

Foundations of ITIL® V3



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Foundations of ITIL® V3



Colophon

Title:	Foundations of ITIL® V3
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Copy editor	Jayne Wilkinson, Van Haren Publishing
Publisher:	Van Haren Publishing, Zaltbommel, www.vanharen.net
Design & layout	CO2 Premedia bv, Amersfoort - NL
ISBN:	978 90 8753 057 0
Edition:	First edition, first impression, September 2007 First edition, third impression with minor amendments, May 2008 First edition, fourth impression, March 2009 First edition, fifth impression with minor amendments, June 2010

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Foreword

It is with great pride that I present this rigorous update of “Foundations of ITIL® V3”. With the long-awaited update of ITIL®, launched in June 2007, this ITIL Foundations guide had to be completely reconfigured to suit its objective: provide an easy introduction to the broad library of ITIL core books, to support the understanding and the further distribution of ITIL as an industry standard. In addition we managed to be the first in the market, to provide this service to our members.

The main focus of this guide is on the Service Lifecycle, as defined by ITIL. The information on this lifecycle was taken from the extensive documentation of the core books, and was concentrated in Part 1. Separately, the information on all the processes and functions that were also described in the core books, was concentrated in Part 2 of this book. This approach enables readers to get a firm grasp of the lifecycle’s structure, while also having all information on functions and processes at their disposal.

The book was produced with a broad team of expert editors, expert authors and expert reviewers who all contributed to a comprehensive text, and a lot of effort was spent on the development and review of the manuscript.

For several years, “Foundations of ITIL® V3” has been a core element in the important series of ITSM guides and we expect this new edition will continue to hold that position.

Jan van Bon
Managing Editor

Acknowledgements

This publication is the result of the cooperation of many experts from the field, in many different countries, representing users, providers, government, trainers, examiners, and itSMF chapters. It was based on an itSMF publication in the Netherlands, developed as an introduction to IT Service Management, first published in April 1999. The book was originally initiated by Georges Kemmerling (Quint Wellington Redwood), and built by a Dutch itSMF project team, under the guidance of chief editor Jan van Bon. Since 1999, this project team of reviewers and co-authors has extended and improved the book, in a series of new editions, expressing the developments in the field of IT Service Management.

In May 2002 the first translation was published, in English. This first global edition was soon followed by a second, improved version, audited by selected itSMF members, cooperating in the itSMF International Publications Committee (IPESC), each representing an itSMF chapter. In addition to that, the global edition was reviewed by several experts from vendor and user organizations, and by representatives of the OGC. This resulted in the very first internationally endorsed itSMF publication, supported by the entire itSMF community, and accepted as a high quality introduction to ITIL® and IT Service Management. The book provided excellent services as an aid in understanding the published best practices in the field of IT Service Management, concentrated in and around ITIL publications, in many countries.

Since 2002, several other translations appeared. Each of these translations was developed and audited by a team of experts in the targeted language region, if possible under the guidance of an itSMF chapter. In all cases, a terminology translation table was determined, before translating the text. Translations were delivered in English, German, French, Spanish, Russian, Chinese, Japanese, Italian, Korean, Brazilian-Portuguese, Arabic, and Danish.

In 2004, this title was split into two separate publications: one covering the broad field of IT Service Management (this was the “Introduction” title), the other concentrating on the core of that field as it was scoped for the basic level of understanding of ITIL (this was the “Foundation” title).

A team of expert authors and editors who work for itSMF produced the updated text (see the Colophon). As with many of our publications a broad Review Team was composed, representing experts from various disciplines, covering user organizations, training organizations, consultancy organizations, global leaders in the IT service industry, and individual experts. All of these experts were deeply involved with ITIL in their daily practice. Most of them had already been involved in the review of one or more of the core ITIL books, or were directly involved in the ITIL Refresh project. A third publication, a pocket guide on relevant IT Management frameworks was also derived from this large manuscript. This way, the reviewers in fact reviewed three publications in one manuscript.

The reviewers that reviewed the entire manuscript, thus covering this Foundations level introduction to ITIL, are the following:

- John van Beem, ISES International, Netherlands
- Aad Brinkman, Apreton, Netherlands
- Peter Brooks, PHMB Consulting, itSMF South Africa
- Rob van der Burg, Microsoft, Netherlands
- Judith Cremers, Getronics PinkRocade Educational Services, Netherlands
- Robert Falkowitz, Concentric Circle Consulting, itSMF Switzerland
- Rosario Fondacaro, Quint Wellington Redwood, Italy
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- Jürgen Müller, Marval Benelux, Netherlands
- Ingrid Ouwerkerk, Getronics PinkRocade Educational Services, Netherlands
- Ton Sleutjes, CapGemini, Netherlands
- Maxime Sottini, Innovative Consulting, itSMF Italy
- Takashi Yagi, Hitachi Ltd., itSMF Japan

Their contributions are highly appreciated and, due to their detailed review, have improved the quality of the book significantly.

