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ITIL® v3:
What It Is and Why
You Should Care

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Introduction

The Information Technology Infrastructure Library® (ITIL) has been around for nearly 20 years, and within the last five years it has become the de-facto model and framework for managing IT organizations. ITIL truly is the “next big thing.” If ITIL is new to you, then now is the time to learn more.

ITIL is the proven way for IT organizations to align with the business, control costs, improve quality, and balance resource allocations. Research shows a dramatic increase in ITIL adoption over the last few years. Studies in 2006 showed that about 30% of IT organizations were using ITIL; a 2008 follow-up survey puts the count at 80%. Clearly, ITIL is something every IT manager and executive needs to understand.

This paper explains ITIL by describing its benefits, where it comes from, why you need to know about it, which types of IT organization can benefit from using it, and how to get started.

IT as a Strategic Resource

ITIL v3 is a collection of five primary volumes, or books. It is quite literally a library of best practices focused on managing IT organizations and the services these organizations produce and deliver. ITIL is now in its third generation, with the most recent edition (v3) released in May 2007.

ITIL describes how to manage IT as a business in order to deliver competitive advantage to the enterprise. Its guidance spans all IT activities from strategy to operations. The purpose of this comprehensive guidance is to deliver on four primary goals:

- Align IT activities and projects to business requirements
- Control IT costs
- Improve IT service quality
- Balance resource allocations

These are lofty goals, but ITIL has the experience to deliver. ITIL started in the late 1980s when the British Central Computer and Telecommunication Agency (CCTA), now called the Office of Government Commerce (OGC), made a decision to improve its IT management systems. The CCTA commissioned a study group to develop a new approach to managing IT. From this group came the ITIL version 1. ITIL v1, while similar in objective, was significantly different from today’s version. This difference is what makes ITIL so powerful – since it is based on best practice, it is under continuous improvement from a worldwide community. ITIL adapts to meet the needs of IT as IT matures, making ITIL always relevant and useful.

The primary global organization driving the content of the ITIL is the IT Service Management Forum, itSMF (<http://www.itsmf.net>) an IT industry consortium dedicated to managing the cost and quality of IT service man-

agement. Members comprise IT organizations of all types, including government, military, profit, and not-for-profit. The itSMF counts many hardware, software, and services companies as members as well. Altogether the diverse members of the itSMF make up over 500 local chapters around the world.

Collectively, itSMF USA is the US branch of the international organization, and it represents those with a stake in IT service management. The itSMF is involved in two areas. First, the organization provides a forum to address technical and business issues that will enhance the benefits of IT management applications and services. Second, it educates the market about IT service management and its value—in effect, marketing IT service management.

Because ITIL had its start in the British government, ITIL adoption began there; it then quickly spread to non-government organizations within Britain. From Britain, ITIL moved to Europe and Canada, where it has seen heavy adoption. From Canada, ITIL finally made its way to the United States. The adoption of ITIL, by both government and non-government organizations within the US, is gaining momentum.

Vendors & Organizations That Have Adopted ITIL

Hewlett-Packard, Microsoft, IBM, CA, BMC, and many others have used ITIL as a base for their own proprietary IT management frame works. Many of the chapters in the ITIL volumes were written by individuals from these companies, and some have created tools that align with ITIL:

- Microsoft offers Microsoft Operations Framework (MOF)
- HP offers IT Service Management Reference Model
- IBM offers IT Process Model

The adoption of ITIL is gaining momentum in the US. This is evident in the fact that as more of the IT tools have added the tag line “ITIL compliant” into their advertisements. The following list highlights just a few notable organizations which have publicly commented on their ITIL implementation, and its contribution to business success.

Caterpillar	State of North Carolina
Shell Oil	Blue Cross – Blue Shield of Florida
Procter & Gamble	Blue Cross – Blue Shield of Texas
Arizona Public Service	LG&E Energy LLC
Boeing	United Health Group in Minneapolis
US Army	And many, many others
State of California	

What Makes ITIL Different?

Over the years, many of you have probably been involved in projects and/or exposed to theories related to IT improvement such as:

- Project Management (www.pmi.org)
- COBIT (www.isaca.org)
- Balanced Scorecards (www.balancedscorecard.org)
- Six Sigma (www.isixsigma.com)
- ISO-9000 (www.iso.org)
- TQM / Deming (www.deming.org)
- Capability Maturity Model (www.sei.cmu.edu)

All of these programs provide methodologies that can be used to improve the processes that you have in place. However, these methodologies provide little or no guidance about which processes are required for IT to function well. The ITIL framework is a source of good practice in service management. ITIL provides a guide to the framework of processes required to run IT as a Business for the Business and the relationship between those processes.

