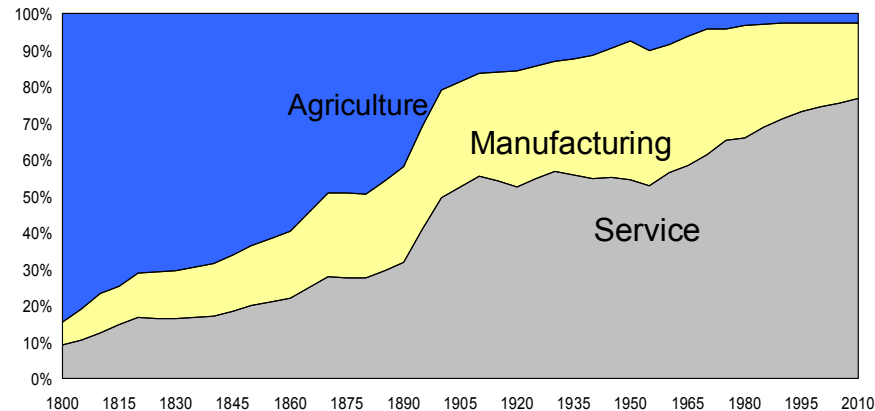# IT Service Management
ITIL, COBIT

Bülent Ekuklu
Business Development Executive
IBM Global Services

Global Shift to Service

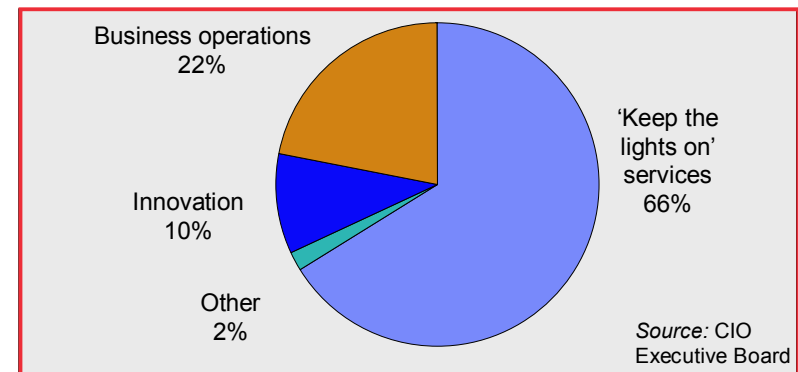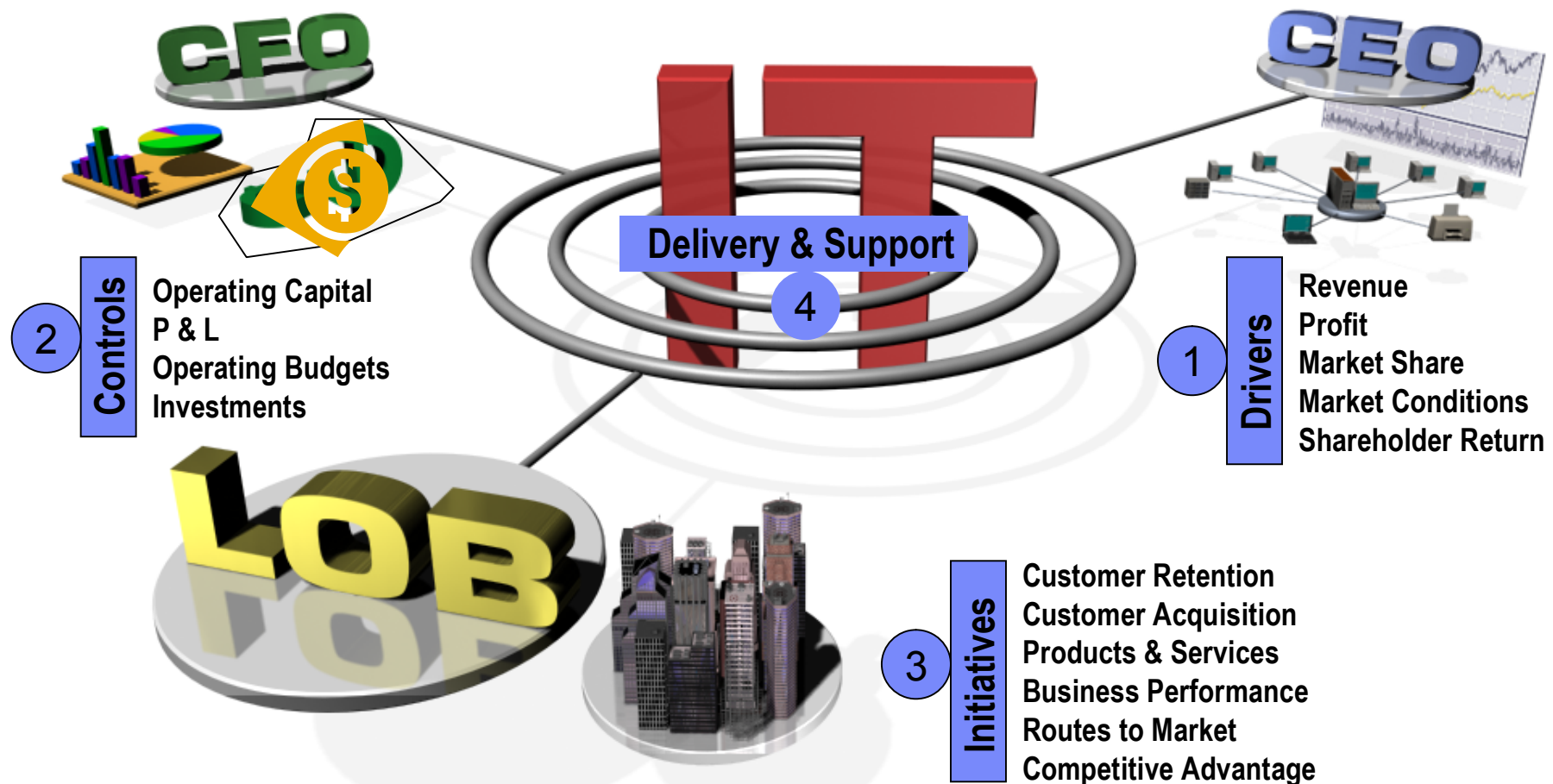**Shifts in Sourcing**

