



Continual Service Improvement: Bringing It To Life





Executive Summary

If you are thinking about implementing the Information Technology Infrastructure Library (ITIL®) processes and you ask the question, 'where do I start?' congratulations – you have started down the Continual Service Improvement (CSI) path. Likewise, if you are looking at improving your services, applications etc., then you have also started a CSI activity.

CSI: Organizations talk about it and think about it, but in reality often don't plan for it, schedule it, allocate resources to it or monitor it. Improvement initiatives are often reactionary in nature to a specific event, and are not proactive in nature.

CSI is first and foremost a practice that is implemented across the IT organization. It requires a mind shift from:

- Reactive to being more proactive
- Having only the CSI Manager or CSI team responsible for identifying improvement opportunities to everyone in the organization
- Blaming and pointing fingers, to finding and implementing improvements in a collaborative and supportive environment

Whether improving services, service management processes or the service lifecycle itself, there will be a cost to implementing a CSI practice. However, there is a much greater cost to not implementing the practice.

Organizations will spend up to millions of dollars to develop and implement service management processes; yet, they don't have any plan on how to protect their investment and continually improve the processes.

The CSI Practice relies upon five major guiding principles defined in the CSI book:

- The CSI Approach
- Seven Step Improvement Process (discussed in more detail in the High Level ATLAS document)
- The Deming Cycle



Executive Summary

- Professor Kotter's Eight Steps for Successful Transformation
- Knowledge Management

This paper will discuss the scope of CSI, the CSI Approach and where to start improvement initiatives.



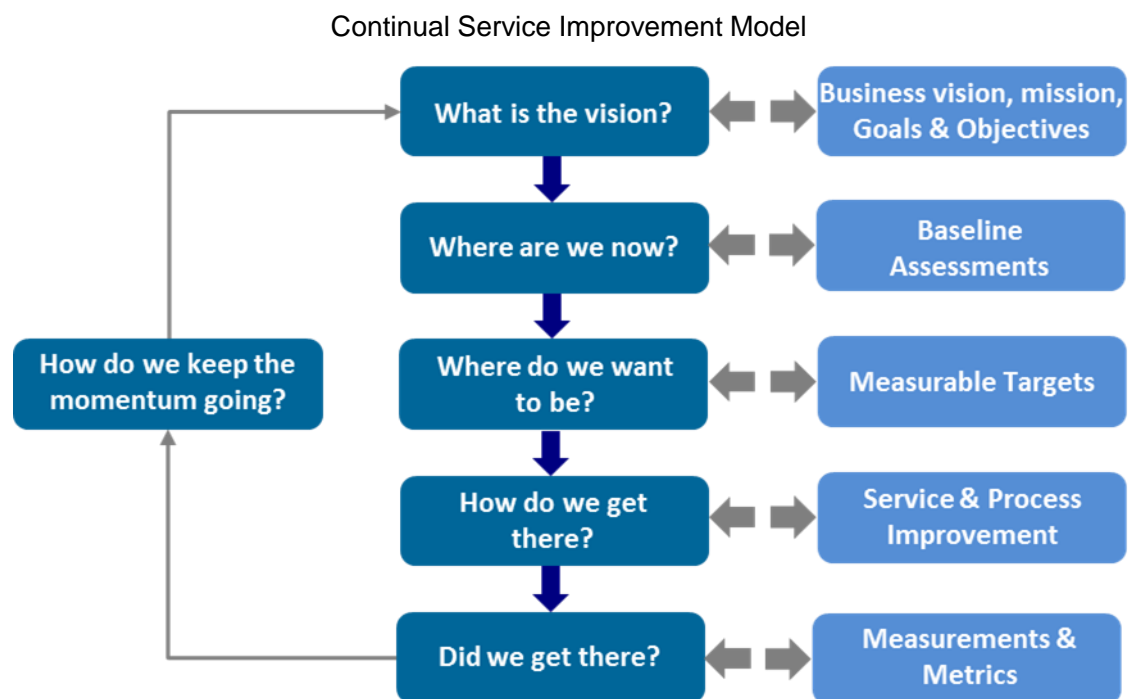
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1) CSI IMPROVEMENT MODEL

The following model was developed to provide the key steps to CSI:



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Figure 2.3 Continual Service Improvement model – CSI book – p. 15

Step 1 – What Is The Vision?

