

Executive Briefing, August 2012

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Understanding Your Service Management Capability

Abstract

A significant aspect of any organization's IT operation is the delivery of its portfolio of services. There are very effective frameworks, such as ITIL, to help organizations understand what service management processes need to be put in place. However, having service management processes in place is not necessarily the same as having a Service Management Capability (SMC). As organizations are impacted more and more by the increasingly dynamic nature of the marketplace, it is becoming imperative that they better understand how their infrastructure and resources are aligned to operate in a dynamic, changing environment. The ISO/IEC 20000 standard helps organizations assess whether they have the correct processes embedded. By linking the ISO/IEC 20000 standard to IT-CMF, organizations can now – via IVI's Service Management Capability Assessment – assess their maturity against each of the key processes across the ISO/IEC 20000 standard. If the organization feels it needs to improve its capability, the assessment will identify the key influencing IT-CMF capabilities. Through such an assessment and the overall IT-CMF, organizations can now assess the maturity of their service management capability as defined by the ISO/IEC 20000 standard.

KEYWORDS: organizations, capability, IT resources, service management, service operations, Service Management Capability (SMC), IT-CMF, ISO/IEC 20000, ITIL, COBIT, SMC assessment, maturity

Introduction

The ability to effectively and efficiently identify a need for IT services and then design, implement, and manage such IT services within a constantly changing operational environment is a significant challenge for organizations. It is no longer sufficient to just implement a strategy for service management and associated processes and *hope* that this will continue to add future value. Organizations are changing, and changing quickly, and their IT systems and processes must be able to change and adapt accordingly. Advances in technology that change the way we interact with our customers and compete with our competitors are driving the cadence of change. Simply implementing systems and

processes does not ensure continued organizational effectiveness. Organizations need to understand their capability in terms of how they sense and respond to the shaping forces of the changing environment around them.

Because of these challenges, and the need to ensure IT resources are working for the organization and driving business value, significant outlay (both labour and investment) is incurred in terms of Operational and Capital expenditure. On average, activities related to service management and service operations engage approximately 50% of the IT workforce, and consume 60% to 80% of the total IT budget.

Understanding your organization's capability to define, design, implement, and manage its services is an effective way of understanding your organization's ability to identify and respond to current and future changes. Simply implementing processes does not give a measure of flexibility or responsiveness. However, assessing capability, or more specifically *the maturity* of your organization's capability, gives your organization two key performance indicators:

- It identifies if your organization's IT resource alignment is a *cost* centre, or a driver of business value for the organization.
- It identifies whether your organization's IT resources are responsive or unresponsive to changing business needs.

Therefore, helping organizations understand their Service Management Capability (SMC) is a vital factor in delivering a consistent, efficient, effective, and responsive IT service. There are many frameworks that focus on aspects of service management; notably ITIL, IT-CMF, and COBIT. However, the international standard for organizations seeking to assess their current service management compliance is ISO/IEC 20000. Organizations seek to benchmark themselves against this standard in order to understand where and how they can improve the value of IT.

Nevertheless, the ISO/IEC 20000 standard does not focus on helping organizations define their current maturity, or understand the difference between the *perceived* and *actual* maturity of the capabilities inherent in delivering performance-enhancing services. Focusing on these areas is important because by understanding the maturity of a capability – by using IT-CMF – an organization can start to develop an improvement roadmap that provides business value. In turn, this is important because as organizations increase their capability they are better able to view change as an opportunity, and improve their alignment to their business context, until ultimately overall organizational performance starts to improve.

The Service Management Capability Assessment

IVI is aware that discussion on the subject of service management has not focused on *capability*. However, the importance of taking a *capabilities*-based view is vital if organizations are looking to drive significant performance improvements via service management.

