

Unloved ITIL

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Introduction

This is going to be a series of articles on ITIL aspects that are in the books, but are often overlooked or too ephemeral to pay attention to. After all, everybody knows what Change Management is (or do you?), but there are twenty-six (yes, far too many) processes out there, so it is easy to ignore one or two. I will illustrate the processes with live examples in each episode.

Necessarily, this only touches on the surface of a full service management system. If you are interested in going into more depth, feel free to contact the author.

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Design Coordination

Design Coordination is a newbie in ITIL – it was only introduced in ITIL 2011, the last and current version. As soon as I learned about it, I wondered how ITIL could have done without it for so long... mostly, it was a happy encounter, for it matched exactly with a role that I had developed and implemented in the Engineering organisation I led until 18 months ago. So what is Design Coordination all about? It is about coordinating Service Design efforts, of course. Do you need this? Not always. Let me tell you why.

The role that I developed when I was responsible for Engineering in a large IT Service Provider was called the Engineering Design Authority (EDA). It encompassed more than just this particular ITIL process; it was the single point of contact (SPOC) for all technical subjects the customer wanted to discuss with us and also the SPOC for internal groups Engineering interfaced with, such as Project Management, Operations and other groups, as well as Third-Party Vendors (TPVs) that supplied services via ourselves to the customer. We felt a need for this role in a number of cases: there where we sold a number of standard services to the customer that could each independently be implemented by the standard delivery teams, but where the end-to-end integration of the overall service was missing. The EDA was responsible for the integration of all these services at a technical level, making sure that e.g. the managed network was fit for purpose for the VoIP service running across it and that Security implementations would not impact overall performance. The EDA would in fact retain this responsibility not only during Design, but also during Implementation, Operation and Improvement of the services, so for the lifetime of the contract. For this, the EDA led a virtual team of subject matter experts (SMEs) who each contributed their piece to the overall design and implementation, integrating all those pieces into a single end-to-end service that was fit for purpose for the customer.

ITIL Design Coordination is exactly that: make sure that all pieces of the service fit together. Coordinate the various experts that contribute to the design, without anyone having to be an expert in all those areas. The Design Coordinator needs to have a high level understanding of all areas, but leave details to the SMEs. Accountability (in a RACI sense) is with this role, but Responsibility is with the SMEs.

Note that the impossibly-named ISO/IEC 20000 process "Design and Transition of New or Changed Services" (DTNCS, containing pretty much everything that ITIL needs two books, Service Design and Service Transition, for) does not strictly require a Design Coordination process or an EDA-like role. It is in fact more focussed on Project Management during the Design and Transition phases.

Coming back to the question whether you need this: probably not if you only provide a single standard service to your customers. As soon as you have multiple standard services that need to be integrated or if standard services need to be modified such that they comply better with the customer's needs, then it makes sense to invoke the Design Coordination process and involve an EDA-like person to make sure the customer doesn't get a fractured set of services, but will experience an end-to-end efficiently functioning solution.

Change Evaluation

Change Evaluation (CE) is another new addition to ITIL in the 2011 edition. Its formal description requires you to read it twice or more to understand what they are actually saying,



though: "...provide a consistent and standardized means of determining the performance of a service change in the context of likely impacts on business outcomes and on existing and proposed services and IT infrastructure." (Source: ITIL Service Transition, The Cabinet Office). What they really mean with this is that you need to assess the possible impact of the implementation of a change before, during and after you actually perform the implementation. This assessment is then sent to the Change Management process for them to act on.

The weird thing here is that this is nothing that would need to be handled outside the actual Change Management process itself. That process, after all, is responsible for the assessment of Requests for Change (RFCs) prior to implementation, as well as the verification that the change was implemented successfully. Change Evaluation during implementation is essentially part of the Release & deployment and/or Service Validation & Testing processes (two more processes that should be integrated, but that's for another post). I wouldn't know why you would want to separate these evaluations from the processes that they are embedded in, apart from the evaluation having to be done by other people than those who actually designed and implemented the change.

