www.iccmco.us

ITIL V3 Service Catalogue

Integrating your Front and Back Office Functions

Written By: ICCM Solutions
☎+44 (0) 1666 828600
✉ enquiries@iccm.co.uk

Date: Monday, November 16, 2009

Executive Summary

Whatever your experience or opinion of the economic environment in 2009, a result is that IT organizations have come under increasingly focused scrutiny as to the value they bring to the business and the costs they incur providing the services required for the business to meet is objectives.

As part of this focus, alignment of IT organizations to the business has been more important than ever before which has resulted in more IT organizations looking to the ITIL V3 framework to help achieve this.

IT organizations who have already started the ITIL 'journey' and have reached a level of maturity are being asked to prove the value returned to the business and demonstrate ROI and business benefits achieved.

One of the fundamental components of ITIL V3 is the introduction of Service Portfolio Management and Service Catalogue Management within Service Strategy and Service Design. Conducted effectively Service Portfolio Management and the Service Catalogue are powerful tools, helping achieve alignment to business objectives as well as providing visibility of the value of the IT organization and the work carried out.

However many Service Catalogue implementations fail completely or do not deliver to expectation. There are many reasons for these failures which will be addressed in this white paper, but put simply the core reason is that the purpose and delivery of Service Portfolio Management and the Service Catalogue is either misunderstood or the alignment of IT and the business simply does not happen resulting in an un-usable or unwieldy end product and dissatisfaction.

The routes many businesses now take to adopting a Service Catalogue involve deployment through Front Office and Back Office applications. While this has led to more successful Service Catalogue implementations, because of the technology constraints of the applications put to use, many organizations still have failed to realize true Business and IT organization alignment because this was not inherent from the beginning.

This white paper examines the use of BPM technology and involving Enterprise Architecture (EA), Business Process Analysis (BPA) and Business Process Execution (BPE) from an early outset to enable collaboration between all the stakeholders, improvement in visibility and communication through common languages, and process improvement resulting in the effective deployment of Service Portfolio Management and a Service Catalogue that benefits and involves the WHOLE business.

Introduction

The understanding of the differences between Service Portfolio Management and Service Catalogue Management is often one that is blurred, yet they are two distinct processes within ITIL V3. The purpose of this introduction is not to give an in-depth discussion into each of these areas but to give enough information for understanding for the purposes of this white paper. For further information please refer to the ITIL V3 Service Strategy and ITIL V3 Service Design books by OGC.

Service Portfolio Management

Within the context of the IT Organization the Service Portfolio Management describes the offerings of the IT Organization as a Service Provider in terms of the business value of those Services.

A Service Portfolio should be a method to decision making to allow the Business and the IT Organization to answer strategic questions and govern the investments made in service management across the enterprise and manage them for value.

A portfolio is a group of investments that share similar characteristics such as strategic value or discipline.

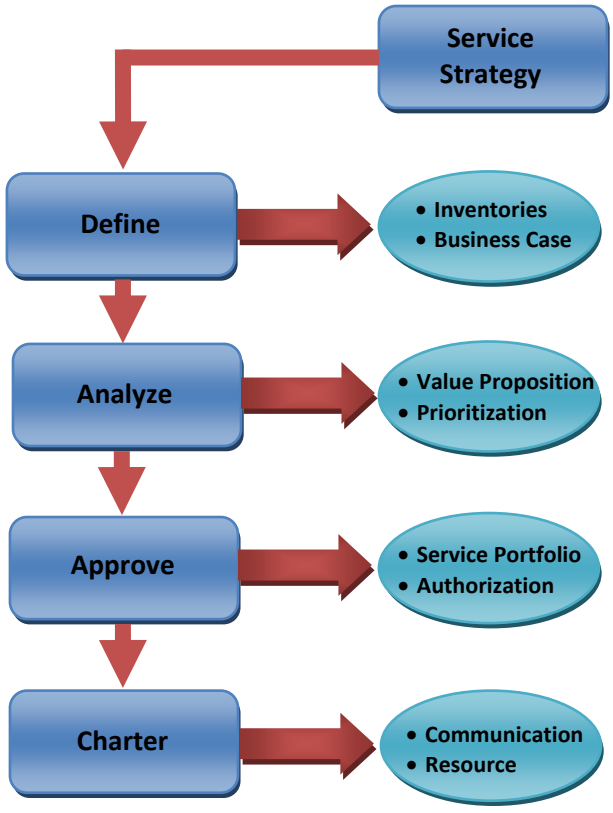


Figure 1.0 Service Portfolio Process [1]

The process begins with collecting data from any existing services as well as every future proposed or conceptual services, whatever the costs, capabilities or resource.

Analytics should understand the data that is going to be collected during the process and should ideally be understood before the process begins (see later) and fit into the strategic intent of the business.

Once the possible 'future states' of the business have been defined in the previous two phases then approvals (or declining) those states is conducted including the authorization of additional resource and new Services.

Once approval has been made then the decisions and action items should be communicated to the business and aligned to budget or financial aspects.

Service Catalogue Management

The purpose of Service Catalogue Management is to provide a single source of consistent information on all of the agreed Services. Access to this information should be widely available but only to those who are authorized to access it.

