Anatomy Of A Service

Executive Summary

The Information Technology Infrastructure Library (ITIL®) framework contributed much to the world of IT Service Management (ITSM), but across the 2,000 plus pages of Version 3, and reaffirmed in ITIL 2011, the most significant evolution was the definition of a service.

The ITIL service definition provided clarity to help understand what qualifies as a service, and more importantly, lays the groundwork for how the various processes, roles, guidance and principles outlined in the ITIL framework underpin the larger concept of ITSM.

The ITIL processes can be easily understood to be the means to an end, with the end being the sustained management of IT services provided to the customer. Ultimately our goal in IT is to effectively and efficiently manage and deliver services to the business. An ITSM mindset shifts the focus from managing only technologies to considering what needs to be done to deliver value through services.

To exercise the strength of the ITIL framework, there are some hurdles that must be cleared. The processes defined as the ITIL framework effectively and efficiently manage IT services; however, there is the greater challenge of understanding and defining a service.

The focus of this paper is to describe the anatomy of a service. This anatomical description is intended to provide grounding in defining a service to aid organizations in defining IT services.

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1) UNDERSTANDING SERVICES IN AN ITSM PROGRAM

In the past when IT organizations initiated an ITIL or ITSM improvement project, there would be a focus on improving processes to strengthen operational stability. However, in many cases this is as far as they would go.

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In the last several years, the industry has seen a shift from focusing exclusively on operational stability to understanding and documenting the services that are being delivered.

But why is understanding the concept of a service important, especially at an early stage in the ITSM program? If an organization is doing ITIL, is it not sufficient for the organization to design, build and implement key processes? Can the organization not hold off worrying about services until later on when it begins to develop the Service Catalog or focus on Service Level Agreements (SLAs)?

A common belief is that the organization has time and can wait; however, understanding services can be critical to the early stages of an ITSM program. In many cases, defining and documenting services is the springboard for an ITSM program.

Understanding services can provide two vital leverage points for ITSM. The first is the relevant information that can be captured and documented across the various Service Knowledge Management System (SKMS) databases, augmenting the end-to-end management of a service. For instance, evaluating the impact of Incidents within a system on specific business outcomes is only possible when the definition of a service is understood.

The second leverage point is that by understanding a service, you can explain to the business exactly what value your organization is delivering through the various business processes supported by IT services.

1.1   Definition Of A Service According To ITIL: 2011

So what is a service? By definition, "a service is a means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks." [1] Of all the thousands of words in ITIL 2011 states this definition is the most compelling and is the reason that one might look at processes as a means to an end and not the end itself.

This paper will break down the definition of service into its fundamental components, or its anatomy, to provide guidance for identifying, documenting and managing IT services.

1.2   Value

"…means of delivering value to the customers"

Who is the customer? In the ITSM context the business is the customer, but it is not always that simple. The customer is any recipient of a service for which value is created, enhanced or supported by the entity we call a service.

The customer can be within IT, such as an architecture group supporting an application design team in the crafting of software, or the Accounts Payable unit using the invoicing application to process customer bills. The customer is also the end customer of the business – those that purchase the products of the company through the company's website. When determining the customer of an IT service it is important to acknowledge who is benefiting from the service and why, which leads to the concept of value.

Value suggests that a service provides a valued benefit to the customer that the customer is willing to pay for. In other words, the customer would pay for the derived benefit based on the customer's valuation of "what's in it for me?"

Value is always in the eye of the beholder or, in this case, the customer. In the practice of service management, we focus on our customers and what they consider important or of benefit based on what IT can provide them in terms of services.

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[1] Office of Government Commerce. Service Strategy, David Cannon, page 13 – 2011

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This relationship is important because it eventually forms the basis for validating service-based costs and costing models with the customer. It will also aid in defining the basis for a positive working relationship between the service provider and the customer. In other words, "I, the service provider, can provide better value than anyone else AND I can do that because I understand what is important to you and what you value most."

1.3   Outcomes

…. by facilitating outcomes customers want to achieve…

This section of the ITIL definition of service is the most important as we begin to formulate our service anatomy approach. The importance of identifying the customer and the notion of value are reiterated here in the words what "customers want to achieve". Understanding what the customer wants to achieve cements the value concept and serves as the lynchpin in understanding the basis of a service.

