



CONTINUAL SERVICE IMPROVEMENT: BRINGING IT TO LIFE

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1 EXECUTIVE SUMMARY

If you are thinking about implementing 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 Continual Service Improvement activity.

Continual Service Improvement: 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.

Implementing a CSI practice requires management commitment and participation to move from a reactive to a proactive practice.

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 tens of thousands of dollars, hundreds of thousands of dollars and even millions of dollars to develop and implement service management processes; yet, they don’t have any plan on how to continually improve the processes.

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

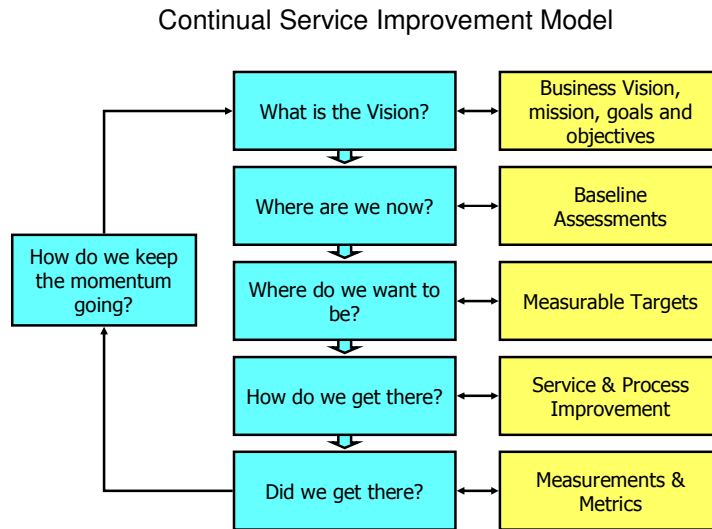


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2 CSI IMPROVEMENT MODEL

The following model was developed to provide the key steps to Continual Service Improvement.



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

Step 1 – What is the Vision?

Continual Service Improvement (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. Implementing any CSI initiative should be able to support the business strategy, goals and objectives. That’s not to say that the IT strategy, goals and objectives aren’t important, because they are; however, IT’s strategy, goals and objectives should also be in support of the Business.

Step 2 – Where are we now?

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.

Step 3 – Where do we want to be?

Set targets for the improvement initiative. This may be new availability measures for IT Services or a new maturity level for processes. Targets should be set based on business requirements.



Step 4 – How do we get there?

This is the process improvement projects that are identified, agreed on and funded. 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?

This will require conducting another assessment or measurements to see if improvements have been achieved.



3 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 V3 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. There are often some quick wins with some low hanging fruit that will provide immediate improvement without having to develop and implement a full process.

3.1 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 fire fighting, 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.

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.

