

## How to "Do" ITIL

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**It's a common scenario: You complete your ITIL certification program. You feel good, you feel empowered, and you have been exposed to some of the most brilliant logic ever put to paper on the topic of IT service management. Congratulations! You're certified, now what are you going to do?**

One of the biggest obstacles to realizing the benefits IT service management can deliver is understanding where and how to begin your IT Infrastructure Library® (ITIL®) implementation. ITIL is even a bit contradictory in that it says not to start with process, but rather strategy—whatever that means.

ITIL v3 offers some very prescriptive advice with regard to addressing this issue with the concept of Service Portfolio Management (SPM). The SPM process contains perhaps the most important four sentences ever written with regard to IT service management success. Unfortunately, very few people have the ITIL, and fewer grasp the significance of the following concept: define, analyze, approve, charter.

Those four simple words are the starting point for ITSM and BSM (Business Service Management) success. The basic concept is simple: inventory services, create business cases, align and prioritize to balance supply and demand, authorize resources, communicate decisions, allocate resources and generally get it done. Of course, the ITIL does not say exactly how to go about achieving these goals.

Following I explain an actionable 4-step plan that enables you to quickly and easily jump-start your BSM or ITIL initiative; meet the changing demands of your business landscape; provide tangible evidence of alignment; move beyond the image of IT as a cost center; and be seen as an innovator and business enabler.

To start understanding how to achieve SPM and by definition BSM, we need make the SPM process actionable. To achieve the goals of SPM (and BSM) requires just four steps:

- **Define your IT services** - Identify the business and technical services that support your customers as you create a service portfolio hierarchy.
- **Value your IT services** - Establish value to know which service is more important and why, so you can prioritize and balance resource allocations.
- **Measure your IT services** - Discover how your IT services need to perform to support your business, and then measure how well your organization delivers.
- **Justify your IT projects** - Show opportunities for improvements in business terms as you justify IT projects, improve success rates and visibly contribute to business outcomes.

The reason for this define, value, measure and justify funneling approach is simple—there is simply more to do than can be done. IT complexity is skyrocketing, business tolerance for service variability is decreasing exponentially, and IT budgets and staffing are flat or shrinking. The only way out for the IT organization - and the business - is to shift gears and begin focusing on what is most important to the success of the enterprise.

Every organization has important business processes underpinned by IT services, and every IT service has constraints that limit performance relative to goals. In order to manage the performance of the entire system, IT must identify and

correctly manage constraints. IT should work first on those services that are most valuable to the enterprise. Focusing on what is important to the enterprise means you are doing exactly what you ought to be doing.

Coincidentally, such a focus also provides precisely the direction and guidance described within the ITIL Service Portfolio Management process. The National Association for Business Service Management™ (NABSM™) calls this procedure IT Service Value Management™ (IT-SVM™). Working hand in glove with ITIL, IT-SVM covers four stages:

1. Solving the IT service definition problem
2. Rationalizing IT service valuations
3. Getting to the bottom of IT service performance measurement
4. Working out how to choose and justify IT service improvement projects

Note that you need not become expert in the following topics. In fact, it is unlikely that you have the time or inclination to pursue advanced study and certification in all of the ITIL complementary guidance (not to mention ITIL itself.) Instead, you just need to pick and choose only those bits from the ITIL and complementary guidance required to achieve SPM. This is precisely the attack taken by NABSM and presented in its IT-SVM program.

### **Solve the IT Service Definition Problem**

A fatal flaw seen in virtually every organization is an attempt to manage services without defining and understanding what those services are in the first place. It has become brilliantly clear over the last decade that defining IT services is the correct place to start ITSM. The goal is to identify the enterprise product and understand the end-customers and end-users who acquire and consume it.

Starting outside of the enterprise and working inward allows you to understand the marketplace and thus the requirements of the users who interact with it. This is the basis for every IT service—enterprise products define IT service requirements and offerings. Of the ITIL-complementary guidance, you are best served by using the TM Forum® Shared Information/Data Model™ (SID®) to define IT services. SID and ITIL combine to offer a wonderfully easy to understand and fast method for defining IT services.

### **Rationalize IT Service Valuations**

With services defined, it is possible to prioritize them. All IT services are not created equal, and you must know which service is most important and why. However, you cannot assume or assign an IT service value without business input. Most would agree that IT services represent opportunities for the enterprise; few admit that IT services also represent significant risks to the enterprise.

In order to effectively value an IT service in business terms you must focus on the risk the IT service presents. The business both understands and cares about risks. ITIL complementary guidance introduces risk management frameworks, some of which include an asset valuation phase. You are best served here by examining phase 1 of the CRAMM® framework, which when used with ITIL provides an excellent service valuation system. The result is a relative prioritization of IT services based on business value.

### **Get to the Bottom of IT Service Performance Measurement**

With services defined and prioritized you now know which services and IT operational activities to measure. It is only possible to predict quality from internal IT measurements; true service quality may only be measured from the outside at the moment of service consumption. ITIL complementary guidance includes service industry quality best practice SERVQUAL—the de facto standard for service quality measurement and remediation.

If SERVQUAL indicates that the service does not meet consumer needs, you shift your focus internally to examine organizational capability using the CMMI-SVC and/or ISO-20000 complementary guidance. Straightforward gap analysis of these results produces a very specific roadmap of exactly what is not occurring. Of course, these gaps represent service improvement opportunities.

### **Work Out how to Choose and Justify IT Service Improvement Projects**

Following the first three phases results in brilliantly clear and fully documented service improvement opportunities. These opportunities are not derived internally by the IT organization—but rather driven externally by interaction with the business, an understanding of the marketplace and what is best for the enterprise, and ultimately justified in easy to understand business terms. The process also produces a number of involved stakeholders who are now champions for the IT service improvement project.

Still, it is vitally important to package the business case for the service improvement project using proven project management techniques. You are best served here by the complementary guidance offered by the Project Management Institute (PMI). The production of a business case following this process can greatly increase IT project effectiveness.

## Summary

This 4-step process can jump-start your BSM or ITIL initiative, help you meet the changing demands of your business landscape, provide tangible evidence of alignment, move IT beyond the image of a cost center, and make you be seen as an innovator and business enabler.

Following very simple and easy to understand models in a step-by-step fashion you can achieve dramatic improvements in IT service quality. When combined with an ITIL effort, the results occur quickly. The benefits of IT-SVM as the strategy to drive ITIL implementation includes:

- Accelerating the benefits of your ITIL investments
- Knowing where to begin (and when to stop)
- Aligning with the business
- Improving IT service quality
- Enhancing IT visibility and stature
- Controlling and reducing costs
- Balancing resource allocations
- Creating a Service Catalog
- Moving to Portfolio Management
- Optimizing for business processes

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