Value Insights

ITIL 4 Foundation

Exam Preparation

Accredited ITIL 4 MP & Trainer

Licensed Scrum Master

SAFe Program Consultant

Service Management Enthusiast

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Landscape Photographer

Drone Pilot

Nature Lover / Bird Man

Husband of a wonderful wife

and father of a little girl 💕

Agenda

- Key-Concepts and Definitions (5)

- The 4 Dimensions (2)

- The Service Value System (1)

- The Guiding Principles (6)

- The Service Value Chain (2)

- Most important practices (19)

- Other examinable practices (5)

Agenda

VALUE INSIGHTS

Key Concepts and Definitions

- **Service Management**: A set of specialized organizational capabilities for enabling value to customers in the form of services
- **Value**: The perceived benefits, usefulness and importance of something
- **Customer**: Defines requirements for services
- **User**: A person who uses the service
- **Sponsor**: Authorizes budgets for services
- **Supplier**: External partner who provides services to the organization
- **Organization**: A group of people that has its own functions, responsibilities and authorities to achieve specific objectives.

Key Concepts and Definitions

- **Service**: The means of enabling value co-creation by facilitating outcomes that customers want to achieve without the customer having to manage specific costs and risks.
- **Product**: A configuration of resources, created by the organization, that will be potentially valuable to customers.
- **Service Offering**: A specific mix of services and products sold to a specific customer.
  - **Goods**: ownership is transferred to customer
  - **Access to resources**: customer is allowed to use it
  - **Service Actions**: things the service provider does for the customer

Key Concepts and Definitions

- **Output**: A tangible or intangible deliverable of an activity
- **Outcome**: A result for a stakeholder enabled by one or more outputs
- **Cost**: Can be removed from the customer (part of value proposition) and can be imposed on the customer (price for service consumption)
- **Risk**: uncertainty of outcome. Can be good (opportunity) or bad (hazard)
- **Utility**: Fit for purpose. Service does what it is meant to do.
- **Warranty**: Fit for use. Service does this good enough
  - Availability, Capacity, Continuity, Security good enough?
- **Value = Utility + Warranty (+ perception)**

Summary

Key Concepts

- Service Management
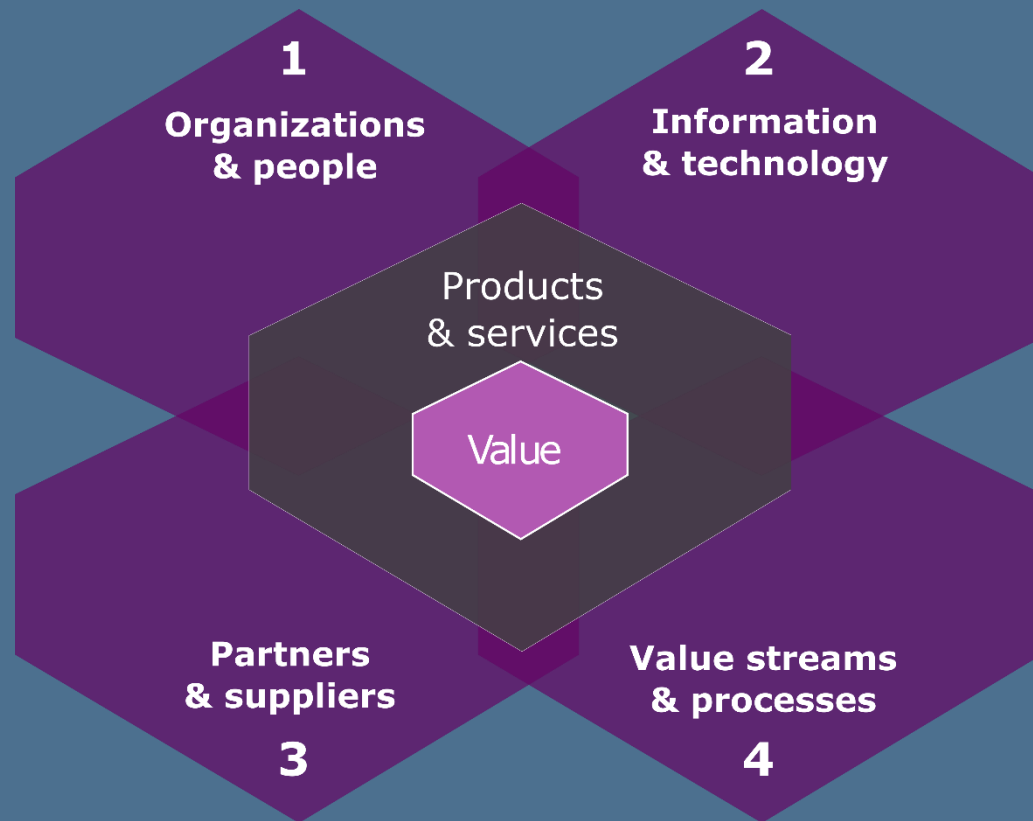- Stakeholders
- Value
- Value Co-Creation