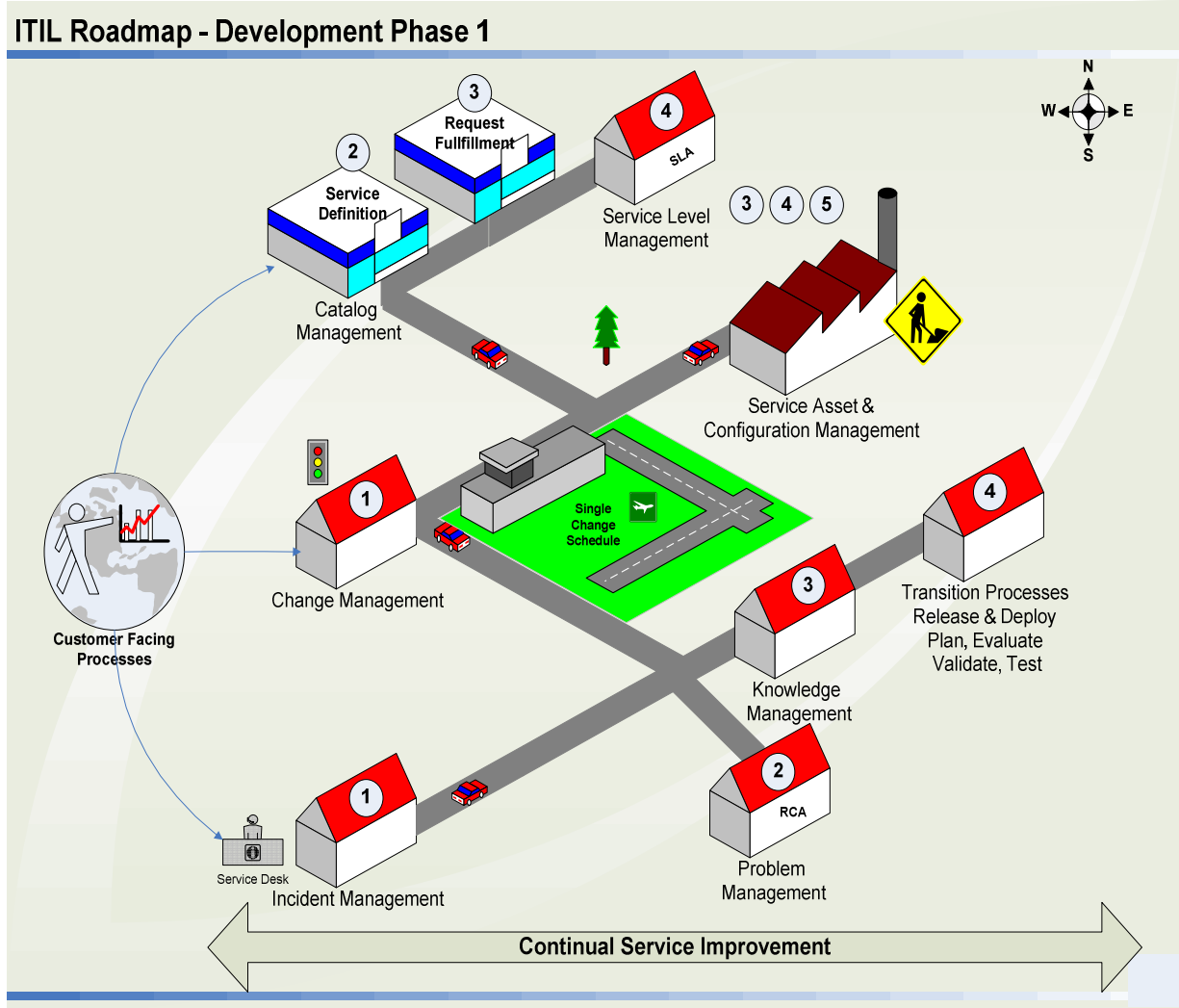
Incident Management is a data gathering process, so it is important to ensure that all incidents are logged into the appropriate tool, and that there is a consistent priority model used for all incidents so that you can find improvement opportunities. An organization may discover that they handle priority 1, 2 and 4 really well; however, they have a tendency to breach more on priority 3. 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.



3.2 IT Services – Where Do I Start?

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.

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.

3.3 Functional IT Groups – Where Do I Start?

CSI can also have a limited scope of implementation around functional groups, such as the server group, 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.