By ensuring that all areas of the business have this visibility, within a customer facing view, expectations in terms of business processes used, service levels, and quality of service can be more effectively managed.

The Service Catalogue should be integrated into the Service Portfolio and contain details of all the Services being prepared for transition to the live environment as well as those Services currently being provided.

The Service Catalogue should contain 2 aspects; The Business Service Catalogue and the Technical Service Catalogue

Business Service Catalogue	Contains details of all IT Services delivered to customers together with the relationships to other business units and business processes that rely on the IT Services. This view is typically the customer view of the Service Catalogue
Technical Service Catalogue	Contains details of all IT Services delivered to customers together with the relationships to supporting services, shared services, components, and CI's that are necessary to support the provision of the Service to the business.

Figure 1.1 The Business Service Catalogue and Technical Service Catalogue [2]

Why Service Portfolio and Service Catalogue Management is Important

Feedback from our customers indicates that the most common complaints made against IT Organizations centre around lack of visibility and not meeting expectation. You may recognize some of these (!) but these complaints can come in many flavours:

"So what does IT do exactly?"

"Why has IT got such a huge budget?"

"I logged a call with IT and I have heard nothing since, and I needed this done today"

Service Portfolio Management is a key strategic element to ensuring that the IT Organization is aligned to the business. Through understanding the requirements of the Business, short/mid/long term objectives, value to the Business of each objective, the IT Organization can document this within the Service Portfolio.

Each record within the Service Portfolio can then be assessed against cost benefits, risk to the business, compliance requirements etc, allowing the IT Organization and the Business to make better, informed decisions. The result is that Services published from the Service Portfolio and brought into the production environment (and consequently also into the Service Catalogue) are more likely to be fit for purpose and fit for use as they have involved the Business from the outset, rather than the IT Organization making an interpretation of Business need.

Service Portfolio Management goes some way to addressing the above complaints as it integrates the IT Organization and the Business from the outset, resulting in the Business understanding the IT Organizations role in supporting the business in its objectives and also the costs incurred. Because the IT Services being delivered are more closely aligned to the Business it is also easier for the IT Organization to understand how they deliver value, and allow focus on those areas where further value can be added. The IT Organization can also further manage changing demand for IT Services making justification for securing finance and resource through being supported by published Management Information.

Service Portfolio Management however is no good on its own as it is the nature of an IT organization (and in particular an IT Infrastructure) that it is not noticed until it is needed or something goes wrong. Unless expectations and communication of Services provided are managed, the IT Organization can almost become disparate from the rest of the business due to its customer perception. This results in the goal of the ITIL adoption (alignment to the business) even more difficult to achieve!

Visibility and communication is therefore key, and one of the primary purposes of a Service Catalogue is to provide a 'shop window' to internal business customers and end users on what Services the IT Organization provides to help them do their jobs. The Service Catalogue should also clearly state agreed Service Levels, costs, delivery dates, descriptions etc to facilitate expectation with customers and end users. Differences in expectations can then be more easily managed and feedback and reviews managed in the Service Portfolio (i.e. if quicker delivery times are needed investigate into the demand, business need, cost justification etc can be made).

The Service Catalogue can also enable consistent Service delivery and Service quality as having standard templates within the Service Catalogue for Service Requests (office moves, new software etc) allows the IT Organization and its staff to handle these requests in a repeatable manner, preventing each from being treated uniquely and 'whoever shouts loudest' scenarios.

Flexibility should also be inbuilt however to allow different business customers or end users the ability to choose differing tiers of service based against either their roles or pre-defined criteria. A 'one size fits all' Service Catalogue will inherently be not fit for use simply due to different business requirements (The CEO for example would need to have a different delivery time for an office move for example). Different tiers may also have different costs associated to them and therefore this needs to be visible, or maybe even require approval, should this be available.

This multi-tier and multi-role approach to the Service Catalogue can assist with other ITIL disciplines (Capacity/Demand Management). Through providing metrics on the differing costs of Service provision at different times, and shaping user behavior based on costs and service level options, the IT Organization can further meet Business requirements while improving quality of service provision at the same or even reduced costs.