Definitions

- Service
- Service Offerings
- Output vs. Outcome
- Risk
- Utility + Warranty

Agenda

The 4 Dimensions

1
Organizations & people

2
Information & technology

Products & services

Value

Partners & suppliers
3

Value streams & processes
4

- **VOIP** -> can be influenced by the organization

- **PESTLE** -> external factors, that cannot be influenced but need to be considered
  - Political
  - Economical
  - Social
  - Technological
  - Legal
  - Environmental

The 4 Dimensions

Value Streams and Processes

- Activities the organization undertakes
- Organization of these activities
- Ensuring value to stakeholders
- Exercise value stream mapping

Organizations and People

- Organizational Structures
- Decision making habits
- Staffing and skill requirements
- Culture and leadership styles

Information and Technology

- Information and tools needed
- Technologies and innovation
- Relationship between components
- Culture of knowledge management

Partners and Suppliers

- Relationship with external vendors
- Factors that influence suppliers strategies
- Service integration management
- Vendor selection procedures

Summary

VOIP

- Value Streams & Processes
- Organizations & People
- Information & Technology
- Partners & Suppliers

PESTLE

- Political
- Economical
- Social
- Technological
- Legal
- Environmental

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- Key-Concepts and Definitions (5)

- The 4 Dimensions (2)

- **The Service Value System (1)**

- The Guiding Principles (6)

- The Service Value Chain (2)

- Most important practices (19)

- Other examinable practices (5)