ITIL and Management Initiatives

Increasing % of IT to Operations

Source: ©IBM 2013

Economic Uncertainty

Today's challenges

Delivery & Support
4

Controls
2

Operating Capital
P & L
Operating Budgets
Investments

Drivers
1

Revenue
Profit
Market Share
Market Conditions
Shareholder Return

Initiatives
3

Customer Retention
Customer Acquisition
Products & Services
Business Performance
Routes to Market
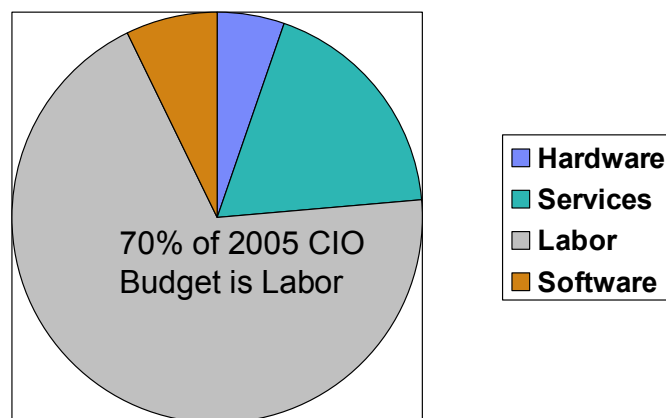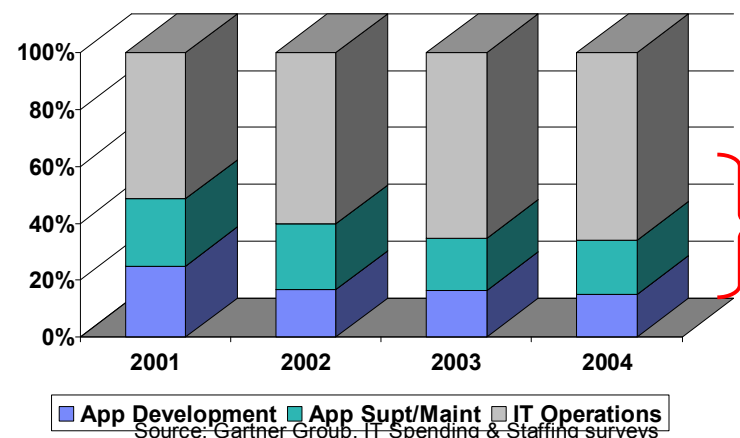Competitive Advantage

Challenge: IT Operations Labor cost is growing rapidly

Decrease in Efficiency as IT Spending Shifts to Operations Labor

70% of 2005 CIO Budget is Labor

- Hardware
- Services
- Labor
- Software

Source: Tivoli Commissioned IDC Study 1Q05

Application development & support labor has dropped from 48% to 34% of IT Labor spend over previous 4 years.