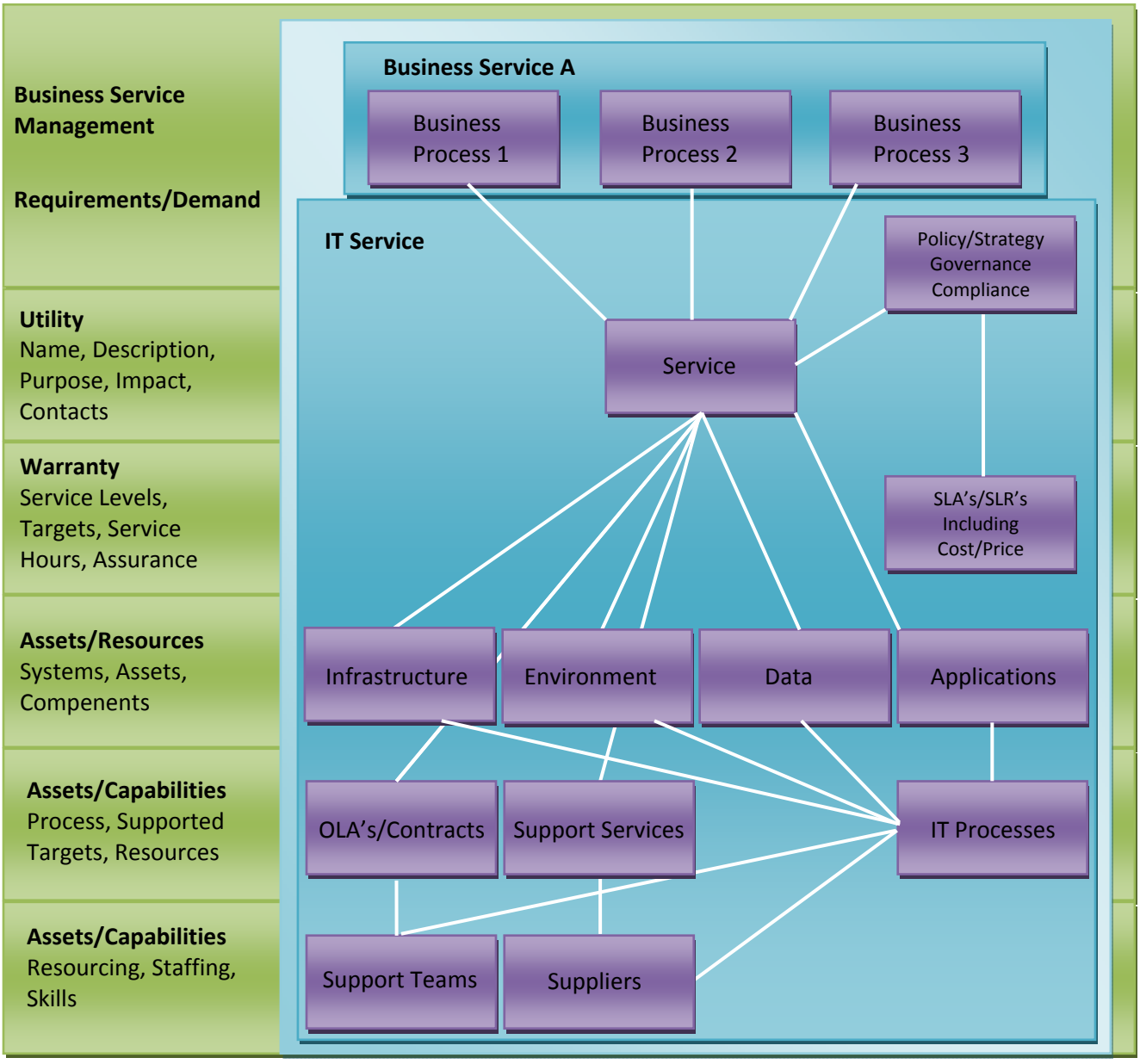
Why Service Portfolio and Service Catalogue Implementations Fail

There are many challenges to implementing Service Portfolio and Service Catalogue Management and not addressing these will result in either a solution that is not fit for purpose or even fail completely.

'The Inherent Disconnect'

When considering Service Design there are many factors and constituent parts that must be taken into consideration as new Services are created and existing Services evolved to meet changing business need.

Figure 1.2 Service Constituents[3]



Bringing together these different Service constituents has traditionally fallen outside of the scope of Service Management tools, simply due to the restrictions and lack of capability of the technology that they use.

During this Service Design phase most Businesses face some fundamental challenges as they strive to remain competitive in challenging market places. These challenges include:

- Understanding the underlying dynamics of the Business and collaborating and co-operating to ensure that all pieces and business units fit together
- Ensuring agility within the context of the overall Business strategy and architecture
- Maximizing the effectiveness of key business processes, intertwined with other enterprise assets to achieve strategic objectives
- Executing optimized effective business processes with cross functional transparency and the flexibility to adapt and implement new ideas quickly

The success of overcoming these challenges requires in-depth, rich capabilities within each respective area, however traditional Service Management and Service Catalogue tools, as this is not their core capability, are not aligned for this optimal integration and collaboration capability and have huge gaps between strategy and execution.

This results in disconnected or disjointed Service Catalogue initiative which operates far below its full potential.

The standard approach to deploy a Service Portfolio and Service Catalogue is to adopt a 'Front Office' and 'Back Office' structure. This has come about from where businesses are typically defined into departments or business units with, for example, Sales & Marketing being classed as 'Front Office' business units due to their primary functions being interaction with customers. Back Office business units such as manufacturing, administration, logistics are classed as 'Back Office' due to being 'out of sight'.

Back Office functions and processes within the IT Organization include Incident, Problem, Change Management, the Service Desk, Service Level Management, Configuration Management (CMDB) etc.