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1.1 Background

Developments in IT have had a tremendous effect on the business market during the last decade. Since the appearance of extremely powerful hardware, highly versatile software and super-fast networks, all connected to each other worldwide, organizations have been able to develop their information-dependent products and services to a greater extent, and to bring them to the market much faster. These developments have marked the transition of the industrial age into the **information age**. In the information age, everything has become faster and more dynamic, and everything is connected.

Traditional hierarchical organizations often have difficulties in responding to this rapidly changing market, and this has led to current trends for organizations to become flatter and more flexible. The focus has shifted from vertical silos to horizontal **processes**, and decision-making powers are increasingly bestowed on the employees. It is against this background that the work processes of IT service management have arisen.

An important advantage of process-oriented organizations is that processes can be designed to support a **customer-oriented approach**. This has made the alignment between the IT organization (responsible for supplying information) and the customer (responsible for using these information systems in their business) increasingly significant. Over the last couple of years, this trend has attracted attention under the title of **Business-IT Alignment (BITA)**.

As organizations gained more experience with the **process-oriented approach** of IT service management, it became clear that the process must be managed coherently. Furthermore, it was obvious that the introduction of a process-oriented work method meant a big change for the primarily line and project-oriented organizations. Culture and change management proved to be crucial elements for a successful organizational design.

Another important lesson learned was that the IT organization must not lose itself in a process culture. Just like the one-sided project-oriented organization, a one-sided process-oriented organization was not the optimum type of business. Balance was, as always, the magic word. In

addition, it became clear that the customer-oriented approach required that an **end-to-end** and **user-centric** approach must be followed: it was of no help to the user to know that ‘the server was still in operation’ if the information system was not available at the user’s workplace. IT services must be viewed in a larger context. The need for the recognition of the **Service Lifecycle**, and the management of IT services in light of that lifecycle, became a concern.

Due to the fast growing dependency of business upon information, the quality of information services in companies is being increasingly subjected to stricter **internal and external requirements**. The role of **standards** is getting more and more important, and **frameworks** of ‘best practices’ help with the development of a management system to meet these requirements. Organizations that are not in control of their processes, will not be able to realize great results on the level of the Service Lifecycle and the end-to-end-management of those services. Organizations that do not have their internal organization in order, will also not achieve great results. For these reasons, all these aspects are handled alongside each other in the course of this book.

1.2 Why this book

This book offers detailed information for those who are responsible for strategic information issues, as well as for the (much larger) group who are responsible for setting up and executing the delivery of the information systems. This is supported by both the description of the Service Lifecycle, as documented in ITIL version 3, and by the description of the processes that are associated with it. The ITIL core books are very extensive, and can be used for a thorough study of contemporary best practices. This Foundations book provides the reader with an easy-to-read comprehensive introduction to the broad library of ITIL core books, to support the understanding and the further distribution of ITIL as an industry standard. Once this understanding of the structure of ITIL has been gained, the reader can use the core books for a more detailed understanding and guidance for their daily practice.

1.3 Organizations

Several organizations are involved in the maintenance of ITIL as a description of the ‘best practice’ in the IT service management field.

OGC

Initially ITIL was a product of the CCTA, a UK Government Organization. On 1 April 2001 the CCTA was incorporated into the OGC, which thus became the new owner of ITIL. The aim of the OGC is to help its clients (within the UK Government) with the modernization of their procurement activities and the improvement of their services, by, among other things, making the best possible use of IT: “OGC aims to modernize procurement in government, and deliver substantial value for money improvements”. The OGC promotes the use of ‘best practices’ in numerous areas, such as project management, program management, procurement, risk management and IT service management. For this reason the OGC itself has published several series of books (Libraries) which have been written by (international) experts from different companies and organizations.

itSMF

The target group for this publication is anyone who is involved or interested in IT service management. A professional organization, working on the development of the IT service management field, has been created especially for this target group.

In 1991 the Information Technology Service Management Forum (itSMF), originally known as the Information Technology Infrastructure Management Forum (ITIMF), was set up as a UK association. In 1994, a sister-association was established in the Netherlands, following the UK example.

Since then, independent itSMF organizations have been set up in more than forty countries, spread across the globe, and the number of “chapters” continues to grow. All itSMF organizations operate under the umbrella organization, itSMF International (itSMF-I).

itSMF is aimed at the entire professional area of IT service management. It promotes the exchange of information and experiences that IT organizations can use to improve their service provision. itSMF is also involved in the use and quality of the various standards and methods that are important in the field. One of these standards is ITIL. itSMF International has an agreement with OGC and APM Group on the promotion of the use of ITIL.

