PLANNING FOR & ASSESSING AN ITSM PROGRAM

A Health Check For ITSM Program Success

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Author   : Troy DuMoulin, AVP, Product Strategy, Pink Elephant

1   EXECUTIVE SUMMARY

IT projects do not have a great track record of success. Various studies published by the Standish Group, KPMG or Robbins-Gioia all conclude that the likelihood of IT projects delivering on their promised value proposition is no higher than 54%.

At Pink Elephant our experience shows us that IT Service Management projects falter at even higher rates due to their high dependency on organizational and behavioral change and their tendency to be misunderstood, underestimated and undermanaged.

The tangible tasks of creating process documents, and configuring service management tools is the easy part and is not by the way the goal of a service management project. The primary risk to ITIL® project success is the political and cultural ability to deploy the process and policy changes across the non-aligned, separately managed IT towers and technology silos that make up a typical IT organization. Without the ability to drive real change across these political and often external boundaries the project returns almost no value and the money spent on process design and tools is a wasted investment.

To avoid this trend we need more than our best intentions. The following lessons learned from failed projects can help us open our minds to managing risks and planning to succeed rather than become yet another statistic:

- IT Service Management/ITIL projects are actually transformation programs requiring significant shifts in behavior and cultural change across multiple groups.

- Process documentation is not worth the paper it is printed on without the ability and will to enforce its use.

- An IT Service Management tool alone will never enforce new behaviors or best practices.

- Most organizations fail at their initial process improvement efforts by focusing on the technology or tool elements of the project and underestimating the effort required to address the softer people and governance issues brought by the transformation effort.

- Most projects reveal clear, early warning signs that the project is at risk but these signs were missed, ignored or not managed.

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2 PLANNING FOR ITSM PROGRAMS

Many organizations that undertake programs to improve their IT Service Management processes and service delivery capabilities are frustrated by a general lack of results or the overriding failure to achieve their ambitious goals.

Much of that frustration can be directly attributed to a single, pervading factor:

1. Leadership's inability or unwillingness to understand that adopting service management concepts and processes within traditional siloed focused IT organizations means some degree of change to a large part of the current function's structures, work practice, values, and measurement systems.

> Contrary to popular belief and practice ITIL projects are not all about documenting processes or buying and configuring an IT Service Management tool!

Certainly these two elements are necessary and even critical but they are still only enablers - not the goal itself.

- Documenting processes is a necessary step due to a quirk of human nature that believes that unless a practice is written down and enforced it remains un-defined and open to argument and interpretation.
- The Service Management tool certainly contributes to the goal by lifting the process from paper and making it tangible, visible, measureable and hopefully more efficient. (Though not always the case)

The goal of a Service Management initiative is to establish a common and efficient approach for the various functions within the internal and external IT value chain to deliver stable and reliable IT Services to the business customer. Process documentation and the underlying IT tools are simply a means to the end and not the end in and of themselves.

2.1 Building Blocks Of An Effective ITSM Program

When developing a transformation strategy in an ITSM project or improvement effort it is necessary to ensure that your plan (or the consulting proposal you are evaluating) takes into account all of these core elements:

1) An ITSM transformation program must include:

   a. Governance for the Project and Ongoing Process
   b. People (awareness, communication, and training)
   c. Process (design, feedback, documentation and approval)

     d. <u>Technology</u> (selection, configuration, testing, deployment and ongoing management)

2) That ITSM improvement opportunities (big or small) must be run as a formal project with IT executive support and involvement to gain acceptance across the various functions that will need to participate and comply.

3) The drivers for change need to be grounded in the business:

    a. Well defined and mapped back to a strategic business direction or decision
    b. Understood and communicated to ensure a shared sense of urgency and buy in to the project objectives
    c. Requirements and designs are driven by and tested against the change drivers

4) The people participating directly and indirectly in both the project and ongoing process will be evaluated based on their contribution to the development, deployment and ongoing execution of the new practices and processes.

