

Business Service Management Puts You Ahead of the ITIL V3 Curve

By Sharon Taylor, President, Aspect Group,
and Ken Turbitt, Global Best Practices Director, BMC Software

With the release of IT Infrastructure Library (ITIL®) version 3 (ITIL V3), it's clear that your goal as an IT professional has changed. You're no longer tasked with aligning IT with the business. Now your goal is to integrate IT with the business. The distinction between IT and the business has blurred, and the language of IT has been replaced with the language of the business.

So what does ITIL V3 have to do with BSM (Business Service Management)? BSM is now an ITIL best practice. ITIL V3 defines it as "the ongoing practice of governing, monitoring, and reporting on IT and the business service it impacts." It's an approach that leverages processes and technology to make the goals of IT and the goals of the business one and the same.

BSM solutions and ITIL practices work together to help you manage IT from a business perspective. Solution developers are working closely with ITIL architects to ensure that ITIL processes and service management solutions continue to converge. Their solutions can put you ahead of the curve when it comes to implementing ITIL best practices.

INTEGRATING I.T. WITH THE BUSINESS

Successful IT organizations should consider IT's contribution to business value in every decision they make and every project they undertake. ITIL best practices support this approach to managing the IT infrastructure.

ITIL V3 builds on the version 2 foundation to advance IT industry thinking to the next level of service management maturity.

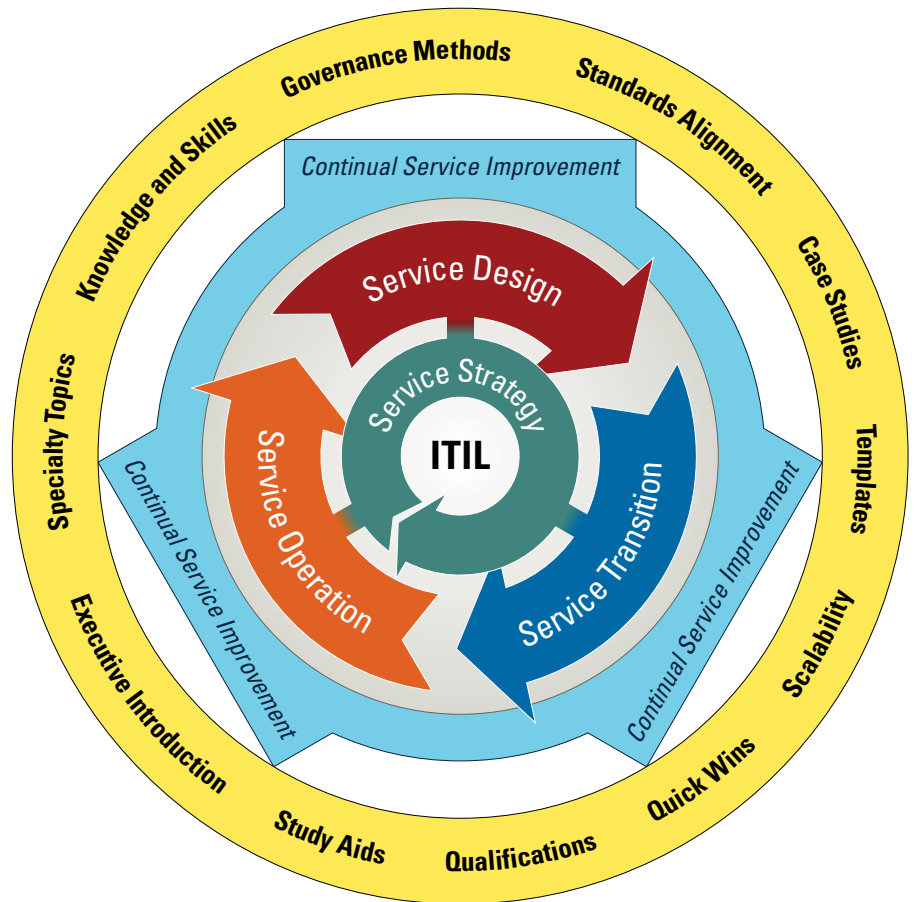


Likewise, BSM takes IT to the next level of service management maturity. The core ITIL service management practices for V3 focus on demonstrating business value. For example, Service Strategy, the first of the five core ITIL publications, positions IT service management and BSM. This positioning is important because so many organizations are attempting to integrate business applications to automate end-to-end business processes and deliver business services. Deriving operational objectives from business services and managing the services accordingly, however, is a difficult challenge. Examples of this type of objective include reducing manual errors through automation and processing transactions faster.

Taking a business approach, instead of a technology perspective, helps you establish

appropriate objectives for managing business services. Dynamic mapping of IT assets to business services lets you shift your view of the IT infrastructure from a topological architectural map to a model that identifies the asset-to-service linkages. Consequently, you can tie infrastructure events to business outcomes.