In the case of ITSM, what the customer wants is for IT to help the customer do something for themselves. Most importantly, this is the concept that what IT is doing for the customer is outcome-based and is a requirement, or at least a desire, of the organization. Let me clarify this point in business terms:

> "
> *By supporting an organizational outcome through a service, IT helps the organization meet operational, tactical or strategic goals.*
> "

By supporting an organizational outcome through a service, IT helps the organization meet operational, tactical or strategic goals. The customer would see this level of support from IT as valuable and would be willing to pay for this service. Notice though that a service is framed in terms of what service providers actively do for the customer. A service is dynamic; it is in motion; it must be exercised in order for it to have value for the customer; it must be brought into play on a regular and consistent basis by the customer to create value.

If we carry this thinking one step further, an IT service is a logical concept. A service is the aggregate of the human and technical resources that support a customer's outcome. Those outcomes can be, and typically are, very specific and are crafted in terms of the customer's understanding. This means that by aligning this concept of a service to a customer and customer outcomes, we can bring into tight focus the specific parts of the infrastructure that support the customer directly and create customer value. This is the "ah-ha" moment in defining the service anatomy. For the first time, we now have a means to define the linkage between the technology components and what they specifically do for the business.
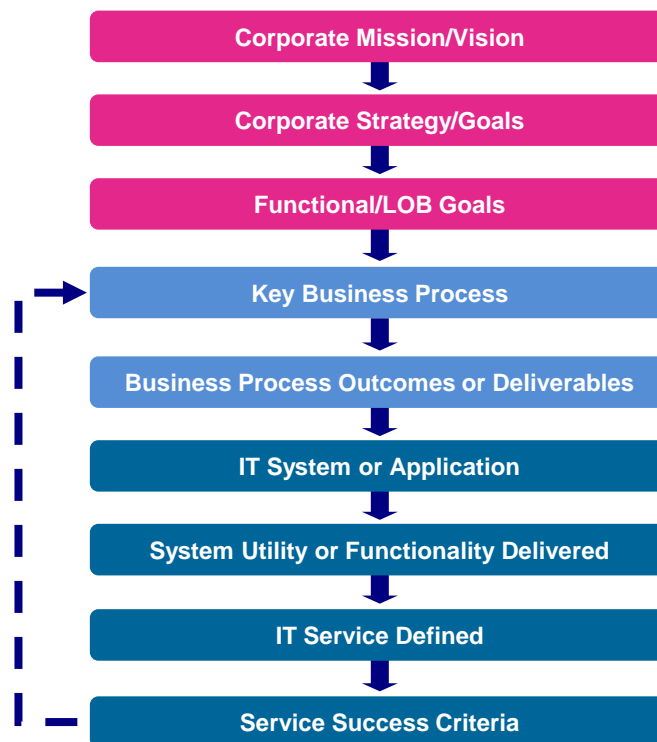
Think of a service portfolio meeting where investment decisions are being considered. If the alignment of the integrated infrastructure as a defined service is properly defined and a link between that service and business outcomes can be illustrated, the impact of changes to the infrastructure on business outcomes becomes quite powerful. For example, a compelling business case could be made to support upgrading or improving the network or servers, which are highly integral to the overall success of other value-creating IT services.

2) EXPLORING THE ANATOMY OF A SERVICE

So what does all of this have to do with the anatomy of a service? Actually, it has everything to do with it. The graphic below depicts the service anatomy. The service anatomy provides a guide for identifying, understanding and documenting services.

To answer the "so what?" question and to fully grasp defining and documenting a service, it is important to understand the basics behind the approach. The ITIL 2011 definition of a service is the basis for this design, so let's break the anatomy down into its parts.

Corporate Mission/Vision

↓

Corporate Strategy/Goals

↓

Functional/LOB Goals

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Key Business Process

↓

Business Process Outcomes or Deliverables

↓

IT System or Application

↓

System Utility or Functionality Delivered

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IT Service Defined

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Service Success Criteria

2.1   Defining The Outcome Statement

The first three boxes help us define the outcome statement.

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┌─────────────────────────────────┐
│   Corporate Mission/Vision      │
└─────────────────────────────────┘
                 ↓
┌─────────────────────────────────┐
│   Corporate Strategy/Goals      │
└─────────────────────────────────┘
                 ↓
┌─────────────────────────────────┐
│     Functional/LOB Goals        │
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Every organization establishes a vision and mission, which are supported by the organization's strategy and goals. Strategy and goals lay out a path for the organization and define its major Critical Success Factors.

Organizations are generally structured to operate efficiently and effectively by assigning accountability, roles and responsibilities to various functions or Lines of Business (LOB), which can be further broken down into work units. Through their own strategies and tactical plans, each organizational sub-division will have measures of success that can be sampled and are considered valuable to the organization.

Establishing successful strategy and achieving set goals creates value for the organization; however, strategies and goals do not describe how the work is organized and executed to achieve these valuable outcomes.