CSI is all about the Business, so when looking at the CSI Model the first step is to clearly understand the Business vision, strategy, goals and objectives. It is also important to understand ITs strategy, goals and objectives, and to ensure that they support the Businesses.



Step 2 – Where Are We Now?

In order to be able to identify if you have improved, it is important to know where you started from. Answering this question is about performing an initial assessment, or measurements, in order to create a baseline upon which improvement effort success can be measured. Assessment can be done on availability and/or performance of IT Services. Assessments can also be done around processes such as a process maturity assessment. If you don't have any basic measurements or metrics today you may need to start collecting these for three to six months and then get agreement on a baseline number.

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Keep in mind, that setting targets should be based on business requirements, and not on business wishes.

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Step 3 – Where Do We Want To Be?

Set realistic targets for the improvement initiative. This may require setting short-term, mid-term and long-term targets. Targets can be set for availability measures for IT Services or a new maturity level for processes.

Keep in mind that setting targets should be based on business requirements, and not on business wishes. If a customer says they want 99.999% availability, be sure that this is what they actually need to support the desired business outcomes they need to achieve.

Also remember that for process maturity, the key is again to understand the value of a process to the business. Not all processes are equal and some processes will deliver more value to the business than others. The target should not be to have all processes at a level five maturity. You may find that being at a level three is all you need to deliver value.

Create your Measurement Framework of Key Performance Indicators so that later on you can measure if you have achieved your targets.



Step 4 – How Do We Get There?

This is the process improvement projects that are identified, agreed on and funded. Keep in mind that Senior Management often does not have the luxury of long projects. They are interested in getting quick improvements, so don't overlook the quick wins that can be implemented around IT Services and/or processes. Some quick wins have been identified in section 3.1 and 3.2.

Step 5 – Did We Get There?

Using the Key Performance Indicators defined in Step 3, continue to monitor, measure and report on your achievements.

Step 6 – How Do We Keep The Momentum Going?

Market your successes to Senior Management as well as the rest of the organization. It is important to use successes to gain more buy-in for additional improvement initiatives.



2) SCOPE OF CONTINUAL SERVICE IMPROVEMENT

Implementing CSI can be done in different ways, and the correct way is dependent on exactly what your organization wishes to accomplish in the short-term.

The scope of CSI address three primary areas of IT Service Management:

- IT Service Management Processes
- IT Services
- The Service Lifecycle

Like any other project initiative, it is important to successfully manage the scope. In other words pick one of the above three areas as a starting point.

This author's recommendation is to start with improving IT Service Management processes first, as improving the processes will lead to improving your IT Services. As an example, for many organizations if they review their Incident Management data they will discover that around 70% of major incidents are change related. This percentage is too high, and ultimately has a negative effect on availability of many IT Services.

Even though ITIL is made up of five core books, the reality is that when starting on any CSI initiative, most organizations need to address pain points first in order to show value, and gain the support of the business and functional groups within IT.

2.1 Processes – Where Do I Start?

For many organizations, process pain points are usually found in Change Management, Incident Management and Problem Management.

The lack of mature documented processes often drives organizations to consistent firefighting, reacting to events that are often self-inflicted, such as a high number of failed changes; incidents that are escalated to the wrong support groups; or a total



lack of Problem Management to identify and remove errors from the infrastructure that often cause a high number of recurring incidents.

Change Management is a control process, and thus it is important to obtain a level of maturity that provides the IT organization with the efficiency, and effectiveness of managing changes in order to protect the production environment.

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Developing assignment and escalation procedures can provide a quick win for Incident Management.

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There are often some quick wins with low hanging fruit that can provide some immediate improvement without having to develop and implement a full process. This could be creating a Request For Change (RFC) form if one does not exist, or improving on an existing form. It could also include starting up a Change Advisory Board, creating lead times for different types of changes, implementing procedures around standard pre-approved changes, or even creating a risk model that is completed, to define different types of changes and thus a level of authority and rigor associated with the different change types.

Incident Management is a data gathering process, so it is important to ensure that all incidents are logged into the appropriate tool, and that there is a consistent priority model used for all incidents so that you can find improvement opportunities. An organization may discover that they handle priority one, two and four really well;

however, they have a tendency to breach more on priority three. Developing assignment and escalation procedures can provide a quick win for Incident Management.