Here's an example: You need to understand how a change on a particular server will affect related IT and business services. The services comprise processes that are vital to your business. Mapping the server to those services and processes is critical to ensuring business continuity. In the past, you might have been able to see that a change to that server could affect a critical application, such as SAP. BSM enhances your visibility by giving you far greater detail. You can see



ITIL V3 Model

more specifically that the change might degrade performance of a specific SAP module — for instance, the online ordering module. Furthermore, you can see that slow performance of this module will likely impact Web sales, causing revenues to drop. Clearly this change is one that will affect business performance. Visibility into the relationship of technology to services and business processes gives you the insight you need to make decisions and take action based on business impact.

OTHER KEY V3 ENHANCEMENTS

One of the best things about ITIL V3 is that it leverages everything your organization did in adopting ITIL version 2. Version 3 is more of an evolution than a revolution. The evolution from IT/business alignment to IT/business integration is one of the biggest differences in the two versions. Other enhancements include (but aren't limited to) the new focus on service lifecycle management, the introduction of the services-as-assets concept, and the quantification of return on investment (ROI) and return on value (ROV). BSM solutions help you in addressing these V3 enhancements as well.

Service Lifecycle Management

ITIL V3 defines five stages of the service lifecycle: service strategy, service design, service transition, service operations, and continual service improvement. The model contains the processes needed to manage services within this lifecycle structure. The objective of every stage in the service lifecycle is to produce business value. BSM also takes a lifecycle approach to service management. BSM solutions, for example, provide end-to-end, closed-loop change management that extends from change requests, to planning, to approval, to implementation, to verification, and finally to notification of successful completion.

Services As Assets

ITIL V2 deals primarily with tangible assets, such as IT infrastructure components. Version 3 introduces the concept of services as assets. Service assets consist of utility and warranty. Utility is the service itself, provided by a combination of people, processes, and technology. Warranty is the assurance that the utility will perform to an expected level. With insight into the business impact of services, you can weight the value of service assets based on their business impact. As a result, they help you prioritize actions and make other important decisions based on the weighted business value of the service assets involved.

Quantification of ROI and ROV

With V3, return encompasses not only financial results, but also key indicators, such as customer and employee satisfaction. V3 helps you quantify, measure, and optimize return based on both ROV and ROI. It gives you guidance on what to measure and how, as well as what metrics to use and how to use metrics to

demonstrate achievement. By mapping the IT infrastructure components to services and business processes, you can focus your efforts on those services and processes that contribute to ROI or ROV, and establish priorities accordingly. What's more, you can better gauge and demonstrate the contribution of IT to business value. The ROI can be substantial in IT cost savings alone. According to Forrester Research, "By hitting all of the stepping stones toward BSM, Forrester estimates that companies can save as much as a third of their IT operations budget. As 76 percent of the IT budget goes to operations, firms that implement BSM can potentially save 25 percent of their overall IT budget."¹

NEW GOAL, NEW ROLE

ITIL V3 is changing the IT/business relationship. The new goal of integrating IT with the business means a new role for IT professionals. Business managers today expect you to leverage technology in ways that will make the business more innovative. To meet their expectations, you need to understand new technology directions so you can unleash the power of technological innovations, not only to increase the effectiveness of business processes, but also to open up new business opportunities with creative new services and products. This new role requires a major step forward in service management maturity. Simply having good structure and rigorous control and process elements for effective service management is no longer enough. Your goal now must be to reinvent IT, making it a partner in the business. Fortunately, with ITIL V3 and BSM, you have the processes and tools to make this leap to an exciting and challenging future.

ABOUT BMC SOFTWARE

BMC Software delivers the Business Service Management solutions IT needs to increase business value through better management of technology and IT processes. Founded in 1980, BMC has offices worldwide and fiscal 2007 revenues of \$1.58 billion. Activate your business with the power of IT. www.bmc.com.

¹ *Business Service Management: Early Birds Are Catching The Worm, But IT Still Doesn't Get It*, Peter O'Neill, Best Practices, Forrester, February 2007

About the Authors

Sharon Taylor, president of the Aspect Group Inc., www.aspect360.net, is the chief architect and chief examiner for ITIL, the author of ITSM books, and a regular columnist for a variety of IT management publications. Taylor also chairs the itSMF International Publications Executive Committee and is president of the North American Institute of Certified Service Management Professionals.

Ken Turbitt, global best practice director at BMC, www.bmc.com, assists corporations in aligning with the best practices for IT. Turbitt was involved in ITIL V3 quality reviews, providing input to some of the authors. He has held an International Standards Examination Board credential, has had an ITIL Manager qualification for more than 12 years, and has been a Gartner qualified TCO consultant for more than ten years.

To learn more about how BMC can help activate your business, visit www.bmc.com or call (800) 841-2031

BMC, BMC Software, and the BMC Software logo are the exclusive properties of BMC Software, Inc., are registered with the U.S. Patent and Trademark Office, and may be registered or pending registration in other countries. All other BMC trademarks, service marks, and logos may be registered or pending registration in the U.S. or in other countries. ITIL is a registered trademark, and a registered community trademark of the Office of Government Commerce, and is registered in the U.S. Patent and Trademark Office. All other trademarks or registered trademarks are the property of their respective owners. © 2007 BMC Software, Inc. All rights reserved.