3.4 Service Lifecycle – Where Do I Start?

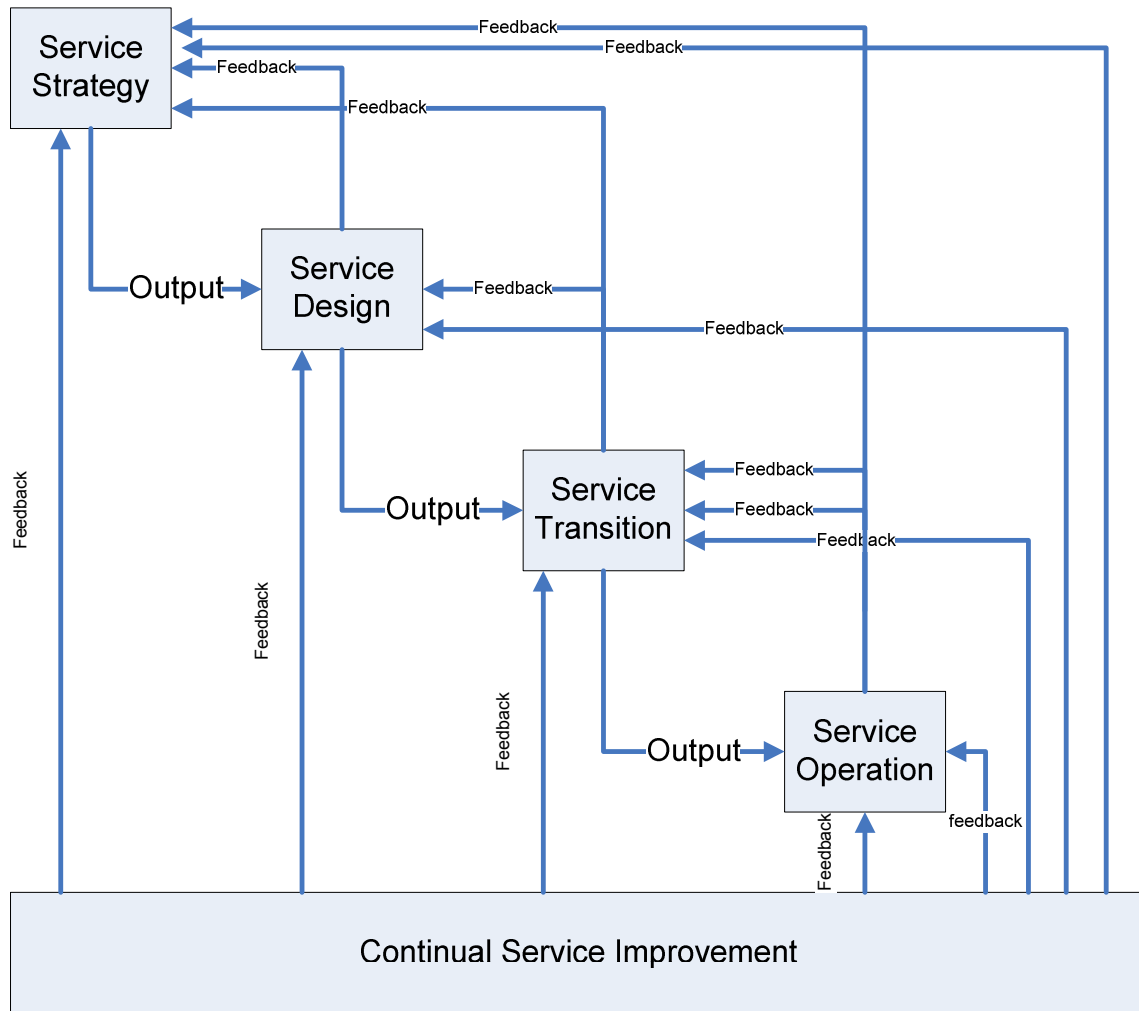
As your organization begins improvement initiatives around processes and / or services, you will find many opportunities to make improvements within the Service Lifecycle itself. It is important to ensure that there is consistent communication and feedback between the different Service Lifecycle phases.

Oftentimes 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.

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.



Continual Service Improvement





4 IT'S NEVER TOO SOON TO START MEASURING & REPORTING

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

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

Measuring and reporting is 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.

