

The Path to IT/Business Alignment

By [Hank Marquis](#)



For many years, an IT Service Catalog was simply a printed document telling users whom to call for service. However, with the increasing commoditization of IT represented in ITIL v3, the concept and value of a Service Catalog is assuming a much more important role – that of unifying IT and the business.

The IT Infrastructure Library® (ITIL®) v2 describes the idea of a Service Catalog as a “written statement of IT services, default levels, and options.” ITIL v3 dramatically improves upon this by promoting the Service Catalog. In ITIL v3 the Service Catalog matures into the Service Catalog Management Process and becomes the means to finally realize IT/Business Alignment.

How and why did such a humble concept from such inauspicious beginnings deliver this almost mythical desire of virtually all IT leaders? It’s easy to understand if you consider what the ITIL actually describes. While the ITIL defines the term Service Catalog as a listing of the services an IT provider delivers to their customers, the real requirements are described throughout the text.

For users, the Service Catalog then represents a menu of sorts – complete with all the options – making it easy to understand and acquire IT offerings. Many don’t realize that in addition to this business-facing view, a Service Catalog has an IT-facing view – listing all the internal IT organizational and infrastructure service requirements. Finally, the ITIL describes a “Helicopter View” of the IT organization for senior managers that combines elements of financial and service level management.

When you put these views together in the common context provided by a modern Service Catalog, you have the basis for business/IT alignment. Based on my work with companies adopting Service Catalogs, following I describe three critical “views” you need to make sure your Service Catalog provides.

Views of Service

Consider a Service Catalog with three entry points or interfaces – one for consumers of IT services, one for senior IT and business leaders, and one for IT workers and managers. I call these three views the “User View”; the “IT View”, and the “Portfolio View.”

User View

Many employees are dissatisfied with IT responsiveness and delivery quality. Many users without any understanding of services complain “Why is it so hard to work with IT? Why does IT take so long to do such a simple thing?” Of course the answer is often education and awareness. The Service Catalog sets expectations and establishes the relationship between IT and Users.

Through the Service Catalog IT in effect says “We agree to give you these levels of service based if you follow these guidelines.” And users say “We agree to follow these guidelines if you give us these levels of service.” Thus is borne the

“User View”, which shows consumers of IT services what they have, what they can obtain from IT, as well as how to get it, what it costs, what it does, and importantly, how they must use it.

The User View sets the expectations of IT performance and begins the process of setting, measuring, and managing expectations for IT and consumers of IT services. It also begins to assign responsibility for service consumption to the User.

IT normally provides the User View via a web interface integrated with service fulfillment. More advanced implementations tie the graphical user interface of the User View into a Human Resources system as well.

This linkage allows the user to see what they can order – for example, a Director might see an option for a BlackBerry while another employee may not. Then, through linkages to IT service fulfillment, the Director (who is already authorized for the BlackBerry) simply clicks a button to order, which kicks off a workflow within IT. Since the user (in this case our Director) also sees via the Service Catalog how long it will take to get the BlackBerry, they have an established expectation. Yet more advanced implementations also provide notification and status to the Director track his or her order.

IT work is thus automated, interruptions are minimized, and customers are happier. This also provides the means for IT to measure itself – by meeting expectations established and published in the Service Catalog.

Portfolio View

Most finance executives do not think their investments in IT are delivering business value. The “Portfolio View” allows senior business and IT planners and leaders to understand IT services and which business units use which services, representing the IT/Business relationship as a unified portfolio.

This view provides for budget planning, business alignment, risk establishment, opportunity management, and value assessment. These benefits are invaluable for quantifying the business value of IT, as well as achieving cost transparency for IT.

From the vantage of the Portfolio View, it becomes easy to understand where IT spending goes – and who benefits from IT investments. Thinking about IT services with their users and business predicates at the same time makes managing risk and balancing function and costs possible.

The Portfolio View brings governance to IT in the form of directions on service requirements (how much, when and what.) This view also brings control to users by providing visibility to management about service consumption. It becomes easier to spot customers, what they consume and at what cost in business terms, establishing a framework for alignment. Management can “say no” to requests falling outside the bounds of defined services or costs.

Formal service consumption metrics from the Portfolio View drive staffing and budget, which forces IT to standardize further with service request management and automation. Once agreed, the portfolio view brings demand management into the picture, which controls Users and steers IT.

IT View

Developing a Service Catalog makes IT answer the question “What services do we provide?” This process brings clarity and new questions like “what is a service?” Defined services form the basis for formal commitments (SLAs), service-based costing and charging. Mapping infrastructure and organization to defined services and installing Service Request Management lets IT automate even further; installing event management tools lets IT understand impact as well.

The “IT View” maps IT operations and infrastructure to the services. First, this view links Configuration Items (CIs) in the Configuration Management Database (CMDB) to services – helping IT staff in support, change management,

engineering, and other disciplines easily understand the relationship between individual CIs (e.g., a router for example) and a service (e.g., Email) and a customer using the service.

It is not at all inappropriate to consider this view of the Service Catalog as fulfilling the “Visualization and Mapping” requirements for a CMDB. This firm connection between derived IT service and physical infrastructure brings IT decision making a distinct business orientation and reduces the chance of unplanned outages through enabling better decisions.

The IT View includes not only IT infrastructure, but also workflow (e.g., OLAs), roles, and responsibilities. Creating the IT View provides IT with a map of required organizational interfaces and workflow – what ITIL refers to Operating Level Agreements (OLA's) and Underpinning Contracts (UCs). As IT realizes what must be delivered, it can begin to establish cross-silo agreements (OLAs) and support contracts (UCs) to ensure management and delivery of inter and intra-IT workflow.

In other words, the IT View of a Service Catalog helps IT understand how to organize for efficient and effective delivery of services.

Summary

A Service Catalog with this sort of establishment framework is a logical starting place for ITIL adoption as it can unify the IT organization itself as well as IT and the business. It also helps define how IT has to organize to deliver.

A Service Catalog can also be the next logical step for organizations implementing a CMDB – and assist in making the CMDB actionable and accountable. The establishment of a Service Catalog sets the stage for business/IT alignment, improved IT service quality, and increased IT efficiency.

From such humble beginnings as a “written statement of IT services, default levels, and options,” the Service Catalog has matured to become one of, if not the, most important undertakings within IT. Of course, as in all things, the devil is in the details.

There are going to be tribulations along your way – for example simply getting the silos that compose your organization to sit down and write out (yes, write them down on paper) what they consider to be their services will be a real eye-opener. And getting IT in general to think along a services line is going to be a challenge for many. Then there are your users and customers – you have taught them over the years how to work with you. They now know what it takes to get what they want and need from you. It is going to take time to get them to change as well.

One of the most important undertakings when embarking upon a Service Catalog implementation is to understand the reasons for doing so – CobiT can be an invaluable aid in understanding the right way to start your ITIL Service Catalog project and help define how to measure its success in business terms.

In any case, remember the “three views” of a Service Catalog as you embark and you are well on your way to realizing true business/IT alignment and producing a Service Catalog with real benefits, aligned with ITIL. I am delivering a non-vendor specific webcast that shows exactly how a Service Catalog built along these three views can improve IT service quality, reduce costs and align IT with business. See the Related Webcasts section below for the link to my upcoming webcast.

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