*The **IT Service Management Forum (itSMF)** is a global, independent, internationally recognized not-for-profit organization dedicated to IT Service Management. itSMF is wholly owned and principally run by its membership. It consists of a growing number of national chapters, each with a large degree of autonomy, but adhering to a common code of conduct. The itSMF is a major influence on, and contributor to, industry best practices and standards worldwide, working in partnership with a wide, international range of governmental and standards bodies.*

itSMF International is the controlling body of the itSMF national chapters and sets policies and provides direction for furthering the overall objectives of itSMF, for the adoption of IT Service Management (ITSM) best practice and for ensuring adherence to itSMF policies and standards.

This Foundations book is a publication of itSMF International, published in the ITSM Library series. The book fits in well with the mission of itSMF International:

*The mission of **itSMF International** is to support the development of **IT Service Management (ITSM)** through strategic direction, coordination of effort and the sourcing of expertise and financial support with strategic partners.*

This mission can be translated into the following publishing activities:

itSMF Publishing activities:

- publishing supporting material on accepted best practice
- publishing material that represents ‘new thought’ in the ITSM field
- ensuring that, through all activities, including the publication of relevant material, itSMF assists organizations in the implementation of solutions that will deliver real value to them

By publishing this detailed introduction to the field of IT service management, based on ITIL, itSMF International offers a valuable contribution to the development of the subject.

APM Group

In 2006, OGC contracted the management of ITIL rights, the certification of ITIL exams and accreditation of training organizations to the APM Group (APMG), a commercial organization. APMG defines the certification and accreditation for the ITIL exams, and published the new certification system (see 2.1: ITIL exams).

Examination institutes

The Dutch foundation Examen Instituut voor Informatica (EXIN) and the English Information Systems Examination Board (ISEB, part of the BCS: the British Computer Society) cooperated in the development and provision of certification for IT service management. For many years they were the only bodies that provided ITIL exams. With the contracting of APMG by OGC, the responsibility for ITIL exams is now with APMG. To support the world-wide delivery of these ITIL exams, APMG has accredited a number of examination institutes: CSME, DANSK IT, DF Certifiering AB, EXIN, ISEB, Loyalist Certification Services and TÜV SÜD Akademie. See www.itil-officialsite.com for recent information.

1.4 Differences with previous editions

The “Foundations of ITIL® V3 ” book has played a key role in the distribution of ideas on IT service management and ITIL for years. The title has been translated into thirteen languages and is recognized as the most practical introduction to the leading ‘best practices’ in this field. Earlier editions of the Foundations book focused on the content of three books from the ITIL series (version 2): Service Support, Service Delivery and Security Management, and placed them in a broader context of quality management.

The main difference between ITIL version 2 and 3 lies in the service lifecycle, introduced in version 3. Where the Foundations scope of version 2 focused on single practices, clustered in Delivery, Support and Security Management, the scope in version 3 takes the entire Service Lifecycle into account.

As a result of continuous development of best practices, various terms have disappeared between the introduction of ITIL version 2 and 3, and a large number of new terms have been added to version 3. As many of these concepts are part of the scope of an IT service management training or exam, they have been included in the relevant descriptions. For a definitive list of concepts, readers should refer to the various training and exam programs.

1.5 Structure of the book

This book starts with an introduction on the backgrounds and general principles of IT service management and the context for ITIL (**Chapter 1**). It describes the parties involved in the development of best practices and standards for IT service management, and the basic premises and standards that are used.

The body of the book is set up in two large Parts: **Part 1** deals with the Service Lifecycle, **Part 2** deals with the individual functions and processes that are described in ITIL.

Part 1 starts with **Chapter 2**, introducing the Service Lifecycle, in the context of IT service management and IT Governance. It discusses principles of organizational maturity, and the benefits and risks of following a service management framework. This chapter ends with the introduction of the Service Lifecycle.

In **Chapters 3 to 7**, each of the phases in the Service Lifecycle is discussed in detail, in a standardized structure: Service Strategy, Service Design, Service Transition, Service Operation and Continual Service Improvement. These chapters provide a detailed view on the characteristics of the Service Lifecycle, its construct and its elements. The main points of each phase are presented in a consistent way to aid readability and clarity, so that the text is clear and its readability is promoted. Each section follows a consistent structure:

- Introduction
- Basic concepts
- Processes and other activities
- Organization
- Methods, techniques and tools
- Implementation

Part 2 starts with **Chapter 8**, introducing the functions and processes that are referred to in each of the lifecycle phases. This chapter provides general information on principles of processes, teams, roles, functions, positions, tools, and other elements of interest.