Key Building Blocks Of ITSM Programs
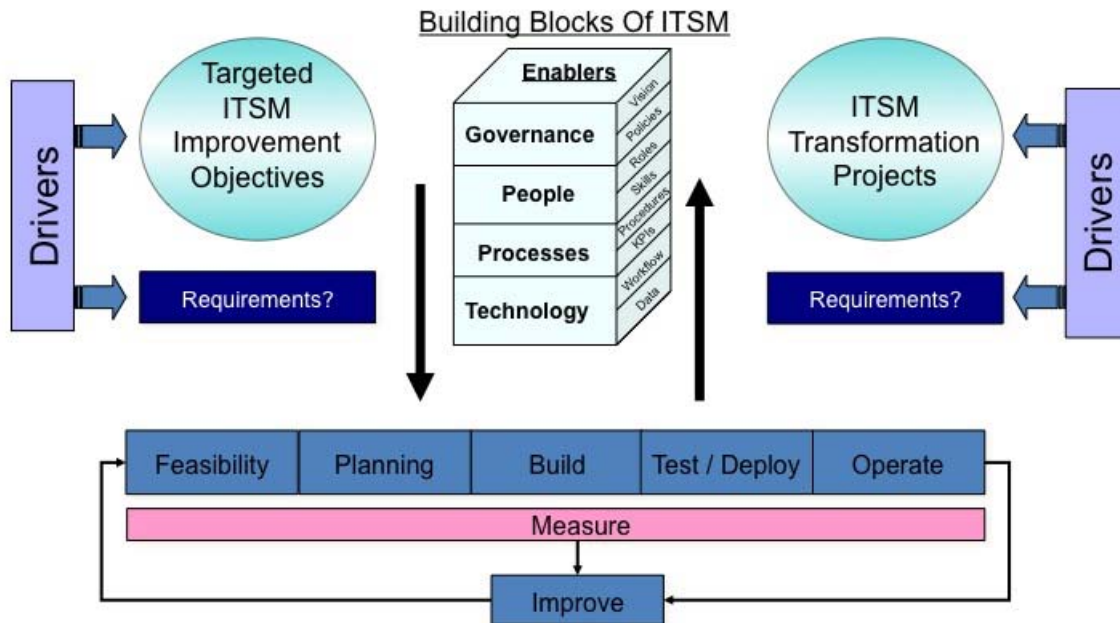
2.2   Evaluation Checklist For ITSM Programs

The following tables represent a high level checklist for you to uses when developing or evaluating an effective ITSM program approach. Use this checklist as the basis for determining if a gap exists in your current or future strategy.

Project and Process Governance Plan	Characteristics
Effective Project Controls & Roles	• The membership, authority and effectiveness of the projects' sponsorship and senior steering committee match the scope of the project • Formal project management, with a formal plan, controls and project governance is in place • Time, resources and funding are available to the project for planning, building and deploying the project deliverables
Management Of Change Strategy	• The vision is clear, and there is widespread comprehension of the vision (e.g.: intended direction and future state) and the objectives of the program as it relates to strategic business and Enterprise IT goals • Ongoing practices to identify, assess and manage risks related to deployment of the new policies and practices are in place (see section 3 of this document) • An organizational change management plan has been developed addressing the impact of the process change on individuals in the organization.
Ongoing Process Governance Structures and Improvement Processes	• There is a plan and means to adjust the organizational structure and reward systems for new and ongoing functions and roles to facilitate the goals of the program. • A process is in place to keep the new practices up to date and deployed as improvement areas are identified.

Ongoing Tool Administration and Improvement Structures and Processes	• A function has been established to install, configure and administer IT Management tools used by enterprise IT processes • A process exists to receive, assesses, approve and prioritize changes to the IT Service Management tool
Continual Service Improvement Structures, Management Dashboard, and Processes	• A strategy and process is defined to use a consistent and effective measurement approach, management dashboards, audits and assessments for the purposes of continual process improvement.

People Plan	Characteristics
Awareness and Communication Strategy	• A plan and means exist to raise to an adequate level the knowledge of IT Service Management principles, and the ITSM program objectives and deliverables across IT • Key stakeholders have been identified and their individual communication needs planned and under management • The level, frequency, variety of methods and effectiveness of program/project-related communication to stakeholders is managed and measured
ITIL Training For Core Team and Extended Reviewers and Skills Training For Process Workers	• A specific training plan is approved and funded to equip the project resources with the knowledge needed to design and/or review the project artifacts and deliverables
Deployment Workshops (policy, process and tool training)	• Deployment workshops have been developed, staffed, and scheduled to train IT staff on the process, policies, tasks, and enabling tools.
Ongoing Training For New Hires and Process Updates	• A process has been defined to orient new employees and to execute communication and training plans for process update releases.

