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Applied Research Project

Implementing ITIL:

Challenges, Critical Success Factors and a Generic
Roadmap for ITSM Transformation

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Abstract

IT Service Management (ITSM) is a new way of managing Information Technology (IT). Instead of focusing on software, hardware or systems, ITSM focuses on customers of IT, and services they receive. This change in focus requires fundamental transformation in the way traditional IT organizations are managed and operate. Over the past two decades, a number of ITSM guidance emerged to help IT organizations through this transformation. The most well known is ITIL, which stands for the Information Technology Infrastructure Library. While ITIL is considered de facto best practice for IT Service Management, many organizations experience significant challenges in successfully adopting ITIL and realizing the value and benefits it promises.

This paper analyzes the reasons for these challenges, and proposes a set of critical success factors, a generic ITSM implementation model, and an implementation roadmap. This implementation model and a roadmap can be used by IT organizations that plan to adopt ITSM to better understand the full scope of required activities, ultimately leading to a more successful IT Service Management program efforts, and a smoother, permanent transformation of their IT organizations from 'technology minders' to 'service providers'.

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1. Introduction

IT Service Management is a relatively new way of managing Information Technology assets. Traditionally, IT management focused on managing technology *products*: hardware, software and IT systems. In recent years, the focus of IT Management has been shifting from managing IT products, to a more holistic management of end-to-end IT *services*. This shift has been driven by business as it tries to better understand and govern its IT investments in order to maximize their value and minimize their risks. This shift has been further amplified by the proliferation of *options* that now exist for the business to procure the IT services it needs from professional IT service providers, such as IBM, HP, and countless others that have been delivering IT services for many years. Internal IT organizations are increasingly expected to compete in such an environment; they need to find, articulate and demonstrate the competitive advantage they offer to their businesses while being benchmarked against professional IT service providers. The question for internal IT organizations needs to be: “How do you become not optional?”¹

IT Service Management (ITSM) is a discipline that attempts to provide the answer. ITSM elevates the focus of IT organizations from management of technology, to delivering business outcomes in the form of value-added *IT Services*. IT Service Management promotes an “outside-in”, or extraverted view of managing IT assets, where the client (or customer) is the focus, and IT Services are crafted to meet their needs and wants in an effective and efficient manner.

Successfully adopting IT Service Management requires that IT organizations change the way they view themselves, and transform into true Service Providers. Internal IT organizations that have traditionally focused on technology now need to evolve and be equipped with resources and capabilities to successfully compete with professional IT Service Providers.

This new paradigm in IT management has been emerging over the past two decades. During this period, a number of IT Service Management frameworks and standards have emerged. These frameworks cover a broad range of IT Service Management topics: governance, processes, controls, services and continual improvement. Amongst those frameworks and standards, ITIL (Information Technology Infrastructure Library) holds the pivotal position. Since its initial publication in the late 1980s, ITIL has become the de facto standard for good practice in IT Service Management. ITIL covers a broad scope of IT Service Management topics, but provides specific guidance on how to manage IT Services throughout their lifecycle: from Service Strategy, through Service Design, Service Transition, Service Operation and Continual Service Improvement.

Many IT organizations have decided to adopt ITIL in their pursuit of IT Service Management. Most have approached the adoption of ITIL as a distinct IT project and have been managing it in that way. Herein lays a challenge:

According to the latest Standish Group report published on April 23, 2009, about 68% of all IT projects fail². They are either cancelled before completion (24%), or miss the deadline, exceed

¹ William D. Green, CEO, Accenture

² Standish Group (2009). CHAOS report. Retrieved on May 3, 2009, from http://www.standishgroup.com/newsroom/chaos_2009.php

budgets or fail to meet stated requirements (44%). Similar statistics have been reported for many years. If you are an IT leader, this alarming statistic means that almost 7 of your 10 IT projects will likely not succeed. In other words, your next IT project has a much greater chance of failure than success. We would never tolerate such a failure rate in other disciplines. Could you imagine a 68% failure rate in airline travel, surgical procedures or construction?

Given the critical importance of successful transformation from pure 'technology minders', to 'service providers' to the long-term survival of internal IT organizations, the above statistics are very concerning.

My experience in working with various organizations trying to implement IT Service Management using ITIL confirms the problem stated in the previous paragraph: most IT organizations experience challenges in successfully implementing IT Service Management. Their efforts often do not produce expected results, exceeding their budgets and schedules. Some fail and cancel their ITSM projects completely.

This research examines key challenges faced by a typical ITIL project, examines ITIL for its Strengths, Weaknesses, Opportunities and Threats, and proposes a generic model and a roadmap that can be consulted to address the identified challenges and increase the likelihood of success.

2. Research Problem

The purpose of this research is to answer the following overarching questions:

1. **What are the top ten challenges of a typical ITIL implementation?**
2. **Is the ITIL Framework a sufficient body of knowledge for ITSM implementation?**
3. **What are the Critical Success Factors for a successful ITSM implementation?**

These are important questions to answer, both for the ITSM community at large, and more practically, for my current and future clients.

Identifying key ITIL implementation challenges will help organizations avoid, or be better prepared to deal with them. Providing a model for more effective implementation of IT Service Management will help organizations better scope and prepare for ITSM implementations. Proposing a high-level implementation roadmap, based on the identified challenges and suggested model will help organizations identify key activities they need to consider and plan for, increasing their overall likelihood of success.

These questions can be subdivided into a number of sub-questions:

- How are typical ITIL implementations structured?
- Are there any common themes of challenges that can be identified across various organizations?
- What implementation and transformational guidance already exists within the current set of IT Service Management best practices, frameworks and standards?
- What guidance does ITIL provide regarding implementation of IT Service Management?
- Is such guidance sufficient?
- What are ITIL's Strengths, Weaknesses, Opportunities and Threats relative to implementation of IT Service Management?
- How are successful IT organizations practically approaching IT Service Management implementation?
- What are the key lessons learned?
- What are the logical domains of ITSM transformation, around which an IT organization could mobilize its resources?
- What are the logical phases of ITSM transformation that can serve as building blocks of the transformation?
- Is there a proposed sequence of activities that a typical organization should adopt across the domains and phases?
- What is the role of internal and external resources?

My **primary hypothesis** is that evolving traditional internal IT organization from 'technology minders' into 'service providers' requires focused transformational activities within an IT organization for which ITIL guidance alone is not sufficient.

My **secondary hypothesis** is that most organizations approach IT Service Management from technology and process perspectives, implementing only certain convenient, known and comfortable aspects of ITIL rather than embarking on organizational transformation whose ultimate objective is to run IT as a business. This narrow focus does provide incremental improvements, but fails to deliver anticipated transformational benefits which ultimately results in weak organizational buy-in, substandard level of adoption, disillusionment and failure to meet stated objectives.

3. IT Service Management as a Discipline

IT Service Management started as an effort to inspire internal IT organizations to improve their effectiveness and efficiency. The need to manage spiraling investments in technology was clear very early in the process of computerization, but became a 'burning platform' with the proliferation of decentralized computing in the late 1980s, and continues to this day. As the computing power was distributed from a central hub (usually a mainframe or mid-range server) closer to end-users through the new client-server computing model, the costs of setting up, managing, maintaining and refreshing such increasingly complex systems became a concern of many organizations, in both public and private sectors. Multiple computer systems providing similar services, multiple applications and application-generations operating side-by-side, and other inefficiencies became a challenge that needed to be addressed.

