

Managed ITSM Services

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Today's multi-faceted business world demands that Information Technology provide its services in the context of a fully integrated corporate strategic model. By coupling the tenets of the burgeoning *Managed Services Provider* business model with the five domains of ITIL Version 3, IT can find tested guidance to what it takes to transform from its technological heritage into a place in the enterprise business leadership circle.

A recent Macehiter Ward-Dutton research report (www.mwdadvisors.com) concluded that the single key element missing from many IT organizations is an effective model for engaging consistently with business teams throughout the lifecycle of IT investments – ranging from the first considerations, to managing systems, and to changing and upgrading them once they move into operational status.

The *Managed Services Provider* business model takes a holistic view of IT service delivery and management, and maps managed IT services to business activities and processes, thus providing a solid foundation for that consistent (and meaningful) engagement between business and IT teams. A carefully crafted model also provides business context for organizing IT work throughout the lifecycles of IT investments – and across IT practice stovepipes.

The following newsletter maps the five domains of ITIL V3, and their associated processes and functions, into a series of *IT Managed Services* that enables both internal and external service providers to deliver and manage IT "service value" to the business.

To support this new IT/business model, IT needs to transform the traditional Business - IT paradigm from one focused on technological value to one focused on service value. This service provider paradigm encompasses IT best practices using the perspectives of people, process, technology, organization, and integration. The following attributes depict the transformation of a traditional "business - IT paradigm":

Traditional I/T	becomes	Business Focused - IT
Technology Focus	→	Process Focus
"Fire-Fighting"	→	Preventative
Reactive	→	Proactive
Users	→	Customers
Centralized, Done In-House	→	Multi-Sourced
Isolated, Silos	→	Integrated, Enterprise-Wide
"One Off", Ad Hoc	→	Repeatable, Accountable
Informal Processes	→	Formal Best Practices
IT Internal Perspective	→	Business Perspective
Operational Specific	→	Service Orientation

IT Service Lifecycle Management as a Managed Service

Using a *Managed Service* approach, we can then map the process and functional areas of each domain to offerings that deliver "IT service value" to the business.

The Managed Service View of Service Strategy

Service Strategy deals with the strategic analysis, planning, positioning, and implementation of IT service models, strategies, and objectives. The *Managed Service Provider* seeks to leverage service management capabilities to effectively deliver value to customers and illustrate value for service providers.

- **Portfolio Management** – to manage the commitments and investments made by the service provider across all customers, markets and third-party services.
- **Financial Management** – to understand and control the costs associated with the planning, development, delivery and support of the IT infrastructure, and if necessary, recover these costs from the users.
- **Demand Management** – to manage the “Just in Time” IT service needs of the enterprise without paying for excess capacity that provides no value to the business.

The Managed Service View of Service Design

Service Design *Managed Service Provider* translates strategic plans and objectives and creates the designs and specifications for execution through service transition and operations.

- **Service Catalog Management** – to manage the Service Catalog, ensuring that it is accurate and reflects the current details, status, interfaces and dependencies of all services that are being run, or prepared to run in the live environment.
- **Service Level Management** – to maintain and improve business-aligned IT service quality through a constant cycle of agreeing, monitoring, reporting and reviewing IT service achievement.
- **Capacity Management** – to optimize the delivery of IT Services by matching business demand for IT services to IT resources.
- **Availability Management** – to optimize the capability of the IT Infrastructure and the supporting IT organization to deliver cost-effective and sustainable levels of availability that enable the business to meet its objectives.
- **Continuity Management** – to provide a systematic approach to developing an IT Service Continuity Plan that protects IT services, or ensures they can be restored as quickly as possible after a disaster.
- **Information Security Management** – to align IT security with business security to ensure that all service and Service Management activities effectively manage information security.
- **Supplier Management** – to ensure that services supplied by external suppliers provide quality to the business consistent with the money being spent to obtain those services.

The Managed Service View of Service Transition

Service Transition provides guidance on the service design and implementation, ensuring that the service delivers the intended strategy and can be operated and maintained effectively. The *Managed Service Provider* calls on all of the processes within Service Transition.

