



Best Management Practice

For Portfolio, Programme, Project,
Risk and Service Management

ITIL®: The Basics

Valerie Arraj, Managing Director,
Compliance Process Partners, LLC



**COMPLIANCE
PROCESS PARTNERS**

White Paper
May 2010

Contents

1	What is ITIL and what are its origins?	3
2	Why would an organization be interested in ITIL?	4
3	What are the benefits of ITIL?	4
4	Which companies use ITIL?	4
5	Further information	4
6	Trademarks and statements	

1 What is ITIL and what are its origins?

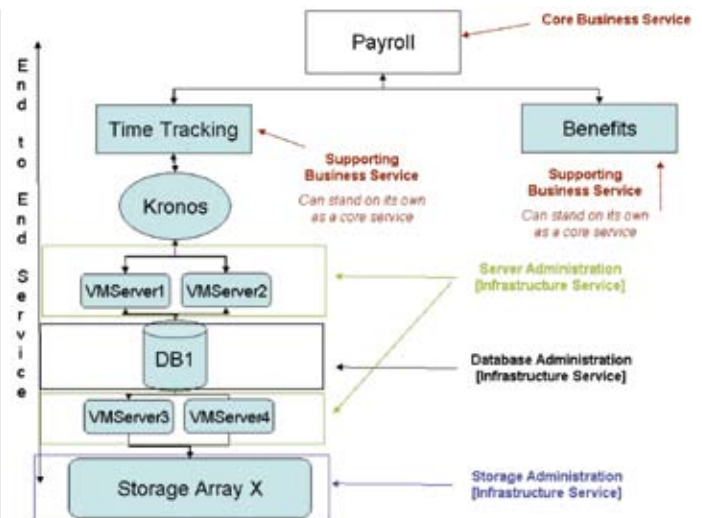
It is hard to believe that the IT Infrastructure Library or ITIL® is 20 years old. On its third version now, ITIL is the most widely adopted framework for IT Service Management in the world. It is a practical, no-nonsense approach to the identification, planning, delivery and support of IT services to the business.

In the early 80's, the evolution of computing technology moved from mainframe-centric infrastructure and centralized IT organizations to distributed computing and geographically dispersed resources. While the ability to distribute technology afforded organizations more flexibility, the side effect was inconsistent application of processes for technology delivery and support. The UK's Office of Government Commerce recognized that utilizing consistent practices for all aspects of a service lifecycle could assist in driving organizational effectiveness and efficiency as well as predictable service levels and thus, ITIL was born. ITIL guidance has since been a successful mechanism to drive consistency, efficiency and excellence into the business of managing IT services.

Since ITIL is an approach to IT "service" management", the concept of a service must be discussed. A service is something that provides value to customers. Services that customers can directly utilize or consume are known as "business" services. An example of a business service that has common applicability across industries would be Payroll. Payroll is an IT service that is used to consolidate information, calculate compensation and generate paychecks on a regular periodic basis. Payroll may rely on other "business" services such as "Time Tracking" or "Benefits Administration" for information necessary to calculate the correct compensation for an employee during a given time period.

In order for Payroll to run, it is supported by a number of technology or "infrastructure" services. An infrastructure service does its work in the background, such that the business does not directly interact with it, but technology services are necessary as part of the overall value chain of the business service. "Server Administration", "Database Administration", "Storage Administration" are all examples of technology services required for the successful delivery of the Payroll business service. See Figure 1.

IT has traditionally been focused on the "infrastructure" services and managing the technology silos. IT Service Management guidance in ITIL suggests a more holistic approach to managing services from end-to-end. Managing the entire business service along with its underlying components cohesively assures that we are considering every aspect of a service (and not just the individual technology silos) – to assure that we are delivering the required functionality (or utility – accurate paychecks for all employees) and service levels (or warranty – delivered within a certain timeframe, properly secured, available when necessary) to the business customer.



ITIL is typically used in conjunction with one or more other good practices to manage information technology such as:

- COBIT (a framework for IT Governance and Controls)
- Six Sigma (a quality methodology)
- TOGAF (a framework for IT architecture)
- ISO 27000 (a standard for IT security)

The Service Lifecycle

ITIL is organized around a Service Lifecycle: which includes: Service Strategy, Service Design, Service Transition, Service Operation and Continual Service Improvement.

The lifecycle starts with *Service Strategy* – understanding who the IT customers are, the service offerings that are required to meet the customers' needs, the IT capabilities and resource that are required to develop these offerings and the requirements for executing successfully. Driven through strategy and throughout the course of delivery and support of the service, IT must always try to assure that cost of delivery is consistent with the value delivered to the customer.

