

MICHAEL CARDINAL, ITSM ACADEMY INSTRUCTOR

Q: Everyone has a structure in place so how do you retrofit an ITIL based service strategy. For example, many organizations are creating service towers for the major service categories.

The important part is getting IT and business leadership at the same table. We should not see the strategies as separate entities. We should see the organization as a value network focused on service delivery to the customer. IT Service Management doesn't work without support of the business. Not just bottom up (IT Operations focused), but top down as well (business, service and customer focused).

Services are constructs that help us bring value to our end users (revenue generating customers) through business operations. The service activities must be tied into an overall value network, made up of a number of service value chains.

Finally we must be willing to forgo the status quo and current approaches and make changes that will bring the business and IT together focused on the same goals.

Q: Where should a Business Relationship Manager sit according to within IT or the business?

One thing that has traditionally happened in organizations is that you have a separation between the business areas (HR, Legal, Marketing, etc.) and IT. What that does is put the Business Relationship Manager role into a difficult position – are they business or IT? Really an organization has to have a third organizational entity that sits between the business and IT to act as a Liaison. That's where Service Management as a whole would fit, and that is where I think the Business Relationship Manager needs to sit. ITIL also indicates that a Business Relationship Manager can double as a Service Level Manager. Both roles need to act in between the Business and IT. Most organizations have a difficult time with this perspective because they see IT as a siloed or separate entity and there needs to be a liaison between those groups.

Q: Our Biggest problem is bringing together what customers want in a SLA vs. what can be realistically delivered and what is affordable. Organizations across the corporation cannot come to terms with these issues. How can we make this work?

There is an implication that there is an unlimited bucket of money with ITIL. Why? In ITIL you have to look at the value to the customer in what you do to support them and deliver their services. If the customer is unwilling to pay for it then why are you doing it? You should only be doing what the customer is willing to pay for (Value for Money). I think you can move away from the idea that everything is strictly driven by cost; you must first look at the value and then the cost of what you do. I know that's very difficult, but it is a behavioral change that organizations need to take. Value first, then cost.

A good Service Management professional does not tell a customer that service delivery is too costly. A SM professional says, "Yes, I can provide that value, and here is what it will cost." The customer then gets to decide if they are willing to pay the cost. If they pay, then an organization can afford to deliver on value.

Q: Are ad hoc projects to support the customer in relation to a standard offering part of the portfolio?

First and foremost, your Service Portfolio is around services and should be managed from a big picture perspective. You really have to question if you're simply doing work or projects to get things done, or because it provides value in the end. There is lots of work being done that can't be tied back to the value derived through services. Projects and Service Management processes are means of delivering the value, not the value themselves. I think you could do some ad-hoc work, but only if you get greater value in the end.

Q: How do architecture efforts fit into Service Strategy?

First we must think of architecture as the structure of the environment in which we do work, run processes or deliver service. It is a high level structural concept, not a detailed technical concept.

The highest level of architecture should be your overall Service Management architecture (the environment in which you deliver value to the customer). Sub-architectures inside of that would be your business/people, data, application, infrastructure and environmental architectures.

Once we have a structure established, we can tie our Service Strategy deliverables into that structure to ensure that our work, project, process and service delivery environment underpins and supports our ability to deliver service. Knowing our data or infrastructure architecture only helps when it aligns to the bigger picture of our overall Service Management efforts.

Q: How does Service Portfolio accomplish the goals you identified?

The Service Portfolio helps you keep the bigger picture view of things; it provides an end to end view of the value network. Service Strategy is showing you the landscape, the country, not just the forest and the trees. It helps you to look, see and identify the entities and changes that are coming in and leaving your sphere of influence. From there we can identify what we need to do to handle changes in customers, software, etc.

If you look at the Service Portfolio from the analogy of a restaurant you may be able to picture how this works. In a restaurant, behind the scenes, they might be building new menu items (Service Pipeline), but you as the customer don't have visibility to that. The menu (Service Catalog) is what the restaurant can deliver now. Some items are leaving the menu (Retired Services). But only the restaurant owners see the bigger picture (Service Portfolio).

Q: For services already in operation, how does the catalog presentation of the service differ from the portfolio presentation of the same service?

The difference is the types of information that is displayed about the services. The Service Portfolio has answers to very strategic questions: What is the justification of the service? What are the risks? Why a service in the first place? What are the costs of service? In the Service Catalog, we display information that is important to the customer and helps establish Service Level Agreements: What are the service levels I could get for Service X? What are the terms and conditions offered in service? What price will I pay? Internally we'll want to know what it costs us to deliver service but the customer wants to know what they will pay for service.

Remember that the Portfolio is very strategic; it shows us the view for 10-25 years down the road and the overall value to the customer. It helps you to define why you exist rather than just what you do. Why are you a printing company? Why are you a bank? The catalog is more short term, in the here and now. It helps you define cost and describes what you do that supports why you exist.

The Portfolio and Catalog do not have to be complex tools. You could effectively use simple tools—MS Excel or MS Access. Or you could use something more physical – a file card box – paper and pencil, etc.

Q: What is the starting point for "Service Strategy"? Is it "Strategy Generation" process or is it Demand Management process which provides inputs to other process. Where do we start from?

I think the start of service strategy begins with finding out the answer to one question: Who is our customer? Start there and ask further questions. What does the customer see in terms of value? What do they do for their daily work? What can we do to make that work better? Start with customer and then define everything else. The processes (Strategy Generation, Demand Management, Financial and Service Portfolio) are simply tools that help you answer those high level strategic questions.

Q: How do SLAs relate to the Service Portfolio?

Service Level Agreements (SLA) are related to the Service Portfolio through Demand Management and the Service Catalog. Demand Management provides us with Patterns of Business Activity (PBAs). Those patterns are captured within the Service Portfolio and drive the identification of services. The PBAs then help us create and establish appropriate levels of service for various User Profiles. We can then write SLAs based on the desired level of service that derives from PBAs. The Service Catalog captures the identified and agreed services so we can continue to offer them to new customers using SLAs.

A good SLA is driven by the Service Portfolio and Service Strategy. It does not begin as a blank sheet of paper that we write an agreement with the customer based on what we can currently provide. It is a set of established Patterns, Services and Service Levels that we bring to the customer to consult and negotiate a level of service and a warranty of service.

Q: Can you discuss the relationship between project portfolios and service portfolios?

This has been an ongoing struggle for many people; especially those who have used Project Management for years and are now working on ITIL or ITSM. Those individuals may ask: Where in a Project do I open a Request for Change? When do I design my services? When do I handle Incidents? If you can reverse your thinking, you should be able to easily see that Project Management fits as a complement to ITIL v3 and as a subset of an overall ITSM effort. Ask instead: Where in Service Management do I do the project?

Once you see that Project Management fits well inside ITSM, you can see that the Project Portfolio is really a subset of the Service Portfolio. The Service Portfolio tells me about the Services. The Project Portfolio tells me about the projects I will use to create, deliver value and implement services. By having a handle on all of your Projects then you have a sense of how you will accomplish the big picture of your Service Strategy.