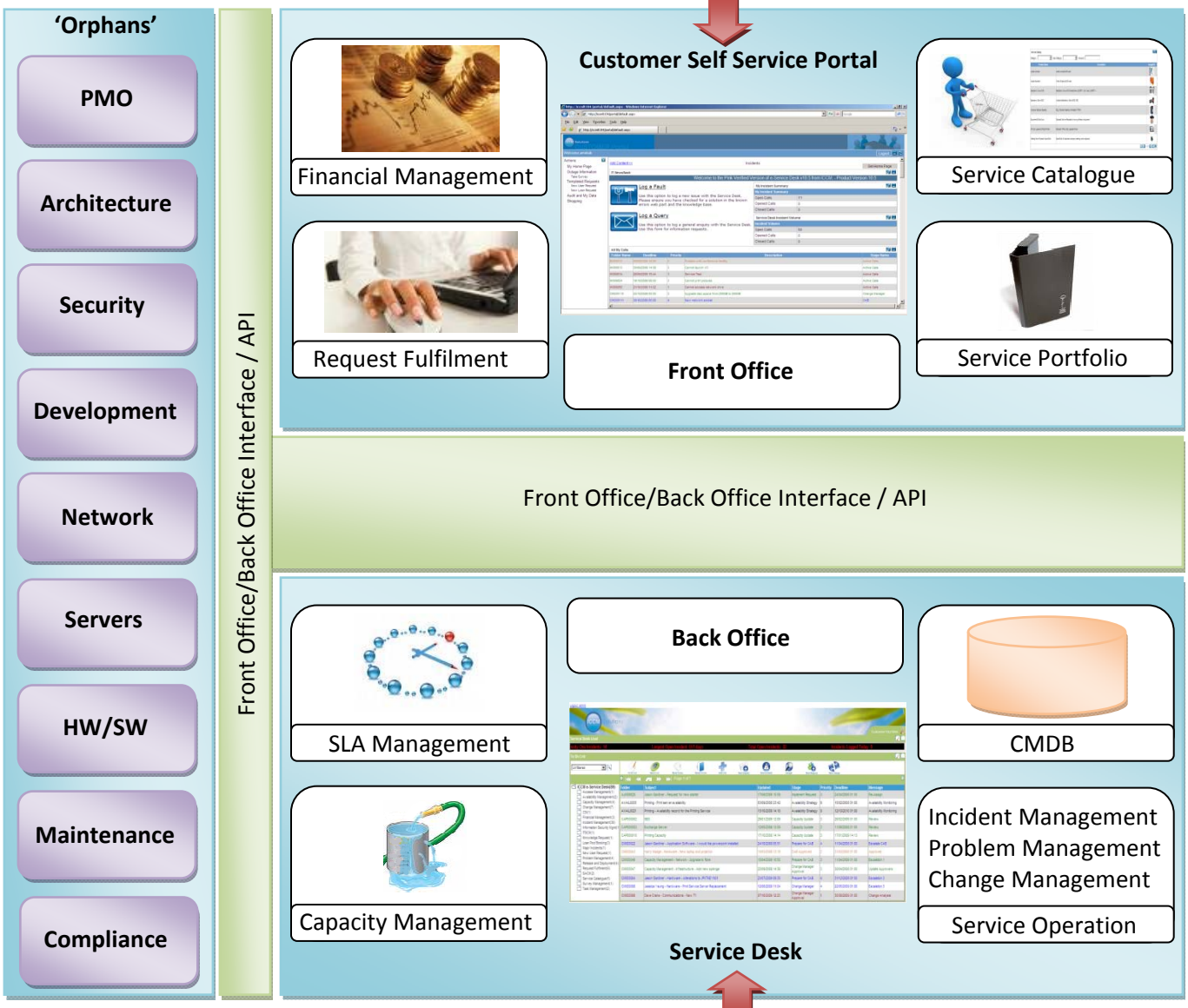
Front Office functions and processes can then include Service Portfolio Management, Service Catalogue, Request Fulfilment, and a Customer Self Service Portal to name a few.

Figure 1.3 displays a typical Service Portfolio/Service Catalogue structure adopted by our customers prior to looking at BPM.

Figure 1.3 Front Office & Back Office Structure

Different groups of staff should have different levels of access and visibility and entitlements. Account Managers will typically view Financial/Vendor information while End Users will make Service Requests based against their own individual permissions and requirements

Relationship/Account Managers
Business Customers
End Users
Service Delivery Managers



Back Office activities typically carried out by Service Desk staff, Change and Release Managers

Support/Technical Teams
Change/Release Managers
Service Level Managers

The nature of this structure results immediately in a 'barrier' or a 'disconnect' between the Front Office and Back Office Functions resulting in uncoordinated effort, lack of communication and not meeting customer expectation. Many Service Management and Service Catalogue vendors, in the best case scenario, approach this through building API's between the applications in the Front Office and Back Office environments. In a worst case scenario applications or departments in these Front and Back Office environments continue to operate independently to each other with no integration or process efficiency.

This may not become apparent until a loss of service occurs, or customer complaint received, or for example through being audited and non-compliance to a security standard is discovered.

This is identified in Figure 1.3 through the 'orphans' who sit 'outside' of these Front and Back Office environments in their own little 'silos'.

By not integrating these 'silos' Businesses will never realize the full potential of their Service Portfolio and Service Catalogue even should they be introduced and operating.

'The Inherent Solution'

The Service Portfolio and Service Catalogue needs to be part of the overall Business strategy and contributing to that is the need to plug the 'disconnect' and start collapsing the boundaries that inherently exist in a Front and Back Office solution.

One of the keys drivers to the success of execution and strategy is collaboration between IT and the Business and taking a holistic view of requirements. Business Architects, Business Analysts and IT Architects need to work together to aid senior management to define strategy to a necessary level to implement a successful solution.