Next, the processes and functions are described in detail in **Chapters 9 to 13**. The 27 functions and processes are clustered according to the ITIL core book that contains their detailed description. Each of these processes and functions is described in terms of :

- Introduction
- Activities, methods and techniques
- Interfaces, inputs and outputs
- Metrics and Key Performance Indicators (KPIs)
- Implementation, with Critical Success Factors (CSFs), challenges, risks and traps

The **Appendices** provide useful sources for the reader. A reference list of used sources is provided, as well as the official ITIL Glossary. The book ends with an extensive Index of relevant terms that will support the reader in finding relevant text elements.

1.6 How to use this book

Readers who are primarily interested in the Service Lifecycle can focus on Part 1 of the book, and pick whatever they need on functions and processes from part 2.

Readers who are primarily interested in the functions and processes and are not ready for a lifecycle approach yet, or who prefer a process approach, can read the introductory chapters, and then focus on the functions and processes of their interest.

Readers who want a thorough introduction to ITIL, exploring its scope and main characteristics, can read Part 1 on the Lifecycle, and add as many of the functions and processes from Part 2 as they need or like.

In this way, this new edition of the Foundations book aims to provide support to a variety of approaches to IT Service Management based on ITIL.



PART 1
**THE ITIL SERVICE
LIFECYCLE**



Chapter 2 Introduction to the Service Lifecycle

2.1 Introduction to ITIL

In the 1980s the quality of service provided by both internal and external IT companies to UK government departments was of such a level that the CCTA (Central Computer and Telecommunications Agency, now the Office of Government Commerce, OGC) was instructed by the Government to develop a standard approach for an efficient and effective delivery of IT services. This was to be an approach which was independent of the suppliers (whether internal or external). The result of this instruction was the development and publication of the Information Technology Infrastructure Library™ (ITIL). ITIL is made up of a collection of “best practices” found across the range of IT service providers.

ITIL offers a systematic approach to the delivery of quality of IT services. It gives a detailed description of most of the important processes in an IT organization, and includes checklists for tasks, procedures and responsibilities which can be used as a basis for tailoring to the needs of individual organizations.

At the same time, the broad coverage of ITIL also provides a helpful reference guide for many areas, which can be used to develop new improvement goals for an IT organization, enabling it to grow and mature.

Over the years, ITIL has become much more than a series of useful books about IT service management. The framework for the “best practice” in IT service management is promoted and further developed by advisors, trainers and suppliers of technologies or products. Since the nineties, ITIL represents not only the theoretical framework, but the approach and philosophy shared by the people who work with it in practice.

Being an extended framework of best practices for IT service management itself, the advantages and disadvantages of frameworks in general, described in Section 2.5, are also applicable to ITIL. Of course, ITIL was developed because of the advantages mentioned earlier. Many of the pointers from “best practices” are intended to avoid potential problems, or, should they occur after all, to solve them.

ITIL exams

In 2007 the APM Group launched a new qualification scheme for ITIL, based on ITIL version 3. ITIL version 2 will be maintained for a transition period. **ITIL version 2** has qualifications on three levels:

- **Foundation** Certificate in IT Service Management
- **Practitioner** Certificate in IT Service Management
- **Manager** Certificate in IT Service Management

Until 2000, some 60,000 ITIL certificates had been distributed and by 2006 the number had reached 500,000 certificates.

For **ITIL version 3** a new system of qualifications has been set up. There are four qualification levels:

- **Foundation Level**
- **Intermediate Level (Lifecycle Stream & Capability Stream)**
- **ITIL Expert**
- **ITIL Master**

For more information about the ITIL V3 Qualification Scheme, see <http://www.itsil-officialsite.com/Qualifications/ITILV3QualificationScheme.asp>.

2.2 IT governance

With the growing role of information, information systems and IT service management, the management requirements for IT grew as well. These requirements focus on two aspects: the compliance with internal and external policies, laws and regulations, and the provision of added value to the stakeholders of the organization. IT governance is still a very young discipline, with no more than a few acknowledged standards or frameworks available. In contrast, there are many different definitions of IT governance available. A definition that receives a lot of support is the one by Van Grembergen:

***IT governance** consists of a comprehensive framework of structures, processes and relational mechanisms. Structures involve the existence of responsible functions such as IT executives and accounts, and a diversity of IT Committees. Processes refer to strategic IT decision-making and monitoring. Relational mechanisms include business/IT participation and partnerships, strategic dialogue and shared learning.*

There is a clear distinction between governance and management, suggesting that governance enables the creation of a setting in which others can manage their tasks effectively (Sohal & Fitzpatrick). So IT governance and IT management are two separate entities. IT service management can be considered to be part of the IT management domain, which leaves IT governance in the business or information management domain.