A quick win for Problem Management is to understand that there is a big difference between Incident and Problem Management. Problem Management is about identifying a root cause and putting in place a permanent solution. Looking at the top five or ten incidents and picking one to work on each month provides value to both the business and IT.



For Incident, Change and Problem Management it is important to start providing some level of management reporting to understand the health of the process.

It is also important to realize that Change and Incident Management are customer-facing processes that provide a lot of IT visibility to the business, and thus have the ability to create a positive or negative perception of IT.

Another quick win is the documentation and agreement of Operating Level Agreements (OLAs). OLAs need to be in place to support any existing Service Level Agreements (SLAs), Service Level Targets or Service Level Objectives. An OLA between the Service Desk, and the rest of the IT functional groups such as the desktop, database, or application groups is often a good first step to ensure that there is a consistent handling of incidents through the Incident Lifecycle in order to meet any agreed to response and/or repair times.



ITIL Roadmap - Development Phase 1

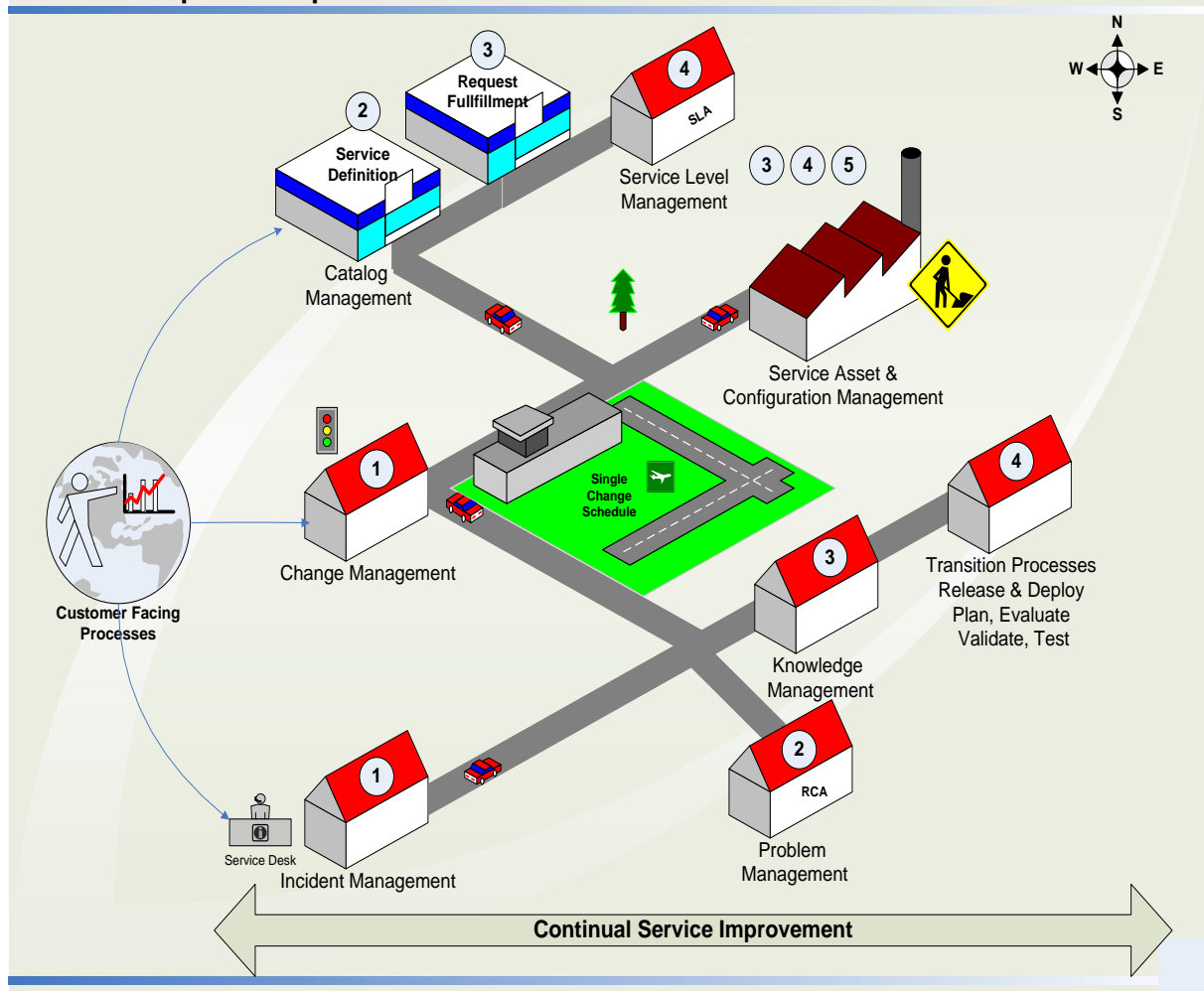


Figure 2



2.2 IT Services – Where Do I Start?

The key question to start with is: has your organization actually identified and agreed on what the IT Services are? If not, then this may actually be a starting point for your organization.

Once you choose to start implementing continual improvement on your IT Services, it is important to pick the right services to improve, to ensure that there is business value delivered.

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It is recommended that you start with improving only one or two IT Services, as improving a service will drive many activities within the Technical, Operational and Application functional groups.

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You can identify the right services to start with by understanding what services continue to breach service levels, or are threatening to breach on a consistent basis. If you don't have any service level data, discussions with the business will highlight some areas of concern and the business is usually always happy to provide input to IT.

You can also look at what services are deemed mission critical. Often these services have been identified as part of an impact assessment that is conducted for IT Service Continuity planning or some other disaster recovery activity.

