The State of ITSM: One Company's Assessment!

By Keith D. Sutherland and Lawrence J. "Butch" Sheets

Educators and consultants operating in the formal practice of IT service management (ITSM) have largely been doing so since the mid-90s. Even though the best, codified practices of the IT service management framework, ITIL®, is now just over 30 years old, there remains a large number of organizations still in initial adoption of ITIL. And of those service providers with longer histories of using ITIL, many still have a significant need to increase maturity, or more fully implement their ITIL practice. The need in these companies for structured education, assessments, and roadmaps still abounds, even while multiple approaches for these practices are available for each. Beyond ITIL (and in many cases, alongside), are the many other evolving and emerging options of frameworks, standards, methodologies, and movements, including IT4IT™, DevOps, lean IT, agile, COBIT 5, simulations, not to mention SDLC, TOGAF®, PMBOK®, PRINCE2 Agile®, CMMI®, ISO/IEC 20000, USMBOK™, Six Sigma, and others.

Information technology, most would agree, is barely more than fifty years old. Today, mobile, cloud, analytics, IoT, digital, and other technologies dominate the IT landscape. At the same time, a company's system of record (or legacy) capability could still be based on COBOL programming (and we first saw COBOL in 1973!). IT services emanate from all of these "point" solutions, whether legacy or emerging.

Although the intent of this article is not to understand all of the options for ITSM and IT, governance and the "center of gravity" concept help service providers ensure customers receive services that both provide value and support business outcomes at acceptable costs and risks.

■ The Need for Governance

Both ITSM and IT will and should continue to undergo transformational change. The real continual challenge for IT service providers lies in how to integrate ITSM and IT to help customers meet business outcomes. Most customers understand the concept of business outcomes or lagging indicators, but there is significant evidence that:

- Internal customer-facing services are often left undefined. Without quantifying IT effort against business outcomes, it is difficult to express the value that an IT service provider contributes or identify the associated budget needed to support those outcomes.
- Shadow IT (IT systems built without explicit organizational approval) continues to be pervasive, and it doesn't matter the industry: internal IT is perceived as operational but not strategic (i.e., as a business partner).
- Technical debt abounds. There is a trend in lessening investment in the operational aspects (leading to deficiencies in code, documentation, and computing environments), resulting in the overall inefficiency and ineffectiveness of the IT footprint. This lack of investment has resulted in not being able to keep up with the demand for IT services.

The impact of these three trends can be mitigated through stronger governance of ITSM (not to be confused with the governance of IT), value capture, and a rolling ITSM roadmap. If strategy is "beginning with the end in mind," then a defined, documented, and published plan needs to be understood and executed with defined