- App Development
- App Supt/Maint
- IT Operations

Source: Gartner Group, IT Spending & Staffing surveys

- **70% of CIO budget is labor**
- **Operations labor will be 73% of CIO labor budgets by 2008**
- **Application development will decline at -10% CGR to 2008**
- **$325B in operations labor by 2008**

- Administration
- Development
- Operations
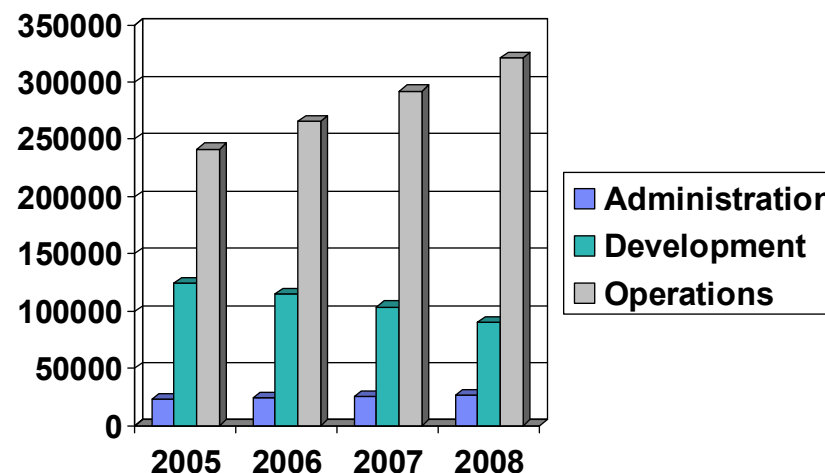
Challenge: IT Organizations are causing user dissatisfaction

- **80% of problems are reported by users**

80%

- 85% of problems are caused by IT changing something
- Customers become the IT Systems Test Team

85%

IT Users: customer = IT Users: *Systems Test!*
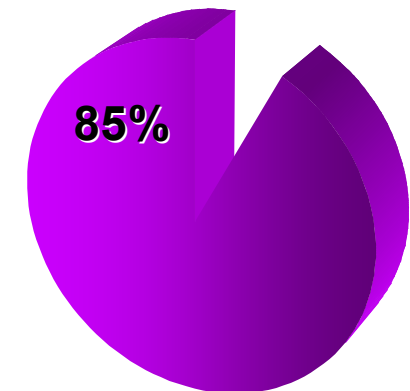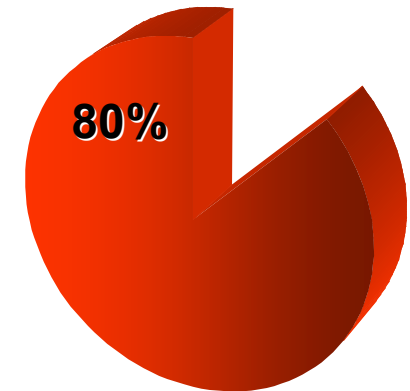
To increase customer satisfaction, IT must control infrastructure change!

Primary Driver: Architectural & Organizational Complexity

IT teams have difficulty identifying applications and infrastructure depend...