One of the pioneering organizations actively acting on this need was the British Government, which in the late 1980s needed to reduce its £8,000,000,000 annual IT Budget³. The solution was to seek improvements in efficiencies through adopting a more disciplined process model, while getting inspiration from the way professional IT service providers managed and operated their own IT organizations, and delivered IT services to their clients.

Process focus was a natural choice given that time period's general management emphasis on Process Improvement, Process Reengineering, and Total Quality Management (TQM), all of which have process effectiveness and efficiency at their core.

The early process focus of IT Service Management is most visible in the first two versions of the ITIL framework. As more IT organizations adopted process discipline, and the industry continued to evolve, pure process focus of IT Service Management was expanded to include topics of organizational change management, service management planning, business perspectives, communications, governance, controls, continual improvement and IT service quality. This transformation has been evolutionary, occurring over a period of more than two decades, and continues today. The result is a broad *discipline* of IT Service Management, which has been slowly, but definitely, distinguishing itself as a distinct way to manage IT. This new discipline still revolves around ITIL as the best practice framework at its core, but includes a whole range of other guidance and best practices. Such guidance is certainly aimed at improving cost efficiency of IT organizations, but also effectiveness and quality of IT services, management of value, improved customer and employee experience, leadership, motivation, continual improvement, governance, controls and a myriad of other relevant topics.

³ Addy, R (2007). *Effective IT service management: to ITIL and beyond*. Berlin: Springer

4. ITSM Knowledge Ecosystem

Boundaries of IT Service Management as a discipline are not clearly defined. Initially considered as a narrow subject that focused on IT operational and tactical process improvement, most ITSM practitioners today would consider ITSM a broader subject that spans all aspects of IT management.

Over the past two decades, a vast body of knowledge has been developed that directly, or indirectly addresses IT Service Management. This body of knowledge contains numerous IT and business frameworks, methods, standards, models and best practices. It is perhaps more appropriate to refer to this vast body of knowledge as the “ITSM Knowledge Ecosystem”. This section will survey the most relevant elements that are today considered to comprise the overall IT Service Management Knowledge Ecosystem:

4.1. ITIL: IT Service Management Core Good Practice

ITIL provides a framework of good practice guidance for IT Service Management. Originally developed in the late 1980s, ITIL has gone through three structured versions, the latest one published in May 2007. The ITIL framework contains the core knowledge and foundational principles around which the discipline of IT Service Management has been evolving. For more detailed discussion on ITIL, please refer to section 5, The ITIL Framework.

4.2. COBIT: IT Governance and Controls

COBIT is an IT governance and controls framework, developed by the IT Governance Institute (ITGI, www.itgi.org), owned by the Information Systems Audit and Control Association (ISACA, www.isaca.org). COBIT is used by organizations to design, establish and implement an auditable IT governance and control framework, which can be used to improve decision making, gradually mature the processes, and demonstrate an organization’s control over its technology investments.

COBIT’s mission is “to research, develop, publicize and promote an authoritative, up-to-date, international set of generally accepted information technology control objectives for day-to-day use by business managers and auditors.”⁴

COBIT 4.1, published in May 2007, documents 34 high level processes that cover 210 control objectives categorized in four domains: Planning and Organization, Acquisition and Implementation, Delivery and Support, and Monitoring and Evaluation. COBIT is primarily targeted to managers, IT users, and auditors. Managers benefit from COBIT because it provides them with a foundation upon which IT related decisions and investments can be based. Decision making is more effective because COBIT aids management in defining a strategic IT plan, defining the information architecture, acquiring the necessary IT hardware and software to execute an IT strategy, ensuring continuous service, and monitoring the performance of the IT system. IT users benefit from COBIT because of the assurance provided to them by COBIT's defined controls, security, and process governance. COBIT benefits auditors because it helps them identify IT control issues within a company’s IT infrastructure. It also helps them corroborate their audit findings.

⁴ COBIT Framework 4.1(2007) – page 9.

In recent years, COBIT established itself as a critical component of the ITSM Knowledge Ecosystem.

4.3. Val-IT: Managing Value of IT-enabled Investments

Val-IT is the IT Value Management framework, published in 2006 by the IT Governance Institute, owned by ISACA. Val-IT is quickly gaining ground as it provides the framework for managing the value of IT investments in very explicit and specific terms. The framework promotes a need for a comprehensive, practical approach to enterprise value. It is aligned to, and complements COBIT, and it integrates a set of practical and proven governance principles, processes, practices and supporting guidelines that help boards, executive management teams and other enterprise leaders optimize the realization of value from IT-enabled investments.

To achieve this objective, Val-IT is organized into three domains: value governance, portfolio management and investment management. Value governance's goal is to ensure value management practices are embedded in the enterprise; portfolio management's goal is to promote a holistic view into managing IT-enabled investments; and investment management's goal is to ensure that individual IT investments contribute to optimal value. It is important to note that the investment management domain includes three critical elements: the business case, programme management and benefits realization. Each one is required to optimize the value of individual investments, which are necessary to enable the overall value realization for an enterprise.

While Val-IT is a new addition to the ITSM Knowledge Ecosystem, it fills an important gap. This framework could hold the key to unlock the root cause of why many ITSM implementation initiatives fail to produce expected value by providing a model and guidance on how to better manage, control and extract value from such investments.

4.4. Lean Six Sigma: Continual Improvement

Lean Six Sigma is the amalgamation of two process improvement methods: Lean and Six Sigma. The roots of both Lean and Six Sigma reach back to the time when the greatest pressure for quality and speed were on manufacturing. Lean rose as a method for optimizing automotive manufacturing by reducing waste; Six Sigma evolved as a quality initiative to eliminate defects by reducing variation in processes in the semiconductor industry. Over the years, both methods individually demonstrated high value, and have been fused into a consolidated Lean Six Sigma method that has since been successfully adopted by service industries as well.

Lean Six Sigma for Services is a business improvement methodology that maximizes shareholder value by achieving the fastest rate of improvement in customer satisfaction, cost, quality, process speed, and invested capital. The fusion of Lean and Six Sigma improvement methods is positive for a number of reasons, particularly:

- Six Sigma alone cannot dramatically improve process speed or reduce invested capital because its focus is primarily on quality of output
- Lean cannot bring a process under statistical control, as its focus is primarily on speed and reduction of waste

- Both enable the reduction of the cost of complexity

Ironically, Six Sigma and Lean have often been regarded as rival initiatives. Lean enthusiasts note that Six Sigma pays little attention to anything related to speed and flow, while Six Sigma supporters point out that Lean fails to address key concepts like customer needs and variation. Both sides are right. Yet these arguments are more often used to advocate choosing one over the other, rather than to support the more logical conclusion that we blend Lean and Six Sigma.⁵

As one of the pillars of ITSM is Continual Service Improvement, Lean Six Sigma can play an important role in the overall ITSM adoption and operation of an ITSM organization. This method, with its mature tools and approach, provides an effective supplementary method to ITIL's Continual Service Improvement guidance.

4.5. ISO/IEC 20000-2005: Quality Standard for ITSM

In late 2005, the International Standards Organization (ISO/IEC), based in Geneva, Switzerland, published the first international standard for IT Service Management, aligned to ITIL. The standard is based on an earlier, British standard for IT Service Management, published by the British Standards Institution in 2000 as BS15000.