Figure 1
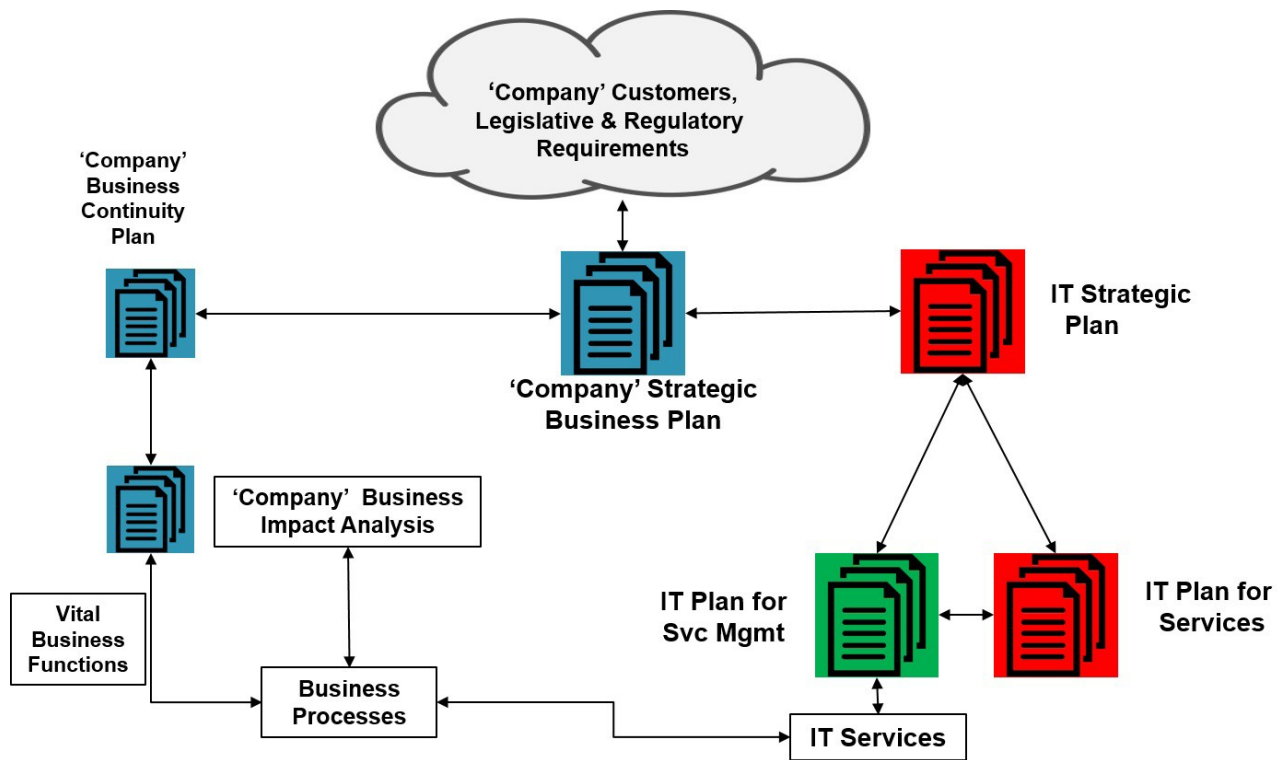
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- Areas in blue represent ownership/accountability by the business (e.g. Board and CxO levels) – this is part of "outside-in thinking."
- Areas in red and green are owned and accountable to the IT service provider. Green represents ITSM but must be tightly aligned to IT services, with both consistent with the IT strategic plan.
- Governance of IT happens between the blue and red areas.
- Governance of ITSM happens between the red and the green areas.
- ITSM (in green) is not only highly influenced by the strategies and plans above it, but also by business continuity (BCM)

roles and activities, trusted dates, and supported actions, all of which constitute governance.

While ITIL's Service Strategy publication has often been touted as a "cure for insomnia," it, in fact, goes a long way toward understanding the need to synchronize a company's business strategy against the three strategies that an IT service provider is accountable for, as represented in Figure 1:

- IT Strategic Plan
- IT Plan for Services
- IT Plan for Service Management (ITSM)

Wanting to be more "agile" makes a ton of sense, and there are excellent tools available today that enable getting solutions to the market quicker. At the same time,

agile is not a new concept and can be applied to many disciplines (development, process, practice, etc.). Getting to market fast is critical, but this doesn't mean it's okay to skip an understanding of the concepts covered in ITIL's Service Strategy publication. At the risk of dating ourselves, and wanting an appropriate analogy, we are reminded of mainframes and the tons of manually typed commands used to load the front-end processor for the network, before we had tools that could automate these activities. It didn't take long before we had people who understood the automation but had no concept of how to do it manually (and that was okay). But someone does need to understand the big picture. There needs to be a fundamental understanding of what it takes to be able to

provide services from a strategic level, and that understanding has to go beyond the CIO and direct reports. Sure, mature incident, problem, and change management are all important. At the same time, these processes tend to be operational in nature, and they are viewed as such by your business partners. A great question to ask a business partner is whether they consider the IT service provider to be strategic or operational? Actually, this is a trick question because the answer to both ought to be yes. If the service provider is perceived to be only operational in nature, then IT is not being perceived as a business partner. Consider that there are many point solutions that can do a great job with the operational activities. The real value for your business customers comes with the *strategic* aspects of being a service provider. The shift of the pendulum from operational to strategic allows the IT service provider to provide a needed focus on service solutions that are agile, ever changing, and provide more value to the enterprise. It also makes it much easier to apply the concept of value capture, where IT is able to consistently invest in itself and avoid the creation of technical debt. Customers are certainly more willing to fund when they are receiving both strategic and operational value. The value provided by a service provider should be measurable: technically, operationally, economically, financially, and strategically.