It is recommended that you start with improving only one or two IT Services, as improving a service will drive many activities within the Technical, Operational and Application functional groups. Improvement activities may begin with improving both, component as well as end-to-end service

monitoring. Improvement opportunities can also be identified to ensure that the correct measurements and reporting are in place to show value back to the business, and not just from an IT perspective.

Keep in mind that improving IT Services can also identify process improvement initiatives as the IT Service Management processes enable the IT Services to support the Business Service.



2.3 Functional IT Groups – Where Do I Start?

CSI can also have a limited scope of implementation around functional groups, such as the server group, network group, application group etc. The decision should be based on where some pain points are evident and there is a need to improve. Remember that implementing CSI in a functional group doesn't provide you the ability to initially improve end-to-end services.

2.4 Service Lifecycle – Where Do I Start?

As your organization begins improvement initiatives around processes and/or services, you will find many opportunities to make improvements within the Service Lifecycle itself. It is important to ensure that there is consistent communication and feedback between the different Service Lifecycle phases.

Often times, when a service goes into production and there are some issues, the operations group gets blamed; but, in reality the issues could have started back as far as gathering business requirements. Organizations should look for improvement activities embedded within each lifecycle, as well as the output from one phase to the next phase.

Some recommended areas to look at from the Service Strategy and Service Design phases include:

- Business Relationship Management (Service Strategy)
- Service Portfolio Management (Service Strategy)
- Service Level Management (Service Design)
- Service Catalog Management (Service Design)

Of course the decision on where to start will be different for every organization. It's important to remember that many issues faced in Operations start as part of Strategy and Design.



This should not be about complaining or placing blame, but about identifying improvement opportunities. As the below diagram shows, there is an ongoing feedback loop based on the output provided by one phase and used as input for the next phase.