4.1 Target Audiences

Measurements should be directed to different target audiences:

- The Business Leaders
- Senior IT Leaders
- Mid level and front level managers

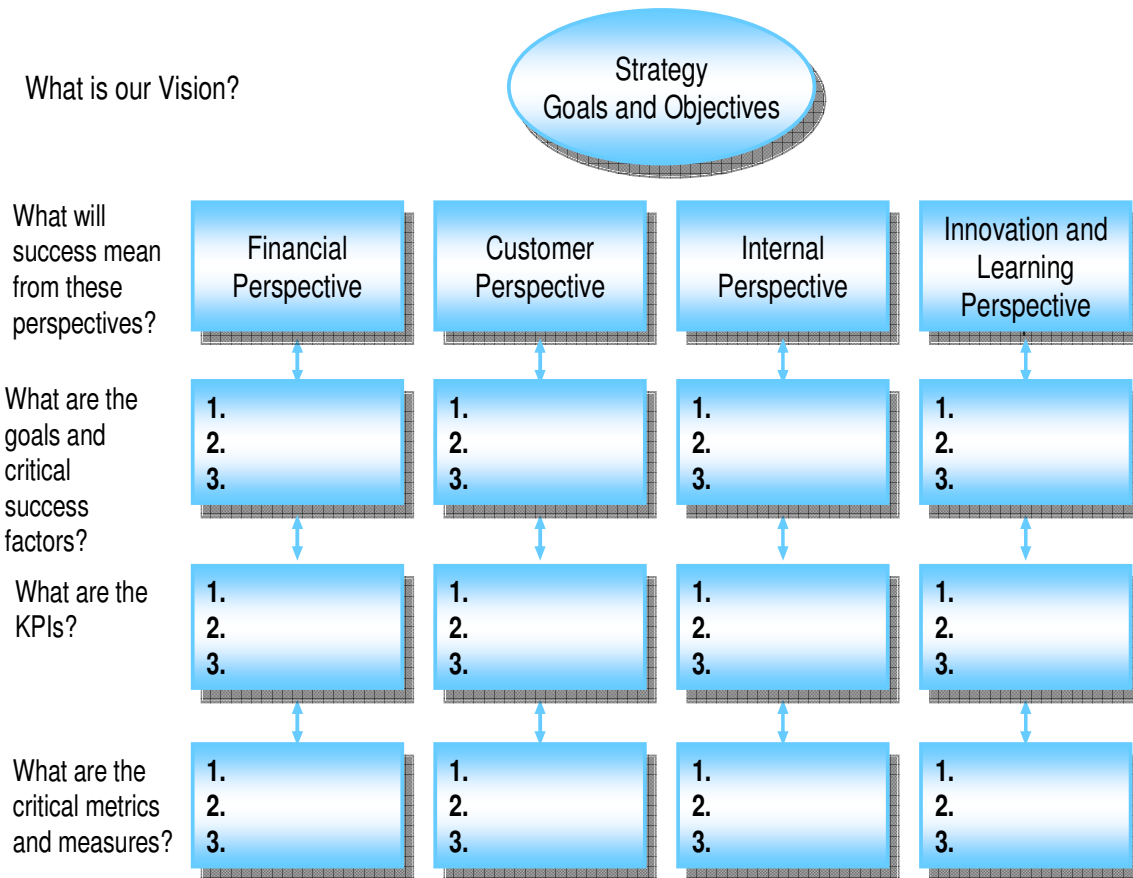
Each target audience will have a specific need for measuring and reporting and one size does not fit all. Business requirements and performance standards defined in the Service Design phase should provide input in what to measure. If further information is needed, a discussion with each target audience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

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.



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 critical success factors 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 critical success factors 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.

4.2 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.

4.2.1 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.



4.2.2 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.



5 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.

Also, don't try to boil the ocean at one time. 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. Service Level Management plays a key role in defining monitoring 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!



6 ABOUT THE AUTHOR

Gary Case is the co-author of ITIL V3's *Continual Service Improvement* core volume, and is an IT professional with more than 30 years of experience. As a Principal Consultant and ITIL Expert, currently the highest ITIL V3 certification, Gary specializes in providing strategic process consulting, business alignment, project management, and training to IT professionals across all industries. He also presents ITSM and ITIL-related sessions to audiences at major events worldwide. Gary joined Pink Elephant after successfully running his own consulting and training company, and serving as the Director of Training for Help Desk Institute (HDI).