To help facilitate such discussion, IVI has taken the key processes as outlined in the ISO/IEC 20000 standard and, using IT-CMF, mapped core questions to those processes, namely:

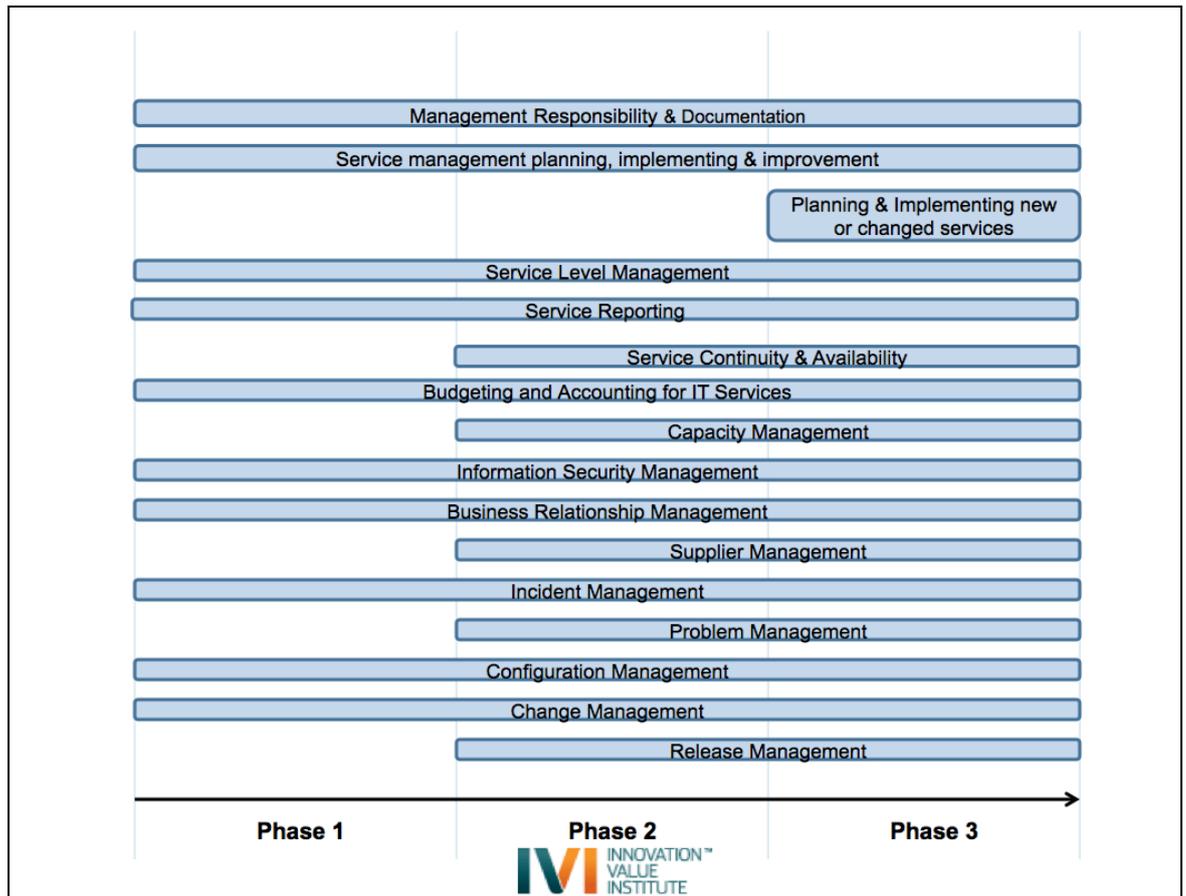
- General requirements for the service management system.
- Design and transition of new or changed services.
- Service delivery processes.
- Relationship processes.
- Resolution processes.
- Control processes.

This has allowed IVI to develop a capability assessment around the six core components of the ISO/IEC 20000 standard, and express the output in a similar format to the IT-CMF Executive Assessment. This new assessment is called the Service Management Capability (SMC) assessment, and is composed of approximately 70 questions.

