Session 2 - Key Components

- Session kickoff
- Agenda
  - Introduction and course background
  - Recap key points from session 1
  - ITIL Service Value System
  - Session 1 takeaway exercise
  - Majority of our time today talking about Four Dimensions of Service Management
  - Takeaway exercise
- Logistics for the meeting
  - Stay on mute if not speaking
  - Use chat for questions
  - I’ll have times to stop to answer questions
  - I’ll keep this as interactive and engaging as possible
  - I will follow up with any questions I can’t get to during session
- Introduction
  - Instructor: Cyrus A. Howells
  - Senior Process Engineer
  - Been with DLC since November 2016
- itSMF Utilities COI
  - We provide a forum to discuss, development, and adopt IT Service Management (ITSM) principles and best practices in support of utility organizations.
  - We are not limited to but generally include companies who generate, distribute or resell; electricity, gas, water, sewer and telecommunications services.
- itSMF USA
  - We are a volunteer-led, vendor-neutral community dedicated to the promotion, adoption, and advancement of service management best practices and standards that help your organization run more effectively and efficiently to deliver bottom-line results.
- Recap
  - What is the purpose of the course?
    - Develop common terminology and understanding as it comes to ITIL and IT Service Management
    - Improve individual service management skills
    - Improve department service management capability
    - Improve customer service management experience
    - Improve understanding of the IT role, not just the IT Organization (what I do as opposed to where I sit in the organization)
  - What is the objective(s) of the series?
    - Understand what ITIL is (and isn't)
    - Where do I and what I do fit in
    - Understand how the ITIL framework can help
    - Provide a reference for future needs - A detailed document will be provided to participants for each session
    - Provide information to help you find a path forward
ITIL 4 - Session 2: Key Components

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- From Session 1
  - What is a best practice framework - A IT Service Management framework is a set of policies, processes and procedures for managing the implementation, improvement and support of customer-oriented services
  - What is IT Service Management (ITSM) - A set of specialized capabilities of IT as an organization for enabling value for customers in the form of services.
  - Why ITIL?
    - Holistic approach to ITSM delivery - The four dimensions are critical to the successful facilitation of value for customers and other stakeholders.
    - ITIL is not a replacement for, but compliments other practices and frameworks such as IT4IT, COBIT, DevOps, Togaf, etc.
  - History of ITIL - How we got here - What started in 1972, when IBM was researching what was called the Information Systems Management Architecture (ISMA) to today with ITIL 4

- Key Components
  - The key components of the ITIL 4 framework is the ITIL service value system (SVS) and the four dimensions model.

- ITIL Service Value System
  - The ITIL SVS represents how the various components and activities of the organization work together to facilitate value creation through IT-enabled services.
  - The core components of the ITIL SVS are:
    - the ITIL service value chain (session 3) - A service value chain, the central element of the service value system (SVS), is an operating model that outlines the key activities required to respond to demand and facilitate value realization through the creation and management of products and services
      - Value Chain Activities
        - Plan - wrap around other activities
        - Improve - wrap around other activities
        - Engage
        - Design and Transition
        - Obtain or build
        - Deliver and support
      - This is the central element on which the rest of the service value system (SVS) is built
    - the ITIL practices (session 4)
      - General Management Practices
      - Service Management Practices
      - Technical Management Practices
  - Governance (session 6)
    - The role and position of governance in the ITIL SVS depends on how the SVS is applied in an organization. The SVS is a universal model that can be applied to an organization as a whole, or to one or more of its units or products. In the latter case, some organizations delegate authority to perform governance activities at different levels. The governing body of the organization should
retain oversight of this to ensure alignment with the objectives and priorities of the organization. 

As an organization, you determine how and how much of the SVS (and governance) you need to apply to enable your organization to deliver value by way of your products and services.

- Regardless of the scope of the SVS and the positioning of the components, it is crucial to make sure that:
  - the service value chain and the organization’s practices work in line with the direction given by the governing body
  - the governing body of the organization, either directly or through delegation of authority, maintains oversight of the SVS
  - both the governing body and management at all levels maintain alignment through a clear set of shared principles and objectives
  - the governance and management at all levels are continually improved to meet expectations of the stakeholders.

