type of program uses the results of measurement and analysis to help IT prioritize improvements that will support changing business needs. A continual service improvement program is an iterative process that happens over time and makes it possible to add more value to all iterations throughout the organization.

A continual service improvement program helps you improve services by clearly defining, measuring, and subsequently controlling the services the IT organization provides to the business.

With IT under increasing pres¬sures from all parts of the business, some IT managers may be asked, "Once a program or hardware is installed and working correctly, why cannot your team just step back and let it run?" But in a dynamic business and IT environment, change is a constant. Having a program that just runs as planned doesn't take into account the evolving needs of the business and the customer, and how business changes impact IT.

Increased Operational Efficiency:

You can improve operational efficiency by following ITIL guidance related to examining your processes and objectives and identifying targeted areas for improvement.

To achieve this operational efficiency, ITIL recommends that you set clear goals, define a process improvement road map, and not expect to fix everything at once. You should develop a business case annually for future activities on the basis of the results from prior and current activities. Determine the ROI and value on investment (VOI) so far, as well as the anticipated ROI and VOI of future improvements. You will need to prioritize projects according to what will create the most business value.

Greater Agility:

Agility is very important for today's corporations. Business should able to respond quickly to changing conditions to maintain competitive advantage. The ITIL process of release management, for example, makes it possible tosuccessfully manage the release of software and hardware into the environment. A mature release process, combined with automa-tion, can reduce the implementation time of a software release from weeks to minutes, while also reducing error rates.

Following ITIL guidance on service portfolio management helps you to prioritize projects on the basis of their importance to the business. It also helps you improve your agility. You must provide the right mix of services and adapt to the mix when business conditions change. Service resource planning solutions, as part of an overall BSM strategy, consolidate and connect otherwise fragmented data to provide the information and insight that enable you to make better, faster, and more informed decisions about your capabilities and resources.

Being more proactive:

Why wait for something to break when you can anticipate problems and prevent them from happening? The degree to which problem management and availability management processes are proactive can reveal much about the maturity of the IT organization. The goal of ITIL problem management is to prevent the occurrence or minimize the impact of errors, incidents, and problems in the IT infrastructure. Typical problem management activities include identifying, investigating, and eliminating or minimizing the problem by addressing the root cause or developing a reasonable workaround. When an organization first implements a process such as problem management, it should focus on the reactive aspect of the process. This is because 20% of the problems contribute to 80% of system degradation.

Eliminating that top 20% of problems will significantly improve stability, reduce downtime, and improve documented knowledge, thereby enabling incident management to resolve future incidents more quickly.

As the problem management process matures, there will be increased opportunity to focus on the proactive aspects of the process, such as trend analysis. It is possible to reduce the number of incidents by 50% or more through preventive action. The proactive aspects also allow the business to be more responsive to its customer needs. This will reduce downtime and support costs while improving productivity and customer satisfaction.

Improved Communication:
The biggest issue every organization seems to identify is communication — or rather the lack of it — both within IT and between IT and the business. Lack of communication can result in duplication of effort, poor decision making, higher risk of failed changes, and poor alignment between the business and IT.

Traditionally, IT organizations have become accustomed to thinking about organizational structure in terms of "silos," departments, or functional areas. Communication, organizational collaboration, and teamwork will fall off like a pack of cards when information does not flow easily from one area to another.

ITIL processes are not the same as functions. They help to address these communication gaps because they cut across multiple functional areas, using resources, information, and people to achieve a specific goal.

Communication is also facilitated through an ongoing organizational focus on documentation and knowledge management. Knowledge management involves gathering, analyzing, storing, and sharing knowledge and information to improve efficiency by reducing the need to re-discover knowledge that already exists within the organization.

For example, let us assume that 40% of an organization's incidents are resolved at the first level. Now, with 40% being resolved at the second level and the rest 20% at the third level results in complete issue resolution. Through better documentation of known errors, the first-level staff will generally be able to resolve a far greater percentage of incidents. This reduces costs and improves customer satisfaction.

Conclusion

The long-term health of any business depends upon alignment of a well-functioning IT organization with the business objectives, while the business consequences of a poorly functioning IT organization can be dire. ITIL can help IT "get into shape" and establish the benchmark practices required to function at peak performance. ITIL helps your IT organization to not only justify and cut costs, but also integrate very well with the business objectives and improve the quality and speed of service. Following ITIL guidance and applying the guidance as Best Practice will help positioning any company to take advantage of better economic times down the road and come out as a winner.

About GSS Infotech

GSS Infotech with a mission of providing innovative managed IT services at a committed quality and optimal cost leveraging Technology, Thought Leadership and Global Delivery Model, with certified ITIL experts would like to support customers carrying out the gap analysis/Infrastructure Assessment and Implementing appropriate Infrastructure and Service Management solutions to comply ITIL standards.

For any information or support, please contact our Exin Certified ITIL-V3 Expert at acharya.kjm@gssinfotech.com