Process Plan	Characteristics
Global Policies	• Global process compliance and improvement policies have been documented and approved. • The Goal and objectives of the process are defined – these establish the basis for key decisions regarding the process.
High Level Workflow and Role Descriptions	• High-level workflows have been documented and incorporated into training and communication deliverables. • Process integration is understood and incorporated into requirements management, design and automation activities. • Detailed role descriptions have been documented establishing the accountability, responsibility, and communication expectations for the new and changed roles.
Detailed Procedures, Business Rules and Forms	• Detailed procedures, business rules, escalation policies, and process forms have been defined based on the workflow and automation requirements generated from the high-level process documentation and roles. • Key process classification structures, artifacts, decision criteria, work instructions are defined – (e.g.: priority matrix, categorization criteria, risk matrix, service catalog structures and CMDB object models)
Measurement Framework With Critical Success Factors and Key Performance Indicators Identified	• Critical success factors and key performance indicators have been selected to support the process and policy goals and objectives. • Process measures are presented on management dashboards and reports and support continual process improvement.

Technology Plan	Characteristics
The Tool Supports ITIL Best Practices	• The tool requirements are broadly agreed and a tool that fits has been selected for the processes being deployed. • Future process integration requirements are taken into account in the tool requirements. • Tool customization is avoided where the proposed change will break the original intent of the software.
Tool Configuration Done In Parallel With Process Design	• The tool aspects of the initiative are not executed as a separate project; rather they are part of the process design and deployment project. • The tool configuration is done in parallel and in coordination with the process design and documentation efforts. • Separate development, and production environments exist to support new or updated process design development and testing without impacting production. • The development environment is used to prototype and test process and policy designs as part of the process-building phase.
Mature Testing Plans	• Testing plans include process, technical and user acceptance testing based on functional requirements, non-functional requirements, and usability criteria. • Testing plans include integrated testing to determine the impact on other processes already deployed within the tool.

3   RISK MANAGEMENT & ITSM PROJECTS

Why Risk Management for ITSM projects?

> *In this world there are four kinds of people:*
>
> 1. *Those who make things happen*
> 2. *Those who watch things happen*
> 3. *Those who have things happen to them*
> 4. *Those who wonder what happened*
>
> Source: Anonymous

As you read this quote and think through the checklist presented in this paper you can probably relate with each one of these scenarios from some point of your IT career. You have now been asked to lead or play a part in an ITSM project and you know that there are many risks that can derail the project and perhaps even your career. You have a choice to bury your head in the sand or to take some level of control over your destiny by actively identifying and managing the risks that will most assuredly place obstacles to success in your path.

The goal of this section of the paper is to give you the tools to proactively plan for a successful project by being the person who makes things happen.

Risk Management, as a project control, is not new to most people. If you have ever been part of any major IT project you will probably be familiar with the process of Risk Management where, as a project team, you are asked to participate in a brainstorming session where you offered your valued opinion about all the potential issues that could arise as part of the project.

The project manager having this initial source of information begins a process by which he or she continually manages the risk by the following simple but effective series of activities that represent the circular process of Risk Management.

A Risk Management process includes:

1. **Identifying** risks that may occur throughout the program's lifecycle (including post-deployment).
2. **Assessing / Ranking** these risks to ascertain the probability of these risks occurring and the potential impact to the program if they do occur.
3. **Planning** a mitigation strategy to deal with the higher impact, higher probability risks.
4. **Implementing** the mitigation strategies and actions identified as necessary to project success.

5. **Managing / Communicating** the risks throughout the improvement program and on-going operations to increase the chances for program success.
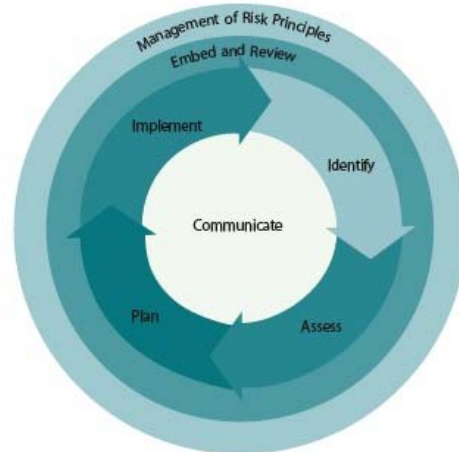
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3.1   The Unique Challenges Of ITSM Projects

While Risk Management as a process is understood by most people, the true issue is that classic project risk criteria focuses primarily on the concepts of on time, on budget and with quality. Each of these key elements is vitally important to project success; however, what our experience has taught us is that if an ITSM project is on the road to failure these classic elements are likely to not be the most dangerous issues that need management.