A useful aspect of the SMC assessment is that it allows users to break it down into three separate assessments. These separate assessments are based on the three phases of the ISO/IEC 20000 – Part 5 standard (see Figure 1). Therefore:

- Those organizations that are new to service management may wish to assess their service management capability against the ten process areas that form Phase 1 of ISO/IEC 20000.
- Those organizations with more experience, and a more established service management function, may wish to assess their service management capability against fifteen process areas; that is, the ten process areas that form Phase 1 and the five process areas that form Phase 2 of ISO/IEC 20000.
- Those organizations with a fully deployed service management function will strive to assess their service management capability against all sixteen process areas; that is, the ten process areas that form Phase 1, the five process areas that form Phase 2, and the one process area that forms Phase 3 of ISO/IEC 20000.

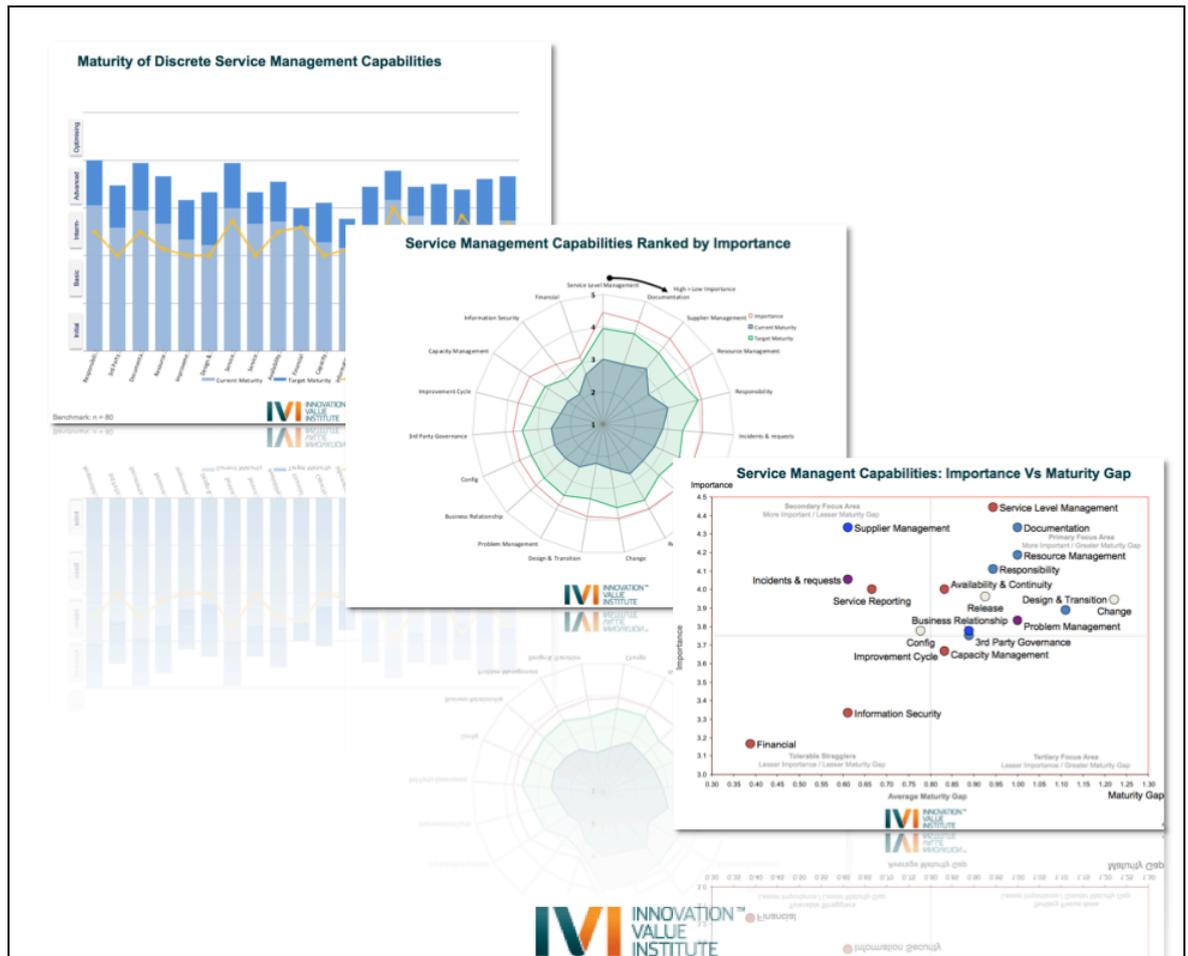
Figure 1: Elements of an SMC Assessment



The ISO/IEC 20000 standard assumes that organizations may have different starting points in terms of their defined processes, and that there may be precedence between processes. Some organizations will be new to the concept of service management, some organizations will be developing service management practices, and some organizations will already have strong and embedded service management practices. Consequently, not all organizations will want, or indeed need, to complete all questions in the SMC assessment.