Legend:
- Mainframe
- PC/NT apps
- Unix apps
- 3rd Party Interface
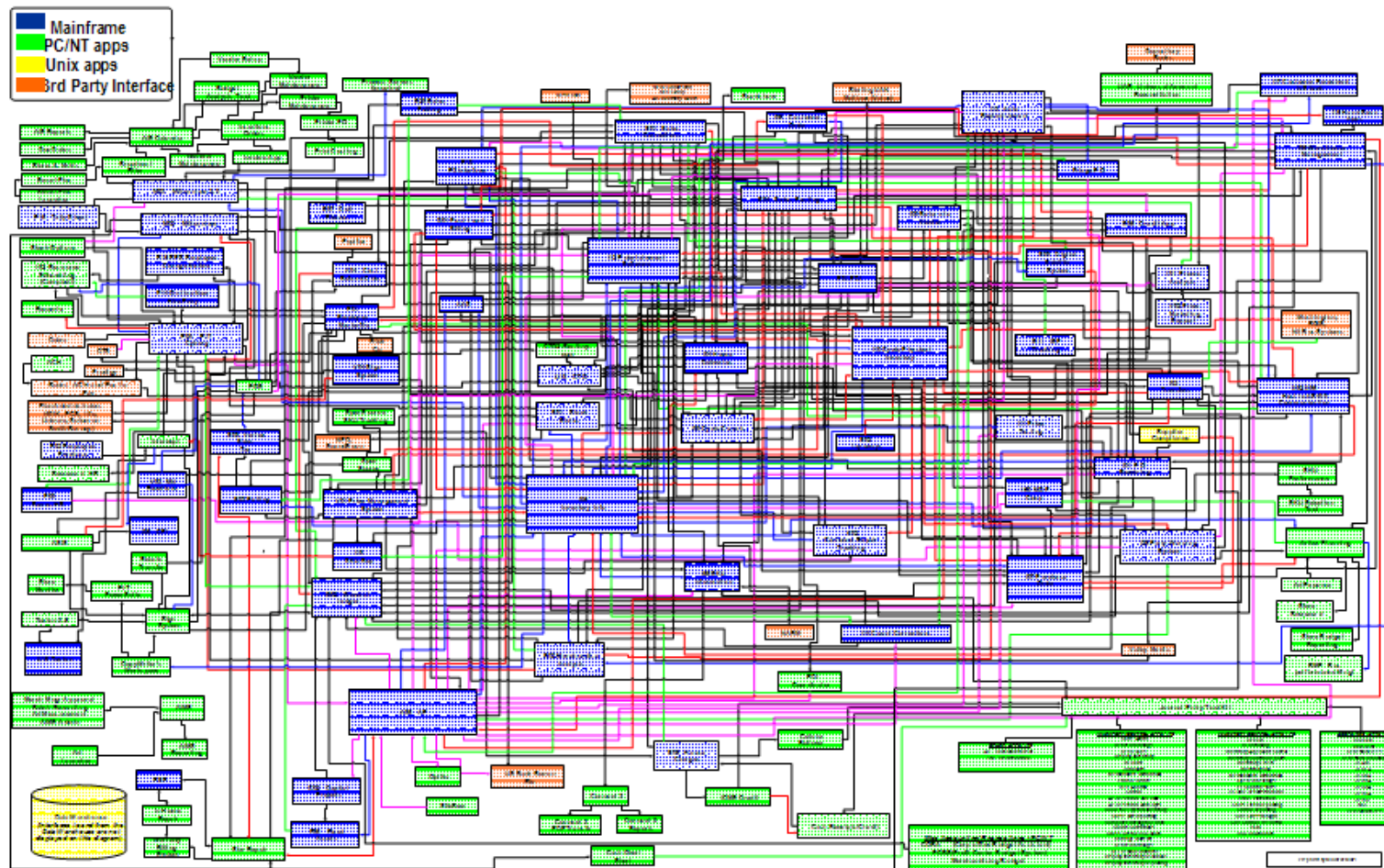
Actual Application Architecture for Consumer Electronics Company

Driver: Compliance initiatives stress IT / business linkage

- **IT is completely intertwined with business processes**

- **Compliance initiatives demonstrate increased reliance on IT**
  - Identity and access management
  - Data protection, retention and archiving
  - Change management

- **Serious consequences (i.e. jail) increase focus**
  - Sarbanes-Oxley
  - Basel II Accord
  - Patriot Act
  - HIPAA

What is a good IT service?