As stated earlier in the paper most ITSM projects fail due to *people* issues related to culture, organizational design, inter-departmental politics, lack of knowledge, soft stuff, etc.

While the following elements are indeed the building blocks for ITSM programs:

**Governance, People, Process & Technology**

This model is inherently flawed in that these legs are nowhere near balanced when it comes to effort/risk for ITSM projects. In reality the saying should be:

Governance, People, People, People, Process & Technology

You can buy process!
You can buy technology and tools!
But you cannot buy the hearts and loyalty of people.

So from this perspective it is important to look at the OGC's Management of Risk Methodology (M_o_R) which extends the concept of Risk Management beyond the classic project concerns into the critical areas of Strategic and Operational Risk Management.

The M_o_R model is ideal for ITSM projects in that it focuses the risk identification process beyond the program and project risk to also consider strategic and operational risks, which from Pink's experience represent the area of most common sources of project failure.
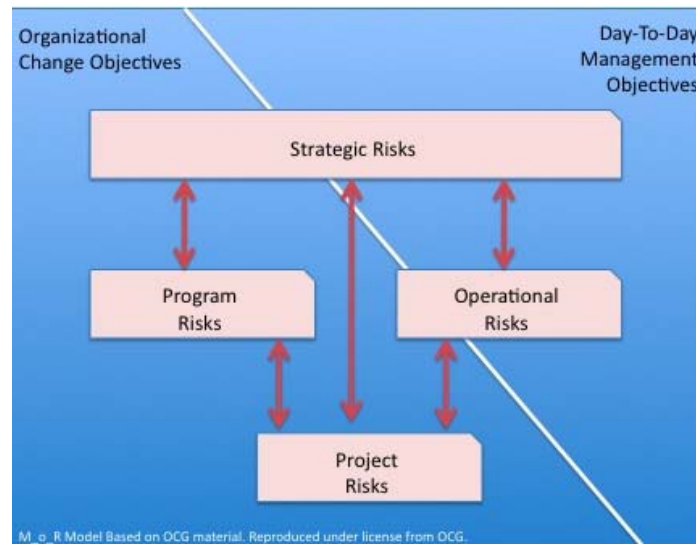
Based on this experience Pink Elephant has developed its PinkREADY™ Change Readiness and Risk Identification methodology and tool set. The next section of this paper provides a list and explanation of the 22 Critical Success Factors (CSFs) identified as critical for successful ITSM projects.

The total absence or immaturity of anyone of these 22 factors could potentially derail your ITSM project and cause your initiative to be yet another statistic. Use this list critical success factors to strengthen your existing Risk Management methodology or enlist Pink's support to provide you the assessment tools.

4   PINKREADY™ & CRITICAL SUCCESS FACTORS

The PinkREADY methodology and toolkit reviews the health of 22 CSFs necessary for ITSM project success and is based on several best practice models and Pink's extensive ITIL project experience.

Strategic Factors

The following factors represent strategic CSFs:

- **Organizational Structures**
  - o The level to which the organization is willing to adjust its organizational structure and reward systems for new and ongoing roles to facilitate the goals of the program
- **Role Authority**
  - o The level of authority of the individuals assigned to fulfill the roles within the program and for ongoing operations
- **Supplier Management**
  - o The level to which supplier participation, agreements and contracts have been integrated into the planning and execution of the program's deliverable items
- **Continual Service Improvement**
  - o The level to which formal measurement models and assessments are applied and the use of the subsequent data for the purposes of continual service improvement

Program Management Factors

The following factors represent program (multi project – multi year) level CSFs:

- **Program Urgency**
  - o The level of urgency and responsiveness required to complete the key deliverable items or objectives of the multi-phased initiative or program
- **Program Vision**
  - o The level of clarity and comprehension of the vision (e.g.: intended direction and future state) and objectives of the program as it relates to strategic business and enterprise IT goals
- **Program Strategy**
  - o The level of clarity and comprehension of the program's strategy and method of achieving its objectives
- **IT Service Management Education**
  - o The level of general knowledge across Enterprise IT related to ITSM principles and the program objectives and deliverable items