2.1.1 Defining Business Processes & Outcomes

Key Business Process

Business Process Outcomes or Deliverables
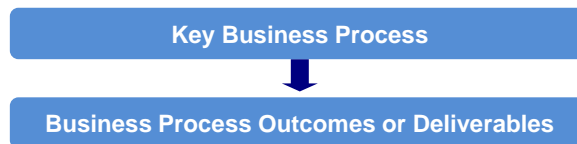
Since the Industrial Revolution, functions or work units have been organized by defining work activities in terms of processes. By definition, business processes are measurable and have a specific outcome. Each process will use all the resources and capabilities at its disposal to achieve the process outcomes but not all of these resources and capabilities are self-contained within the business unit or function. A business unit will call upon other organizational resources to support its business processes that can include Information Technologies.

Business processes are implemented to support accomplishment of corporate, functional or unit goals, and objectives. Accomplishing these higher order objectives requires that the process achieve the specific outcomes expected of the work activity. These outcomes, as they are measurable, form the basis for scorecards and other tools to report the effectiveness of the work place.

2.2 Defining IT Systems To Support Business Processes & Outcomes

IT System or Application

System Utility or Functionality Delivered
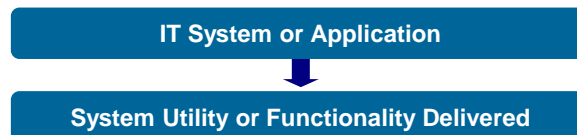
In today's organizational setting, IT is deeply embedded within the mechanisms of business processes. One would only have to look about the workplace to get a sense of how sweeping is the use of Information Technology in the normal course of business operations. Desktops, laptops and the like are on every desk and, in many cases, every conference room, lunch room table and even down the street at the coffee house. IT is widely accepted as part of the way the business does its job.

The way most business processes make use of IT is through applications. When the accounting clerk needs to do his/her job, they use IT or an application to process an Accounts Receivable. It is for that reason that we want to know what applications are used to support specific business outcomes of particular business processes. The application is the portal into IT and the starting point for defining an IT service.

It is this boundary between the business process and the need to use IT resources to help achieve a particular business outcome that forms the genesis of an IT service. There is one more critical point that needs to be made about the applications as the portal into IT.

To clearly understand a service, consider the description of a technology interface and how a clerk or supervisor is using it. We define that interface in terms of the technology's feature/function (utility) that the practitioners are leveraging to accomplish a specific task within a process. The clerk cares less about what enables the application – the type of servers, operating system patch level, or network protocols – but is more concerned when the technologies are brought together and the business outcome is achieved through the use of the feature and functions of the application.

2.3   Defining The Service

Thus, a service is the collection of all the technologies and other resources that are brought together to facilitate an outcome.

IT Service Defined

Service Success Criteria

We are now at a point in our anatomy where we can define the service. The definition is based on this interface between the business process and the service or the feature/function of an application.

There are a variety of business outcomes that can be achieved and there are various services that must be brought to bear to support the overall enterprise. To understand them all, we must understand how the business leverages IT and describe what that intersection is doing for the business. For instance, the service might be supporting check processing, manufacturing forecasting, business intelligence and reporting, inventory forecasting and order placement. For many organizations, this would be a small list of service descriptions that one might uncover when completing this analysis.

In summary the service definition exercise consists of a set of steps:

1. Identify the business processes and their outcomes in a particular function or unit.

2. Identify the applications that are accessed and describe in as many words as needed what the application is doing (features and functions) to support the business outcome (e.g.: maintain supplier contracts; obtaining supplier Product Lists; obtaining and reviewing the Supplier Catalog; comparing and ranking suppliers by product).

3. Narrow the description down to six or seven words – this label forms the starting point for the service description (e.g. Manage Vendor Relationships).

4. Continue the analysis, identifying other like-kind services – supporting similar business outcomes with similar features and functions. Aggregate all of the descriptions, regardless of the number of applications involved into a single service description.

5. It may be necessary to combine some of the identified services as the list grows. We would suggest looking at higher order business processes or outcomes that can be supported by combinations of services and define über-services or supersets of services. These service supersets might be the financial processing services, or the claims processing services, or the manufacturing support services and so on. These supersets of services might be those that a division or functional VP would be interested in subscribing to

for their department because the success of the function would not be possible without the entire service group.