Balances cost, quality and risk

Makes efficient use of resources

Enables the business operation

Flexes around business priorities

Evolves as needed by the business

Is understood and valued by the customer

A service that is well aligned to the business
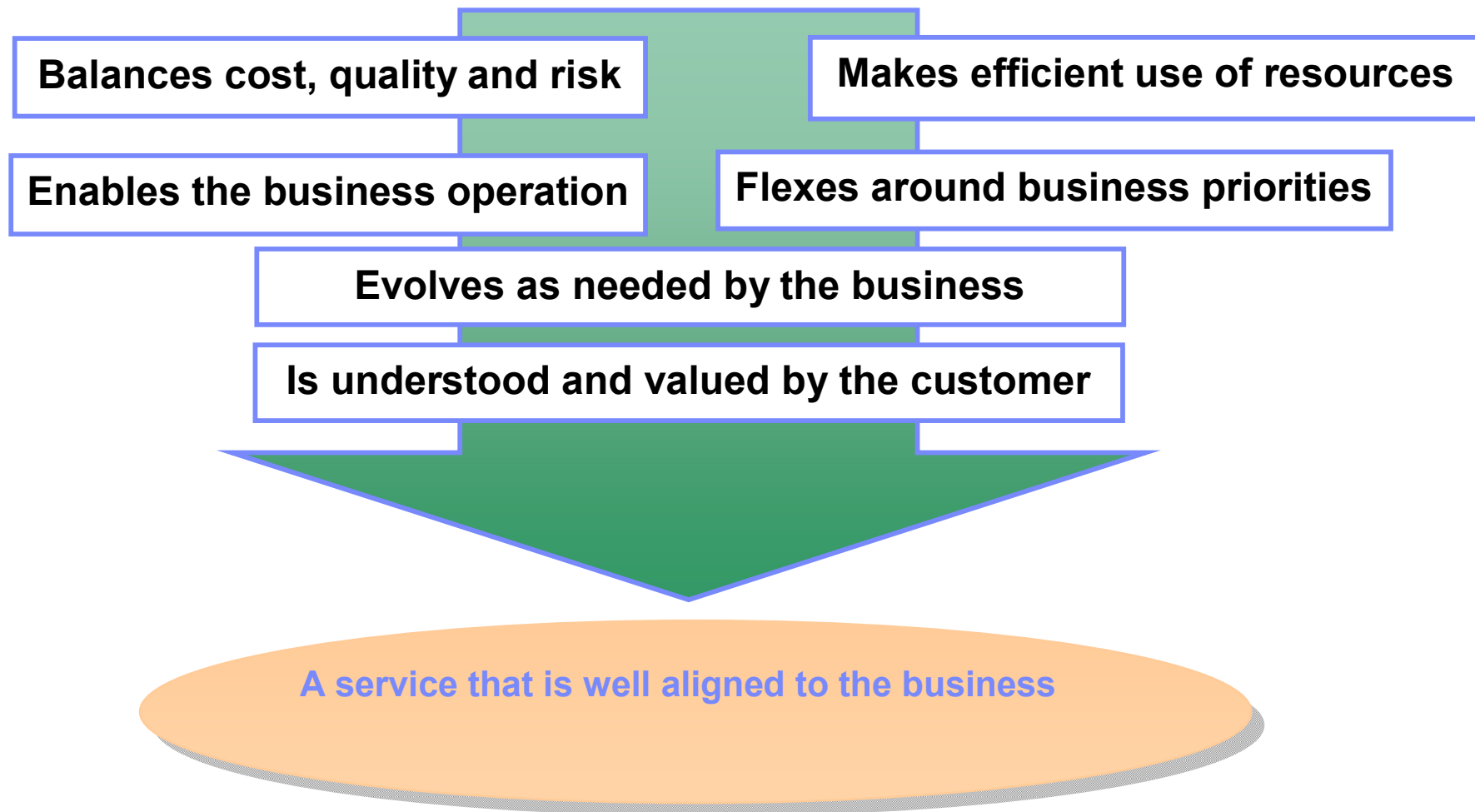
Service management is not merely better management of the infrastructure or application assets.