ISO/IEC 20000 is appropriate for any IT service provider organization, public or private, internal or external. The Standard can be used both to achieve official certification, but also as a benchmarking tool and a general guide to implementing IT Service Management. The Standard is comprised of two parts:

- Part 1 – Specification: This part of the Standard documents detailed requirements that an IT organization must comply with in order to achieve formal certification
- Part 2 – Code of Practice: This part of the Standard expands on the detailed requirements and provides general guidance on best practices for IT Service Management

Both parts of the Standard have the same structure, which is grouped into 16 processes, 3 of which deal with management system requirements, planning and implementing service management, and planning and implementing new or changed services, while the other 13 processes deal with ITSM operations and directly map to ITIL processes.

The publication of this Quality Standard has been seen as a critical milestone in the evolution of ITSM as a discipline. This milestone firmly established ITSM as a credible discipline that requires and warrants an international standard of practice.

4.6. PMBOK: Project Management Excellence

Project Management Body of Knowledge (PMBOK) is a documented guide that describes established norms, methods, process and practices of the Project Management Profession. PMBOK

⁵ <http://www.army.mil/ArmyBTKC/focus/cpi/tools3.htm>

is owned, maintained and periodically updated by the Project Management Institute (PMI, www.pmi.org). Currently in its 4th Version, the PMBOK guide essentially provides the sum of knowledge within the profession on Project Management. It includes both traditional practices, and innovative and advanced ones. PMBOK is organized into nine knowledge areas, namely:

- Project Integration Management
- Project Human Resource Management
- Project Scope Management
- Project Communications Management
- Project Time Management
- Project Risk Management
- Project Cost Management
- Project Procurement Management
- Project Quality Management

PMBOK also provides guidance on managing projects through their lifecycle, identifying the following phases:

- Project Initiation
- Project Planning
- Project Execution
- Project Control
- Project Closure

As indicated in the Introduction to this paper, the topic of project management is very relevant to IT. Historically, IT projects have had a very high rate of failures, and adopting a disciplined and proven approach to Project Management should improve these statistics.

Also, Project Management continues to be very relevant to ITSM, both as a good practice when implementing IT Service Management into an IT organization (as a project), and when managing changes as part of regular operation of an IT Service Management organization.

4.7. The Standard for Program Management

As IT Service Management implementations became more complex and holistic transformations involving multiple and related projects, a need to manage such multiple projects became evident. The Standard for Program Management, published by the Project Management Institute (PMI), provides guidelines for managing programs. A program is comprised of multiple related projects that are initiated during the programs' lifecycle and are managed in a coordinated fashion⁶. Program Management is the centralized coordinated management of a program to achieve the program's strategic objectives and benefits.⁷ This guidance is critical for successful IT Service Management transformations.

⁶ Project Management Institute (2008). *The standard for program management, second edition*. Newtown Square, PA: Author

⁷ IBID

4.8. IT Balanced Scorecard: IT Performance Management

IT Balanced Scorecard is a system of IT organizational performance measurements, inspired by the work of Robert S. Kaplan, and David P. Norton published in their landmark book “The Balanced Scorecard – Translating Strategy Into Action” (1996). There are a number of variants of the IT Balanced Scorecard. One model, proposed by Van Grembergen (2000), groups the quadrants as follows: user orientation, corporate contribution, operational excellence and future orientation.

Another perspective, promoted by Keyes (2005), proposes linking the IT Balanced Scorecard more directly to the original four quadrants of the Balanced Scorecard, namely financial perspective, customers perspective, internal perspective and learning & growth perspective and attempts to map the business objectives in each of the quadrants to specific IT goals, enhancing alignment between business and IT. This approach has been preferred by COBIT, which included it as an Appendix to its Version 4.1.⁸

Adopting a Balanced Scorecard approach for IT Service Management, as an overarching performance management framework, would be very beneficial to ensure alignment between an IT organization’s performance and business objectives, but also as a way to identify areas that are important and should be measured, including ways to design, implement and manage the measuring system.

⁸ COBIT 4.1 (2007), Appendix I – tables linking goals and processes, (pp 169). ISACA, Rolling Meadows, IL

5. The ITIL Framework – a Brief History

Over the past two decades, ITIL Framework established itself as a de facto standard for IT Service Management. From its earliest beginnings through to the current, globally accepted framework, ITIL's history has been quite interesting, albeit somewhat sketchy to compile.

5.1. ITIL, the Original

According to Brian Johnson (2004)⁹, one of the original creators of the ITIL framework, ITIL began as a GITIMM (Government Information Technology Infrastructure Management Model). The idea came from Peter Skinner and Dr. John Stewart, at the time employees of the Central Computer and Telecommunication Agency (CCTA), an agency of the British Government. The basic premise was that government spending on IT was too high and that a method to establish best practice processes for IT management would be of benefit. The underpinning concept was that people would “become portable” as they would adopt a common way to manage the infrastructure using streamlined processes, thereby increasing efficiency and driving down cost.

In 1986, Dr. John Stewart was assigned the task of putting together a program plan to create a GITIMM. Dr. Stewart consulted many private sector companies and consultants, and came up with proposals principally around what was to become known as ITIL Service Support and Service Delivery modules. In 1988, Dr. Stewart started recruiting a team to progress the GITIMM model, working on cost, capacity, availability, quality and software lifecycle support modules. Dr. Stewart was also tasked with creating a user group (then called IT Infrastructure Management Forum – itIMF). Establishment of the user group was of fundamental importance, as the history will show later. David Wheeldon, another ITIL pioneer who became the secretary of the Forum, was instrumental in its organization and advancement. The Forum grew to become the international support mechanism for the ITIL Framework today. Gradually ITSM became the synonym with the discipline of managing IT as a system of value-adding services, with ITIL as its underpinning method, and itSMF (Information Technology Service Management Forum) as its supporting interest group¹⁰.

According to Alain Nance (2004)¹¹, another original ITIL contributor, “Thatcherism”¹² was undoubtedly the driving force behind the development of ITIL. The thoughts behind the strategy of the British Government at that time were running a more effective government, lowering expenditures and Market Testing¹³. The idea behind Market Testing was promoted as “learning from the private sector to improve the public sector”. It turned out to be very heavily predisposed towards complete outsourcing. The CCTA managed an £8 billion procurement budget at the time which had to be reduced. What is also undoubtedly true is that the thinking from IBM's ISMA (Information Systems Management Architecture) heavily influenced the initial ITIL books, (Helpdesk, Problem and Change Management).

⁹ <http://forums.datamation.com/service-management/32-history-itsm-til.html>

¹⁰ <http://www.itsmf.com>

¹¹ <http://forums.datamation.com/service-management/32-history-itsm-til.html>

¹² <http://en.wikipedia.org/wiki/Thatcherism>

¹³ <http://www.serco.com/instituteresource/subjects/UKmkt/mktttest/index.asp>

5.2. ITIL V2

Throughout the 1990s, ITIL had been expanding. In early 2000, the Central Computer and Telecommunications Agency transformed into the Office for Government Commerce (OGC)¹⁴. Microsoft used the ITIL framework to develop its own, proprietary version of best practice for IT Service Management called MOF (Microsoft Operations Framework)¹⁵. In addition, British Standards Institution (BSI)¹⁶ released BS15000¹⁷, the first British, as well as global standard for IT Service Management, forever legitimizing ITIL.