Increased visibility into business processes and relationships to customers and suppliers will influence business architecture, information architecture and technology architecture, enabling smart decisions in the Service Portfolio Management process providing the best value proposition while supporting the overall business strategy.

New organizational models allow IT to focus on activities that provide higher value to the business (such as Enterprise Architecture (EA), Business Architecture (BA), Business Process Analysis (BPA) and Business Process Management (BPM).

These activities work together to deliver results faster with a higher level of success from a business context and to realize the integration of strategy and execution.

This new way of working requires tools and platforms that foster communication and collaboration, making a shared understanding of enterprise assets available to both IT and the Business. These tools must be easy to use by the business, but must also support the complexities of the enterprise in order to be valuable to IT and the Business and also make a lasting positive impact.

ICCM e-Service Desk, built upon the Gartner recognized, industry leading BPM technology from Metastorm™ is the first Service Management solution to really tackle these concepts from the top level down and engage Service Management with the whole business from these first initiatives.

Figure 1.4 ICCM e-Service Desk methodology[4]

Due to the underpinning BPM technology of ICCM e-Service Desk the *technology* follows a principle similar to the 'Plan, Do, Check, Act' cycle within ITIL V3. The key word here is *technology*. Before within Service Management this cycle has had to be followed through a blend of Applications, Management Information, Customer Feedback, custom API's, with little assistance from the technologies employed, simply because of capabilities of those technologies.

BPM technologies have this cycle embedded within their DNA, they cannot operate without following this cycle or these principles. By enabling process efficiency and gluing together activities they can provide true end to end process execution. There is very little requirements for identifying push/pull responsibilities when defining Service Request automation within a Service Catalogue as it is incumbent within the process.

Identifying alerts, escalations, re-assignments, proactive corrective actions, bottleneck prevention are all inherent activities within BPM.

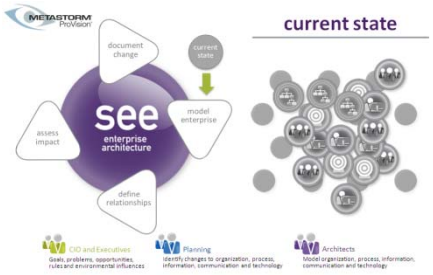
BPM technology also ensures optimum resource utilization and helps improve productivity through organization, scheduling and distribution based upon the process rules and parameters and user skills, availability and workload, with the end result being reduced costs

Process standardization and consistent quality so that in every instance the execution is always the same. Process managers can also easily supervise, track and monitor the status of the process instances and take early corrective action when required

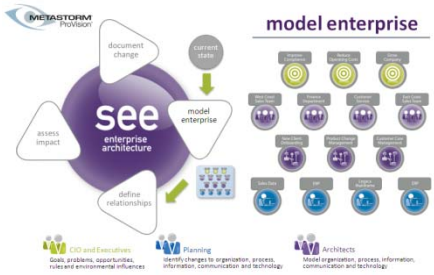
Process improvement is then achieved through the use of simulation tools, identifying bottlenecks and activities with high waiting times. Process managers can measure process performance data to support KPI and management information. Outside of active processes simulation can also be carried out for theoretical capacity models. All these activities, usually conducted separately within a traditional Service Management environment, can now be integrated ensuring true end to end Service Management and Service Lifecycle Management.

'The 11 steps to Service Strategy and Service Design in e-Service Desk'

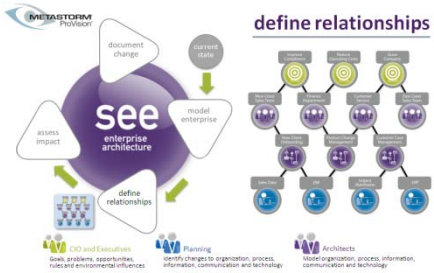
The Service Portfolio and Service Catalogue needs to be part of the overall Business strategy and contributing to that is the need to plug the 'disconnect' and start collapsing the boundaries that inherently exist in a Front and Back Office solution.



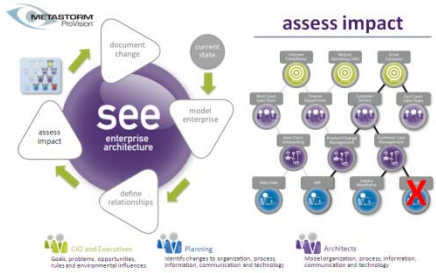
Understand the current state of the Business. This may be a painful exercise as information gathering and conducting gap analysis activities may expose areas of the Business that may have been misunderstood or unknown.



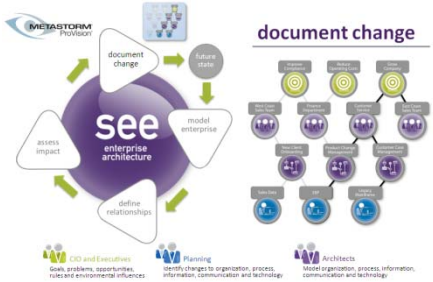
Model the enterprise of the Business. This can be achieved in any industry recognized framework TOGAF, DoDAF, FEAF, Six Sigma etc.This also ensures that each individual business unit can communicate their requirements in their own language back to the rest of the business who can then see those requirements in the language understood by them.