Once the SMC assessment is complete, the assessed organization will be presented with a report that contains a number of diagrams and data points in a similar format to the current IT-CMF Executive Assessment. This report will give the assessed organization an overview of its current and desired maturity levels around the core process areas as identified within the ISO/IEC 20000 standard. The report will also show the linkages between SMC and IT-CMF in terms of the underlying critical capabilities (CCs).

Figure 2: Sample illustration of linkages between SMC and IT-CMF in terms of underlying CCs



Linking SMC to IT-CMF

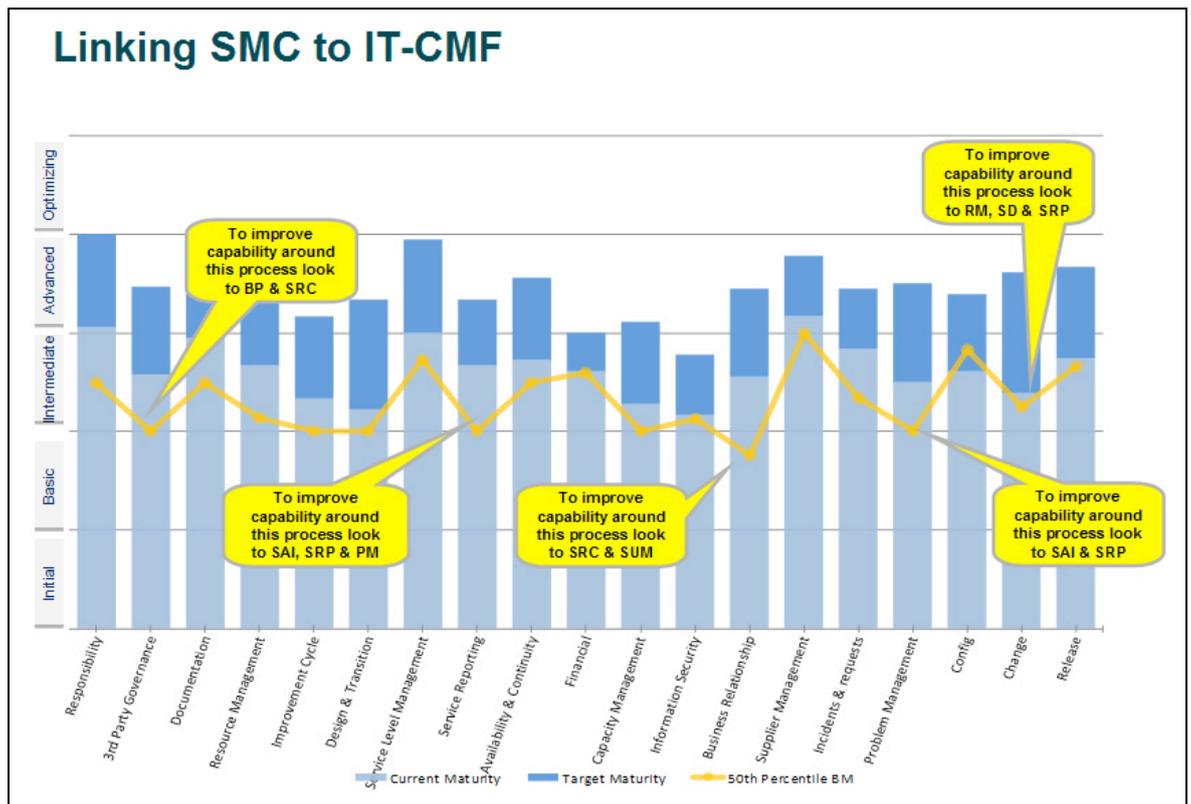
Because IT-CMF has been used to develop the questionnaire for the SMC assessment, where organizations register a low maturity or a maturity level that they believe needs to be improved, the SMC assessment can give a clear link back to the supporting IT-CMF critical capabilities. With a fundamental knowledge of the respective critical capabilities, the assessed organization can then easily identify the necessary Practices, Outcomes, and Metrics (POMs) needed to drive improvement through the identified capability. In effect, the SMC assessment links back to IT-CMF via the following 23 IT-CMF Critical Capabilities:

- SRP (Service Provisioning)
- RM (Risk Management)
- TIM (Technical Infrastructure Management)
- ITG (Information Technology and Governance)
- SD (Solutions Delivery)
- SRC (Sourcing)
- BAR (Benefits Assessment and Realization)
- PM (Portfolio Management)
- TCO (Total Cost of Ownership)

- CAM (Capability Assessment and Management)
- SUM (Supplier Management)
- UTM (User Training Management)
- RAM (Relationship Asset Management)
- PAM (People Asset Management)
- BGM (Budget Management)
- ODP (Organizational Design and Planning)
- SAI (Service Analytics and Intelligence)
- AA (Accounting and Allocation)
- CFP (Capacity Forecasting and Planning)
- DSM (Demand and Supply Management)
- BP (Business Planning)
- KAM (Knowledge Asset Management)
- SICT (Sustainable ICT)

This tangible and clear link between the ISO/IEC 20000 processes and the IT-CMF Critical Capabilities allows the assessed organization to explicitly see how IT-CMF can be used to support and define ongoing service management initiatives. Also, because of the way the questions are aligned to the ISO/IEC 20000 processes, organizations that wish to assess themselves can conduct the assessment against one phase, or all three phases, of process deployment.

Figure 3: Linking SMC to IT-CMF



However, there are additional benefits to linking the ISO/IEC 20000 standard to IT-CMF. The main benefit of IT-CMF is its breadth of coverage. As an organization examines IT capability maturity across the *entire* enterprise, by engaging with IT-CMF such an organization can develop a systems view of its IT capability. This is very important if the organization is to effectively balance its core resources in a way that improves capability across the organization, while maintaining a balance in the way core IT capabilities are nurtured.

Why conduct a Service Management Capability Assessment?

The main reason you should conduct an SMC assessment is to gain greater understanding of the service management maturity of your organization. Such understanding is important because a higher level of maturity (Level 3 and above) is indicative of a shift from service management being merely a cost-centred activity to service management providing business value.

As the SMC assessment is underpinned by IT-CMF, you can link back to IT-CMF in order to help develop a roadmap for service management improvement within your organization.

Also, because IT-CMF is an integral part of an SMC assessment, the Critical Capabilities identified as germane to service management improvement have been developed as part of an overarching framework that is focused on understanding how IT impacts organizational performance in a systematic manner. Therefore, by addressing any maturity issues identified in an SMC assessment your organization will also directly, and indirectly, improve IT integration, collaboration, and responsiveness across the enterprise.

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This executive briefing was edited by Thomas Keogan of TeKcomm Technical Writing.

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