However, the growth of ITIL to international best practice was really forged in the next release of ITIL, today referred to as ITIL V2¹⁸. Brian Johnson, a team member on the V2 project, reached out to experts and thought-leaders from across the world and in different walks of life. These efforts lead to real assimilation of best practice and the strength of the books in the updated library.

Starting in 2001, the second version of ITIL books started to be published, with ITIL Service Support, and ITIL Service Delivery released as the core IT Service Management guidance. These volumes updated much of the earlier text with more modern definitions, terminology and examples making the book more concise and usable. The processes discussed in these two core volumes are:

5.2.1. Service Support:

- Service Desk (function)
- Incident Management
- Problem Management
- Change Management
- Configuration Management
- Release Management

5.2.2. Service Delivery:

- Service Level Management
- Availability Management
- Capacity Management
- Financial Management for IT Services
- IT Service Continuity Management

In addition to the above stated volumes, over the period of next 5 years (2001 – 2005), six additional ITIL V2 volumes would be developed and printed, namely:

- Planning to Implement Service Management
- ICT Infrastructure Management

¹⁴ <http://www.ogc.gov.uk/>

¹⁵ <http://technet.microsoft.com/en-us/library/cc506049.aspx>

¹⁶ <http://www.bsi-global.com/en/Standards-and-Publications/About-BSI-British-Standards/>

¹⁷ <http://www.bs15000.org.uk/bs15000.htm>

¹⁸ http://www.itlibrary.org/index.php?page=ITIL_v2

- Applications Management
- Security Management
- The Business Perspective
- ITIL Small-scale Implementations

The following diagram describes the ITIL V2 Library and interrelationships between different volumes:

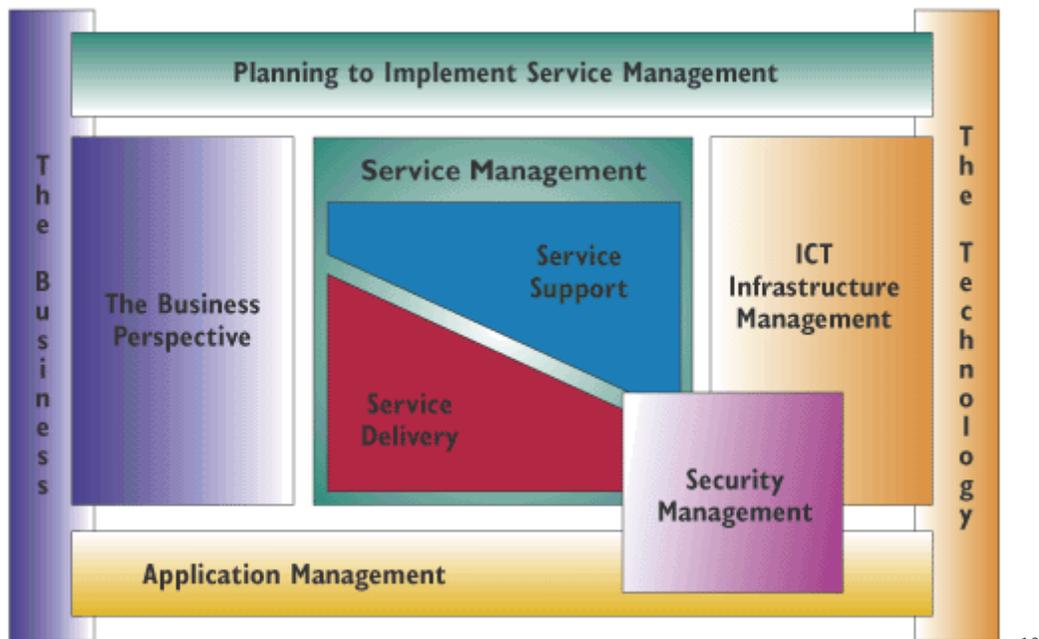


Figure 1: ITIL V2 Publications Framework

While there is a correct respect for the authors and managers of the books, the true success of ITIL's permeation as a world best practice, in my view, lies in three major factors.

1. Creation of courses that were ahead of their time, particularly the masters' course and the credible back-up through certification.
2. Entrepreneurialism of the Dutch IT organizations that aggressively adopted and promoted the framework both within Holland and abroad. Whether it was Exin²⁰, Pink Elephant²¹, Quint²², or Prolin²³, the Dutch took on the propagation of ITIL. These companies were vying to showcase their success with top brand companies like ABN AMRO²⁴, KPN Telecom²⁵, Philips²⁶, Shell²⁷, etc.

¹⁹ Copyright 2001, Office of Government Commerce, UK

²⁰ <http://www.exin-exams.com/>

²¹ <https://www.pinkelephant.com/en-US/AboutPink/>

²² http://www.quintgroup.com/Consulting/Service_Management/1518,5/

²³ <http://www.prolin.com/>

²⁴ <http://www.abnamro.com/>

²⁵ <http://point-topic.com/content/operatorSource/profiles2/kpn-telecom.htm>

3. Lastly, it was the growth of itSMF, the IT Service Management Forum, a user group initially incubated by CCTA, which has now expanded to become a global network of loosely-connected, non-profit associations of ITSM professionals spanning the globe. It is this group, and its dedicated and devoted volunteers that continue the efforts to promote ITIL as the best practice in IT Service Management, and are tasked with updating the framework in step with maturity and evolution of the ITSM industry.

5.3. ITIL V3

Although ITIL met with significant success and proliferation during the first half of the new millennium, ITSM industry, and related thinking continued to further evolve and mature. It has become apparent that ITIL V2's heavy focus on IT processes, while important and foundational, was not sufficient to address the question of value, customer satisfaction, marketing focus, and ultimately, the Service Focus that IT Service Management promotes as its core. As the result, the "ITIL Refresh" project was initiated in 2005, with Sharon Taylor²⁸, the Chair of International Publications Executive Sub-Committee²⁹ of itSMF International at its helm.

An international team was established, and in late 2006, a draft of the new ITIL V3³⁰ library was distributed to a selected group of editors for feedback. The change in structure was dramatic, and the departure from previous versions of the framework was very visible. The key difference was the organization of the library, which moved from a somewhat siloed approach to books-by-logical-process groupings, into a reflection of a Service Lifecycle. The Service Lifecycle became the anchor for organizing the thinking and best practice guidance for IT service management. The Service Lifecycle is considered to consist of the following phases:

- Service Strategy
- Service Design
- Service Transition
- Service Operation
- Continual Service Improvement

The following diagram depicts the relationship between the various phases in the ITIL Service Lifecycle, and also provides a view into the overall structure of the ITIL V3 library, most specifically its core and supplementary guidance:

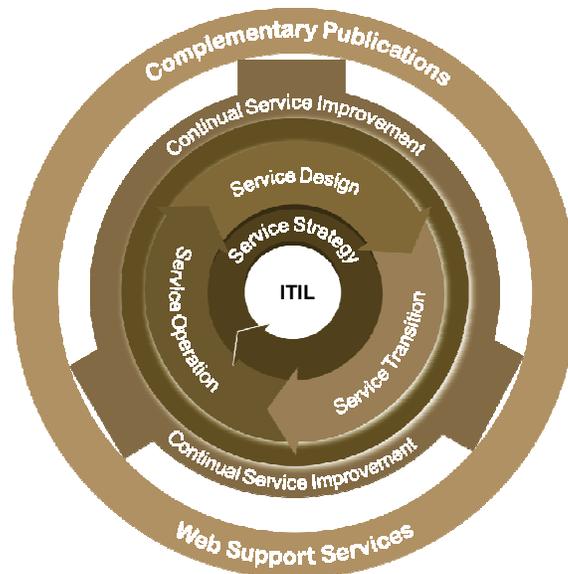
²⁶ <http://www.philips.com/global/index.page>

²⁷ <http://www.shell.com/>

²⁸ <http://www.ital-officialsite.com/Qualifications/Examiners/SharonTaylor.asp>

²⁹ <http://www.itsmfi.org/content/international-publications-esc-ipesc>

³⁰ <http://www.ital-officialsite.com/home/home.asp>



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Figure 2: ITIL V3 Publications Framework

It is apparent that the non-linear structure of the ITIL V3 publications framework implies added complexity and need for greater immersion of various volumes of the ITIL framework into a coherent, unison framework. For a more detailed description of each of the five volumes that form the ITIL V3 framework, please refer to Appendix A of this paper.