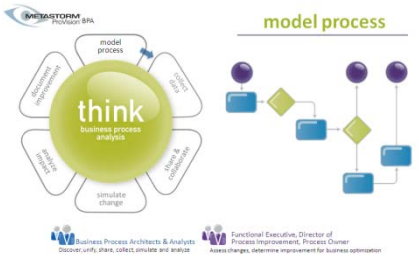
Understanding the relationships between different business units, how they interact, any operational level agreements or dependencies that may exist. Escalation and reporting paths can also be decided at this level. Roles and Responsibilities are also important, linking your Services to Availability plans for example and who is responsible for what in the event of availability failure.



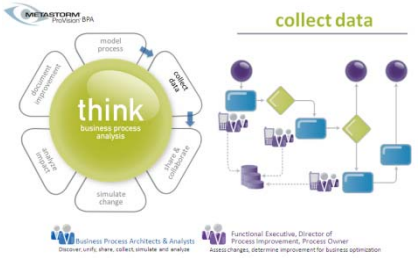
Impact assessment is important to determine. What happens should a Service become unavailable? How is the Service Catalogue linked to your ITSCM plans. Who is responsible for disaster recovery? The 'orphan' functions in figure 1.3 suddenly have a part to play. If not integrated into your service strategy from the outset how sure are you that you have end to end service coverage?



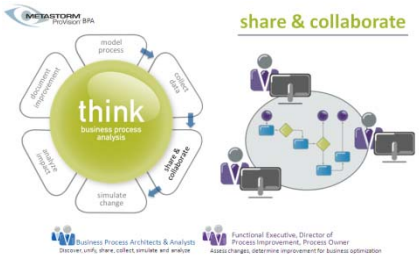
To be aligned to the business communication and visibility are essential. Ensure that any changes are documented, and are available to the appropriate users at the appropriate level. The Service Catalogue interface in your Front Office structure is the ideal medium for this communication!



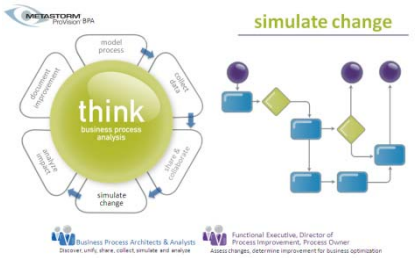
Once the enterprise architecture activities have been completed we can then move onto process modeling. In terms of standard processes (Request Fulfilment for example) standard process templates have already been provided. But what about the other business processes identified in figure 1.1?



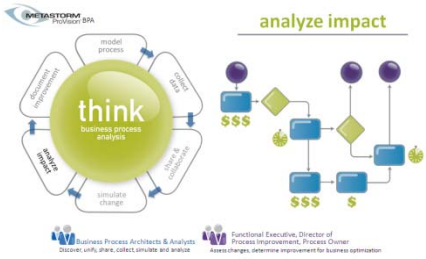
Gather and understand the data that needs to be captured within the process and also reporting requirements for both management information and process improvement.



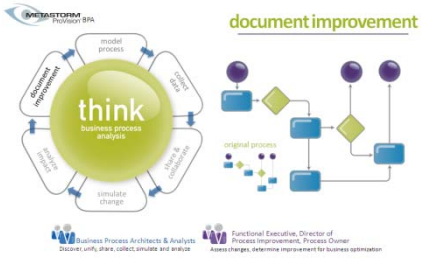
Once your processes have been defined and data gathered share this across all the stakeholders. Again, alignment with the business is what ITIL is all about and further communication ensures expectations will be set as to what is delivered.



Inbuilt into the BPM technologies are process simulation capabilities. This is something that is not well handled by other Service Management tools, and additional products then have to be purchased resulting in further cost and integration considerations. Process simulation allows for process optimization and understanding **before** deployment into production



Impact assessment is important to determine. What happens should a Service become unavailable? How is the Service Catalogue linked to your ITSCM plans. Who is responsible for disaster recovery? The 'orphan' functions in figure 1.3 suddenly have a part to play. If not integrated into your service strategy from the outset how sure are you that you have end to end service coverage?



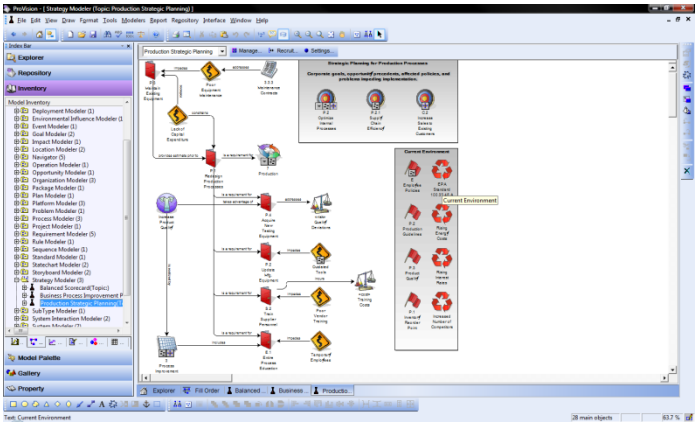
To be aligned to the business communication and visibility are essential. Ensure that any changes are documented, and are available to the appropriate users at the appropriate level. The Service Catalogue interface in your Front Office structure is the ideal medium for this communication!