Although many frameworks are characterized as “IT Governance frameworks”, such as COBIT and even ITIL, most of them are in fact management frameworks. There is at least one standard for

IT Governance available: the local Australian standard for Corporate governance of information and communication technology (AS8015-2005).

2.3 Organizational maturity

From the moment **Richard Nolan** introduced his “staged model” for the application of IT in organizations in 1973, many people have used stepwise improvement models. These models were quickly recognized as suitable instruments for quality improvement programs, thereby helping organizations to climb up the maturity ladder.

Dozens of variations on the theme can easily be found, ranging from trades such as software development, acquisition, systems engineering, software testing, website development, data warehousing and security engineering, to help desks and knowledge management. Obviously the *kaizen* principle (improvement works best in smaller steps) was one that appealed to many.

After Nolan’s staged model in 1973, the most appealing application of this modeling was found when the Software Engineering Institute (SEI) of Carnegie Mellon University, USA, published its Software Capability Maturity Model (SW-CMM). The CMM was copied and applied in most of the cases mentioned above, making CMM something of a standard in maturity modeling. The CMM was later followed by newer editions, including CMMI (CMM Integration).

Later, these models were applied in quality management models, like the European Foundation for Quality Management (EFQM). Apart from the broad quality management models, there are several other industry accepted practices, such as Six Sigma and Total Quality Management (TQM) which are complementary to ITIL.

The available standards, and frameworks of best practice, offer guidance for organizations in achieving “operational excellence” in IT service management. Depending upon their stage of development, organizations tend to require different kinds of guidance.

Maturity model: CMMI

In the IT industry, the process maturity improvement process is best known in the context of the **Capability Maturity Model Integration (CMMI)**. This process improvement method was developed by the Software Engineering Institute (SEI) of Carnegie Mellon University. CMMI provides both a staged and a continuous model. In the continuous representation, improvement is measured using capability levels. Maturity is measured for a particular process across an organization. In the staged representation, improvement is measured using maturity levels, for a set of processes across an organization.

The capability levels in the **CMMI continuous representation** are:

1. **incomplete process** - a process that either is not performed or partially performed
2. **performed process** - satisfies the specific goals of the process area
3. **managed process** - a performed (capability level 1) process that has the basic infrastructure in place to support the process
4. **defined process** - a managed (capability level 2) process that is tailored from the organization’s set of standard processes according to the organization’s tailoring guidelines, and contributes

work products, measures and other process improvement information to the organizational process assets

5. **quantitatively Managed process** - a defined (capability level 3) process that is controlled using statistical and other quantitative techniques
6. **optimizing process** - a quantitatively managed (capability level 4) process that is improved based on an understanding of the common causes of variation inherent in the process

The **CMMI staged representation** model defines five maturity levels, each a layer in the base for the next phase in the ongoing process improvement, designated by the numbers 1 through 5:

- **initial** - processes are ad hoc and chaotic
- **managed** - the projects of the organization have ensured that processes are planned and executed in accordance with policy
- **defined** - processes are well characterized and understood, and are described in standards, procedures, tools and methods
- **quantitatively managed** - the organization and projects establish quantitative objectives for quality and process performance, and use them as criteria in managing processes
- **optimizing** - focuses on continually improving process performance through incremental and innovative process and technological improvements

Many other maturity models were based on these structures, such as the Gartner Maturity Models. Most of these models are focused at capability maturity. Some others, like KPMG's World Class IT Maturity Model, take a different approach.

Standard: ISO/IEC 20000

Developing and maintaining a quality system which complies with the requirements of the ISO 9000 (ISO-9000:2000) series can be considered a tool for the organization to reach and maintain the system-focused (or "managed" in IT Service CMM) level of maturity. These ISO standards emphasize the definition, description and design of processes. For IT service management organizations, a specific ISO standard was produced: the ISO/IEC 20000 (see Figure 2.1).

Customer maturity

When assessing the maturity of an organization, we cannot restrict ourselves to the service provider. The **level of maturity of the customer** (Figure 2.2) is also important. If there are large differences in maturity between the provider and the customer, then these will have to be considered to prevent a mismatch in the approach, methods and mutual expectations. Specifically, this affects the communication between the customer and the provider.

