

# WHAT IS...?

## Service Management

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## The Service Economy

We live in a service economy. For decades, industries such as leisure and hospitality, education, healthcare, and finance have been primarily service based. Increasingly, companies that manufacture or develop products bundle services such as implementation or consulting services with their products to boost value realization and build customer loyalty. It's likely these organizations also offer support services to enable greater utilization of their products and services and a positive customer experience.

So how do organizations survive and thrive in a service economy? They get good at managing their services. They ensure their services are useful, beneficial, and important to their customers. In other words, they ensure their services are of value to their customers. This is the very essence of service management.

### SERVICE MANAGEMENT

A set of specialized organizational capabilities for providing value to customers in the form of services.

Digital technologies have revolutionized how and where these organizations do business. All services are now, at least in part, enabled by technology. The internet and cloud computing have made it possible to deliver products 'as a service'. Products and services have become more intrinsically linked. Cars come with navigation services. Doorbells come with monitoring services. Treadmills and bikes come with the capability to live stream workouts. There's an app for just about everything.

*Continue reading to learn more...*

These IT-enabled services also need to be managed. Here is where IT service management (ITSM) comes into play.

## The IT Service Management Challenge

Within enterprises, IT services were historically delivered and managed by a central IT department. That department might combine its services with those acquired from external service providers. The primary aims of these centralized departments were to increase standardization, reduce costs and risks, and ensure stability.

As organizations undergo digital transformations, traditional approaches used to achieve these aims such as specialization and one-size-fits-all processes become barriers to the flow of work. New operating models are emerging as organizations aim to achieve agility and higher levels of velocity. It is increasingly common for IT professionals to be embedded into lines of business, or to see organizations forming product-oriented or value stream-aligned teams. These decentralized approaches bring business, design, development, and operations professionals together to accelerate value delivery and ensure a focus on customer needs.

What makes ITSM challenging is that organizations are at varying stages in their digital transformations and at varying points on this spectrum from centralized to decentralized. While most organizations have some ITSM processes and procedures in place, the question is...how well are those processes performing? Has a common language been established? If one part of the organization is using terms such as user stories, backlog items, defects and bugs and another is talking about change requests, CABs, and incidents, there is the potential for a disconnect. If one part of the organization is talking about agile ways of working and another is encouraging rigorous processes, there is the potential for conflict.

Frameworks and standards can be used to establish that common language and as a basis for continual improvement.

## Leveraging Frameworks and Standards

Several frameworks help clarify the scope of ITSM. These frameworks provide guidance and describe best practices that organizations can use to implement and continually improve their ITSM capabilities.

Commonly used ITSM frameworks include:

- **ITIL®** – a widely used set of best practices drawn from public and private sectors that describes a systemic approach to the management of IT services.
- **COBIT®** (Control Objectives for Information and related Technology) – a framework for the governance and management of enterprise information and technology.
- **VeriSM** (Value-driven, evolving, responsive, integrated service management) – a service management approach for the digital age that helps service providers to create a flexible operating model to meet desired business outcomes.
- **USM** (Unified Service Management) – a universal method for service management.
- **FitSM** (Federated IT Service Management) – a lightweight standards family aimed at supporting the implementation of IT service management. FitSM calls itself a standard, but is not published or managed by an established standards organization like ISO. It is similar though to ISO standards in that it introduces auditable requirements.

## ISO/IEC 20000 Service Management System (SMS)

**Overarching these frameworks is ISO/IEC 20000**, the international standard for IT service management. Part 1 of the standard, formally ISO/IEC 20000-1:2018, specifies auditable requirements (the 'shalls') for an organization to establish, implement, maintain and continually improve a service management system (SMS). The SMS directs and controls the organization's service management activities.

The requirements specified in this part of the standard include the planning, design, transition, delivery and improvement of services to meet the service requirements and deliver value.

Other parts of the standard provide guidance on the application of the service management system and on defining the scope of the system, implementation guidance, an assessment model, terms and concepts, along with guidance on the relationship between ISO/IEC 20000 and service management frameworks such as ITIL.



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Because a framework does not contain the mandatory requirements found in a standard, organizations can choose to adopt some practices and not others. Or, they can *and should* adapt those practices to meet the organization's current circumstances, needs and goals.