So why would ITIL 2011 have made this a separate process? No idea, but to me it looks like a superfluous process that makes things unnecessarily messy in ITIL. Hopefully Axelos sees this as well and will get rid of it again in the next ITIL release.

That said, the activities described are of course relevant to Change Management as a whole, so cannot be removed from that process. Especially when implementing changes to an existing service, you should want to know the possible impact on those services and the Service Management System itself. You should also want to know the real impact the changes had after the implementation, given that in an increasingly complex (service management) world, this can be unpredictable.

Conclusion: do you want this? Yes. Do you need to keep this separate from Change Management? No.

Financial Management

Talking about "unloved ITIL," Financial Management often features low on the favourite process lists of people in IT. "Yeah, something to do with money – leave that to the accountants."

When I started to dig into ITIL at an intermediate level (and thought I could take the exam by simply studying the ITIL Core Publications – was I wrong there!) I started with Service Strategy. The contents were as far as possible removed from my daily experience in the Engineering world I come from and it felt like I was getting a mini-MBA course in 484 pages. Tough reading at first (not compared to real MBA-level books that I also read), it was a revelation in the end, not in the least because it convinced me that there was so much more that needed to be done in order to properly deliver IT services to customers.

Financial Management was not my favourite either, though. But a few years later, when working on defining ITIL best practices and trying to make it intelligible for our customer-facing staff, it started to make sense to me. Financial Management is about A, B and C: Accounting, Budgeting and Charging (but not in that order).

It all starts with Budgeting: do you know what the actual cost is of designing, implementing and maintaining a service? How much of the customer-facing price contains the efforts of, say, a Project Manager and how much has been put into the business case for ongoing maintenance fees? What is the real cost of having a NOC in place to monitor devices for customers and how do you work this into the costs of a product? Do you have a feedback loop in place that tells you if the original budgeting actually matches the real-life costs of providing the service? It is all these questions that are crucial to get answers to if you want to do profitable business. The pressure on ICT providers to drop their prices in the market results in an increased focus on reduction of costs. Costs can be reduced in various ways: dropping features (“No-frills” airlines), employing cheaper labour (outsourcing and offshoring) or increasing efficiency in service provisioning (automation). All these measures should take into account the potential impact on quality, though, which is often underestimated.

Accounting, in turn, is not up to accountants only. Someone responsible for the services provided to the customer (for instance a Business Relationship Manager) should be very much aware of the Profit and Loss on the account and intervene when that balance is off. Not only when loss is incurred, but also when profit is unrealistically high, for when the contract is up for renewal or a benchmark is done by the customer, you will have to justify the high price you have been charging until then. You do at all times need to keep track of all expenses incurred in providing a service and compare these to what is charged to the customer; otherwise your business lifespan will be very limited.

Finally, Charging: not part of ISO 20000’s “Budgeting and Accounting for Services” process, for not all service providers do actually charge their customers (think of internal service providers who survive as overhead costs only), but merely mentioned there pro forma, it is a complex area to cover. First, there is the issue of pricing: what price to the customer covers your costs (that you found in the budgeting phase) and is not unrealistic compared to other providers? Secondly: Billing. Telco’s and other ICT companies are notorious when it comes to billing. This is partially because of the complex nature of the business and partially because of how customers want to be charged. It makes sense, however, to be as clear as possible in what is charged to the customer and how it is done. This feeds back via the accounting process to budgeting, making the Financial Management circle complete.

As both the ITIL name and the ISO20k name of the process implies, all of this is written specifically in the context of services. At all times these processes need to be embedded in the overall Financial Management processes and policies of the company as a whole. They cannot exist in total isolation.

The Deming Cycle

ITIL has a bit of an ambiguous relationship with the Deming Cycle, for it mentions it in the default chapter 2 of each core publication and then forgets about it until the CSI book, where the cursory mention is more or less repeated but subsequently replaced by the general CSI approach. It seems the Deming Cycle is unloved by ITIL itself as well.