³¹ Copyright 2006, Office of Government Commerce, UK

6. Literature Review

The following literature contains information and knowledge relevant to ITIL and IT Service Management discipline as a whole, and has been reviewed and referenced as part of this Research Project:

The Stationary Office (2002). *Planning to Implement Service Management*. Norwich: Office of Government Commerce.

This book has been published as part of the ITIL V2 library in the attempt to provide practitioners with a framework for implementing IT Service Management. This is the only volume in the ITIL library to date dedicated to the topic of ITSM implementation. The proposed model revolves around the 'Continual Service Improvement Programme' which is based on the following six steps:

1. Establish high level objectives (What is the vision?)
2. Assess the current state (Where are we now?)
3. Identify measurable targets (Where do we want to be?)
4. Process improvement (How do we get where we want to be?)
5. Measurements and metrics (How do we check if our milestones have been reached?)
6. How do we keep the momentum going?

This book uses the Continual Service Improvement Programme (CSIP) as the basis for its guidance, and discusses a number of relevant good practices within each of the six steps of the CSIP. The book references numerous external resources, such as John P. Kotter's *Leading Change* (1996) for guidance on how to institutionalize organizational changes, and *The Balanced Scorecard: translating strategy into action* (1996) for guidance on setting up metrics beyond financial performance. The book alludes to certain implementation challenges, such as the need to focus on process, people, management and technology. It also suggests a set of Critical Success Factors (CSF) for successful ITSM implementation, namely managing an organizational change, having an awareness campaign, managing the culture, having good Project Management and training people.

However, the book still provides little guidance on comprehensive ITSM transformational approach, and does not suggest an ITSM implementation model, or a generic roadmap that could be used to guide an organization in developing its own Implementation roadmap.

Fry, M. (2005). *Top ten reasons organizations are unsuccessful implementing ITIL*. Houston: BMC Software.

This article is written by Mr. Malcolm Fry, a well respected luminary of IT Service Management industry. In this article, Mr. Fry identifies what he believes are the key reasons why ITIL implementations fail. These reasons are:

- Lack of management commitment

- Spending too much time on complicated process diagrams
- Not assigning process owners
- Allowing departmental demarcations
- Being too ambitious
- Not creating work instructions
- Concentrating too much on performance
- Failing to maintain momentum
- Not reviewing the entire ITIL framework
- Ignoring solutions other than ITIL

The author suggests that the issues are mostly related on the approach to process improvement, and alludes to the organizational aspect of transformation. Also, the author suggests that one of the reasons for failure is in ignoring solutions other than ITIL, which implies that even for this “Luminary of the ITSM industry”, ITIL alone does not provide sufficient direction for successful implementation, which is one of my hypothesis. The author provides brief recommendations on how to mitigate each of the identified challenges and issues. This article is reviewed further in this paper as one of the key inputs into establishing the consolidated list of ITIL implementation challenges.

The Stationary Office (2007). *Service Strategy*. Norwich: Office of Government Commerce.

This is an opening volume of the ITIL V3 library, published in 2007. It discusses IT Service Management as a strategic organizational asset, and provides guidance on the overall IT Service Management discipline. The most fundamental concepts of IT Service Management are presented, including importance of customer focus, understanding of market spaces, perception of value, organizational resources and capabilities and a number of strategic processes such as service portfolio management, financial management for IT services, and demand Management.

This volume is important for my research as it attempts to articulate the target state of what a mature IT Service Management organization should be – achievement of characteristics defined in the Service Strategy volume is the ultimate objective of IT Service Management transformation.

The book does not specifically address the implementation of ITIL, but it attempts to outline what are the key capabilities an IT organization needs to possess in order to successfully deliver value in the form of IT Services.

Stainberg, R.A. (2005). *Implementing ITIL: adapting your IT organization to the coming revolution in IT service management*. Victoria: Trafford Publishing.

This book is designed to be a very pragmatic guide for organizations that desire to implement IT Service Management. It is one of the first books exclusively focused on getting IT organizations ready for IT Service Management. It describes ITSM implementation

requirements, describes the type of cultural change that is necessary and then provides very specific guidance on activities and sample deliverables for each of these activities.

The author suggests nine areas of focus to improve the likelihood of successful ITSM implementations. These areas are:

- Treat the effort as an organizational change
- Balance strategic efforts with initial wins
- Implement ITSM – not processes
- Target 20% of the effort to get 80% of the benefits
- Balance efforts with good leaders and managers
- Establish a compelling business reason for ITSM
- Scope effort by Service – not by Geography
- Get senior management to walk the talk
- Place critical importance on metrics

This book directly addresses ITIL and IT Service Management implementation. It provides very detailed guidance on many aspects of operational requirements of a comprehensive ITSM implementation, addresses each one of the above started ITSM enablers, and presents a specific implementation framework oriented around Vision-Assessment-Planning-Foundation-Control, with accompanying tasks and responsibilities. In my opinion, while this book reflects the ITIL V2 guidance, it currently provides the most comprehensive and practical guidance for ITIL implementations in the market, albeit focused to service support and service delivery processes. However, the book does not fully reflect the Service Lifecycle perspectives, and other associated knowledge, concepts and processes reflected in the current version of ITIL such as service portfolio management, a focus of current IT Service Management debate. As the book was published in 2005, two years before ITIL V3's publication, this is to be expected. Update of this book to include additional ITSM guidance reflected in ITIL V3 would be very beneficial to the ITSM practitioners at large.

The Stationary Office (2007). *Service Transition*. Norwich: Office of Government Commerce.

This volume of ITIL V3 library deals with ways to transition new IT Services and enabling IT Processes from their design phase and into operation. This guidance includes the following topics relevant to Service Transitions:

- Service Asset and Configuration Management
- Change Management
- Release Management
- Knowledge Management

The authors provide a comprehensive directive on tactical and operational requirements for introducing new or changes to IT services and underlying processes into the operating environment. The key premise is that a majority of incidents and problems are a result of changes, and that a holistic view of change needs to be taken to minimize these risks. This holistic view of change starts with a solid understanding of the underlying infrastructure in terms of assets and their interdependencies. Such understanding gives the ability to identify

impacts of proposed changes, and therefore dictate the level of required assessments and approvals. Further, the authors describe a process of managing approved changes through their lifecycle, using principles of Release Management, and managing the knowledge gained through iteration of these processes for gradual and irreversible improvement in IT organization's maturity.

While the discussion does not directly cover ITSM transformations, the guidance on managing changes, releases and knowledge can be very relevant to implementing changes as part of the ITSM transformation project.