As we consider point solutions and the concept of governance, it is critical to establish a "center of gravity," a service provider that serves as a gatekeeper. As previously mentioned, there is a multitude of point solutions that can help produce customer outcomes. This is one of the reasons that shadow IT even exists. Multiple solutions from multiple service providers are required to meet customer needs. Sourcing from a combination of Type 1 (internal), Type 2 (shared service unit), and Type 3 (external) service providers is crucial and ever-evolving. Hence the need for strong governance and continued transformation of ITSM and IT. With IT at the beginning of the value stream for an enterprise and with the need to source solutions from multiple service providers, identifying the appropriate service provider to serve as the center of gravity is of paramount importance. The same concept applies to the multiple approaches to practices and processes associated with ITSM. In

essence, each organization should/would have its own DNA (its own customized look and feel, specific to the organization). So, the goal would be a "DNA for ITSM" and a "DNA for IT Services," with both connected (as shown in Figure 1).
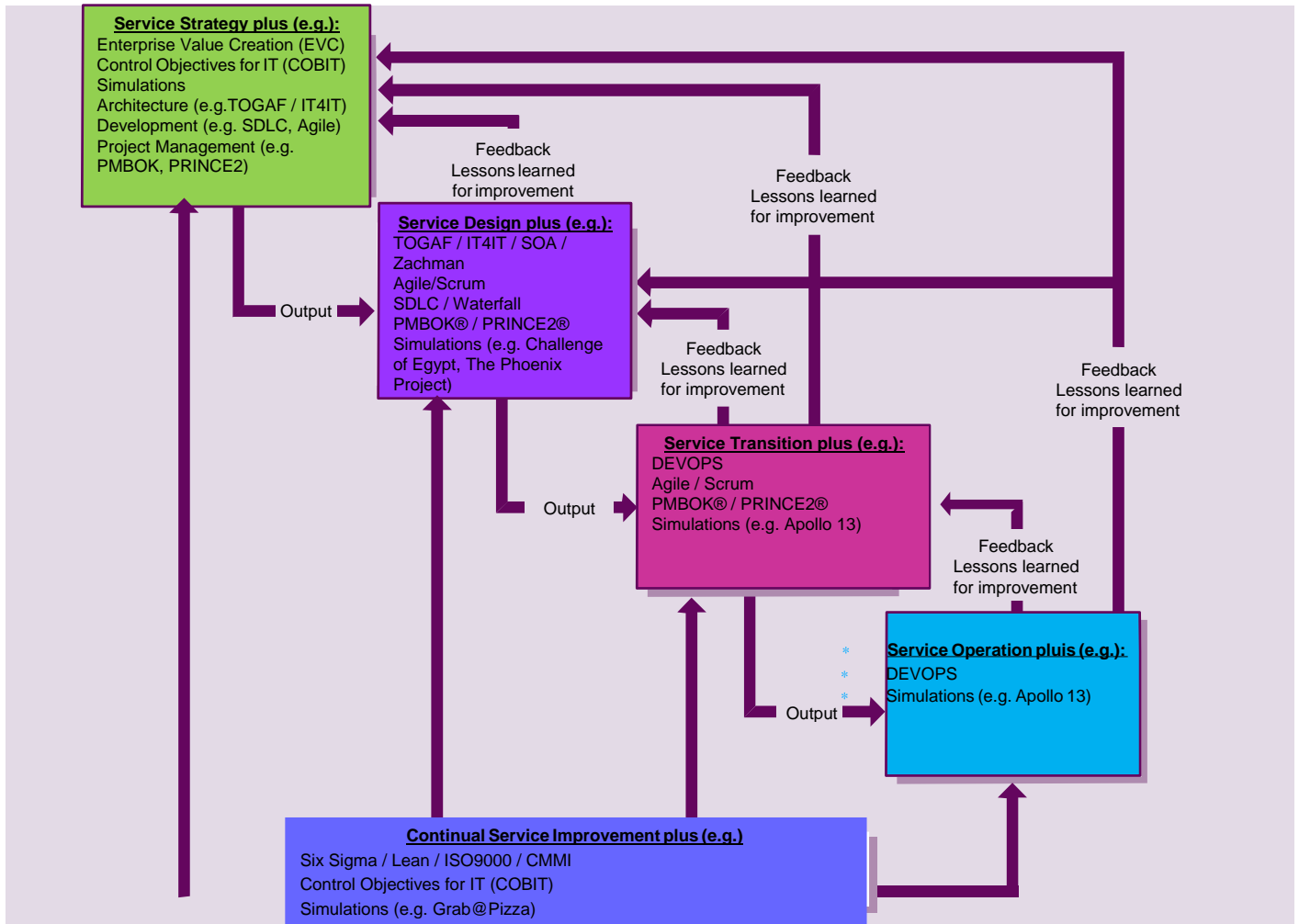
■ The Continuous Complex Closed-Loop System (CCCLS)