The Service Value System

Guiding principles

Governance

Opportunity /demand

Service value chain

Value

Practices

Continual improvement
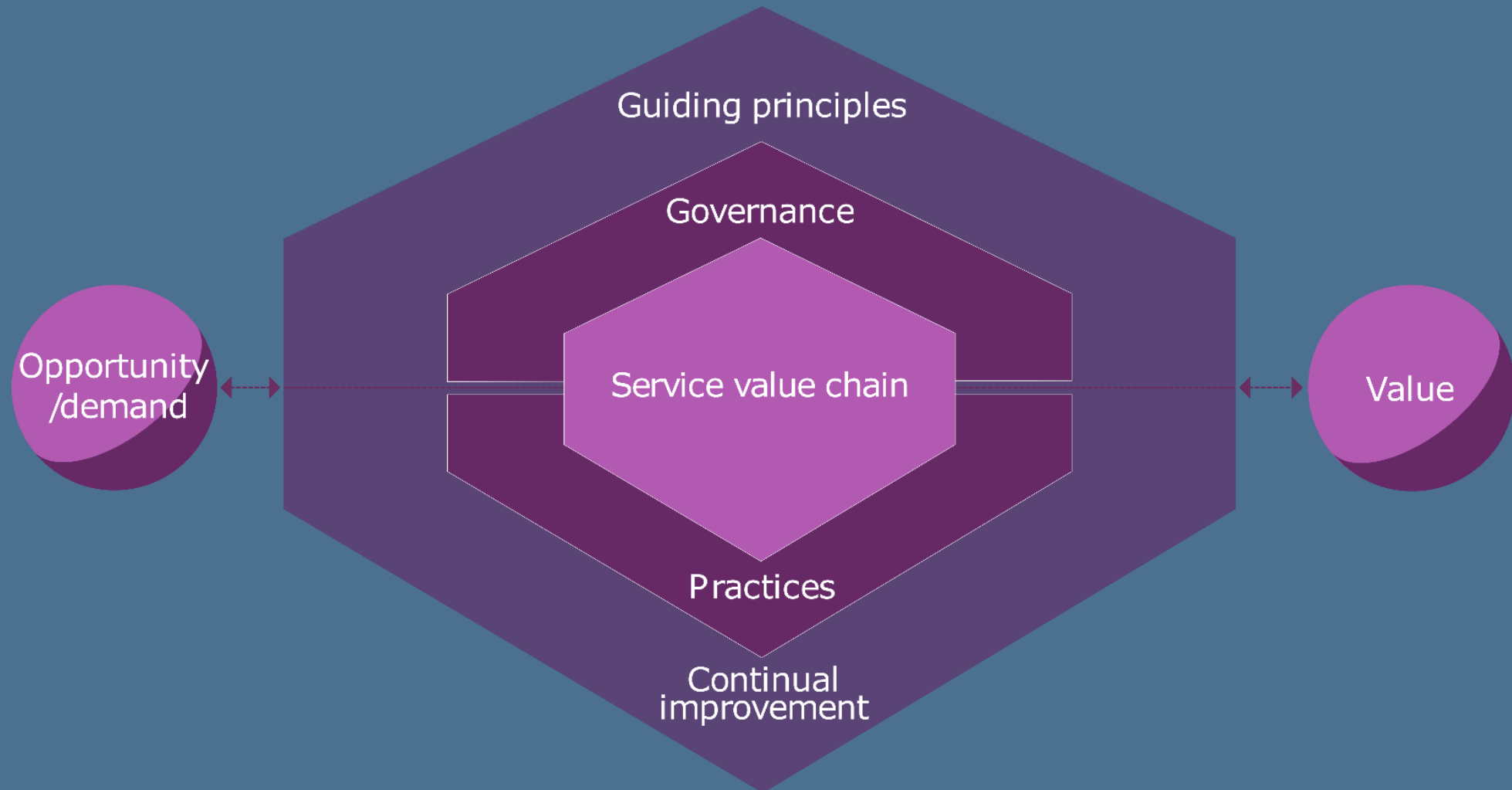
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The Guiding Principles

Recommendations that guide organizations in any circumstances, even for implementing ITIL 4
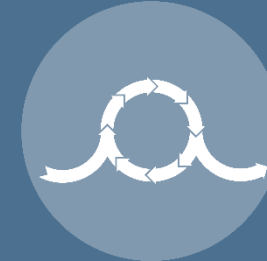
FOCUS ON VALUE

Everything you do must be somehow (directly or indirectly) valuable to your stakeholders.

START WHERE YOU ARE

Reuse existing resources whenever possible instead of reinventing the wheel over and over again.

PROGRESS ITERATIVELY WITH FEEDBACK

Don't do everything at once, take baby-steps instead. Learning by doing with lots of feedback.

The Guiding Principles

COLLABORATE AND PROMOTE VISIBILITY

Involve the right people at the right time and gather factual data to make the right decisions.

THINK AND WORK HOLISTICALLY
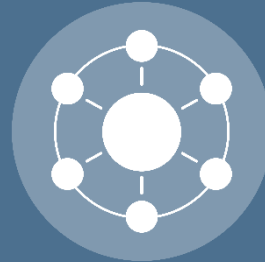
Nothing is ever alone, think about the effect of your initiative or work on other components.

KEEP IT SIMPLE AND PRACTICAL

Don't overcomplicate work. Use the least possible steps. Outcome based thinking helps.

OPTIMIZE AND AUTOMATE

Maximize the value of human work. Automate only after optimization. Apply DevOps.