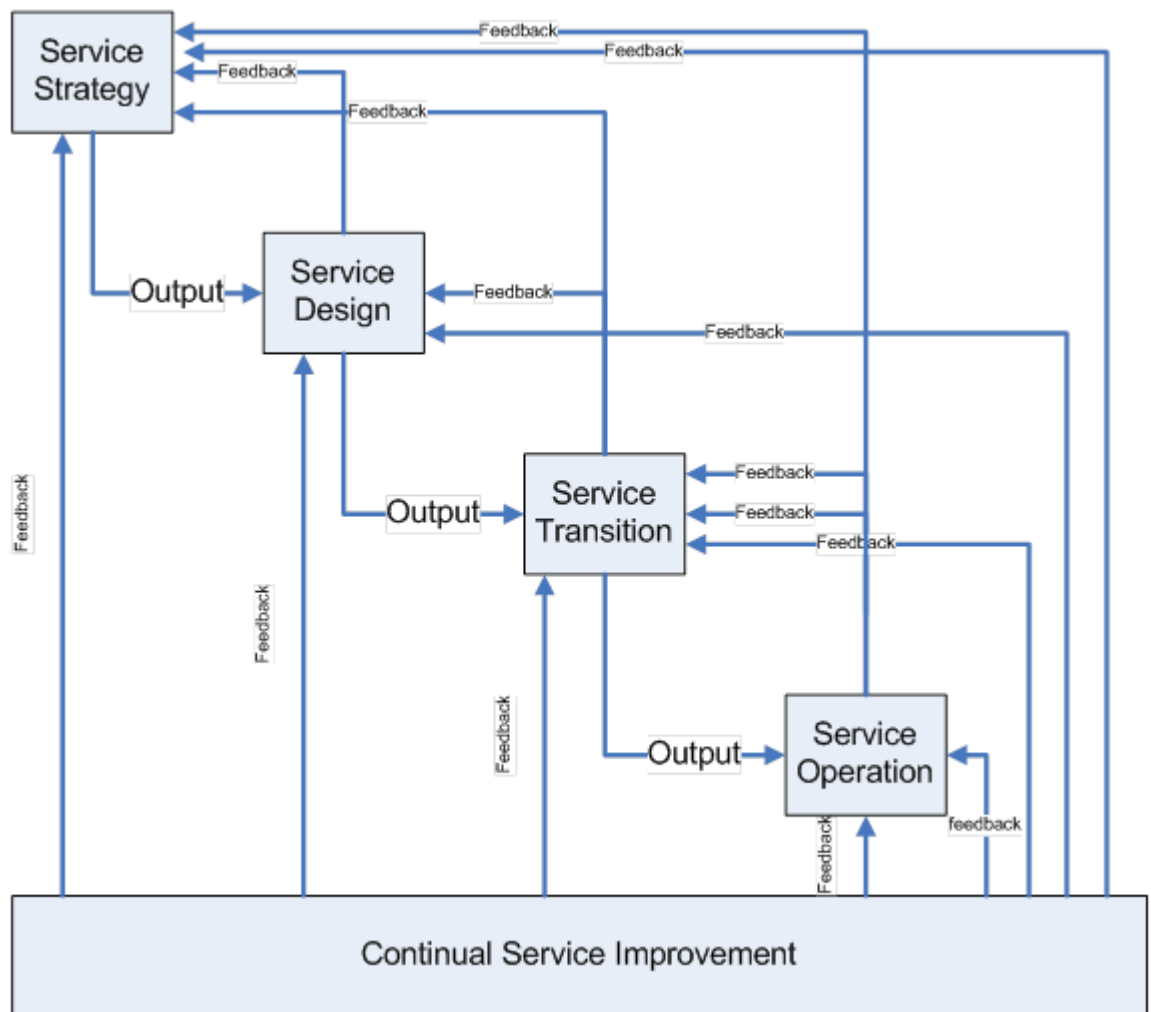


Figure 3



3) IT'S NEVER TOO SOON TO START MEASURING & REPORTING

If you're not measuring, BEGIN – NOW! Measuring and reporting are one of the key activities to provide management and the business with information about the value of IT Service Management (ITSM).

If you are measuring – ask yourself if you are measuring the right things.

Measuring and reporting are a key improvement opportunity. One of the first improvement activities should be, to identify what should be measured vs. what can be measured or what currently is being measured. Many organizations have been measuring and reporting on the same things for years, and don't step back to ask themselves if they are measuring the right things. Measuring and reporting must be able to show the value of an ITSM program.

Organizations will often not do any measuring or reporting because they have bad data. This author prefers bad data to no data, as bad data becomes another improvement opportunity. Whether the bad data is around services or processes, it doesn't matter, as they both need some improvement.

3.1 Target Audiences

Measurements should be directed to different target audiences, including:

- Business Leaders
- Senior IT Leaders
- Mid-level and Front-level Managers

Each target audience will have a specific need for measuring and reporting, and one size does not fit all. Business requirements and performance standards defined in the Service Design phase should provide input for what to measure. If further information is needed, a discussion with each target audience is required.