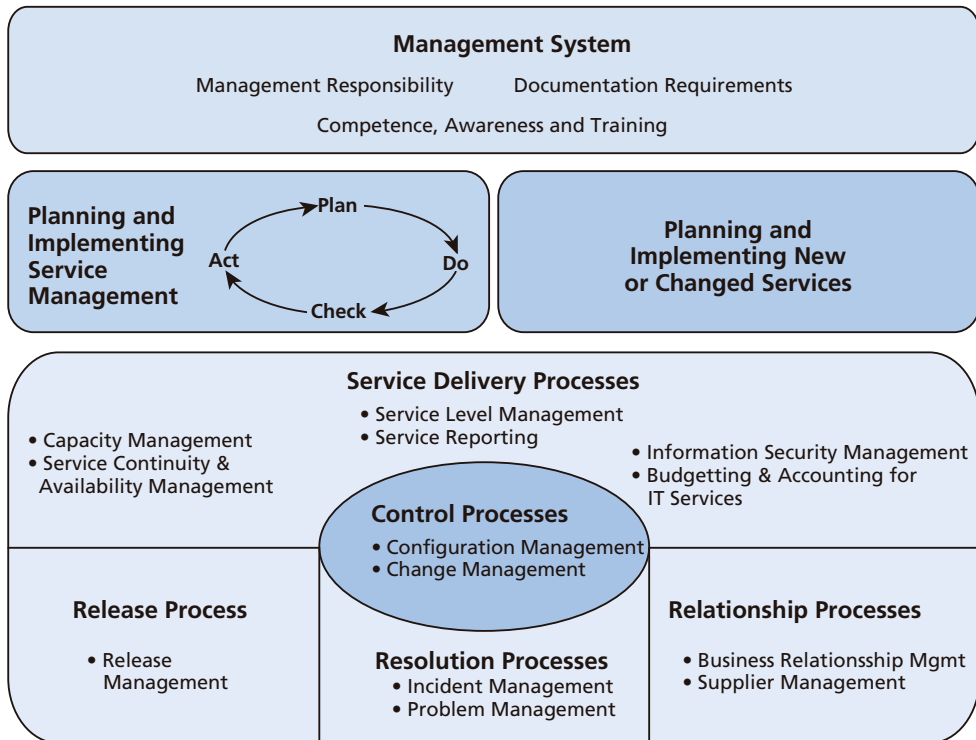


Figure 2.1 Overview of the ISO/IEC 20000 service management system

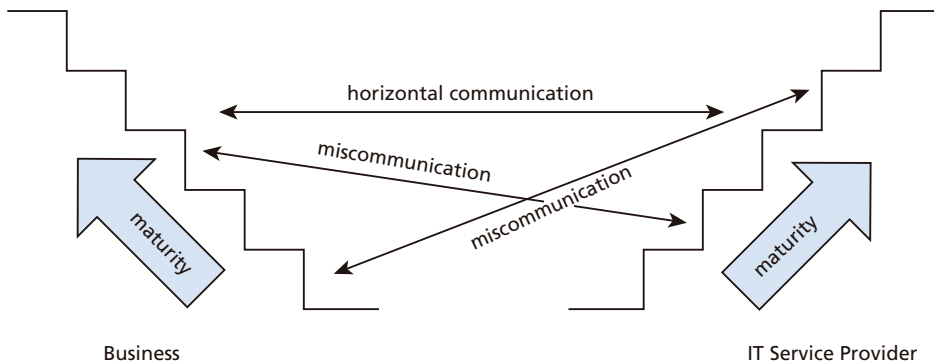


Figure 2.2 Communication and maturity levels: customer and provider

2.4 Benefits and risks of ITSM frameworks

The list below identifies some benefits and possible problems of using IT service management best practices. This list is not intended to be definitive, but is provided here as a basis for considering some of the benefits that can be achieved and some of the mistakes that can be made when using common process-based IT service management frameworks:

Benefits to the customer/user:

- The provision of IT services becomes more customer-focused and agreements about service quality improve the relationship.
- The services are described better, in customer language, and in more appropriate detail.
- Management of service quality, availability, reliability and service costs is improved.
- Communication with the IT organization is improved by agreeing on the points of contact.

Benefits to the IT organization:

- The IT organization develops a clearer structure, becomes more efficient, and is more focused on the corporate objectives.
- The IT organization is more in control of the infrastructure and services it has responsibility for, and changes become easier to manage.
- An effective process structure provides a framework for the effective outsourcing of elements of the IT services.
- Following best practices encourages a cultural change towards providing service, and supports the introduction of quality management systems based on the ISO 9000 series or on ISO/IEC 20000.
- Frameworks can provide coherent frames of reference for internal communication and communication with suppliers, and for the standardization and identification of procedures.