- **Program/Project Communication**
  - The level, frequency, variety of methods and effectiveness of program/project-related communication to stakeholders
- **Availability of ITSM Tools**
  - The extent to which ITSM and process automation tools are available to support the program objectives
- **Program Momentum**
  - The ability to sustain program momentum over time by delivering on commitments, overcoming organizational inertia/resistance and managing competing priorities

Project Management Factors

The following factors represent classic project level CSFs:

- **Project Leadership**
  - The membership, authority and effectiveness of the projects' sponsorship and senior steering committee
- **Project Management**
  - The maturity and effectiveness of project management, plan, controls, project management skills and project governance
- **Time Resources**
  - The time provided to the project resources for planning, building and deploying the project deliverable items
- **People Resources**
  - The quality and quantity of people resources applied throughout the project lifecycle
- **Money Resources**
  - The level of project funding is sufficient to achieve the project objectives through the life of the project

Operational/Cultural Factors

The following factors represent day-to-day operational or cultural CSFs:

- **Performer Skill and Competency**
  - The level of knowledge and skill to adequately fulfill the operational roles assigned by the program
- **Ability to Deploy**
  - The level of political capability required to deploy the program deliverable items to overcome possible functional and organizational silos
- **Collaborative Climate**

- o The degree to which various groups and IT departments typically collaborate and coordinate cross-functional activities and processes (includes all internal groups and external suppliers)
- **Information Flow**
  - o The degree to which formal and informal information is communicated within and across organizational groups and to individuals
- **Focus on Individual Action**
  - o The degree to which the company values, promotes and rewards personal over team accomplishments
- **Respect for Rules**
  - o The degree to which individuals respect, comply and work with the existing organizational policies and procedures

As part of program management planning activities, Pink Elephant advises that organizations assess the 22 factors at each of the following three project phases:

1. **Ready to start?** Are you ready to move forward with an investment in an ITSM project, based on the history of past transformation projects and your current operational culture?

2. **Ready to go live?** Are you ready and will you be successful in deploying the ITIL processes based on the activities completed during the planning, design and build phase of the project lifecycle?

3. **Ready to continue?** Are you ready to continue with the ITIL transformation project based on the success or failure of the program so far?

So what are you going to do if the answer to any of these questions is **NO?**

Plan To Succeed!

Manage Your Risks Rather Than Allow Them To Manage You.

5   CONCLUSION

Everyone who begins an ITSM program has a desire to succeed at their objectives. Often the issues they face take them by surprise, not understanding or underestimating the full scope of what they are undertaking.

The goal of this paper is not to overwhelm or confound but to provide the reader with the questions and tools to assess and avoid the pitfalls experienced by many organizations. As a consultant organization we are often asked for a list of "Lessons Learned" with a view that people want to learn from the challenges of other organizations. Consider this document a compilation of this information with useful tools to help you proactively navigate the sometimes-turbulent waters of ITSM programs.

The processes of Program Planning and Risk Management are focused on the planning and management required to successfully steer through or around the certainty of obstacles. Whether you face a mountain or a molehill on your ITSM journey, the outcome can be within your control.

6   PinkREADY™

What Is PinkREADY?

PinkREADY is an ITSM project risk identification and mitigation planning service that enables customers to realize the promised benefits of ITIL projects, avoid unnecessary costs, and support organizational change.
Why is this important? Many process improvement initiatives fail because risks and barriers are not properly identified <u>before the start</u> of a major change. Increase your chances of success by using PinkREADY.

How Does PinkREADY Work?

Pink Elephant reviews the "health" of 22 CSFs necessary for ITIL project success, based on several best practice models and Pink's extensive 20 years of ITIL experience. The service leverages online data gathering tools and a facilitated risk analysis/planning workshop to deliver three key outcomes:

- Visibility into a change initiative's state of health
- A prioritized plan for managing risks to the project's success
- Key inputs for managing change

Who Is PinkREADY For?