Also keep in mind that the target audience who receives the reports should be able to use the report to help make a strategic, tactical or operational decision. If they are unable to use the reports for this purpose, you should question the value of the report.

It is important to not measure and report on too many items, especially when first starting out. It is recommended that you meet with the key stakeholders and identify three to five items that are important to them – this is the beginning of creating your ITSM Scorecard. From an operational perspective some of the front line managers, such as the Service Desk manager, will gather many reports from the ITSM tool; however, these metrics should be for operational decision-making and for understanding how Incident Management is performing against SLAs or Service Level Targets.

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Organizations will measure many things, but often the measurement doesn't show value back to the business. The below diagram provides a view of how we should be able to link measurements from a base level, to understanding what success looks like as part of an overall ITSM scorecard.

You can use the below diagram to begin documenting the link from strategies to measures for both, services and service management processes.

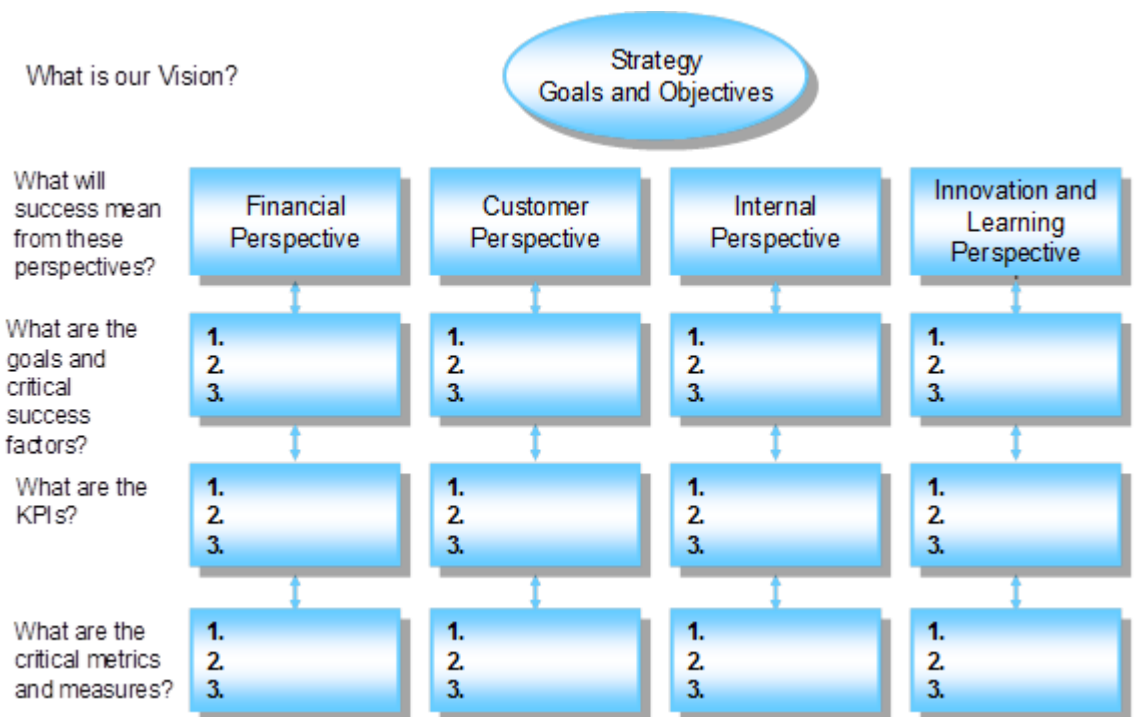


Figure 4

For A Service:

The critical metrics at the bottom will be component metrics, such as server availability, application availability, network availability etc. These component metrics then will need to be turned into service metrics.

The Key Performance Indicator (KPI) line is where you identify the KPIs for a service such as an improving the end-to-end service availability by 25%.

The goals or CSIs are your higher level goals, such as improving IT Service Quality, Improving Customer Satisfaction etc.

Then, you can take your data and translate it into how the improved service support one or more of the four categories of a Balanced Scorecard.



For A Process:

The activity layer is around activity metrics that are often volume in nature, such as the number of RFCs submitted, number by priority, number by change type etc.

The KPI layer is where you identify and measure success such as reducing the number of failed changes by 50%.