Potential problems/mistakes:

- The introduction can take a long time and require significant effort, and may require a change of culture in the organization; an overambitious introduction can lead to frustration because the objectives are never met.
- If process structures become an objective in themselves, the service quality may be adversely affected; in this scenario, unnecessary or over-engineered procedures are seen as bureaucratic obstacles, which are to be avoided where possible.
- There is no improvement in IT services due a fundamental lack of understanding about what the relevant processes should provide, what the appropriate performance indicators are, and how processes can be controlled.
- Improvement in the provision of services and cost reductions are insufficiently visible, because no baseline data was available for comparison and/or the wrong targets were identified.
- A successful implementation requires the involvement and commitment of personnel at all levels in the organization; leaving the development of the process structures to a specialist department may isolate that department in the organization and it may set a direction that is not accepted by other departments.
- If there is insufficient investment in appropriate training and support tools, justice will not be done to the processes and the service will not be improved; additional resources and personnel may be needed in the short term if the organization is already overloaded by routine IT service management activities which may not be using “best practices”.

2.5 Service Lifecycle: concept and overview

The information provision role and system has grown and changed since the launch of ITIL version 2 (in 2000/02). IT supports and is part of an increasing number of goods and services. In

the business world, the information provision role has changed as well: IT's role is no longer just supporting, but has become the baseline for the creation of business value.

ITIL version 3 intends to include and provide insight into IT's new role in all its complexity and dynamics. To that end, a new service management approach has been chosen that does not center around processes, but focuses on the Service Lifecycle.

Basic concepts

Before we describe the Service Lifecycle, we need to define some basic concepts.

Good practice

ITIL is presented as a good practice. This is an approach or method that has proven itself in practice. These good practices can be a solid backing for organizations that want to improve their IT services. In such cases, the best thing to do is to select a generic standard or method that is accessible to everyone, ITIL, COBIT, CMMI, PRINCE2® and ISO/IEC 20000, for example. One of the benefits of these freely accessible generic standards is that they can be applied to several real-life environments and situations. There is also ample training available for open standards. This makes it much easier to train staff.

Another source for good practice is proprietary knowledge. A disadvantage of this kind of knowledge is that it may be customized for the context and needs of a specific organization. Therefore, it may be difficult to adopt or replicate and it may not be as effective in use.

Service

A service is about creating value for the customer. ITIL defines a service as follows:

*A **service** is a means of delivering value to customers by facilitating outcomes the customers want to achieve without the ownership of specific costs or risks.*

Outcomes are possible from the performance of tasks, and they are limited by a number of constraints. Services enhance performance and reduce the pressure of constraints. This increases the chances of the desired outcomes being realized.

Value

Value is the core of the service concept. From the customer's perspective value consists of two core components: utility and warranty. Utility is what the customer receives, and warranty is how it is provided. The concepts utility and warranty are described in the Section "Service Strategy".

Service management

ITIL defines service management as follows:

***Service management** is a set of specialized organizational capabilities for providing value to customers in the form of services.*

ITIL discusses some of the fundamental principles of service management that supplement the functions and processes in the ITIL core books. The next principles may help design a service management system:

- **Specialization & coordination** - The goal of service management is to make capabilities and resources available through services that are useful and acceptable to the customer with regard to quality, costs and risks. The service provider takes the weight of responsibility and resource management off the customer's shoulders so that they can focus on the business' core competence. Service management coordinates the business of service management responsibility with regard to certain resources. *Utility* and *warranty* act as a guide.
- **Agency principle** - Service management always involves an agent and a principal that seconds this agent to fulfill activities on their behalf. Agents may be consultants, advisors or service providers. Service agents act as intermediary between service providers and customers in conjunction with users. Usually, these agents are the service provider's staff, but they can also be self-service systems and processes for users. Value for the customer is created through agreements between principals and agents.
- **Encapsulation** - The customer's interest focuses on the value of use; he prefers to be spared from any technical details and structure complexity. The "encapsulation principle" is focused on hiding what the customer does not need and showing what is valuable and useful to the customer. Three principles are closely linked to this:
 - separation of concerns
 - modularity: a clear, modular structure
 - loose coupling: reciprocal independence of resources and users

Systems

ITIL describes the organizational structure concepts which proceed from system theory. The Service Lifecycle in ITIL version 3 is a system; however, a function, a process or an organization is a system as well. The definition of a system:

*A **system** is a group of, interrelating, or interdependent components that form a unified whole, operating together for a common purpose.*

Feedback and learning are two key aspects in the performance of systems; they turn processes, functions and organizations into dynamic systems. Feedback can lead to learning and growth, not only within a process, but also within an organization in its entirety.

Within a process, for instance, the feedback about the performance of one cycle is, in its turn, input for the next process cycle. Within organizations, there can be feedback between processes, functions and lifecycle phases. Behind this feedback is the common goal: the customer's objectives.

Functions and processes

The distinction between functions and processes is important in ITIL.