… it's not just about
the assets anymore …

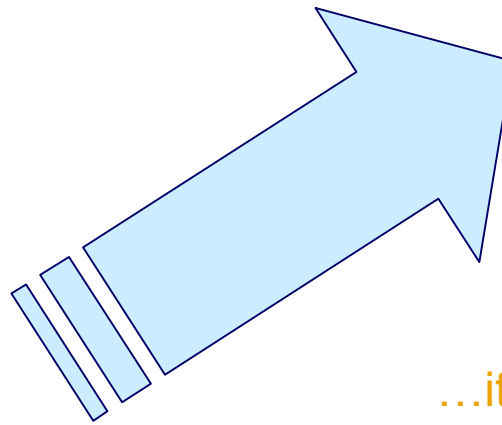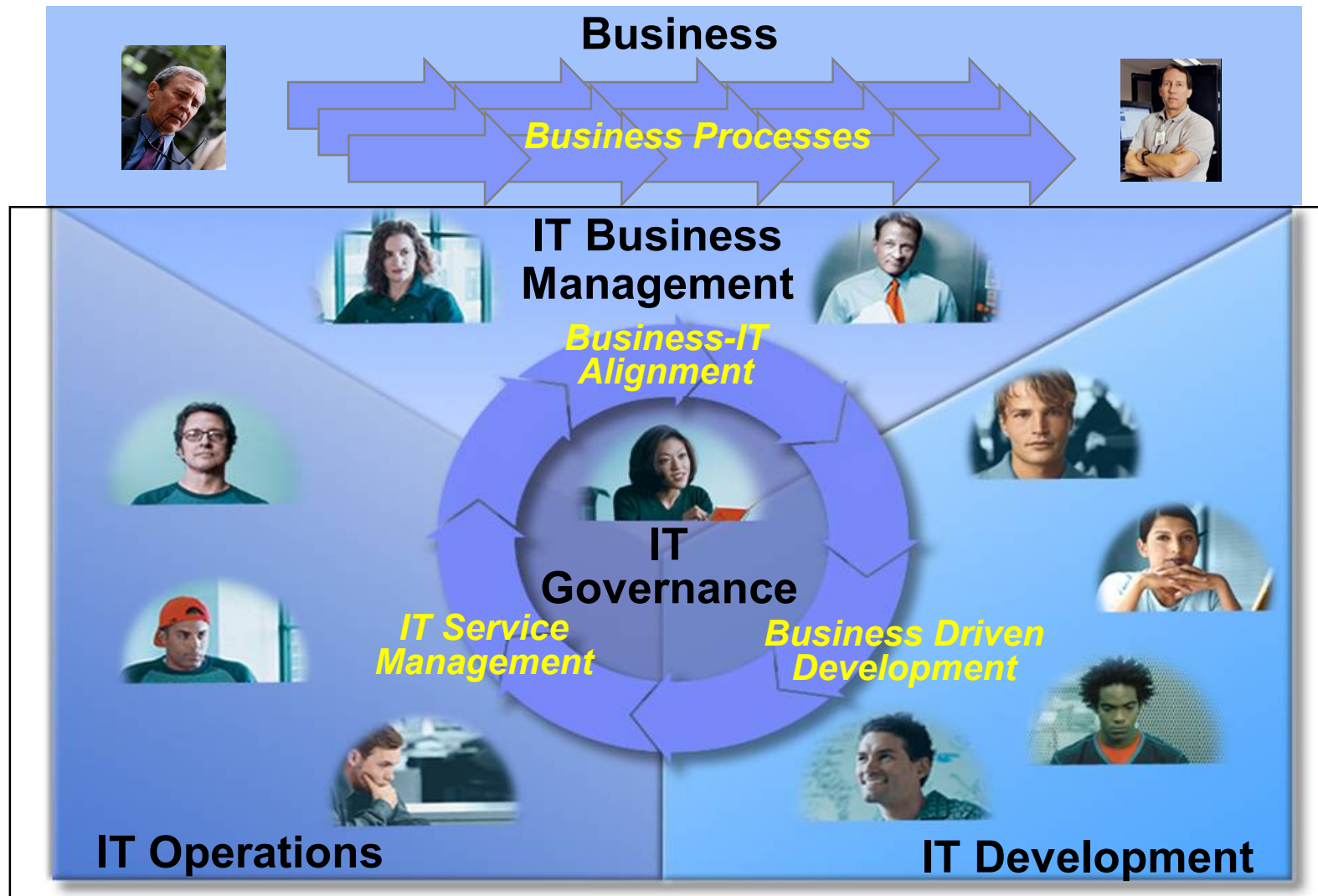…it's about what the assets do
to deliver service to the customer
"the fuel at the pump"
"the lights on the tree"

An integrated approach is required to optimize and automate the delivery of services.

Service Management Adoption Model

Example of IT Strategy focused on Business Value Transformation and Dynamic Collaboration with Partners

Starting in the Game	Winning the Race	Changing the Game

IT Enabled Business Innovation and Transformation

Change the game

- Create new and unique products and services by combining existing business components and IT services in new ways to provide new value. Requires clarity on IT business components, IT service management excellence as foundational.

- Requires process excellence, integration and service management excellence throughout the enterprise and supply chain.

- Primary interest - innovation and transformation impacting the industry and the market (business & capability based disruption)

- Focusing on the ability of to innovate and "change the game".

From Silos to Service

The Roadmap – Reduce Costs & Manage Complexity

IT Value to the Business

Resource Management

- Measure systems and resources available
- Maintain resource specific information
- Optimize resource availability
- Silo based management

