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# 1 Introduction

## 1.1 OVERVIEW

Continual Service Improvement (CSI) is not a new concept. Organizations have talked about it for many years but for most the concept has not moved beyond the discussion stage. For many organizations, CSI becomes a project when something has failed and severely impacted the business. When the issue is resolved the concept is promptly forgotten until the next major failure occurs.

Once an organization has gone through the process of identifying what its services are, as well as developing and implementing the IT service management (ITSM) processes to enable those services, many believe that the hard work is done. How wrong they are! The real work is only just beginning. How do organizations gain adoption of using the new processes? How do organizations measure, report and use the data to improve not only the new processes but to continually improve the services being provided? This requires a conscious decision that CSI will be adopted with clearly defined goals, documented procedures, inputs, outputs and identified roles and responsibilities. To be successful CSI must be embedded within each organization's culture.

A distinction must be made upfront regarding tools. Throughout this publication the word 'tool' applies to software tools such as integrated service management tools, monitoring tools, discovery tools, software repository and distribution tools and the like. When the authors talk about ways of doing things this will be referred to as 'methods and techniques', although these could be automated as well.

## 1.2 CONTEXT

### 1.2.1 Service management

'Information technology' is a commonly used term that changes meaning with context. From the first perspective, IT systems, applications and infrastructure are components or sub-assemblies of a larger product. They enable or are embedded in processes and services.

From the second perspective, IT is an organization with its own set of capabilities and resources. IT organizations can be of various types such as business functions, shared services units and enterprise-level core units.

From the third perspective, IT is a category of services utilized by business. They are typically IT applications and

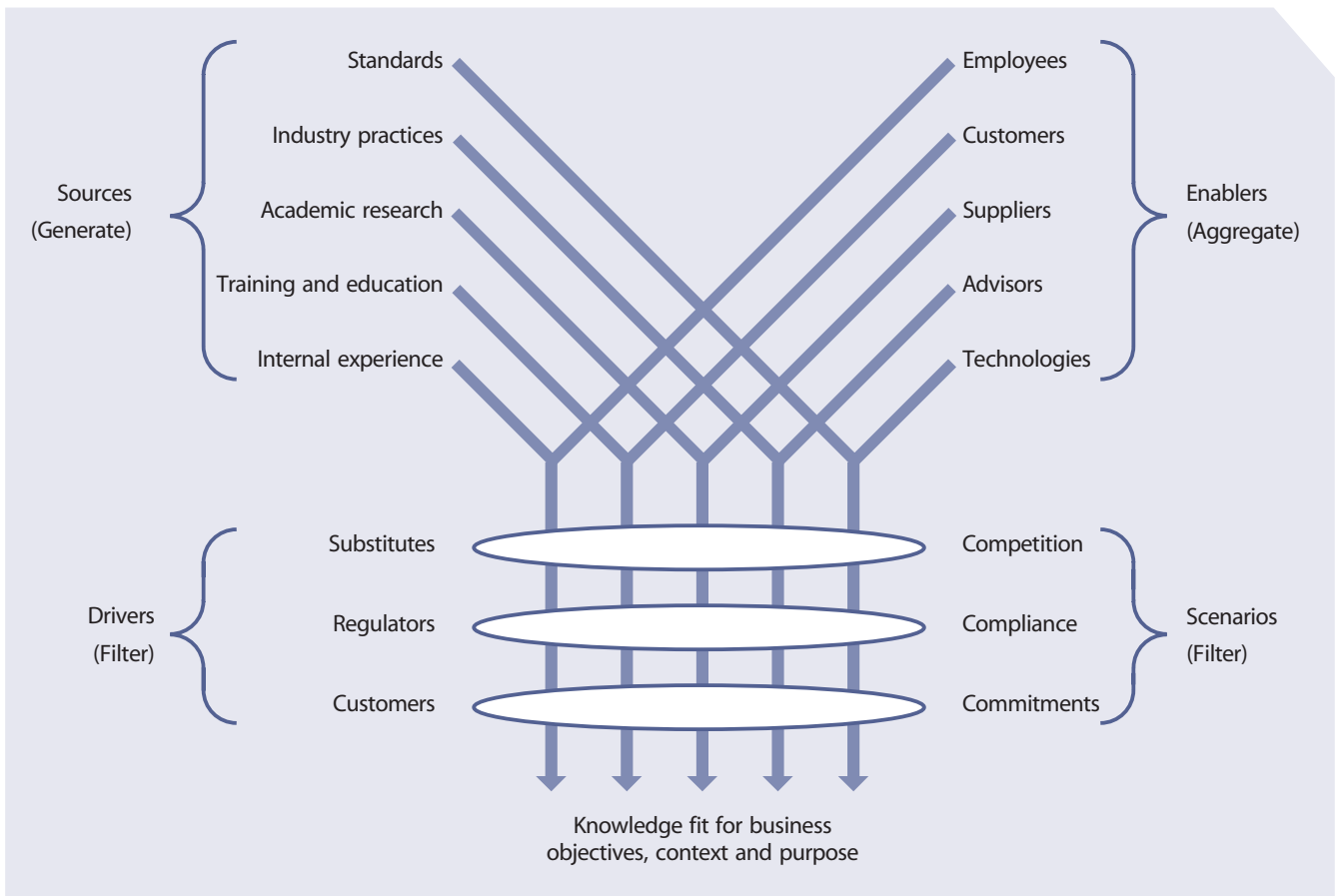
infrastructure that are packaged and offered as services by internal IT organizations or external service providers. IT costs are treated as business expenses.