What is a function?

*A **function** is a subdivision of an organization that is specialized in fulfilling a specified type of work, and is responsible for specific end results.*

Functions are independent subdivisions with capabilities and resources that are required for their performance and results. They have their own practices and their own knowledge body.

What is a process?

*A **process** is a structured set of activities designed to accomplish a defined objective.*

Processes result in a goal-oriented change, and utilize feedback for self-enhancing and self-corrective actions.

Processes possess the following characteristics:

- They are **measurable** because they are performance-oriented.
- They have **specific results**.
- They provide results to **customers** or stakeholders.
- They **respond to a specific event** - a process is indeed continual and iterative, but is always originating from a certain event.

It can be difficult to determine whether something is a function or a process. According to ITIL, whether it is a function or process depends completely on the organizational design. A good example of a function is a service desk, a good example of a process is change management.

A poor coordination between functions combined with an inward focus leads to the rise of functional silos. This does not benefit the success of the organization as a whole. Processes run through the hierarchical structure of functions; functions often share some processes. This is how processes suppress the rise of functional silos, and help to ensure an improved coordination in between functions.

The Service Lifecycle

ITIL version 3 approaches service management from the lifecycle of a service. The Service Lifecycle is an organization model providing insight into:

- the way service management is structured
- the way the various lifecycle components are linked to each other
- the impact that changes in one component will have on other components and on the entire lifecycle system

So ITIL version 3 focuses on the Service Lifecycle, and the way service management components are linked. The processes are also discussed (both the version 2 processes and some that are new to version 3) in the cycle phases. They describe how things change.

The Service Lifecycle consists of five phases. Each volume of the new ITIL books describes one of these phases:

- **Service Strategy** – the phase of defining the guidelines for creating business value and achieving and maintaining a strategic advantage
- **Service Design** – the phase of designing and developing appropriate IT services, including architecture, processes, policy and documents, in order to meet current and future business requirements
- **Service Transition** – the phase of planning and managing the realization of new and modified services according to customer specifications
- **Service Operation** – the phase of managing and fulfilling all activities required to provide and support services, in order to ensure value for the customer and the service provider
- **Continual Service Improvement** – the phase of continual improvement of the effectiveness and efficiency of IT services against business requirements

Service Strategy is the axis of the Service Lifecycle (Figure 2.3) that “runs” all other phases; it is the phase of policymaking and objectives. The phases Service Design, Service Transition and Service Operation implement this strategy, their continual theme is adjustment and change. The Continual Service Improvement phase stands for learning and improving, and embraces all cycle phases. This phase initiates improvement programs and projects, and prioritizes them based on the strategic objectives of the organization.

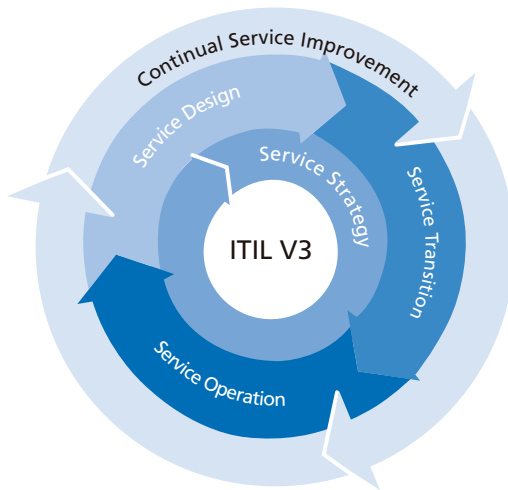


Figure 2.3 The Service Lifecycle (Based on OGC ITIL V3 material)

The Service Lifecycle is a combination of many perspectives on the reality of organizations. This offers more flexibility and control.

The dominant pattern in the Service Lifecycle is the succession of Service Strategy to Service Design, to Service Transition and to Service Operation, and then, through Continual Service Improvement, back to Service Strategy, and so on. The cycle encompasses, however, many patterns. Depending on tasks and responsibilities, a manager can choose his own control perspective. If you are responsible for the design, development or improvement of processes, the best perspective to use is a process perspective. If you are responsible for managing SLAs, contracts and services, the Service Lifecycle perspective and its various phases is likely to meet your needs better.

ITIL Library

The IT Infrastructure Library (ITIL) encompasses the following components:

- Core Library - the five Service Lifecycle publications:
 - Service Strategy
 - Service Design
 - Service Transition
 - Service Operation
 - Continual Service Improvement

Each book covers a phase from the Service Lifecycle and encompasses various processes. The processes are always described in detail in the book in which they find their key application.

- Complementary portfolio:
 - introduction guide
 - key element guides
 - qualification aids
 - white papers
 - glossary