ISO/IEC 20000 (and ISO 9000 and ISO 27001 and other ISO standards) has integrated the Deming cycle into its complete approach to a Service Management System (SMS), making it an integral part of its approach to IT Service Management.

So what is the Deming Cycle about? PDCA stands for Plan-Do-Check-Act, effectively meaning the following:

1. Plan – Determine beforehand what you want to do, whether it is implementing a Service Management System, implementing a single process or making coffee. In the latter case, here is where you select the type of beans, grinder and coffee machine.
2. Do – execute what you were planning to do. Put the beans into the grinder, make sure the coarseness of the grinder is set to the right level, transfer ground coffee into the coffee machine, add water.
3. Check – verify if what you just created conforms to your expectations. Is the coffee warm enough or perhaps too warm? Is the taste right or is it too weak or too strong?
4. Act – implement improvement actions. Determine what is needed to improve your experience. Better beans? Better machine? Make tea instead?

Why is this cycle important? If you are, like me, a perfectionist, nothing you do is ever good enough. Or seriously, change is continuous, especially in IT, and whatever we do needs to adapt to change. Whether it is the continual budget cuts needed to survive as a company or the ever-changing technologies IT wants to use, there will always be an impact on the way in which services are provided to customers, so there will always be a need to adjust, change and improve the way in which this is done.

Note, by the way, obvious similarities to the six steps of CSI itself, but also to the Six Sigma DMAIC (Define-Measure-Analyse-Improve-Control) approach.

Service Management is not a static system that you implement and never change again. It is a dynamic framework that continually needs adjustment. The PDCA cycle provides a simple methodology to go through these cycles of adjustments, so that you don't get stuck with the first two steps only, but have a way to verify at all times if improvements to your way of working are necessary and whether implemented improvements actually worked out.

As ISO20k prescribes, the Deming Cycle governs the complete SMS, so all the policies, procedures, processes, resourcing and governance of your service provisioning. This is because they all are interconnected: when you improve a process you need to check if an associated policy or staffing model still fits the process, for instance. When you change the budget for implementation of services, you need to adjust the way of working (e.g. through automation) accordingly. There is a need for a holistic view of service management and its SMS and acknowledging that it is all interdependent and therefore all change needs to be handled in a holistic way as well. Using the Deming Cycle should be done accordingly.

Roles and Responsibilities

When studying for my ITIL Intermediate exams, my least favourite part of the core publications were the chapters titled "Organizing for..." (Service Strategy, Service Design, etc.). And least favourite of all were the endless listings of Roles in this part of the lifecycle: Service owners, Process owners, Process managers, Process practitioners... each with their own list of responsibilities and activities.

It may be me, but I have never in my life met someone whose job title was "Process Owner Change Evaluation" and who had a "Process Manager Change Evaluation" in his team,

working with several "Process Practitioners Change Evaluation." Real life just isn't like that. In real life in today's IT companies, everything needs to be done with as few resources as feasible, preferably with as many off-shored and/or outsourced roles as possible and there is not the luxury of having an army of ITIL people performing the various roles that ITIL describes (not *prescribes*, by the way).

Also, when you do a simple search on the LinkedIn job boards, there are very few roles like that advertised in the first place.

ITIL does efforts to show organisational models for large companies and small companies, but large companies nowadays do a lot of effort to become small companies (through nicely-worded initiatives such as "down-sizing" or "right-sizing") and roles of which the direct business value is not immediately clear at VP-level are prone to be pruned first, IT Service Management roles being among those.

So what is practical to do in cases where you have 26 ITIL processes and perhaps only a handful of people to deal with them? You need to combine a bunch of things and be smart with what you want to do as core activities and what not. Let me show you the picture.