'So how is this achieved?'

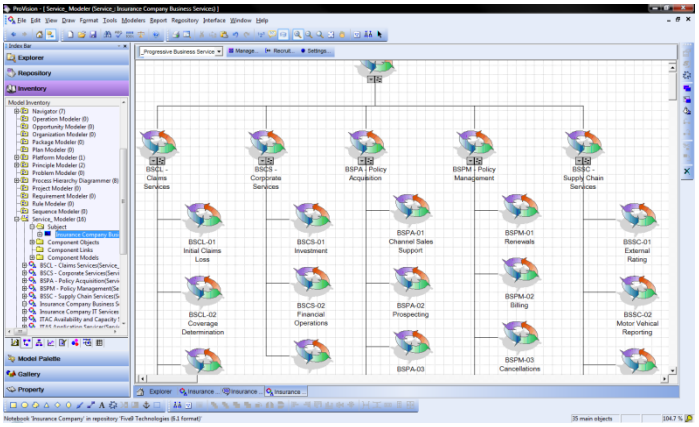
As part of the underpinning Metastorm technology of ICCM e-Service Desk, ICCM offer Metastorm Provision, an Enterprise Architecture tool allowing access to business users through a simple web based repository. By exposing EA (and consequently Service Strategy and Service Design) to a larger **collaborative** audience the Business is able to deliver greater value and improved IT Organization and Business alignment.

Service Portfolios and Service Catalogues are built into the overall Business strategy and architecture through the use of the following models:

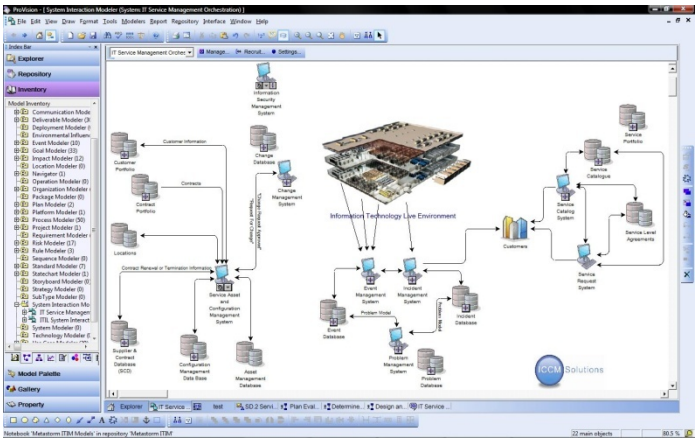
Strategy model allows strategic components such as Plans, Projects, Goals, Problems, Opportunities, Rules and Environmental Influences to be related on the same model to display the strategic Influence each has on the others. The Strategy model is used for a variety of purposes, such as supporting the Balanced Scorecard approach for setting goals and measuring performance, or Cause and Effect analysis.



It is the Capability Models that are actually used to design the Service Catalogue. Within EA "Capabilities" have very similar characteristics to ITSM services. The Capability model organizes the defined abilities within the enterprise into a hierarchy. The Capability is effectively a grouping mechanism that assembles the People, Processes, Systems, etc. to enable the enterprise to produce certain products and services. A Capability model then provides for the grouping of narrower Capabilities into broader Capabilities. A general Capability is placed at the highest level in the hierarchy.



A System Interaction model depicts the logical interface links that are required for system components at various sites to interact. The objects available on the System Interaction model include physical sites (Locations, Facilities and Equipment) and system objects (Systems, Stores and Networks). This can effectively map out your CMDB and its relationships to your Services if required.The System Interaction link which ties the system objects together relates the technical paths of communication (or networks) that exist (or should exist) between these objects.

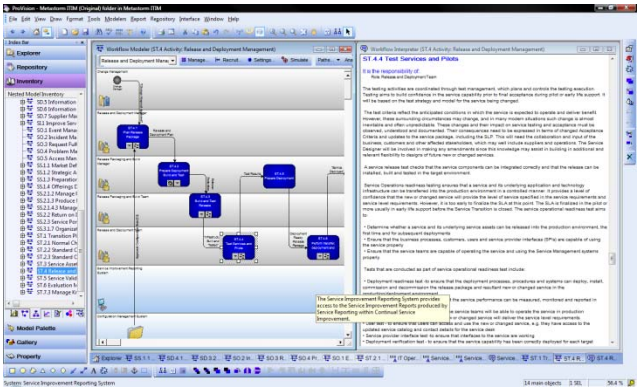


Other models can also be used if desired:

Goal models which organize the goals and metrics of the enterprise into a hierarchy. Goal models frequently mirror process models where the top level goals apply to the process and are then detailed based upon the components.

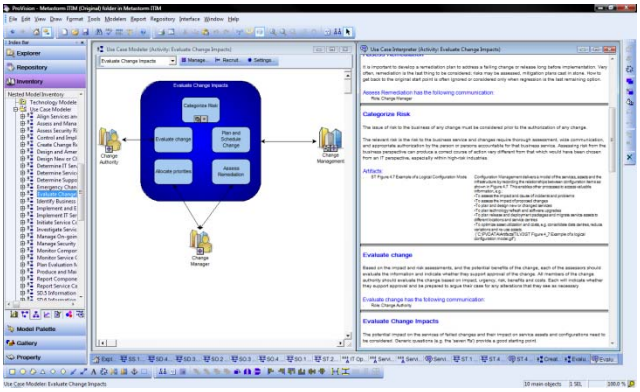
Organization model structures various organizational components that comprise an enterprise into a hierarchy. These organizational components are Markets, Organizations, Roles and People. By placing Organizations into an Organization model, the organizational structure of the enterprise can be presented and understood within the Service Catalogue.