Summary

- Universally applicable to any work or initiative

- Represent well-proven, good practice

- Are neither prescriptive nor a must

- Can be applied stand-alone but are better in conjunction

- Have a strong relation to Lean-Agile thinking

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The Service Value Chain

Plan

Design and transition

Demand → Engage

Obtain/build Deliver and support

Products and services

Value

Improve
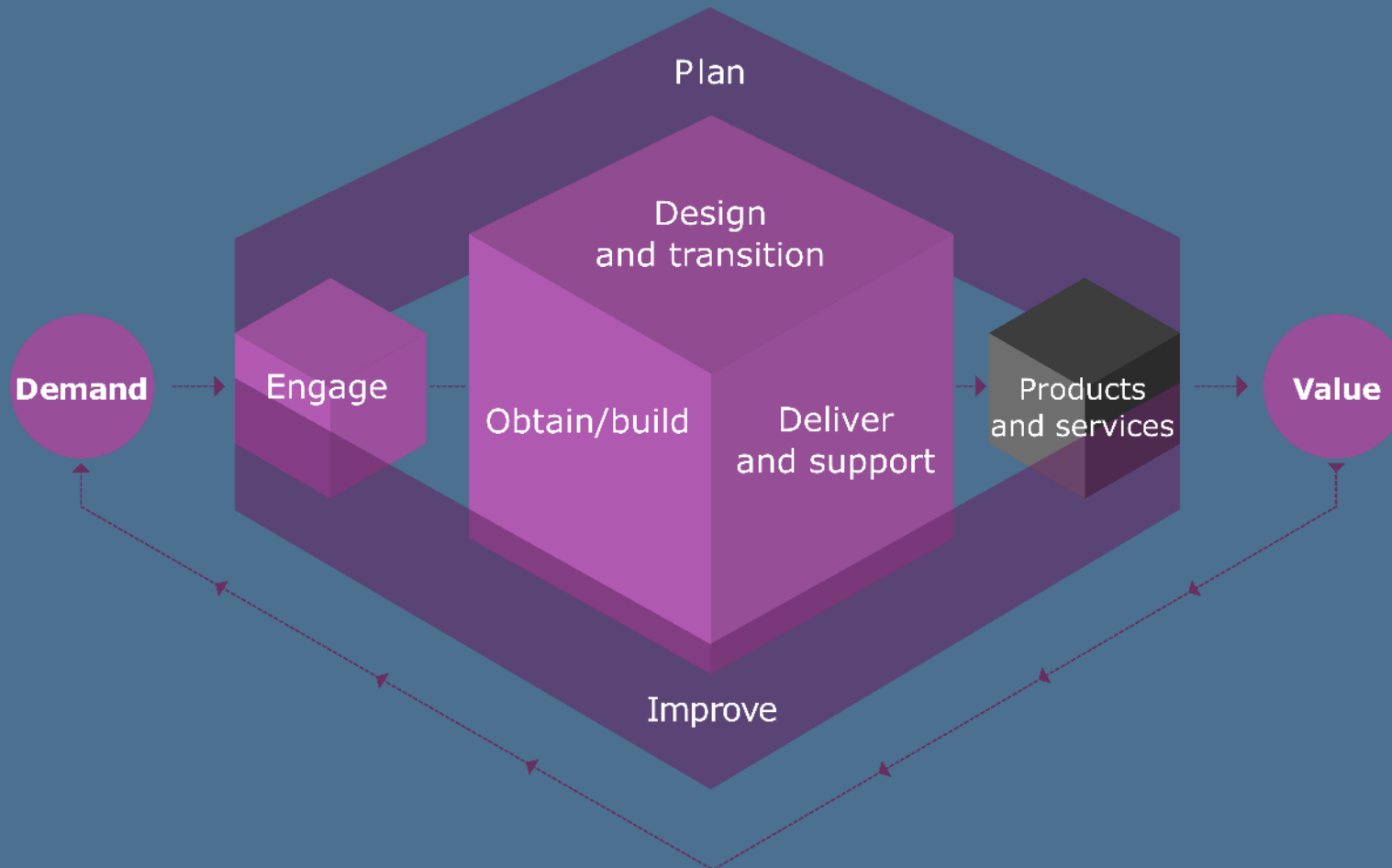
Value Stream:

- a series of steps an organization takes to co-create value with customers

- These steps can be mapped to the SVC in any combination

- E.g.: Handling of incidents or developing new applications

Purpose of the Activities

P   Ensures shared understanding of vision, current status and direction

I   Continual improvement of products and services

E   Understand stakeholder needs and demands

D   Make sure that services meet stakeholder needs

O   Ensure components are available when needed

D   Ensure SLA conform service delivery

Value Stream Example – Bank Loan

Loan Need → Attract Customer → Quick Rate Quote → Complete Loan Application → Eligibility Check and Decision

Award Loan → Setup Payment Terms → Repay Money → Close Loan → Payback Done

Summary

PIEDOD

Means "please" in Latvian

- Plan
- Improve
- Engage
- Design and Transition
- Obtain or Build
- Deliver and Support

- It is an operating model
- Outlines activities needed to transform demand into value
- Universally applicable
- Can be used for mapping Value Streams
- Practices include specific sequences of SVC activities

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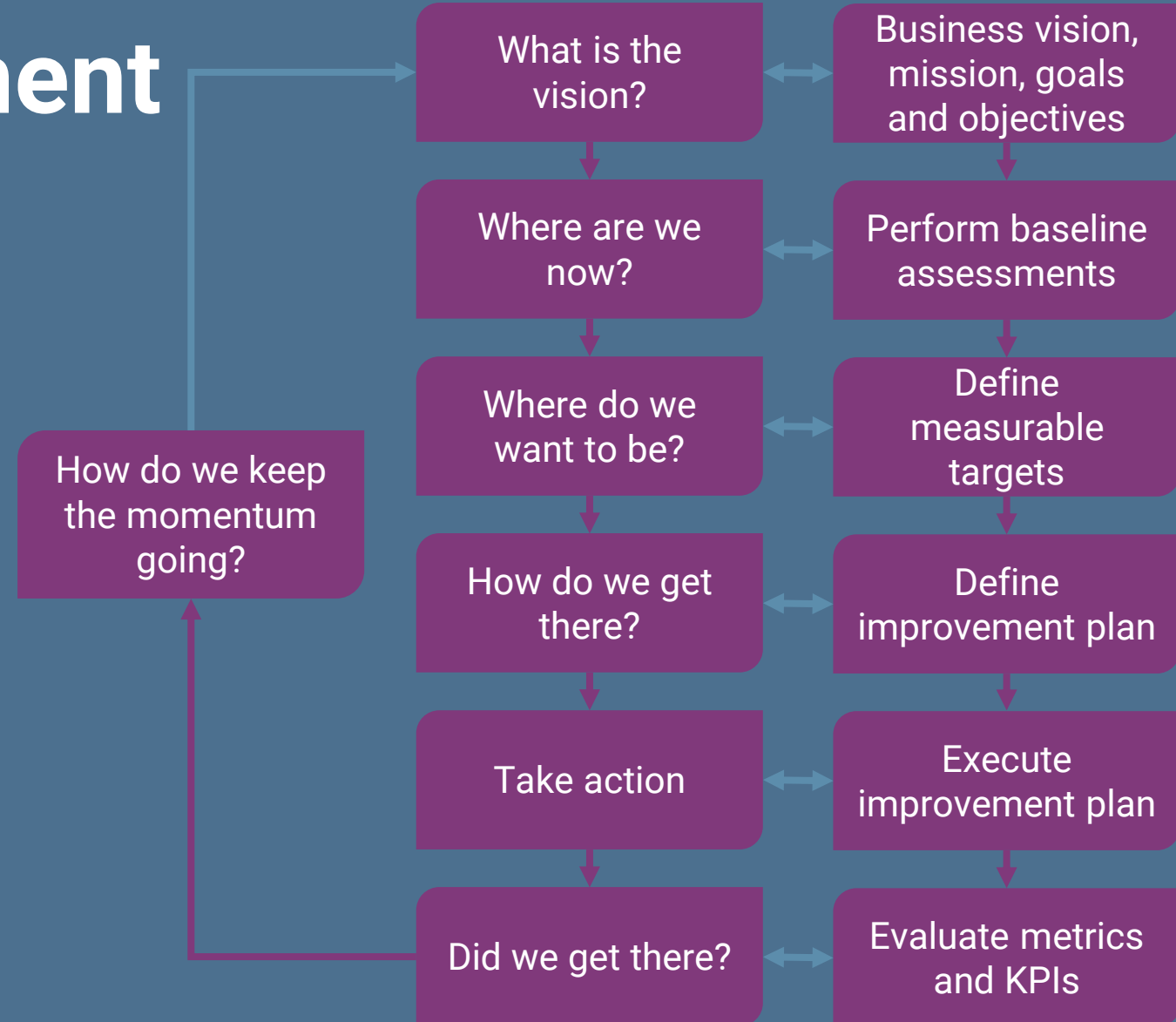
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VALUE INSIGHTS