What a standard can provide is the minimum critical activities for achieving success. For example, organizations seeking the ISO/IEC 20000 certification must provide evidence to an independent auditor that they have fulfilled all of the

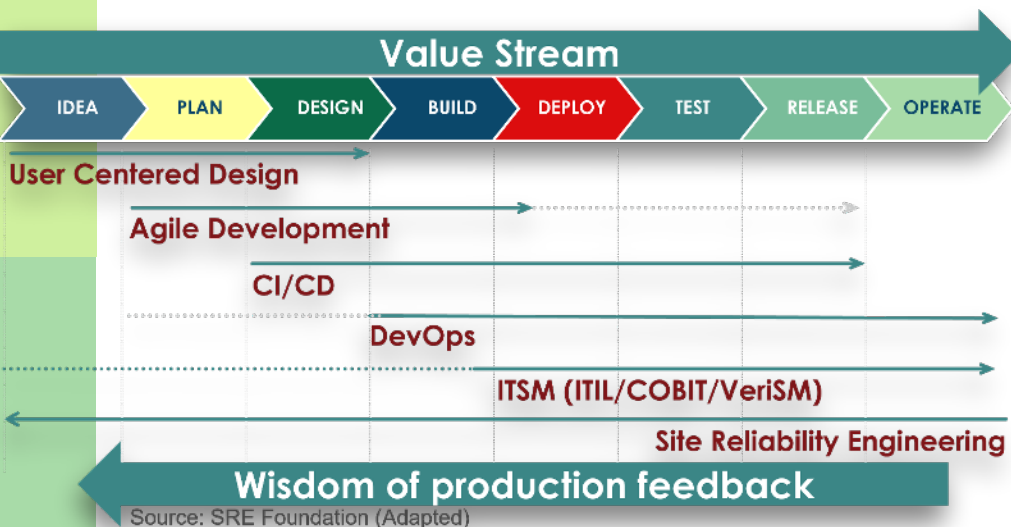
requirements (i.e., the 'shalls') specified in the standard. Other organizations may opt to simply benchmark their processes against the requirements, or provide evidence to only an internal auditor. Because these minimum critical activities represent 'what to do,' and not 'how to do it', organizations are able to continually adapt and improvement their processes as their needs evolve.

This notion of minimum critical activities is particularly important in today's dynamic world of work. It enables organizations to provide a scalable starting point when introducing processes and allows organizations to strip out what may be waste in existing processes. It enables organizations to put in place 'just enough' process... which is the aim of agile service management.

A common misconception is that agile equates to speed but here's the reality... today's business leaders and IT consumers want it all – speed, quality, and reliability. These can't be achieved without a solid foundation in ITSM. Nor can they be achieved through overly rigorous ITSM practices and processes and delay-causing inspections and controls.

### AGILE SERVICE MANAGEMENT

Ensures ITSM processes reflect Agile values and are designed with 'just enough' control and structure to effectively and efficiently deliver services that facilitate customer outcomes when and how they are needed.



Many organizations use the guidance from multiple frameworks and standards to ensure their ITSM practices and processes meet their current needs. This includes aligning those practices and processes with adjacent ways of working such as product management, Agile, Lean, DevOps, and Site Reliability Engineering (SRE).

No one way of working is perfect and no one way is complete. The

highest performing organizations leverage any and all bodies of knowledge to improve their performance. They recognize that when used together, these ways of working enable the agility and higher levels of velocity needed to meet stakeholder demands and achieve the organization's strategies and goals.

They also recognize that these ways of working cannot be limited to only a part of the organization. Adopting Agile, Lean, DevOps, SRE and modern ITSM ways of working in only a portion of the organization such as the IT or engineering department but not in the upstream lines of business or downstream operations areas will limit the organization's ability to be successful. They've got to be adopted across the enterprise.

## The Rise of Enterprise Service Management

According to their 2022 ITSM Benchmarking report Axelos, the official accreditor for the ITIL framework, 70% of organizations have either already started with enterprise service management (ESM) initiatives or planned to do so.

The aims of ESM include standardizing services and providing a shared catalog for both IT and non-IT services. This shared catalog makes sense as it likely that non-IT services rely on digital technologies or include IT services.

As an example, take the activities involved in onboarding a new employee. This value stream includes many different processes (e.g., recruiting, hiring, orientation, equipment provisioning, system access, security management), spans many different departments in the organization, and relies on many different IT systems.

Completing the activities associated with this value stream involves many core ITSM processes such as incident, problem, change, request, and service asset and configuration management. Ensuring the seamless integration of these processes enables a positive employee experience.

### ENTERPRISE SERVICE MANAGEMENT

The application of ITSM principles and concepts to practices and processes in different service departments across an organization.



**“IF YOU’RE NOT  
SERVING  
THE EXTERNAL  
CUSTOMERS  
OF YOUR  
COMPANY,  
YOU’RE SERVING  
SOMEONE WHO IS.”**

Today, employees expect positive experiences in the same way an organization’s customers do, and both ESM and ITSM can be applied to enhance those experiences.

## **The Need for Systems Thinking**

Dating back to the 1950s, W. Edwards Deming, a recognized thought leader in quality management, encouraged recognizing that every organization is a system. He challenged organizations to appreciate the interrelated nature of this system and to “improve constantly and forever the system” so that all the organization’s stakeholders can benefit.