6. Point five is key in deciding how macro or micro to make a service description. The guidance that we have given to clients is that the decision hinges on what Service Managers would subscribe to in order to assure the day-to-day functioning of an operational group. If the superset concept makes sense, as the VP would need all the services in a functional service superset, then the individual services, that make up the "superset", are defined, documented and described separately but documented in the Service Catalog within the body of a larger (superset) service description.

So, as an example, claims services would include a bundle of the individual services that support the claims function such as claims submission, reserving, Third Party Administrator (TPA) assignment, litigation management and claims payment.

Another potential service superset would be to align tiered services. These services may not necessarily be aligned to support a given function or Line of Business (LOB) but can be grouped in a meaningful way to managers. For instance, the desktop support service could include the following nested or tiered services: laptop/desktop support, VPN access, 24X7 Service Desk support and the standard productivity suite image.

Finally, some organizations may decide that some services can sufficiently stand on their own and be individually subscribed. Examples might include PDAs, web conferencing or project management. In this case, these micro level services would be separately documented in a Service Catalog.

2.4. Measuring Success

Lastly, a key aspect to keep in mind with respect to service definition is measurement. There is the old management saying that you can't manage what you can't measure, so the last step in defining services is to capture key metrics or service success criteria that will demonstrate if a service is supporting particular business outcomes.

Success criteria can be defined two ways: the success criteria can be aligned with the nature of the feature and function that is supported and how effective the feature and function is in meeting its design requirements or user expectations, and thus supporting outcomes. Or, the metric could be the conditions that must exist to assure that the feature and function is delivered consistently over time – the warranty of the service. Conditions typically found in an SLA (and the underpinning OLA and underpinning contracts) such as availability, transaction throughput, capacity constraints and so forth, can be the substance of these metrics. There must be a linkage between the metric and the business outcome supported if the metric is to be useful as a service success criterion.

2.5. Implementing A Service Definition Project

The anatomy of a service from beginning to end is fairly straightforward and builds from the ITIL: 2011 definition of a service; however some assembly is required. A suggested approach for defining organization services would be:

- The scope – what part of the organization is within the service definition project and what will be left to a later phase or not addressed at all?
- This is a project – organize the resources and activities that are necessary to complete the work as defined by the scope
- Identify the key resources – other than a Project Manager or lead, the Service Catalog Manager (SCM), Business Relationship Manager (BRM) or Service Level Management (SLM) Process Owner(s) should be engaged at least as a sponsor(s). In addition, the respective SCM, BRM or SLM Process Managers would ideally serve as part of the definition team or in a project governance role.

If Service Owners or Product Owners have been identified already, then they are naturally part of the governance role and play a hand in the interviews

The procedure to identify and define service functions is best done through a series of interviews, so there is a need for service interview teams. Individuals with an understanding of the business and technology arenas are helpful, but a requisite skill is that members of the interview team(s) should have demonstrated a capability to conduct structured interviews in the past.

- Grab the organization chart – for the part of the organization that is in scope, identify the logical process work groups. This will be useful when identifying the business representatives in the next step

- Business representatives – as the service definition work of necessity engages the business, business representatives should be identified and have time scheduled for interviews. If business representatives are not available, a viable surrogate for the business would be the BRMs who work directly with a business function or unit

- Follow the steps of the service anatomy methodology to document business processes, applications accessed and a definition of the required feature and function

- Collate and aggregate the data – look for patterns across the service definitions. Is there common ground that can be leveraged regardless of the number of applications that seem to do the same thing? In this case, smaller is better – meaning collapsing and condensing the descriptions – but be wary of taking too sharp a knife to the descriptions and collapsing to a point where the final service description is meaningless

- Validate your findings with the business and IT leaders – do the descriptions make sense? Would the descriptions provide a guide for careful and considered decisions about what is required of IT to support the business? Most importantly is whether the service descriptions would support future decisions to manage and change the service portfolio for the benefit of the business. The service

descriptions should provide the appropriate line of sight from the business to the infrastructure, such that when a change is made in the business, or if a change is contemplated in the technology arena, the portfolio manager would be in a position to analyze and demonstrate how changes to a service will have a positive impact on the business

3)   CONCLUSION

In closing, I leave you with the thought that the Anatomy of a Service should be considered a means to an end. Ultimately, our goal is to manage IT Services for the benefit of the business. The ITIL framework provides guidance as to how to manage IT; however, if our focus is solely inward and focused only on managing technology, IT could fall short in terms of supporting the organization. Instead, understanding services and their relationship to the business can be instrumental to the long-term success of the enterprise. When we are skilled at understanding this key relationship we can then appropriately apply the concepts and constructs of the ITIL framework and accomplish true IT Service Management.

4)   ABOUT PINK ELEPHANT

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