This guidance is important for this research as it provides pragmatic guidance on IT transformations that can be used to improve likelihood of IT Service Management transformation success.

The Stationary Office (2007). *Continual Service Improvement*. Norwich: Office of Government Commerce.

The fifth volume in the ITIL V3 library discusses the process of Continuous Service Improvement, both at an individual IT service level, but also at the underpinning IT process level.

The authors are presenting the Deming Cycle (*Plan-Do-Check-Act*) as the overarching framework for Continual Service Improvement. The Deming Cycle is omnipresent in ITIL since its earliest days, and the authors of the volume are expanding on this topic by introducing a '7-step Improvement process', which can be used as a basis for managing a variety of improvement initiatives, which is itself based on the Deming Cycle.

A suggestion that the Deming Cycle can be effectively used to frame any improvement initiative is interesting and intriguing – partially because of its simplicity and partially because of its applicability across topics and industries.

This volume is important to this research as it provides a framework that could be applicable to the development of the generic implementation roadmap, based on the Deming Cycle.

Addy, R (2007). *Effective IT service management: to ITIL and beyond*. Berlin: Springer

This book provides a critical view into the merits of currently accepted best practices in IT Service Management, based on ITIL, and provides a workable definition of what an IT service is, and how can it be defined and used in practice.

The author approaches the subject from a very pragmatic and objective perspective, and provides an interesting case both for and against ITIL.

In the '*for ITIL*' category, the author outlines the following:

- Provides structure and discipline

- Provides a strong foundation upon which to build an IT Service Management system
- Can be used to prevent organizational knowledge loss
- Prescriptive enough to be useful
- Allows job specialization
- Requires formal review of processes and operational practices
- Encourages a disciplined approach to process improvement through documentation
- Establishes accountability
- Provides some level of freedom on interpretation, and therefore provides flexibility

On the 'against ITIL' side, the author provides the following observations:

- ITIL stifles creativity and innovation
- Provides 'food for consultants'
- Diverts attention from a real objective – and becomes an objective itself
- Allows senior management to pay lip service to real issues by stating they are "ITIL so they must be right"
- Seen as the magic pill, or a silver bullet
- Can be used as an excuse for inactivity and inertia
- Lacks credible research into its effectiveness and value
- Stimulates blind faith in some managers that the ITIL way is the only way to operate
- Lacks detail in some important areas of IT management
- Fails to tie provision of IT services back into the overall business goals and objectives
- Increases administrative burden

This book is important to this research as it challenges the common wisdom of ITIL's appropriateness as the de facto best and only way to manage IT service delivery. I will use this book to help shape the ITIL SWOT analysis, and also as insight into why ITIL initiatives face challenges, and how to approach the generic IT Service Management implementation more successfully.

Kotter, J.P. (1996). *Leading change*. Boston: Harvard Business School Press.

Leading Change is a classic business book that discusses organizational change. It was developed as the result of a highly acclaimed article published by the author in Harvard Business Review that dealt with reasons why transformation efforts fail. In the book, Kotter establishes a problem by identifying eight errors organizations make when they are attempting to transform. He then provides a model to deal with these errors, effectively establishing a Transformation Framework that has since gained significant following in the business community globally. The model suggests the following process:

1. Establish a sense of urgency
2. Create a guiding coalition
3. Develop a vision and strategy
4. Communicate the change vision
5. Empower employees for broad-based action
6. Generate short-term wins

7. Consolidate gains and produce more change
8. Anchor new approaches in the culture

While this book does not address the topic of IT Service Management, it provides guidance that is very relevant to ITSM implementations, particularly if one of the overarching Critical Success Factors for successful ITSM transformation is the ability of an IT organization to permanently transform itself.

The relevance of this work to this research project is that it provides very pragmatic guidance that can be used when investigating reasons why ITSM implementations may face challenges, and perhaps provides insight into a model that can help improve success of ITSM implementation.

Kotter, J.P. (2008). *A sense of urgency*. Boston: Harvard Business School Press.

This is the latest work of John P. Kotter that is a continuation of his research into organizational transformations. The basic premise of this latest work is that, while the 8-step framework described previously still has merit and applicability, the very first step of the framework – increasing sense of urgency, is the most critical and important step in any transformation. The book then discusses ways to create and sustain the sense of urgency.

The author suggests there is one strategy and four tactical approaches to creating and sustaining the sense of urgency. The strategy is to create action that is exceptionally alert, externally oriented, relentlessly aimed at winning, making some progress every day and continuously purging low-value activities – all by always focusing on the heart (emotional), rather than just the mind (rational).

The four tactics to execute the strategy are:

1. Bring the outside in by reconnecting internal reality with external opportunities and hazards, and introducing emotionally compelling data, people, video, sites and sounds;
2. Behave with urgency every day, by never acting in a content, anxious or angry manner
3. Find opportunity in crises, by using crises to destroy complacency and enforcing the importance of acting with caution
4. Deal with NoNos, by neutralizing all the relentless urgency-killers, people who are not sceptics but are determined to keep a group complacent or, if needed, to create destructive urgency.

This recent material is very relevant to this research, as it provides insight into an important dimension of ITSM implementation challenges, and will provide a directional solution to address this dimension.

Collins, Jim (2001). *From Good to Great: Why some companies make a leap... and others don't*. New York: HarperCollins Publishers.

This is another classic business book that discusses common characteristics of organizations that have made the leap between being good, and being excellent!

The author starts by making a statement that “good is the enemy of great”, and proceeds to describe that by being content with being ‘good’ removes the incentive, drive and desire to continuously improve and ultimately become ‘great’. Collins proposes a framework for improvement that revolves around three domains:

- Disciplined People, which includes “level 5 leaders” and the approach to selecting the team that stipulates that one should first select the right people, and then assign them specific tasks, “first who... then what”.
- Disciplined Thought, which includes the ability to confront brutal facts, yet never lose faith, and the “hedgehog concept”, which advocates simplicity within three intersecting circles: what are you deeply passionate about, what can you be the best in the world at, and what drives your economic engine?
- Disciplined Action, which includes establishing a culture of discipline and use of technology as accelerators of these improvements.

This book is important for this research as it may provide new perspectives on organizing for ITSM success, based on well researched and accepted business practices that have resulted in tangible improvements, as identified by Jim Collins. These findings will provide significant input into development of the generic ITSM implementation model and the roadmap.

7. SWOT Analysis on ITIL

Considering the rich history of the ITIL framework, its global proliferation and varying levels of successful adoptions, it would be appropriate to conduct a SWOT analysis on the framework itself. This analysis could help pinpoint some ITIL implementation challenges and critical success factors. Also, SWOT analysis will be an important element of finding the answer to the key research question: *“Is the ITIL framework a sufficient body of knowledge for ITSM implementation?”*

SWOT Analysis is a strategic analysis method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats. The technique is credited to Albert Humphrey³², who led a convention at Stanford University in the 1960s and 1970s using data from Fortune 500 companies as the first recorded use of the technique.