- **Support & Transition Management** – to plan and coordinate the resources necessary to successfully change a service in production or establish a new one within budget and schedule.
- **Change Management** – to help maximize the benefits to the business of making changes to the IT infrastructure, while minimizing the risks involved in making those changes.
- **Service Asset & Configuration Management (SACM)** – to ensure that all of the Configuration Items in the infrastructure are authorized, and under the control of a single set of processes.
- **Release & Deployment Management** – to protect the live environment and its services through formal procedures that control the release, distribution, implementation and maintenance of Configuration Items.
- **Validation Management** – to provide confidence that a release will create a new or changed service offering that will deliver the expected outcomes and value for the customers within projected costs, capacity and constraints.
- **Evaluation Management** – to provide a consistent and standardized means of determining the performance of a service change in the context of existing and proposed services and IT infrastructure.
- **Knowledge Management** – to ensure that the right information is delivered to the appropriate place or competent

person at the right time to enable informed decisions.

The Managed Service View of Service Operation

The daily deliverable, or product, of the *Managed Service Provider* is Service Operation, which manages a service through its day-to-day production life. It also supports operations by means of new models and architectures such as shared services, utility computing, web services, and mobile commerce.

- **Incident Management** – to coordinate the rapid restoration of IT services.
- **Problem Management** – to find the root cause of a problem and effect the permanent removal of that error from the infrastructure.
- **Event Management** – to provide the capability to detect events in the IT infrastructure, understand their significance and determine the appropriate control action.
- **IT Operations Function** – to achieve and maintain stability while improving service, reducing costs and demonstrating responsiveness to operational failures.
- **Technical Operations Function** – to plan, implement and maintain a stable technical infrastructure.
- **Application Management Function** – to deliver well-designed, resilient and cost-effective applications that deliver the required functionality along with demonstrated technical expertise in application maintenance
- **Access Management** – to execute the policies and actions defined in Security and Availability Management to provide the rights for users to be able to use a service or group of services.
- **Fulfillment Management** – to provide a channel for users to request and receive standard services for which a pre-defined approval and qualification process exists.
- **Service Desk Function** – to facilitate the enablement and restoration of IT Services with minimal impact on the business and within agreed service levels.

The Managed Service View of Continual Service Improvement

Continual Service Improvement is how the *Managed Service Provider* demonstrates its success. It measures service performance through the service life-cycle, suggesting improvements in service quality, operational efficiency and business continuity.

- **IT Governance Management** – to monitor IT's compliance with corporate performance and risk management policies with techniques such as COBIT's best practice framework.
- **IT Quality Management** – to monitor IT's compliance with corporate performance and quality management policies with techniques such as Six Sigma management Methods.
- **IT Resource Management** – to monitor IT compliance with corporate project management policies with techniques such as PMI or Prince2 project management methods.
- **IT Security Management** – to monitor IT's compliance with corporate security policies with techniques such as the ISO 17799 security standard.

Conclusion

As stated in the Macehiter Ward-Dutton report, the journey toward IT operational excellence comes from building two key capabilities into the Business/IT alignment model.

- Integration of an IT *Managed Services* model (processes, work flows and information) aligned around the five domains of ITIL's Service Lifecycle Management model.
- Integration of individual work practices that are carried out in the context of a shared ownership of the IT service delivery management model.

Two things are certain: first, IT is now at the center of most businesses; second, business is a moving target. This demand

for coordination across value chains, functions, markets, and geographies will continue to accelerate, and it has now become virtually impossible to respond to this challenge without driving new ways of thinking through corporate ranks.

Successful IT/business alignment means developing and sustaining a symbiotic relationship between IT and business – a relationship that benefits both parties. This requires that the business recognize IT executives as essential to the development of credible business strategies and operations, and that IT consider non-IT executives equally essential to the development of credible IT strategies and operations.

Adopting a *Managed Services Provider* model smooths the path to reaching this mutually beneficial relationship.

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