Ideally, an organization is in alignment on the principles and objectives with a determination to continually improve their products and services.

- the ITIL guiding principles (session 5) - A guiding principle is a recommendation that guides organizations in all circumstances, regardless of changes in their goals, strategies, types of work, or management structure. A guiding principle is universal and enduring. 
  - Big rules
    - Seven Guiding Principles
      - Focus on Value
      - Start Where You Are
      - Progress Iteratively with Feedback
      - Collaborate and Promote Visibility
      - Think and Work Holistically
      - Keep It Simple and Practical
      - Optimize and Automate

- Continual improvement (session 5)
  - A key component of ITIL. Note: An integral part of Lean (PDCA), Agile (retrospectives), DevOps (continual experimentation and learning and mastery), and other frameworks
  - The continual improvement model
    - What is the vision?
    - Where are we now?
    - Where do we want to be?
    - How do we get there?
    - Take action
    - Did we get there?
    - How do we keep the momentum going?
    - What isn’t a step is where were we? We don’t look back, we look forward.

- ITIL Service Value System - Summary
  - ITIL service value chain
  - ITIL practices
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- Governance
- ITIL guiding principles
- Continual improvement

**RESPONSE TO QUESTION**

- Takeaway: Where do I / what I do fit in?
  - List 1-5 IT processes / services you participate in
  - List 1-5 business services / processes you support (directly or indirectly)
  - How do or could you impact the external customer * (positive or negative)?

- What's the look like
  - 22 ITIL practices
  - 18 business processes
  - 8 business services

- Individually it may feel insignificant, but collectively we have a monstrous impact on the company and service provided to our customers.

**Four Dimensions of Service Management (30 minutes) 3:25 PM**

- Organizations and people
- Information and technology
- Partners and suppliers
- Value streams and processes.

- Four Dimensions of Service Management and the value balance
  - Where there is a new or an existing service, there are four dimensions, and relationships between them must be addressed in balance
  - Failing to address all four dimensions properly may result in services becoming undeliverable, or not meeting expectations of quality or efficiency
  - For example, failing to consider the value streams and processes dimension holistically can lead to wasteful work, duplication of efforts, or worse, work that conflicts with what is being done elsewhere in the organization.
  - Equally, ignoring the partners and suppliers dimension could mean that outsourced services are misaligned with the needs of the organization.
  - The four dimensions do not have sharp boundaries and may overlap. They will sometimes interact in unpredictable ways, depending on the level of complexity and uncertainty in which an organization operates.

**Organizations and People**

- **Definition - Organization** - A person or a group of people that has its own functions with responsibilities, authorities, and relationships to achieve its objectives.

- **Key aspects**
  - Roles and responsibilities
  - Systems of authority and communication
  - A culture that supports objectives
  - The right level of capacity and competency in the workforce

- **Examples**
  - Individual - A person who is the only one responsible for an activity (single point of failure)
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- Team
- Function
  - Projects and Services
  - Business Enablement
  - Application Development and Support
  - Compliance and Information Security
  - Infrastructure Services
  - Finance and Accounting
- Department
- Business Unit
- Business Line
- Company
- All together provides value to the customer (ring of value)
  - This is a major element in the ITSM Supply Chain Model