ITIL v3 offers much more than the process-centric model presented in ITIL v2. ITIL v3 presents a lifecycle approach to managing IT services designed to provide the most value possible to the business. By focusing on the services IT provides to the business in support of the business or mission of the enterprise, the IT organization can know how best to apply all the previously described quality, project, process, governance, and security models and frameworks.

IT organizations worldwide use the ITIL to establish and improve capabilities in service management. ITIL has the following components:

- The ITIL core consists of five volumes of good practice guidance applicable to all types of organizations to provide services to a business
- The ITIL complementary guidance is a related set of publications with guidance specific to industry sectors, organization types, operating models, and technology architectures

The five ITIL volumes define a lifecycle of service management activities. Each stage of the lifecycle has interfaces to the processes and functions of the other phases. The Service Portfolio represents all the resources and capabilities (and services) of the service provider; the Service Catalog is a listing of the services available to IT and the business. The ITIL volumes each relate back to the Service Catalog, Service Portfolio, and creating value for the business. The following table lists the ITIL v3 publications and brief descriptions.

Volume Descripton	Description
Service Strategy	How to transform IT service management into a strategic business asset
Service Design	How to design IT services, processes and functions to realize the strategy
Service Transition	How to move new and changed IT services and components into a production environment safely and effectively
Service Operations	How to efficiently and effectively deliver and support IT services
Continual Service Improvement	How to monitor and measure IT service management and make adjustments to remain aligned with business and strategy

It is possible to adopt ITIL while still using any of the process improvement methodologies listed above. It is not a case of using one or the other.

What Is the Expected ROI?

The widespread adoption of ITIL within an industry will provide guides to what works and what doesn't. Implementation of ITIL can be costly, and even more so when done poorly and not according to a focused plan. So where can an organization expect to recover those costs?

Here is a partial list the benefits:

- Key focus on services and providing value to the business in the form of enhancing the utility (functionality) and warranty (ability to perform as required) of IT services
- A common dictionary, an item that has been lacking in the IT world
- Strong guidance for managing suppliers and choosing suppliers based on their contribution to the utility and warranty (value) IT services offer to the business
- Improved financial management of IT and a better matching of IT services to the needs of the overall organization with a focus on transparency and enhanced decision-making
- Improved relationship between IT and the organization for which it provide services – generally called business IT alignment
- Improved utilization of the IT infrastructure through a more holistic understanding of the purpose and function of IT assets at all levels
- Improved utilization of IT personnel by setting the stage for automation, and standardizing service offerings, as well as creating a shared service model
- Improved reputation of IT within the organization that naturally occurs with a focus on business outcomes and creating value

Most people with a lot of ITIL experience state that adoption of ITIL has no end point, only a starting point and milestones along the way to measure your level of continuing success.

What Are Some of the Difficulties of ITIL Implementation?

The adoption of ITIL may not be easy, or short, or cheap. One reason is that IT has not often run itself like a business. IT has a habit of operating as an indispensable group that can use resources and provide services as it sees fit. How many times have you heard the phrase, "We know what our customer needs, and that is what we are providing"?

IT has not run itself based on documented needs of the business. One place where this is clearly evident is that many organizations lack a strong change management process. In these organizations, systems change frequently and have an adverse effect on the productivity of the entire organization. Most IT outages are the direct result of a well-meaning IT worker not having sufficient knowledge of or information about the systems on which they are working. Unknown to the IT worker, a simple-appearing modification, update, change, etc. can result in disastrous consequences for the business. ITIL v3, with its focus on lifecycle and service as primary generators of value to the business, offers excellent guidance with regard to managing knowledge.

The ITIL framework is about process, not organization. Most IT organizations have spent years dividing up IT resources into towers of responsibility, hardware, software, and staff. Breaking down or redefining these towers to expedite the processes within the ITIL framework and making sure that the necessary information is passed between processes may be the biggest and most difficult challenge. Because this is such a large stum-

bling block, it should be understood that the requirement for ITIL adoption must come from the very top of the IT organization.

The implementation of ITIL cannot be accomplished in six months. But most IT projects are expected to show major positive results or even be completed within six months. ITIL will not meet either of those milestones. ITIL milestones are measured in years rather than months. However, with a carefully focused plan, it is possible to achieve some results quickly – often in a matter of weeks. Still, “full ITIL” can take years. It is important to know, however, that not everyone needs or can even expect to implement all of the guidance contained within the ITIL. Rather, the proven path to success is to adopt just those bits of the ITIL that have significant impact on the specific organization.