Service Design assures that new and changes services are designed effectively to meet customer expectations. The technology and architecture required to meet customer needs cost effectively is an integral part of Service Design. Additionally, processes required to manage services are also part of the design phase. Service management systems and tools that are necessary to adequately monitor and support new or modified services must be considered as well as mechanisms for measuring service levels, technology and process efficiency and effectiveness.

Through the *Service Transition* phase of the lifecycle the design is built, tested and moved into production to assure that the business customer can achieve the desired value. This phase addresses managing changes, controlling the *assets and configuration items* (underlying components – hardware, software, etc) associated with new and changed systems,

service validation and testing and transition planning to assure that users, support personnel and the production environment has been prepared for the release to production.

Once transitioned, *Service Operation* then delivers the service on an ongoing basis, overseeing the daily overall health of the service. This includes managing disruptions to service through rapid restoration of incidents, determining the root cause of problems and detecting trends associated with recurring issues, handling daily routine end user requests and managing service access.

Enveloping the Service Lifecycle is *Continual Service Improvement (CSI)*. CSI offers a mechanism for IT to measure and improve the service levels, the technology and the efficiency and effectiveness of processes used in the overall management of services.

2 Why would an organization be interested in ITIL?

Although today's technologies allow us to be able to provide robust capabilities and afford significant flexibility, they are very complex. The global reach available to companies via the internet provides tremendous business opportunity while presenting additional challenges regarding the confidentiality, integrity and availability of our services and our data. Additionally, IT organizations need to continue to be able to meet or exceed service expectations while working as efficiently as possible. Consistent repeatable processes are the key to efficiency, effectiveness and the ability to improve services. These consistent, repeatable processes are outlined in the ITIL framework.

3 What are the benefits of ITIL?

What are the benefits of ITIL?

The main benefits of ITIL include:

- Alignment with business needs. ITIL becomes an asset to the business when IT can proactively recommend solutions as a response to one or more business needs. The IT Strategy Group recommended in *Service Strategy* and the implementation of *Service Portfolio Management* gives IT the opportunity to understand the business' current and future needs and develop service offerings that can address them.
- Negotiated achievable service levels. Business and IT become true partners when they can agree upon realistic service levels that deliver the necessary value at an acceptable cost.
- Predictable, consistent processes. Customer expectations can be set and are easier to meet with through the use of predictable processes that are consistently used. As well, good practice processes are foundational and can assist in laying the groundwork to meet regulatory compliance requirements.
- Efficiency in service delivery. Well-defined processes with clearly documented accountability for each activity as recommended through the use of a RACI matrix can

significantly increase the efficiency of processes. In conjunction with the evaluation of efficiency metrics that indicate the time required to perform each activity, service delivery tasks can be optimized.

- Measurable, improvable services and processes. The adage that you can't manage what you cannot measure rings true here. Consistent, repeatable processes can be measured and therefore can be better tuned for accurate delivery and overall effectiveness. For example, presume that a critical success factor for incident management is to reduce the time to restore service. When predictable, consistent processes are used key performance indicators such as Mean Time To Restore Service can be captured to determine whether this KPI is trending in a positive or negative direction so that the appropriate adjustments can be made. Additionally, under ITIL guidelines, services are designed to be measurable. With the proper metrics and monitoring in place, IT organizations can monitor SLAs and make improvements as necessary.
- A common language – terms are defined.

4 Which companies use ITIL?

Literally thousands of companies world-wide and of all industries and sizes have adopted ITIL. These include:

- Large technology companies such as Microsoft, HP, Fujitsu, IBM;
- Retailers such as Target, Walmart and Staples
- Financial services organizations such as Citi, Bank of America, Barclay's Bank;
- Entertainment entities such as Sony, Disney
- Manufacturers such as Boeing, Toyota, Bombardier
- Life Sciences companies such as Eli Lilly, Pfizer, Takeda Pharmaceuticals.

5 Further Information

The following websites include authoritative information as well as pointers to other informative sources:

www.best-management-practice.com

www.apmg-international.com

Acknowledgments

Sourced by APM Group Limited and published by TSO on www.best-management-practice.com

Our White Paper series should not be taken as constituting advice of any sort and no liability is accepted for any loss resulting from use of or reliance on its content. While every effort is made to ensure the accuracy and reliability of the information, APM Group Limited and TSO cannot accept responsibility for errors, omissions or inaccuracies. Content, diagrams, logos and jackets are correct at time of going to press but may be subject to change without notice.

© Copyright TSO, APM Group Limited and Valerie Arraj, Compliance Process Partners LLC in full or part is prohibited without prior consent from the Author.

Trademarks and Statements

ITIL® is a Registered Trade Mark of the Office of Government Commerce in the United Kingdom and other countries

The Swirl logo™ is a Trade Mark of the Office of Government Commerce

IT Infrastructure Library® is a Registered Trade Mark of the Office of Government Commerce in the United Kingdom and other countries