2. Information and Technology
   - Key aspects
     - Information and knowledge necessary for management of service
     - Technologies required to support services
     - Inputs and outputs of activities and practices
   - Key Questions - Information
     - In relation to the information component of this dimension, organizations should consider the following questions:
       - What information is managed by the services?
       - What supporting information and knowledge are needed to deliver and manage the services?
       - How will the information and knowledge assets be protected, managed, archived, and disposed of?
   - Key Questions - Technology
     - Most services nowadays are based on IT, and are heavily dependent on it. When considering a technology for use in the planning, design, transition, or operation of a product or service, questions an organization may ask include:
       - Is this technology compatible with the current architecture of the organization and its customers? Do the different technology products used by the organization and its stakeholders work together? How are emerging technologies (such as machine learning, artificial intelligence, and Internet of Things) likely to disrupt the service or the organization?
       - Does this technology raise any regulatory or other compliance issues with the organization’s policies and information security controls, or those of its customers?
       - Is this a technology that will continue to be viable in the foreseeable future? Is the organization willing to accept the risk of using aging technology, or of embracing emerging or unproven technology?
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- Does this technology align with the strategy of the service provider, or its service consumers?
- Does the organization have the right skills across its staff and suppliers to support and maintain the technology?
- Does this technology have sufficient automation capabilities to ensure it can be efficiently developed, deployed, and operated?
- Does this technology offer additional capabilities that might be leveraged for other products or services (value add)?
- Does this technology introduce new risks or constraints to the organization (for example, locking it into a specific vendor)?

3. Partners and Suppliers
   - Key aspects
     - Relationships with other organizations involved in services
     - Contracts and other agreements between the organization and partners or suppliers
     - Remember: This isn't just with other companies. This can be a service partnerships within internal organizations
       Example: HR and IT partner together to on-board new employees
     - A key element of this dimension is the strategy of the organization around suppliers
     - Factors influencing Organizational Supplier Strategy
       - Strategic focus - what is the organizations strategy for supplier
       - Corporate culture - what is the organizations culture around supplier
       - Resource scarcity - Resource or skillset shortage
       - Cost concerns - Economics of using a supplier
       - External constraints - Regulation or policy
       - Subject matter expertise - risk of a supplier versus developing in house
       - Demand patterns - seasonal or high variability
     - Definition - SIAM - Service Integration and management
       - One method an organization may use to address the partners and suppliers dimension is service integration and Management (SIAM). This involves the use of a specially established integrator to ensure that service relationships are properly coordinated. Service integration and management may be kept within the organization, but can also be delegated to a trusted partner. Think about an integrator like a general contractor who has responsibilities for subcontractors.

4. Value Stream and Processes
   - Key aspects
     - Are the information and knowledge activities, workflows, controls, and procedures needed to achieve objectives defined?
     - How do the various parts of an organization work in an integrated, coordinated way?
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- How does an organization ensure it is enabling value creation for all stakeholders?
  - Example: IT and a business unit are both stakeholders. The business unit receives value by way of the products and services, IT receives value by way of funding, etc.

  ITIL Service Value Chain
  - Value stream - steps used to create and deliver products and services to a service consumer
  - Process - interrelated or interacting activities the transforms inputs into outputs
    - Note: There can be one or more processes as part of a value stream

  What does that look like?
  - Value streams and their processes lay overtop of the service value system
  - We'll touch on this again in session 3 but remember a value stream isn't only the top layer, but can be broken down

  Tie it together
  - Value Stream Optimization
    - To Improve Productivity
      - Analyze the current state
      - Identify workflow barriers
      - Remove waste
    - Using the continual improvement model
    - Following the guiding principles
    - Results in improved value to customer

  Summary - These key components, the Service Value System and it's core components, and the four dimensional model is the ITIL 4 Framework
  - In future sessions, we continue to dive deeper into these key components

- Takeaway
  - Instructions
    - If you're willing to participate, or you can do this on your own
    - You'll receive this by email or you can send directly to me at chowells@duqlight.com
    - Doesn't have to be perfect
    - Don't spend more than 15 minutes
    - Don’t provide sensitive or restricted information
    - Return to me by October 30th
  - Takeaway: Where do I / what I do fit in?
    - List 5 organizations I'm part of at DLC (person, team, function, department, etc.)
    - List a value provide by each of the organizations
    - Challenge question: No response necessary but think about the value streams you play some part in.

- Session 2 sources
  - https://www.axelos.com/

- Q&A

- Next Session: Session 3: Key Concepts and the Service Value Chain - November 4th - 3:00 PM