Implementing ITIL may also require new resources. An organization’s present technology may not be able to support the processes or inter-process communication required by ITIL. Even though the ITIL framework is about processes, that framework can only work efficiently when the right tools to support both the processes and the inter-process data exchange are in place. For all but the smallest IT organizations, some form of automation or software tool is a requirement.

Another difficulty is determining where to start. Two questions often asked are:

1. Do we try to do everything at once?
2. It is such a major undertaking, where do we start?

The answer to the first question is “no.” Trying to do everything at once is too difficult and will only increase the chance of failure. The answer to the second question depends on each individual organization.

ITIL provides flexibility in approach, offering a specific methodology for establishing a service strategy: Define IT services. A service cannot be managed unless what comprises it is known. This is the fundamental and primary first step.

Value the IT services. With the service is defined, establishing the relative value of each service to the business is next. Focusing on the most important IT services first is the only way to deliver significant and measurable value to the business in a reasonable timeframe.

Measure IT services. Once service is defined and valued, and precedence set, then the quality of service provided to customers can be measured. Starting with the most valuable service, measure the service to see if it meets requirements. If the service does not meet requirements, this is the starting point.

Commission projects for improvement. Following the first three steps identifies what to focus on. With this information, one can now examine the ITIL (and its complementary guidance) to understand precisely what is not occurring that results in the service quality issue at hand and apply the guidance to this specific problem.

Even though ITIL implementation can be difficult, the true value is the long-term adoption of best practices that have shown a positive return on investment. ITIL builds a stronger organization that matches the service provided to the present and future needs of the business and provides that service in a cost-effective manner.

Both of these actions will improve the standing of IT within the business and improve both the competitive advantage and bottom line of the business.

What Are the Steps To Getting Started?

For most organizations, education or training is the first step. ITIL brings with it a common dictionary of IT terminology, as well as many tools and techniques that must be learned since most IT organizations operate without them today (and generate the problems most IT organizations today face).

Many companies begin by requiring most or all of their IT staff to take a 2–3-day ITIL Foundations Certification class. Many companies require that the class include a certification test at the end. This training provides a common understanding of the ITIL framework, the value of the service lifecycle approach, how and where IT can add value to the business, and a common language for a more accurate discussion during the implementation.

A second step is to designate someone to manage the ITIL adoption project, the adoption of ITIL is a major project that requires formal oversight. The project manager should be an ITIL Certified Service Manager or have at least one advisor who is so certified. This is a long-term project, and every effort should be made to have the same Certified Service Manager for the duration to provide continuity to the ITIL implementation.

The IT Services Manager is the person who should carry out the four steps of service strategy. Executing the four service strategy steps will produce an inherently justified plan articulated in business terms. Engaging with the business helps steer IT and insures that the focus is on those systems and applications that can have the most positive contribution to the business of the business.

An ongoing step is to consider is the need for new technology. However, new technology should not be considered until processes are defined. It is important to remember that technology is only an enabler and does not improve weak processes. The selection of a tool for software system should be the last step in a well-executed plan based on ITIL.

Summary

ITIL is the industry standard for best practices for the management of IT. If you are an IT company or an IT division within a company then you can expect to hear, “Where are you in your ITIL implementation?” If you work in the IT industry, and you work for a medium-to-large organization or plan to in your future, then you should think about adding one or more ITIL certifications to your resume - because ITIL will be in your future.

Those of you who are about to begin the ITIL implementation journey can obtain significant real value in a relatively short period of time, if you follow the ITIL four-step service strategy model. Do not forget, however, to think and talk about the long term, because this journey is measured in years not in months.

ITIL is a proven approach to continuous improvement. Part of ITIL is the constant improvement of each phase of the service lifecycle in pursuit of business value from IT investments. The goal of this constant improvement is to provide IT services in a more cost-effective manner and to better match those services to the present and future needs of the business.

ITIL is a framework of how to manage IT like a business for the business. As such, the ITIL framework does not describe in absolute terms how any of the ITIL processes should be implemented. Those details are left up to the implementer – making the establishment of an IT Services Manager role and adoption of a server strategy program essential. The goals and key performance indicators for each of the processes is well defined, so that there is a clearly defined road map to measure your success.

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About the Author

Hank Marquis is a Founder and Director of the National Association for Business Service Management, NABSM. NABSM represents the international IT community with specialized programs dedicated to BSM and the promotion of successful ITSM initiatives. The NABSM goal is to provide a unified voice, global advocacy and leadership to advance IT management growth through standards of professional competence aligned with business needs. Reach him at hmarquis@nabsm.org.