7.1. ITIL Strengths

- Universally accepted as the good practice guidance for ITSM, with process and service focus
- Open and non-proprietary framework, free for anyone to use
- Supported by a vast community of ITIL practitioners, gathered around itSMF (IT Service Management Forum)
- Includes a well established and known certification schema for individuals which is globally recognized within the IT industry
- Establishes a common vocabulary within the IT industry which promotes understanding and simplifies communication
- Provides good structure, promotes process discipline, documentation, analysis, measurements
- Promotes accountability and transparency within IT organizations
- When adopted, ITIL will help capture and maintain organizational knowledge
- Promotes customer focus and value creation as the overarching purpose of IT organizations

7.2. ITIL Weaknesses

- Does not sufficiently address complementary IT Service Management knowledge required for successful ITSM transformation: organizational change, governance, controls, organizational design, etc.
- Lacks benchmarking and distinct maturity models for in-scope processes
- Unbalanced guidance across volumes and versions: lack of detail in some areas, too much detail in other areas.
- Content often too academic and theoretical – hard to apply in practical, pragmatic sense
- Certification schema only available for individuals, not organizations or product vendors
- Certification schema perceived as overly complex– more akin to academic, undergraduate degree path than more traditional IT certification
- Adoption and implementation left to individual organization’s abilities

³² http://en.wikipedia.org/wiki/Albert_S_Humphrey

- Can become a goal in itself, resulting in significant efforts and investments without clear business purpose
- Can be seen as the magic pill or a silver bullet – an answer to every IT organization's problem
- Can be used as the excuse for substandard performance: *"We are ITIL so we are alright"*
- Lacks well documented and publicized adoption benefits – there is a notable lack of credible research into its effectiveness and true business value with clear cause-effect link to ITIL

7.3. ITIL Opportunities

- Provide implementation guidance. Expand the scope to address implementation guidance, and other complementary guidance needed for successful implementation, transformation and permanent adoption
- Become the academic framework of choice for IT Management: be used as the framework for college and university education programs that deal with IT Management and IT Service Management
- Establish global credentials for individuals and organizations that would evolve into a recognized profession (a.k.a. Professional Engineers – P.Eng, etc.)
- Recognize other existing ITSM related methods, frameworks and guidance and seek to formalize its leadership role by providing direction and ensuring alignment between ITIL and such other guidance
- Establish and provide de facto industry benchmarks and maturity models for all its in-scope processes

7.4. ITIL Threats

- The latest version (V3) may not meet global acceptance as it has significantly changed its focus, content, flavour and messaging from previous versions (V1 and V2)
- COBIT and Val-IT Frameworks provide a serious competition to ITIL in areas of Value Management, Governance and Controls, which are essential elements of any successful ITSM implementation – ITIL needs to either embrace COBIT and Val-IT and establish full alignment, or provide improved alternative
- Open and non-proprietary nature of the framework exposes it to interpretations, which results in large variance in adoption approach, scope, and results
- Continued lack of well documented realized benefits, and related lack of credible research may threaten long-term sustainability of the framework

8. Top Ten Challenges of ITIL Implementations

Although ITIL library includes a wealth of documented knowledge, in practice we observe numerous challenges with typical ITIL implementations. In this section, we will review ITIL implementation challenges identified by industry luminaries and practitioners, but also extend the perspective beyond ITIL to consider broader Organizational Transformation challenges. As a result, we will propose a more holistic list of Top Ten ITIL Implementation Challenges, updated to reflect the latest research conducted as part of this Applied Project. This section will answer the first Research Question of this paper: *“What are the top ten challenges of a typical ITIL Implementation?”*

In 2005, Malcolm Fry³³, a luminary of IT Service Management, published a Research Paper identifying the Top Ten reasons for ITIL implementation failures. Fry’s reasons are very well articulated, and serve as one of the key inputs into this research:

1. Lack of management commitment

No project can succeed without management commitment and drive. One can achieve isolated wins with ITIL without management commitment, but these wins will be few and far between. Commitment itself is not enough; those in management must show their commitment to ITIL by their presence and involvement.

Pros: I do agree that this is one of the most visible challenges to an ITIL implementation. Given that implementing ITIL impacts people, process and technology, which may likely result in changing the way an IT organization is organized, and modifying employees work routines and job definitions, having strong and sustained support from the top will increase the likelihood of success.

Cons: This challenge should be further expanded by including ‘lack of leadership commitment’ of senior executives as well. Once an organization achieves full alignment towards its ITSM vision, from Senior Executives, through to management and operational staff, chances for success become high.

Mitigation: An effective way to overcome this challenge is to identify a senior leader as the ITSM champion, whose role will be to promote ITSM among their peers and gather expanded support. An effective ITSM champion can be mobilized once ITSM is objectively and realistically identified as a valid way to address a real business issue, if there is a sense of urgency to resolve such an issue and if the champion has prior experience and exposure to how process improvement realized tangible benefits. The ITSM champion can be sustained through their involvement in the program, through them being used as a ‘sounding board’ and advisors to the program, and through realization of quick wins that the ITSM Champion can actively promote throughout the organization.

2. Spending too much time on complicated process diagrams

³³ <http://www.thinkhdi.com/about/viewPressRelease.aspx?PressReleaseID=222>

When an organization starts to approach ITIL, there is a great temptation to produce complex and detailed process maps. This is not necessary for most of the processes, and wastes valuable time and resources. Many of the processes, such as Incident Management, are performed hundreds of times every day and do not need rigid process maps. However, one should create simple process maps for some of the ITIL processes.

Pros: While this challenge is certainly real and present, I do not agree that it should rank as high as it does on this list, given my research and experience in ITSM.

Cons: This challenge is very operationally focused, and should be considered during the process design stage. In my experience, developing overly complex process maps, which become a challenge to put into action and automate, are often mistakes made by overly zealous process-committed employees who may not have deep process implementation experience.

Mitigation: One effective way to overcome this challenge is to ensure experienced resources are involved in process design, with stakeholders that will be required to perform the process asked to participate in its redesign and required to validate effectiveness and efficiency of the newly designed processes. Another effective way to overcome this challenge is to reach out to external ITSM experts as advisors.

3. Not creating work instructions

Too often, organizations fail to establish written work instructions because they spend too much time on creating complex process maps. Work instructions include escalation rules, priority definitions, and change categories. These work instructions must be written, published, and continually reviewed.

Pros: This is a challenge of lack of pragmatism. Many ITIL implementations include process design work that is too academic and theoretical with little consideration on how will such processes actually work in the production environment. Establishment of written work instructions presents an important link between ITIL theory and production environment that forces a process designer to consider actual steps that will be performed, who will perform them, using what toolsets, and in which order.

Cons: This is another operational challenge which should be considered during the process design stage. In my experience, this challenge is closely linked to the challenge of complex process maps discussed above. Both could have been effectively addressed as part of one *process detail* challenge.

Mitigation: Mitigation of this challenge is very similar to the previous one: stakeholders that will be required to perform the process need to participate in its design and should be required to validate effectiveness and efficiency of the newly designed processes.

4. Not assigning process owners

IT, like most other departments, is often silo-based and not process-oriented. A process owner should be assigned to each of the ITIL processes that cross functional silos. The process owner should concentrate on the structure and flow of the process, without having to focus on staffing and other departmental issues. Quite simply, the process owner's job is to carefully monitor and manage the assigned process so that it can be continually improved.

Pros: I fully agree with this challenge. This is the challenge of accountability, which often lacks at the process level, particularly if the organization does not have a historically strong process focus and culture.

Cons: I would expand this challenge to also include the challenge of responsibility, in the form of process managers. As per ITIL best practice, every process should have a process owner, who is accountable for the overall process, and a process manager, who is responsible for the performance of the process.