Practices

A practice is a set of organizational resources designed to perform work or accomplish an objective.

General Management Practices	Service Management Practices	Technical Management Practices
Continual Improvement	**Change Enablement**	Deployment Management
Information Security Management	**Incident Management**	
Relationship Management	IT Asset Management	
Supplier Management	Monitoring & Event Management	
	Problem Management	
	Release Management	
	Service Configuration Management	
	Service Desk	
	Service Level Management	
	Service Request Management	

!Continual Improvement

- Continual Improvement happens everywhere in the organization (SVS, SVC, Practices)

- Ideas need to be reprioritized when new ones are added

- It is a responsibility of everyone

- Organizations may have a Continual Improvement Team for better coordination

- All 4 Dimensions need to be considered during any improvement initiative

How do we keep the momentum going?

Question	Activity
What is the vision?	Business vision, mission, goals and objectives
Where are we now?	Perform baseline assessments
Where do we want to be?	Define measurable targets
How do we get there?	Define improvement plan
Take action	Execute improvement plan
Did we get there?	Evaluate metrics and KPIs

!Change Enablement

Purpose: maximize the number of successful changes through proper risk assessment and minimize the negative impact of failed changes

Types:

- **Standard**: pre-authorized, low risk, low cost, basically Service Requests
- **Normal**: authorization depends on what kind of change it is. Goes through the normal change workflow
- **Emergency**: needs rapid action. May have a separate change authority

!Incident Management

Purpose: minimize negative impact of incidents by restoring normal operation as soon as possible

Incident: unplanned interruption or reduction of quality
Must be logged, prioritized and managed through their lifecycle.
Uses same categorization as Problem tickets.
Swarming may help with complex issues.
Major Incidents: need a separate procedure. Swarming can be used for quicker solutions.

!Problem Management

Purpose: reduce likelihood of recurring incidents by identifying root causes and eliminating those

**Problem**: unknown cause of one ore more incidents
Known Error: a problem with a known root case but no solution yet
Workaround: alternate solution, reducing the impact of the problem

Phases: Problem Identification -> Problem Control -> Error Control

!Service Desk

Purpose: capture demand for incidents and service requests. Single point of contact between service provider and users.

Issues Requests Queries → SPOC → Acknowledge → Classify → Own → Act
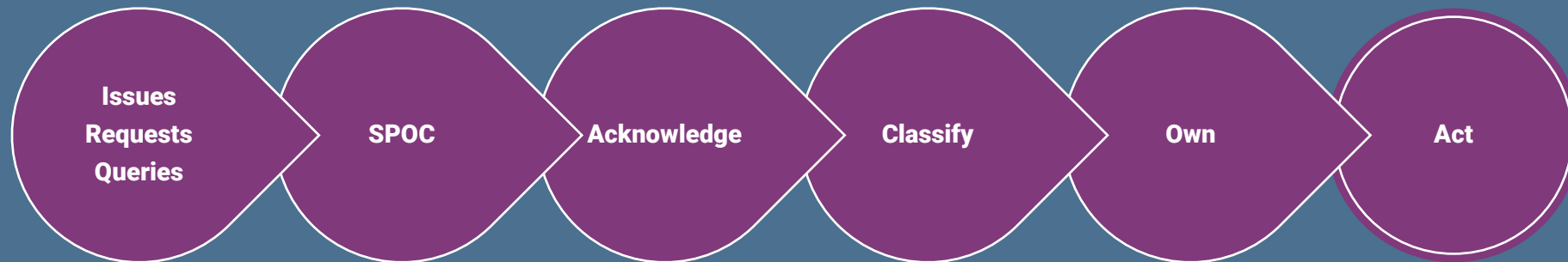
Channels:
E-Mail
Phone
Chat