I promised myself to not write about RACIs, because I find them boring (albeit useful, if anyone would look at them...). You do in practice need to make a decision who is ultimately accountable (A) for a certain activity, process, etc. That person owns the process, is responsible for its documentation, maintenance and implementation and for improvement of it. This person is not necessarily the one who actually runs the activity or process in day-to-day life. He may well be, but that practical responsibility (R) may lie elsewhere. If you have the resources for it. If you don't have the resources, A and R may reside in the same person. There are schools of thought that say that A and R may not be in the same person, meaning that the execution (R) of a process cannot also be controlled for quality (A) by the same person, but that is a misinterpretation of the purpose of a RACI. Quality or Management Control is not the same thing as Accountability and Responsibility. The performer of a task may as well be accountable for the results of it, as long as there is someone else to verify that it is done in the right way.

Therefore, Process Owners (A) and Process Managers (R) can in practice be combined. Also ownership of multiple processes can be combined: take Incident and Problem together, or Change and Release & Deployment and Change Evaluation and Service Validation & Testing. So much efficiency to gain...

In case people start worrying about overwhelming individuals with too many process ownerships/managerships, you may want to have a good look at what is required for each role: some aspects are perhaps customer-facing and therefore need to be done close to the customer; other aspects are pure administrative and can be done elsewhere, centralised, off-shore, outsourced. Anything that can be spun off the process owners'/managers' roles and be done elsewhere is an opportunity to offload this person and let him focus on the most important aspects of his job. Candidates for moving elsewhere would be report generation, documentation, administration, etc. As long as there is good communication set up between the centralised (Shared Services) group and the people who are closer to the business, this is an opportunity to perform all required activities in a cost-efficient manner.

In short, when it comes to resourcing IT Service Management roles, keep the following in mind:

1. Don't get hung up about the endless number of roles ITIL describes; rather, evaluate what is practically required in your ITSM environment and work from there.
2. Combine roles where possible, making sure no conflicts arise from the combination of roles.
3. Have a good look at all the activities required for the roles and determine what activities are business critical or need to be done close to the customer or the business.
4. Centralise/off-shore/outsource all non-business-critical activities into a shared services team to gain efficiencies.
5. Make sure appropriate communication is set up between all roles and the shared services team.

As in all things ITIL, use what it describes as guidance; use your own common sense to determine what works in your particular circumstances.

Reactive or Pro-Active?

More often than not, there is confusion about what the words reactive and pro-active really mean. Not only within IT Service Providers, but unfortunately also among their customers. Recently I had a discussion about this with the head of a Network Operations Centre, which I found interesting.

It turned out that his services were sold as pro-active, whereas the main remit of his NOC was to monitor customer networks and respond to events happening in there. A response to an event that happened before the customer called in would be qualified as pro-active, whereas responses that were done based on a customer call would be qualified as reactive. A pro-active chain of events for an incident would then start like this: Event received by NOC - Open pro-active ticket - Call customer - Fix issue - Close ticket.

For me, this felt wrong: how can you call a response to an event pro-active? In my eyes, all responses to something are reactions to those events and therefore reactive. If your core activities consist of responding to events, you are in a reactive mode, not a pro-active one. What I explained him, was my definition of pro-activeness: acting on events before they happen. ITIL has a whole lot of opportunities in its processes to do so. Take Capacity Management: its reactive side is about monitoring capacity and acting on issues that arise due to a lack of capacity. But the pro-active side of it involves doing trend analysis, catching developments in capacity usage that will lead in time to issues and making recommendations to customers to avoid these issues from happening.

The same can be done in many other processes, such as Problem Management, Availability Management, ITSCM, ISM, etc. And in fact, Continual Service Improvement (CSI) is all about pro-active management of services.

In real life, I unfortunately don't see a lot of pro-active service management. It requires quite some resources to intelligently look into the services provided and is hard to automate. Probably that is why true pro-active management is hard to come by.

Problem Management

Everybody knows what Problems are, don't they? Fortunately, between ITIL and ISO 20000, the definitions of a problem are (almost) the same: the (root) cause of one or more incidents.

Contrary to this, I hear people refer to Problems as "chronic incidents" or "repeating incidents." This creates confusion about the function of the Problem Management process. Problem Management is not about fixing incidents, even if they come back repeatedly. That is what we have Incident Management for. Incident Management fixes issues, it does not look for the reason behind the incident. Problem Management is there to find the reason or root cause of the incident.