From the fourth perspective, IT is a category of business assets that provide a stream of benefits for their owners, including but not limited to revenue, income and profit. IT costs are treated as investments.

### 1.2.2 Good practice in the public domain

Organizations operate in dynamic environments with the need to learn and adapt. There is a need to improve performance while managing trade-offs. Under similar pressure, customers seek advantage from service providers. They pursue sourcing strategies that best serve their own business interest. In many countries, government agencies and non-profit organizations have a similar propensity to outsource for the sake of operational effectiveness. This puts additional pressure on service providers to maintain a competitive advantage with respect to the alternatives that customers may have. The increase in outsourcing has particularly exposed internal service providers to unusual competition.

To cope with the pressure, organizations benchmark themselves against peers and seek to close gaps in capabilities. One way to close such gaps is the adoption of good practices in wide industry use. There are several sources for good practices including public frameworks, standards and the proprietary knowledge of organizations and individuals (Figure 1.1).



**Figure 1.1 Sourcing of service management practice**

Public frameworks and standards are attractive when compared with proprietary knowledge:

- Proprietary knowledge is deeply embedded in organizations and therefore difficult to adopt, replicate, or transfer even with the cooperation of the owners. Such knowledge is often in the form of tacit knowledge which is inextricable and poorly documented.
- Proprietary knowledge is customized for the local context and specific business needs to the point of being idiosyncratic. Unless the recipients of such knowledge have matching circumstances, the knowledge may not be as effective in use.
- Owners of proprietary knowledge expect to be rewarded for their long-term investments. They may make such knowledge available only under commercial terms through purchases and licensing agreements.
- Publicly available frameworks and standards such as ITIL, COBIT, CMMI, eSCM-SP, PRINCE2, ISO 9000, ISO/IEC 20000 and ISO/IEC 27001 are validated across a diverse set of environments and situations rather than the limited experience of a single organization.

They are subject to broad review across multiple organizations and disciplines. They are vetted by diverse sets of partners, suppliers and competitors.

- The knowledge of public frameworks is more likely to be widely distributed among a large community of professionals through publicly available training and certification. It is easier for organizations to acquire such knowledge through the labour market.

Ignoring public frameworks and standards can needlessly place an organization at a disadvantage. Organizations should cultivate their own proprietary knowledge on top of a body of knowledge based on public frameworks and standards. Collaboration and coordination across organizations are easier on the basis of shared practices and standards.

### 1.2.3 ITIL and good practice in service management

The context of this publication is the ITIL framework as a source of good practice in service management. ITIL is used by organizations worldwide to establish and improve capabilities in service management. ISO/IEC 20000 provides a formal and universal standard for organizations

seeking to have their service management capabilities audited and certified. While ISO/IEC 20000 is a standard to be achieved and maintained, ITIL offers a body of knowledge useful for achieving the standard.

ITIL has the following components:

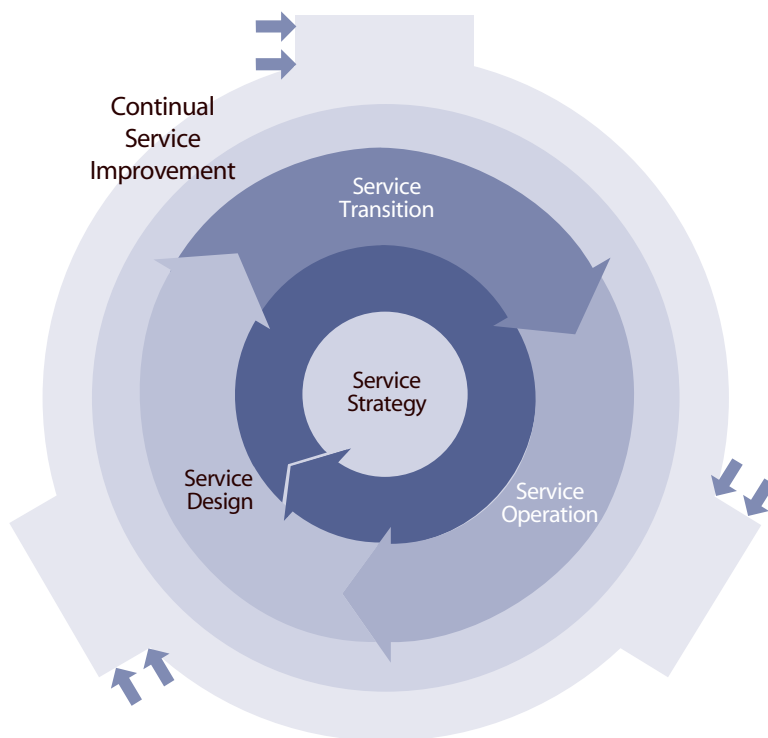
- The **ITIL Core** – Best practice guidance applicable to all types of organizations who provide services to a business.
- The **ITIL Complementary Guidance** – A complementary set of publications with guidance specific to industry sectors, organization types, operating models and technology architectures.

The ITIL Core consists of five publications (Fig 1.2). Each provides the guidance necessary for an integrated approach as required by the ISO/IEC 20000 standard specification:

- *Service Strategy*
- *Service Design*
- *Service Transition*
- *Service Operation*
- *Continual Service Improvement*.

Each publication addresses capabilities having direct impact on a service provider's performance. The structure of the core is in the form of a lifecycle. It is iterative and multidimensional. It ensures organizations are set up to leverage capabilities in one area for learning and improvements in others. The ITIL Core is expected to provide structure, stability and strength to service management capabilities with durable principles, methods and tools. This serves to protect investments and provide the necessary basis for measurement, learning and improvement.

The guidance in ITIL can be adapted for use in various business environments and organizational strategies. The ITIL Complementary Guidance provides flexibility to implement the Core in a diverse range of environments. Practitioners can select Complementary Guidance as needed to provide traction for the Core in a given business context, much like tyres are selected based on the type of automobile, purpose and road conditions. This is to increase the durability and portability of knowledge assets and to protect investments in service management capabilities.



**Figure 1.2 ITIL Core**

### *Service Strategy*

The Service Strategy volume provides guidance on how to design, develop and implement service management not only as an organizational capability but as a strategic asset. Guidance is provided on the principles underpinning the practice of service management which are useful for developing service management policies, guidelines and processes across the ITIL service lifecycle. Service Strategy guidance is useful in the context of Service Design, Service Transition, Service Operation and Continual Service Improvement. Topics covered in Service Strategy include the development of markets, internal and external, service assets, service catalogue and implementation of strategy through the service lifecycle. Financial Management, service portfolio management, organizational development and strategic risks are among other major topics.

Organizations use the guidance to set objectives and expectations of performance towards serving customers and market spaces, and to identify, select and prioritize opportunities. Service Strategy is about ensuring that organizations are in position to handle the costs and risks associated with their service portfolios, and are set up not just for operational effectiveness but for distinctive performance. Decisions made with respect to Service Strategy have far-reaching consequences including those with delayed effect.

Organizations already practising ITIL use this volume to guide a strategic review of their ITIL-based service management capabilities and to improve the alignment between those capabilities and their business strategies. This volume of ITIL encourages readers to stop and think about why something is to be done before thinking of how. Answers to the first type of questions are closer to the customer's business. Service Strategy expands the scope of the ITIL framework beyond the traditional audience of IT service management professionals.

### *Service Design*

The Service Design volume provides guidance for the design and development of services and service management processes. It covers design principles and methods for converting strategic objectives into portfolios of services and service assets. The scope of Service Design is not limited to new services. It includes the changes and improvements necessary to increase or maintain value to customers over the lifecycle of services, the continuity of services, achievement of service levels and conformance to standards and regulations. It guides organizations on how to develop design capabilities for service management.

### *Service Transition*

The Service Transition volume provides guidance for the development and improvement of capabilities for transitioning new and changed services into operations. This publication provides guidance on how the requirements of Service Strategy encoded in Service Design are effectively realized in Service Operation while controlling the risks of failure and disruption. The publication combines practices in release management, programme management and risk management and places them in the practical context of service management. It provides guidance on managing the complexity related to changes to services and service management processes; preventing undesired consequences while allowing for innovation. Guidance is provided on transferring the control of services between customers and service providers.

