Service Management Concepts Made Easy
Part 4: Services

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INTRODUCTION

This is a continuation of articles exploring some of the concepts introduced in ITIL V3's *Service Strategy* book. This core volume in V3 covers the overall business aims and expectations, ensuring that the IT strategy maps to these.

Part 1 of this article series covered utility (fit for purpose) and warranty (fit for use). In part 2, we turned our attention to resources and capabilities, and I described how these assets are used to create value in the form of goods and services. Part 3 examined the differences between the Service Portfolio and the Service Catalog, and how to use them so that you can start to transform the concepts into a reality.

In part 3, I will discuss the Services.

SERVICES

What exactly is a service and how do we properly describe it?

An analogy I like to use to illustrate this is that of an ice cream store. They offer many flavors of ice cream – in essence, variations on the same service. Imagine buying an ice cream cone for each member of your family. Each family member is likely to order a different flavor based on their preferences. One can order a cone with two or even three scoops, at varying costs.

Regardless, everyone gets the same *basic* or *core* service. The ice cream cone simply represents the unit of service from the customer's point of view. People don't order "a delicious treat" service; they order an ice cream cone; the "unit of service" (more on this later).

Defining Your Services

The Official ITIL Glossary[1] defines a service as:

"*A means of delivering value to Customers by facilitating outcomes Customers want to achieve without the ownership of specific Costs and Risks.*"

Let's break down the definition.

A means of delivering value
> As we have seen earlier, value is defined in terms of utility (fit for purpose) and warranty (fit for use). Using the service should lead to the desired outcome.

Customers
> A customer is someone who buys goods or services. In the case of IT, this is often perceived to be a business unit or a line of business; however, I would challenge this to say that the business customer is who IT should be thinking of and focusing on. The more IT thinks in terms of the business customer as its customer, the more IT integrates with the business. This results in a

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[1] http://www.best-management-practice.com/officialsite.asp?FO=1230366&action=confirmation&tdi=575004

better relationship between IT and the business, and leads to better decisions. As an IT staff I also need to understand that my deliverable could be directly seen by the business customer (website) or be part of a back-office function in a supporting role.

Without the ownership of specific Costs and Risks
In the earlier example, I do not own the freezer nor do I have to carry a large inventory of cones and ice cream. I also do not have to worry about the capabilities and resources required to provide the service. My risk is only limited to my enjoyment of the cone. If I chose the wrong flavour, I only have myself to blame. If I had bought a bucket of the ice cream, I would be stuck with it.

Before moving on, let's explore a few more important concepts: Core services, core service packages and service level packages. The official ITIL V3 Glossary defines them as follows:

A *core service* is an IT service that delivers basic outcomes desired by one or more customers.

A *service level package* is a defined level of utility and warranty for a particular service package. Each service level package is designed to meet the needs of a particular pattern of business activity.

A *service package* is a detailed description of an IT service that is available to be delivered to customers. A service package includes a service level package and one or more core services and supporting services.

A *supporting service* is a service that enables or enhances a core service.

Here is another example to illustrate the above concepts:

Airline Industry:

Service Package	Core Service	Flying from point A to point B = A seat on a plane
	Supporting Services	Reservation, payment processing, luggage handling, security, food and beverages, ground staff, flight attendants and pilots
	Service Level Package	Hospitality class – regular seat, limited meal choice, limited entrainment, pay-per-use bar service Business class – wider seat, more leg room, meal choice, wide selection of entertainment, free bar service

Service Unit vs. Unit Of Service

Customers implicitly understand that by ordering something (the unit of service) they actually are ordering the business' service unit. People know that the cost of a unit of service includes material, utilities, salaries, training, management, publicity, taxes, maintenance, office staff, etc. What IT has to do is to define their services in terms of the business' service units.

The relationship between the IT service and the business service may be direct or indirect. In the case of a website the relationship is direct, while in the case of the ice cream cone the relationship is indirect. To clarify, when I log on to a website, IT is directly involved. I see and "touch" the technology. In the case of ordering an ice cream cone, IT's involvement is indirect (back office functions). This includes any computerized manufacturing equipment the ice cream company uses.

There is a difference between unit of service and service unit. The unit of service is from the customer's point of view and represents the "item" that the customer orders. The service unit represents the

business' point of view. It is made up of capabilities and resources, offers utility and warranty and includes everything required to provide the "unit of service".

Food For Thought

Think of the following units of service from the customer's point of view and try to define them in terms of service units from the business's point of view with the help of the following questions:

- What is the core business service?
- What are the utility and warranty components?
- What are the capabilities and resources of the service?
- What are the supporting business services?
- What are some of the possible service levels?

Industry	Unit Of Service As Seen By The Customer
Airline	Buying an airline ticket to go somewhere
Automobile	Buying a car for the family
Food & Beverages	Buying groceries
Commercial Buildings	Renting office space
Public Sector	Borrowing a book from the local library
Banking	Opening a bank account
Restaurant & Entertainment	Dinner with a loved one

Now ask yourself the same questions but from an IT perspective:

- What IT core services are required by the core business services?
- What IT core services are required by the supporting business services?
- What IT supporting services are required by the core business services?
- What IT supporting services are required by the supporting business services?
- What are the utility and warranty elements required for each of the above IT services?
- What are the capabilities and resources required for each of the above IT services?
- What IT services would require differentiated service levels?

I know that these questions are not easy to answer but they must be asked. If you want your organization's IT department to be seen as being integrated with the business, start thinking about what the business does.

- *Define* your IT services in business terms, such as business services or business functions or business processes
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