Once these models have been established the following activities can be carried out:



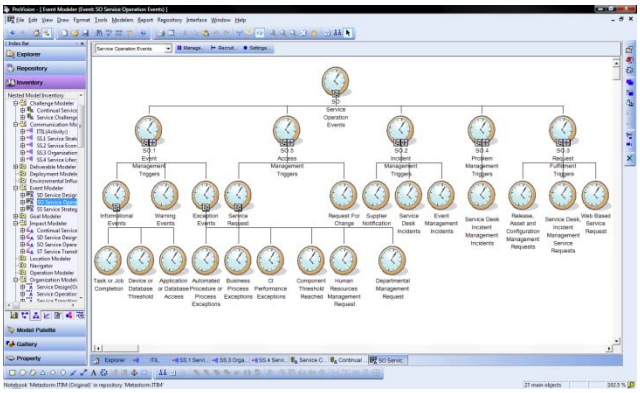
Create workflow models representing required Business Process in terms of their component Activities, and the flow of work among these Activities. Once created, a Workflow model can be simulated to analyze process performance in terms of cost, timing and resource constraints.

The Workflow model serves as the basis for redesigning the Process, or redesigning the organizational structure to better support the Process.



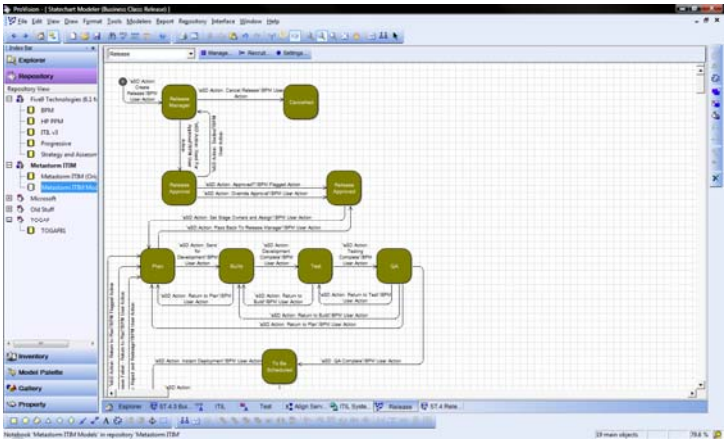
A Use Case model then represents how organizational components (Markets, Organizations, Roles and People) and Systems interact with a Business Process or Activity to receive Deliverables that are of value to them.

The Use Case model simplifies analysis by logically partitioning the business into portions that service these interactions.



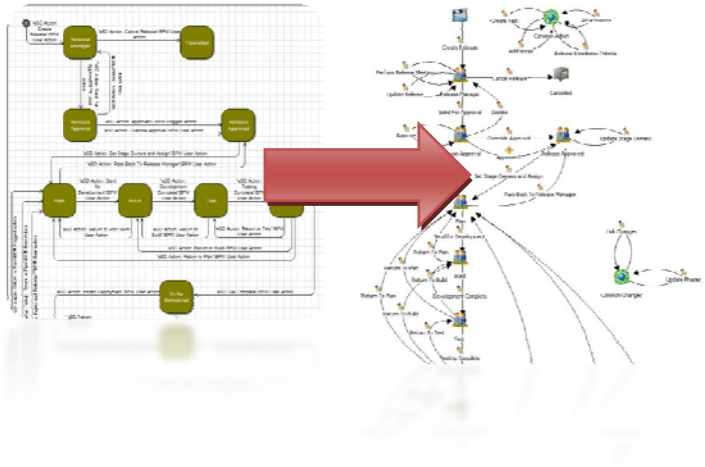
An Event model organizes the Events that are of importance to the enterprise into a hierarchy. Events initiate Business Processes or Activities from which a planned response or Deliverable is produced.

The Event model categorizes the Events used by the business. This facilitates the navigation to a Use Case model that describes an event or to other models where



The State chart model illustrates the lifecycle for instances of a particular Business Class. State chart Models assist in identifying the "dynamics" of a Class.

The model depicts the major stages (States) that an instance of the Business Class can undergo, the allowable Transitions between States, and the Operations that transition the Class from State to State.



The business processes are then migrated into a process designer tool and process execution layer.

Processes can be templated, amended, as required and then MI information fed back into CSI and the Service Portfolio.

Summary

The execution layer and process engine for all of this technology effectively can act as ‘glueware’ between your Front and Back Office solutions and also the traditionally ‘orphaned’ IT and Business silos. Integration or automation of other business processes can also be achieved resulting in further cost efficiencies and process improvement.

Acknowledgements

[1] Reference: OGC ITIL V3 Service Design

[2] Reference: OGC ITIL V3 Service Design

[3] Reference: OGC ITIL V3 Service Design

[4] Metastorm: 'See Think Do' Methodology