### *Service Operation*

The volume embodies practices in the management of Service Operation. It includes guidance on achieving effectiveness and efficiency in the delivery and support of services so as to ensure value for the customer and the service provider. Strategic objectives are ultimately realized through Service Operation, therefore making it a critical capability. Guidance is provided on how to maintain stability in Service Operation, allowing for changes in design, scale, scope and service levels. Organizations are provided with detailed process guidelines, methods and tools for use in two major control perspectives: reactive and proactive. Managers and practitioners are provided with knowledge allowing them to make better decisions in areas such as managing the availability of services, controlling demand, optimizing capacity utilization, scheduling of operations and fixing problems. Guidance is provided on supporting operations through new models and architectures such as shared services, utility computing, web services and mobile commerce.

### *Continual Service Improvement*

This volume provides instrumental guidance in creating and maintaining value for customers through better design, introduction and operation of services. It combines principles, practices and methods from quality management, Change Management and capability improvement. Organizations learn to realize incremental and large-scale improvements in service quality, operational efficiency and business continuity. Guidance is provided for linking improvement efforts and outcomes with service strategy, design and transition. A closed-loop

feedback system, based on the Plan-Do-Check-Act (PDCA) model specified in ISO/IEC 20000, is established and capable of receiving inputs for change from any planning perspective.

## 1.3 PURPOSE

### 1.3.1 Goal of this publication

This publication aims to provide practical guidance in evaluating and improving the quality of services, overall maturity of the ITSM service lifecycle and its underlying processes, at three levels within the organization:

- The overall health of ITSM as a discipline
- The continual alignment of the portfolio of IT services with the current and future business needs
- The maturity of the enabling IT processes required to support business processes in a continual service lifecycle model.

### 1.3.2 Scope of this publication

This publication focuses on CSI from both an IT service and an ITSM process perspective as part of an ongoing service management lifecycle. This publication also features the key inputs, outputs, activities and roles that are critical to successful CSI. It is one of a series of five core publications published by the Office of Government Commerce (OGC) as part of the ITIL Practices for Service Management. Although this publication can be applied in isolation, it is recommended that it be used in conjunction with the other four publications.

This volume covers the following major activities:

- Introduce the concepts of CSI at a high level
- Define the value of CSI
- Describe common methods and techniques for CSI
- Define how to use the common methods and techniques for service improvement.

### 1.3.3 Target audience

While this publication is relevant to any IT professional involved in the management of services throughout their lifecycle, it is particularly relevant to anyone who wants to review the current ITSM practices within an organization to identify, understand and measure their strengths and weaknesses. Roles such as process owner, process managers, service managers, service owners, business liaison managers, IT managers and anyone accountable and responsible for the delivery of IT services to the business will find it particularly pertinent.

There are several ways of delivering IT services to the business, such as in-house, outsourced and partnership (co-sourced). Even though this publication is written mainly from an in-house service provider perspective it is also relevant to all other methods of service provision. Those involved in outsourced service provision or working in partnerships will find that this publication is applicable to them as well. In some ways, the outsourced or co-sourced services require an increased focus on process integration between the client organization and service provider. Business managers as well as IT managers will find this publication helpful in understanding and establishing best practices for CSI.

## 1.4 USAGE

Whether an organization is looking for incremental improvements or a major overhaul, CSI activities should be woven into the fabric of the everyday life of IT services. CSI is not an emergency project kicked off when someone in authority yells that the service stinks, but rather, it is an ongoing way of life; continually reviewing, analysing and improving not only service management processes but the services themselves.

While analysing ways to improve services other opportunities the reader will learn techniques to improve their lifecycle practices of Service Strategy, Service Design and Service Transition as well as the day-to-day Service Operation more commonly associated with service improvement. The ITIL Practices for Service Management five core publications represent the entire service lifecycle and have intricate interrelationships. For example, if a Service Design is less than optimal, it makes it harder to transition that service into production and results in service issues in the Service Operation part of the lifecycle. These intricacies need to be addressed as part of CSI.

With CSI, it is important to remember the currently agreed service levels and perception customers have of the current services. CSI cannot be IT centric. Best practice is to be business oriented and customer centric while at the same time staying within the limits of the feasible.

There are many methods and techniques that can be used to improve service management processes and services in general. Don't rely upon only one but explore a number of them in an effort to provide the most effective and efficient results.

CSI needs to be treated just like any other service practice. There needs to be upfront planning, training and awareness, ongoing scheduling, roles created, ownership assigned and activities identified in order to be successful.