Figure 2 on page 14 shows a diagram that likely looks pretty familiar. It uses the five phases of the service lifecycle from ITIL and adds multiple point solutions for ITSM. In some ways, this diagram expands (and transforms) the definition of ITSM. ITSM has always been generally understood as a concept of complementary guidance, and as one in which multiple frameworks, methodologies, and standards are needed to create a robust service management capability. The challenge today is that there are so many methodologies, and most of the organizations that have generated some level of maturity over the years find themselves in a "what do we do now" situation, not wanting to "throw the baby out with the bathwater." The many IT service providers that are just starting to incorporate formal ITSM are seeking education (not training) to understand where they should start and how to identify their best approach. Perhaps both situations represent a selling point for ITIL's recent addition of the ITIL Practitioner certification. No matter your perspective on this offering, it is difficult to disagree with the principles introduced. Two of our favorites are "start where you are" and "keep it simple." So, what is your DNA for an ITSM capability at your company?

■ Summary

Customers don't really care (and shouldn't) about the widgets behind the curtain (the supporting services). They care about what they need to touch in order to create the business outcome they seek: that lagging indicator stuff. Those widgets happen as a result of integrating ITSM point solutions with IT technology solutions. What those solutions need to be continues

Figure 2: The Continuous Complex Closed Loop System: ITSM

Service Strategy plus (e.g.):
Enterprise Value Creation (EVC)
Control Objectives for IT (COBIT)
Simulations
Architecture (e.g.TOGAF / IT4IT)
Development (e.g. SDLC, Agile)
Project Management (e.g. PMBOK, PRINCE2)

Service Design plus (e.g.):
TOGAF / IT4IT / SOA / Zachman
Agile/Scrum
SDLC / Waterfall
PMBOK® / PRINCE2®
Simulations (e.g. Challenge of Egypt, The Phoenix Project)

Service Transition plus (e.g.):
DEVOPS
Agile / Scrum
PMBOK® / PRINCE2®
Simulations (e.g. Apollo 13)

Service Operation pluis (e.g.):
DEVOPS
Simulations (e.g. Apollo 13)

Continual Service Improvement plus (e.g.)
Six Sigma / Lean / ISO9000 / CMMI
Control Objectives for IT (COBIT)
Simulations (e.g. Grab@Pizza)

Feedback Lessons learned for improvement

Output

The CCCLS diagram is not intended to be exhaustive, as we have many varied solution options in ITSM, and is just an example of what an expanded ITSM framework could look like. It allows for the use of multiple frameworks, methodologies, standards, movements, and simulations across the lifecycle (some continue throughout, assuring cohesiveness and integration). Service Strategy and Service Design areas represent significant planning, resulting in a more efficient and effective Service Transition and Service Operation, which are more focused on operational elements and much easier to deploy.

to evolve (or transform). Whether the company is in run mode, grow mode, or transformation mode, the IT service provider should always be in transformation mode, presuming that the IT service provider wants to be perceived as a business partner and not just operational. As such, ITSM is alive and well—it just requires strong governance; an established, respected, and productive center of gravity; and most important, a strong (outside-in) understanding of business partners and the market that they serve.

How else can the IT service provider produce the best services for the business, outside of providing successful business outcomes? In fact, wouldn't it be great if we were able to totally remove "IT" and just be the "service providers"? Nirvana happens when business partners come to the service provider and say, "I notice your team has made great advances in providing services. Can you educate our team on some of these concepts?" This is proof positive that IT is at the beginning of the value stream, that IT is delivering services that support business

outcomes, generate positive and measurable value for their customers, and encourage customers to invest in additional services. The result is IT service providers that are able to generate value capture, enable partners to continue to anticipate customer need, continually improve to maintain value over time, and ensure a long-term positive relationship with their business partners.

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