The service is aimed at organizations that are starting major change initiatives or those already progressing through a change and are experiencing problems. Depending on which of these critical questions you face, Pink Elephant works with key stakeholders, including management, staff and suppliers, to find the answer to the following questions:

- **Are you ready to start?**
  - o   Are you ready to move forward with an investment in an ITSM project based on the history of past transformation projects and your current operational culture?
- **Are you ready to go live?**
  - o   Are you ready to deploy the ITIL processes based on the activities completed during the planning, design and build phase of the project lifecycle?
- **Are you ready to continue?**
  - o   Are you ready to continue with the ITIL transformation program based on the success or failure of the project so far?

What Are The Benefits?

- **Save Time** – Proactively identify strategic, program and project risks that can derail your ITSM project, and use this information to mitigate them
- **Save Money** – Avoid unnecessary costs due to unplanned project overrun or failure
- **Understand Your Environment** – Gain insight into the cultural and political impact on your ITIL project, and use this information to plan a targeted communication and education plan to improve management and staff buy-in
- **Manage Risk** – Use the prioritized risk exposure report for executive decision making on risk mitigation

What Do You Get With PinkREADY?

There are three major deliverables:

- **Critical Enablers Survey & Report:**
    - An online survey is used to gather data that feeds a graphical report based on each participant's anonymous input into existing practices around the 22 critical enablers

- **Planning Workshop & Risk Exposure Report:**
    - Using the survey input, a Pink Elephant Consultant leads a guided risk identification and planning workshop. The workshop's outcome is a prioritized risk exposure report that can be used to support executive decision making for risk mitigation activities, organizational change management and resource allocation

- **Risk Mitigation Guidance:**
    - For each risk identified in the workshop, the Consultant provides guidance based on experience about mitigating risks and supporting the key program, project and organizational change management activities required to ensure project success

For More Information

To learn more about PinkREADY and the service delivery options available, call 1-888-273-PINK or email info@pinkelephant.com.

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7   ABOUT PINK ELEPHANT

Pink Elephant is proud to be celebrating 20 years of ITIL experience – more than any other service provider. Operating through many offices across the globe, the company is the world's #1 provider of ITIL and ITSM conferences, education and consulting services. To date, more than 200,000 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, ISEB and LCS, 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

ITSM Leadership

Pink Elephant has grown to become recognized globally as *The IT Service Management Experts* and is very proud of its commitment to IT best practice frameworks. In fact, Pink Elephant has been involved in the "ITIL project" since its inception in 1989:

ITIL V3 (Published in 2007):

- Author of the *Continual Service Improvement* core volume
- Member of ITIL V3's international exam qualification panel
- Delivered the first ITIL V3 Foundations course
- Trained more students in ITIL V3 than any other organization (Foundations, V2-V3 Foundations Bridging and V2-V3 Service Manager Bridging) with pass rates that exceed the industry average by **double-digits**
- Pink's ITIL trainers passed the very first *V2-V3 Service Manager Bridging Course* exam leading to the 'ITIL Expert' certification

ITIL V2 (Published in 2000):

- Supported the development of ITIL V2's core books:
  - Service Support (English and French editions)
  - Service Delivery (English and French editions)
- First to market with public Foundation, Practitioner and Management ITIL certification courses in North America, and worked with EXIN to produce the associated exams

In addition, Pink Elephant has led the way:

- Training more than 100,000 IT professionals in ITIL, including employees from over 80 of the Fortune 100 companies – more than any other organization worldwide
- Offering among the highest customer approval ratings – 96% recommend Pink's education
- Launching the world's first classroom-based, foundation-level certification course in Control Objectives for Information and Related Technology (COBIT®)
- Introducing an approach to change when implementing ITIL based on the teachings of John P. Kotter (Professor of Leadership at Harvard Business School)
- Promoting IT best practices internationally through podcasts, white papers, blogs, published books, news articles and in presentations at international IT events
- Hosting the world's largest and most respected IT Service Management Conference & Exhibition each February in Las Vegas, USA
- Applying CMM (Capability Maturity Model) to assess ITIL processes
- Launching PinkVERIFY™, the only independent certification program worldwide that recognizes software that supports specific IT management processes
- Facilitating plans for an ITIL examination centre in North America – LCS (Loyalist Certification Services) in Belleville, Ontario, Canada)
- Serving as a founding member of the IT Service Management Forum (now *it*SMF) – the worldwide networking group for IT Service Management professionals