IT perceived as a
Cost Center

Technology Focus

Business Focus
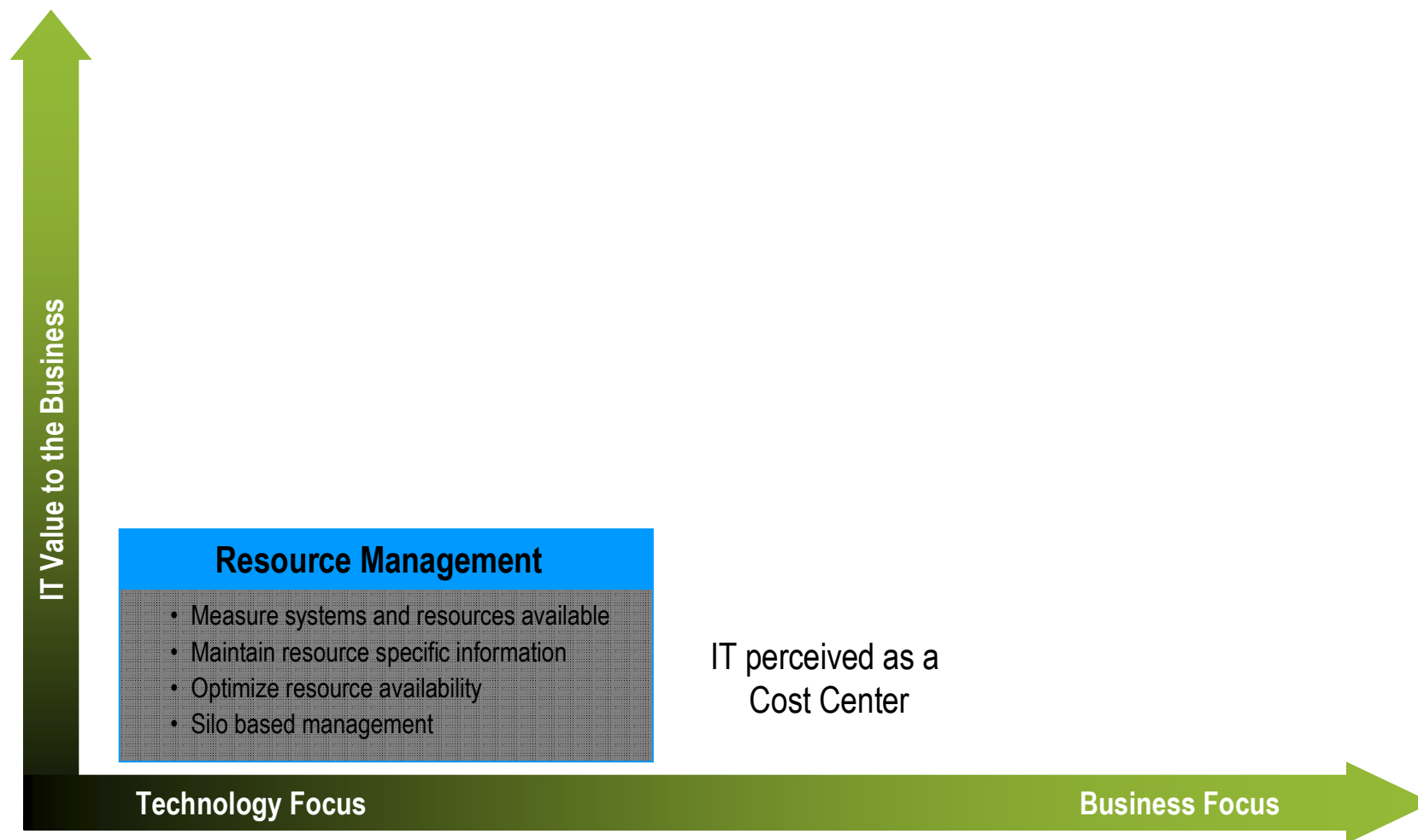
From Silos to Service

Service Aware Management

IT Value to the Business ↑

Service Aware Management

- Understand IT services and its supporting infrastructure
- Measure/Model Service Performance
- Ensure effective changes to the Service Infrastructure
- Audit Service Compliance

IT perceived as a
Service Provider

Resource Management

- Measure systems and resources available
- Maintain resource specific information
- Optimize resource availability
- Silo based management

IT perceived as a
Cost Center

Technology Focus ———————————————→ **Business Focus**

From Silos to Service

Service Management

IT Value to the Business ↑

Service Management

- Manage IT as a Business
- Automate Service Processes
- Optimize IT Services Proactively
- Collect, analyze and share service and process metrics

IT perceived as a
Strategic Partner

Service Aware Management

- Understand IT services and its supporting infrastructure
- Measure/Model Service Performance
- Ensure effective changes to the Service Infrastructure
- Audit Service Compliance

IT perceived as a
Service Provider

Resource Management

- Measure systems and resources available
- Maintain resource specific information
- Optimize resource availability
- Silo based management

IT perceived as a
Cost Center

Technology Focus → **Business Focus**

Why service management?

Visibility **Control** **Otomation**

ITSM and ITIL

IT Service Management Defined

"IT Service Management is the integrated management of the <u>people</u>, <u>processes</u>, <u>technologies</u> and <u>information</u> required to ensure the <u>cost and quality of IT services</u> valued by the customer."