Applying systems thinking to service management includes establishing an understanding of how all the parts of an organization (i.e., the system) work together in an integrated way. It requires end-to-end visibility into

how demand for services is captured and translated into outcomes that are of value.

This can be accomplished by establishing, maintaining, and continually improving a service management system. The ISO/IEC 20000 standard introduces an SMS (shown above). The ITIL framework also introduces this concept in the form of a service value system (SVS).

These systems share many common components including the need for:

- Governance and leadership
- Ongoing performance evaluation and continual improvement
- Practices and processes that enable the flow of value

## **ITSM Essentials**

The core activities of a service management system support the management of the service lifecycle (or service value chain), including the planning, design, transition, delivery, and improvement of IT services.

Core practices and processes span this lifecycle and include (but are not limited to) those needed to manage:

- The organization’s portfolio of services such as: service portfolio management, service catalog management, asset management, and configuration management
- Relationships and agreements such as: business relationship management, service level management, and supplier management
- The supply and demand for services such as: demand management, capacity management, and budgeting and accounting management
- Service design, build and transition activities such as: service design and transition, change management, and release and deployment management
- Resolution and fulfillment activities such as: request management, incident management, and problem management
- Service assurance activities such as availability, continuity and information security management

Leveraging the ISO/IEC 20000 standard and frameworks such as ITIL, COBIT, and VeriSM make it possible for organizations to reap the benefits of best practices. This includes establishing a common language and shared understanding of why service management is important.

## It's a Journey!

Any framework, standard, body of knowledge, or philosophy is only as valuable as the results it helps to achieve. How well the service management system is established and how the practices are applied is critical. It is necessary at all times to remember what is to be accomplished and *why* it needs to be accomplished. Following book examples or practices blindly, without considering their appropriateness to the organization's circumstances, needs, goals and objectives is a certain way to fail. Success requires the application of critical judgement.

So, when using best practices:

- **Adopt** – Commit to adopting a service-oriented, customer-focused culture. Success in service management is based on a genuine commitment to this change. Evidence of such commitment can be seen not in the way the people in an organization talk, but rather in the way in which they behave and in how those behaviors are incentivized.
- **Adapt** – Strive to understand best practices, to understand why they are recommended, and then to apply critical thought to adapting those best practices to the organization's circumstances, needs, goals and objectives.

Once best practices are understood at a critical level, it is possible to successfully assess their value to your organization in the context of the organization's vision, goals, objectives, circumstances and constraints. In this way, real value can be delivered to customers and captured by the organization.

## Make a Difference!

Any service management related initiative will affect organizational culture. Effective communication plans, training, and clear policies and procedures are all needed to achieve the desired performance outcomes and enable collaboration between the many different people involved in service management. *Culture change and progress cannot happen without the support of people like you. **Take action!*** Contribute to your organization's service management effort by expanding your knowledge of best practices and by enthusiastically using what you learn to lead process implementation and improvement activities. Be a change champion!

## Want to Learn More?

Training helps individuals and organizations build and maintain their capabilities. Training also provides individuals the knowledge, skills and information needed to fill their role in the organization or achieve their career goals, along with a place to test and develop the confidence to use these skills in the workplace.

See ITSM Academy [class options and dates](#) or download the [course catalog](#).

## Additional Resources:

- [ITSM Professor Blog](#) - a WEALTH of knowledge published weekly since 2008
- [Webinar Archives](#) - Monthly since 2007
- [ITSM Academy Resource Center](#)



## ITSM Academy

We are a female owned small business, established in 2004. Our extensive catalog contains accredited and sustainable IT Service Management (ITSM) education and advice including; ITIL®, DevOps, Process Design (CPDE), Agile, Site Reliability Engineering (SRE), Value Stream Mapping (VSM) and Experience Level Agreement (XLA). Our business values are founded on trust, loyalty, professionalism and long term relationships.

*...educate and inspire* is not just our corporate slogan, it speaks to our core mission and goal.



Follow our founder and CXO, Lisa Schwartz, on [LinkedIn](#).

## Instructors

Every ITSM Academy instructor is certified to the highest levels in the areas they train. They have years of hands-on IT practitioner experience, enabling them to effectively intertwine theory and real-life stories and scenarios. Using the highest quality content, this engaging training style encourages active group participation, allowing all learners to bring from class a wealth of practical and actionable knowledge.

## Accreditations

All of ITSM Academy's certification courseware is developed or enhanced in-house and is accredited by independent, international organizations where applicable.



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## The Story of the Academy

Today, ITSM Academy is widely recognized for its expertise in multiple IT frameworks (ITSM, ITIL, Process Engineering (CPDE), DevOps, Agile Service Management, Lean) and, more importantly, how they work together. But that's not where we started.

+1-954-491-3442

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