The goals or CSIs are your higher level goals, such as improving IT Service Quality, Improving Customer Satisfaction etc.

Then, you can take your data and translate it into how the improved services support one or more of the four categories of a Balanced Scorecard.

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One of the first roles to consider is identifying and allocating a person to begin performing analysis on existing and new data that will be captured

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3.2 Key Roles

There are a couple of key roles to consider as part of implementing Continual Service Improvement. Both of the following defined roles will interact with other process roles as well as the Service Owners.

3.2.1 CSI Analyst

One of the first roles to consider is identifying and allocating a person to begin performing analysis on existing and new data that will be captured. A lack of analysis is probably one of the bigger issues facing IT organizations today. Analysis needs to be performed to identify trends that are either having a positive or negative impact on IT and the Business.

The trends by themselves will also need to be analyzed, because it is important to know if the trend is a good or a bad trend. For example, a Service Desk has reduced call volumes for three straight months. This is a trend, but you don't know what has



caused the trend. Perhaps the organization implemented Problem Management, and a number of recurring incidents were identified. A permanent solution was implemented to fix the Problem and get rid of the recurring incidents. This is a good trend. Or perhaps the Service Desk just hasn't been delivering quality solutions and treating their customers with respect, and the customers have quit calling the Service Desk. They call 2nd or 3rd level support direction or talk to their peers sitting in the next cubicle. This is a bad trend.

3.2.2 CSI Manager

The CSI owner is responsible for the development of the CSI practice and ultimately for the success of all improvement activities. This person will own responsibility to ensure all CSI roles are filled, and also will work closely with the Service Owners and Process Owners to identify improvement opportunities.



4) CONCLUSION

Implementing CSI is not an easy task: it requires a change in management, and staff attitudes and values. They should understand that continual improvement is something that needs to be done proactively, and not reactively. It is important that everyone within the IT organization have responsibility for identifying improvement opportunities. Implement CSI with a limited scope to ensure success.

CSI cannot work in a vacuum. It requires the support and integration with other processes, and utilizes the expertise found within the Technical, Application and Operational Management functions. Business Relationship Management and Service Level Management both play a key role as they often are the Voice Of The Customer, and are also both involved in defining functional and non-functional requirements. Availability and Capacity Management are responsible for the actual monitoring of services. If these processes and roles are not active within your organization, then you will need to allocate resources to fulfill many of the process activities that support CSI.

Good luck with your CSI implementation!



5) ABOUT PINK ELEPHANT

Pink Elephant is proud to be celebrating 20 years of ITIL experience – more than any other supplier. Operating through many offices across the globe, the company is the world's #1 supplier of ITIL and ITSM conferences, education and consulting services. To date, more than 350,000 IT professionals have benefited from Pink Elephant's expertise. Pink Elephant has been championing the growth of ITIL worldwide since its inception in 1989, and was selected as an international expert to contribute to the ITIL V3 project as authors of V3's Continual Service Improvement book and through representation on the International Exam Panel. For more information, please visit www.pinkelephant.com.

Service Lines

Pink Elephant's service lines each provide different, but complementary business solutions:

PinkCONSULTING: Using the ITIL best practices approach as a springboard, Pink Elephant provides end-to-end solutions – from assessments, to strategic planning to implementation, continuous improvement and beyond. Experienced consultants work hand-in-hand with customers every step of the way

PinkONLINE: Use Pink Elephant's online ITIL Implementation Tool Kit and gain access to various services that support a service management improvement program, including PinkATLAS, containing over 1,000 process deployment documents

PinkEDUCATION: Pink Elephant is the most prolific creator and widespread distributor of ITIL training, and leads the way with education based ITIL V3's service lifecycle approach. Pink is internationally accredited with EXIN, APMG and PEOPLECERT, independent examination institutes that manage the ITIL certification program. The Project Management Institute (PMI) has also recognized Pink as a Registered Education Provider

PinkCONFERENCES: Pink Elephant is the world's largest producer of ITSM conferences and delivers several major events per year to thousands of IT professionals

Pink Elephant,
5575 North Service Road,
Suite 200,
Burlington, Ontario,
Canada L7L 6M1

Tel: 1-888-273-PINK
Fax: 905-331-5070

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