IT service management disciplines encourage IT service providers to:

Focus on the <u>wants and needs</u> of their customers

Develop and <u>maintain an appropriate catalog</u> or portfolio of services

Ensure that they have the processes, people and tools needed to <u>deliver those services at the price point and service level</u> expected by the customer

IT Infrastructure Library (ITIL)

The IT Infrastructure Library (ITIL) is a set of books describing the processes and leading practices that are considered essential for effective IT service management.

Organizations seeking to improve IT service management frequently begin by adopting and adapting the processes and practices recommended by ITIL.

IT Infrastructure Library (ITIL)

The ITIL V3 publications are aligned with the new ITIL service lifecycle
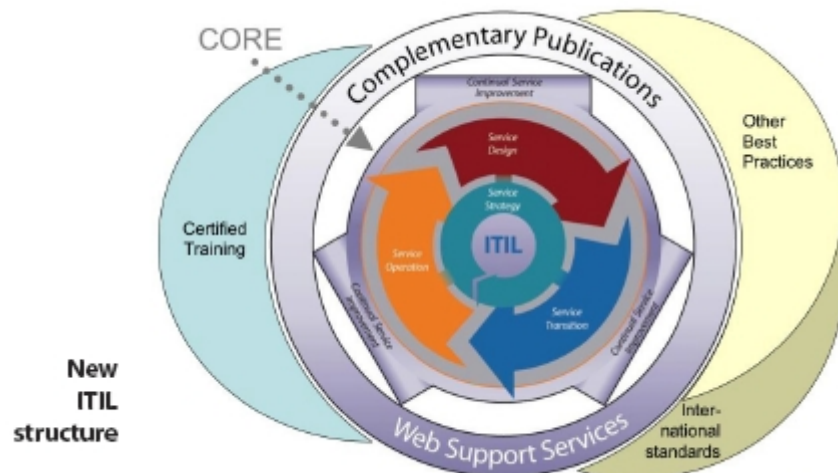
ITIL Publications Structure

- **Core**
  - Introduction to the ITIL Service Lifecycle
  - Five books
    - Service Strategy (SS)
    - Service Design (SD)
    - Service Transition (ST)
    - Service Operation (SO)
    - Continual Service Improvement (CSI)
- **Complementary Publications**
  - Support for particular market sector or technology
- **Web**
  - Value added products, process maps, templates, studies

Source: "ITIL Refresh: Vendor pre-release briefing", May 2007

Why ITIL is important

- **Worldwide *de facto* approach to IT management**

- **Open – not tied to a specific vendor**

- **Help align business strategy and needs**

- **Education available**

- **Certification administrated by independent agencies**

The acceptance of ITIL has three critical success factors, two of which have a world wide impact

ITIL is shareware and is governed by independent organizations.

ITIL is the way forward

ITIL is adopted by world wide solutions vendors and large globally operating organizations.

It is easy to get education and training in ITIL

Two key industry bodies that operate in many countries are itSMF and ISACA

- **itSMF (it Service Management Forum)**

  – 'the knowledge network for IT Service Management'

  – International arm with country chapters

  – Originated in UK → UK bias to operations

  – 52 country chapters + 27 emerging

  – Each chapter is a separate legal entity and is largely autonomous

  – International Executive Board - provides overall steering and support function to existing and emerging chapters

  – IBM is a global member → pays its subscriptions to the International arm

  – This has created some difficulties – base level of service provision for global members, some countries offer more

  – Governance by International poor in past – improving

  – No certifications offered directly

  – Book publishing, events, workshops, meetings

  – International website (country websites can be accessed from here): http://www.itsmfi.org/

- **ISACA (Information Systems Audit and Control Association)**

  – Worldwide association of IS professionals

  – Specialises in audit, control, and security of information systems

  – Originated in US → strongest membership there

  – 86,000 members, including IBM'ers

  – 175 chapters in over 70 countries worldwide

  – provide education, books, events, resource sharing, advocacy, professional networking

  – Certifications offered:
    - Certified Information Systems Auditor (CISA)
    - Certified Information Security Manager (CISM)
    - Certified in the Governance of Enterprise IT (CGEIT)
    - COBIT Foundation Certification

  – Owns COBIT (Control Objectives for the Business of IT and related Technology) and Val-IT

  – Main website (country websites can be accessed from here): http://www.isaca.org/

Bülent Ekuklu
Business Development Executive
bulente@tr.ibm.com