Self-Service
Text Messaging
Forums

Skills:
Incident analysis and prioritization
Effective communication
Emotional intelligence
Excellent customer service skills

!Service Level Management

Purpose: to set clear business-based targets for service performance, so that the delivery of a service can be measured properly.

SLA: agreement between customer and service provider
OLA: agreement between different units of the same organization
UC: agreement between service provider and external supplier

Recommendations:
- Clear language, no jargon
- Simply written, easy to understand

- Should relate to defined outcomes
- Listen actively to customer needs

!Service Request Management

Purpose: to support the agreed quality of services by handling all pre-defined, user-initiated service requests.

Service Request: a formal request for something other than incident resolution (e.g. information, advice, how-to questions…)

Steps to fulfill requests should be well know (for both simple and complex requests)

When defining new workflows, try to reuse already existing ones.

User expectations must be managed in regards of what can be delivered.

Summary

VALUE INSIGHTS

Practices

- Formerly know as processes
- More comprehensive view
- Include the 4 Dimensions
- Have specific goals
- Support SVC activities

- Continual Improvement
- Change Enablement
- Incident Management
- Problem Management
- Service Desk
- Service level Management
- Service Request Management

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Other Practices

Information Security Management	Relationship Management	Supplier Management
Protects information needed by organizations to conduct business. Ensures appropriate levels of: • Confidentiality • Integrity • Availability • Authentication • Non-Repudiation	Establishes and nurtures links between organizations and stakeholders at strategic and tactical levels. Makes sure we find the best possible ways to communicate and collaborate with different internal and external stakeholders. Relationships are Identified -> Analyzed -> Monitored -> Improved	Ensures that suppliers of the organization and their performances are managed to support seamless service provision to customers. The goal is to make sure "we get what we paid for" from our vendors and suppliers. Agreements and contracts are made in the form of UCs (Underpinning Contracts).

Other Practices

IT Asset Management	Monitoring & Event Management	Release Management
Plans and manages the full lifecycle of IT assets to: • Maximize their value • Control their costs • Support decisions about reusing or purchasing new assets **IT Asset**: any financially valuable component that can contribute to the delivery of IT products or services.	Observes services and components and records changes in their state. Identifies those events, categorizes them and establishes standard responses. **Event**: any change of state that has a significance for the management of a configuration item or service. **Types**: Informational, Warning, Exception	Makes new and changed services and features available for use. **Release**: a version of a service or other configuration items, or a collection of configuration items, that is made available for use. Releases have been disconnected from deployments with **canary / dark releases**.

Other Practices

Service Configuration Management	Deployment Management
Ensures accurate information is available when needed about services, configuration items and their relationships. **CI (Configuration Item)**: any component that needs to be managed to deliver an IT service. **CMDB (Configuration Management Database)**: a database or collection of databases holding CIs and their connections **CMS (Configuration Management System)**: a frontend / user interface for CMDBs	Moves new or changed hardware, software documentation or any other components from one environment to the next. E.g. DEV -> QA -> PROD With the help of DevOps we can reach continuous delivery, where the developer build the change in DEV, which is automatically tested and moved to the next environment until it arrives in PROD. **Deployment ≠ Release**

Summary

Remember at least the purpose for the following practices

Purpose:
- To ensure.....

- Information Security Mgmt.

- Relationship Mgmt.

- Supplier Mgmt.

- IT Asset Mgmt.

- Monitoring & Event Mgmt.

- Release Mgmt.

- Service Configuration Mgmt.

- Deployment Mgmt.

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