There are customers that ask for a Root Cause Analysis (RCA) after each incident. This is the domain of Problem Management. There are also customers who expect an RCA within 24 hours after each incident. This is not very realistic, given that the actual root cause may be something less than straightforward to uncover. It may take days or even weeks to find out why something broke down or why a processor was suddenly at capacity. Applying short term SLAs to RCAs is therefore not desirable or realistic.

Until now I have been referring to reactive Problem Management only: finding the root cause of one or more incidents. Another part of Problem Management is the pro-active side of it, though. In the previous chapter of this document I have already referred to the fundamental difference between reactive and pro-active activities and Problem Management is an important process to handle the pro-active side of in a proper way.

Pro-Active Problem Management is about capturing potential issues before they occur and is therefore much more valuable than the reactive side of the process. It is also far more difficult and complex, though, for it requires various methods to check the state of the service and be able to indicate that something may go wrong. Methods abound and come down to doing e.g. trend analysis of service measurements, audits of the technical configuration, analysis of incident trends and RCAs produced by reactive Problem Management, etc. this is all very labour-intensive and needs a thorough understanding of how a service technically works. It is well worth the effort, though, if it means avoiding an outage for the customer and possibly avoiding having to pay service credits as a result.

CSFs, KPIs and Metrics

Definitely not my favourite subject: Critical Success Factors (CSFs), Key Performance Indicators (KPIs) and Metrics. As a matter of fact, I am struggling with making process improvements measurable that I have introduced by forming a centralised and standardised back office team handling administrative activities of a number of ITIL processes.

Let's go back to some theory first. A CSF is something you define as being important for the success of your process. It should be derived from your business objectives and it is usually expressed as an action that has an outcome you want to achieve: Make changes efficiently and effectively; provide a reliable Profit and Loss (P&L) account; protect existing services when implementing changes to them.

Following from this, KPIs define measurable targets for these CSFs: RFCs are to be registered within 24 hours after correct submission by the customer; P&L accounts are to be published on a monthly basis; implementations should be done successfully at the first attempt.

Metrics result from these KPIs: Rate of RFC registrations done within 24 hours after submission should be 98%; P&L accounts published monthly with at most 3% corrections needed afterwards; 95% first-time right success for all implementations.

The problem with the measures come when you are trying to gather data for them: often, a set of CSFs, KPIs and metrics looks good in theory, but you don't have the tools to actually reliably measure them. I suffered the same fate with my back office team: I wanted to measure process efficiency gains by introducing that team and standardising processes, but in the first place had no reliable baseline and secondly could not measure efficiency in the first place due to too many dependencies on factors outside the scope of my processes. I therefore had to settle for defining KPIs and Metrics that I knew I could measure. This resulted in much simpler metrics, but at least it was something I could confidently present to the stakeholders and I had laid the basis for introducing more complex KPIs and metrics at a later date.

The Seven-step process from Continual Service Improvement (CSI) should therefore include an assessment of what you can measure early on on the process, so that you aren't going to be too ambitious in your approach to measuring your services. Better start simple and be effective than get into endless delays because you cannot measure what you want to.

About Powerful Answers

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Powerful Answers is an ITSM consultancy that provides advice and support to companies who want to streamline their IT Service Management processes and organisation in order to provide their services in a more efficient and cost-effective way, leading to higher customer satisfaction and improved business results.

Powerful Answers is an international consultancy focussing on IT Service Management in the widest sense. We are professionals with a broad background working for large ICT companies, with deep knowledge of service provisioning processes, organisation design and international business.

What is most important to us is seeing your business improve by implementing the proper service management processes. We strongly believe that IT Service Management is the key to a successful business that so strongly depends on IT.

Powerful Answers has its base in Bulgaria, The Netherlands and in the Czech Republic, so is accustomed to working internationally, cross-culturally and in various languages.

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