Mitigation: This challenge is mitigated by revision of the IT organizational design and its evolution from pure functional organization into a service organization. Every process that is formalized should have one process owner, and a minimum of one process manager. Process owners should be empowered to allocate resources for the process. Process managers are responsible to properly manage such allocated resources for most effective and efficient performance of the process. This implies that process managers should have a functional reporting relationship to process owners.

5. Concentrating too much on performance

Most IT monitoring activities concentrate on performance, while ignoring quality and processes. For example, most Service Desks can report how quickly they escalate incidents, but few can report how often they escalate incidents to the wrong person. Organizations need to spend more time on improving quality as part of implementing ITIL.

Pros: This is a challenge of balance between priorities. An organization may need to focus on a specific area of improvement at one time, and be agile enough to shift that focus to a different area when needed. Many organizations do not have a well designed, or effective Performance Management framework, and I agree that such a challenge needs to be identified.

Cons: I would expand this challenge to include the statement that an IT Organization needs to understand what is important to measure at a given point in time, what are the priorities and what are the expected performance results. Then, it needs to develop and implement a comprehensive and agile system of meaningful measurements. The old managerial adage of "If you can't measure it, you can't manage it" rings very true in describing this particular challenge.

Mitigation: Mitigation of this challenge can be approached from a holistic development of an IT Performance Management framework, aligned to the overall

business' Performance Management framework. Work of Kaplan and Norton (1996) on the Balanced Scorecard provides an effective guidance on how to address Performance Management.

6. Being too ambitious

Many organizations attempt to implement too many processes at once, causing confusion, staff unrest, and poor integration between the processes.

Pros: This is a challenge of culture. I fully agree that it would be difficult to change everything at the same time, but the full benefits of Service Management transformation can be best achieved with a complete transformation of an IT organization from 'technology minders' to 'service providers'.

Cons: This challenge is very generic, and does not recognize that different organizations could have different cultures regarding openness to change.

Mitigation: The key to mitigating this challenge is in understanding the culture of the organization and its capacity, capability and appetite for change. Some organizations are very agile and one can be more aggressive when proposing and implementing changes (e.g. Hi-Tech companies mostly staffed by Gen-X and Gen-Y individuals who thrive on change) versus others (e.g. highly hierarchical and bureaucratic public sector department staffed by long-term, unionized workforce).

7. Failing to maintain momentum

It's a huge effort to implement all ten ITIL processes and maintain the momentum, especially if the biggest gains come early in the ITIL implementation. A complete and successful implementation of ITIL takes most organizations between three and five years – a long time to maintain momentum. To maintain the momentum from those early achievements, you must implement all of the ITIL processes.

Pros: This is a challenge of lack of quick-wins and visible improvements. I fully agree with this challenge, and would have ranked it higher. Failure to demonstrate progress and tangible improvements after a few months of working on the ITSM initiative is a sure way to lose the executive, managerial and operational support and ultimately fail.

Mitigation: The best way to mitigate lack of momentum is to demonstrate real progress in a timely manner, and communicate such progress. A recommendation could be made that a comprehensive ITSM Program should have a quick-win milestone at least every quarter, with major milestones achieved at least twice per calendar year. Further such milestones and wins should be linked to highest priorities, for maximum effect. Once the organization sees progress and starts enjoying the benefits of the ITSM effort, maintaining momentum will be easy.

8. Allowing departmental demarcation

Some of the processes cross more than one department. This often causes conflict among departments, especially in organizations where department boundaries are rigid and ownership is important. All departments need to understand that ITIL is a joint venture and success comes from all working together; that is, the “power of one,” and not from ownership of a process.

Pros: This is another organizational culture challenge with which I fully agree. ITIL is a process and service framework, where both processes and services flow horizontally throughout an organization. Existence of strong silos will greatly impede successful adoption of any process frameworks, so loosening of such “organizational fiefdoms” needs to be a precursor to any truly successful attempt at ITIL and ITSM implementation.

Cons: This challenge should be further extended to include requirement of IT organizational redesign, which will often be required as existing silos do not lend themselves to effective process and service management.

Mitigation: Mitigation of this challenge lays in strong leadership at the top, implementation of performance measures and rewards that emphasize collaboration and deemphasize silos, and reassignment of accountabilities for processes and services (Service and Process ownership and management), rather than solely for functional teams (Service Desk, Application Management, Server & Network Support).

9. Ignoring solutions other than ITIL

Although ITIL is regarded as the industry “best practice” for IT Service Management, many other best practices and frameworks exist to facilitate Service Management, such as Control Objectives for Information and related Technology (COBIT), Six Sigma, and CMMi. Corporate control requirements, such as Sarbanes-Oxley and Basel II, can also affect ITIL. These other components are often ignored, which can delay ITIL implementation. Even worse, if you don’t focus on these components, then you are not maximizing ITIL’s potential.

Pros: This challenge directly supports my primary hypothesis that ITIL alone is NOT sufficient to provide holistic guidance for successful, end-to-end IT Service Management transformation.

Cons: This challenge can be further expanded to mention other relevant frameworks that can provide exceptional guidance in a variety of subject matters: portfolio, program and project management, governance, communications, people change management, performance management, IT controls, software development lifecycle, process maturity, continual service improvement, certification, education, accreditation, etc.

Mitigation: Wise ITSM Leaders will be equipped with broad knowledge that expands on ITIL. While ITSM Leaders need to have such knowledge, it is neither

feasible, nor practical to expect that one individual be expert in every element of every ITSM related framework, method, model, tool or system. For this reason, it is important and beneficial to work with a team of experts, often as external advisors, who do possess deep skills in their specific subject matters.

10. Not reviewing the entire ITIL framework

Although there are ten basic ITIL processes, look at the entire ITIL framework when putting ITIL best practices in place. In particular, review the Security Management and the Information and Communications Technology (ICT) Infrastructure Management books, because ITIL success is dependent upon other IT processes.³⁴

Pros: While this challenge is real, I would consider it to be a variant of the previous challenge that suggests a more holistic look into the available ITSM knowledge ecosystem.

Cons: This challenge is too narrowly stated, and should really be a part of a more broader issue of looking at ITSM holistically.

Mitigation: Mitigation of this challenge is best achieved by working with highly experienced and skilled ITSM experts as part of the ITSM Program Team. Such experts will be able to bring forth the depth of knowledge and breadth of skill across the various IT Service Management guidance and best practices.

The above listed implementation challenges are presented from mostly an operational perspective. To provide a different perspective to the one presented by Fry (2005), the following is the list of nine elements that are required to be in place in order to have a successful ITIL implementation, as observed and documented by Steinberg (2005). Steinberg takes a more strategic look at ITIL's implementation challenges and outlines the following as "things that work":

1. Treat the effort as an Organizational Change effort versus an IT Project

Implementing ITIL is first and foremost an organizational change management effort. It is NOT an IT Project in a traditional sense. IT Projects often have a specific product as their objective, and are mostly focused on implementing technology. ITIL efforts result in changes to the way people go about performing their work, which requires a different approach and skill-set to roll out new technology using IT Project Management best practices.

Comment: This statement is very true, as ITSM transformation is intended to have "no end" in a traditional, Project Management definition. An ITSM transformation leads to a different state of operation, and that state, once it is established, immediately enters into continual improvement cycle. From this perspective, ITSM Transformation is never "complete", but rather becomes a permanent drive for continual improvement in quality of services and effectiveness and efficiency of underlying processes.

³⁴ Fry, Malcolm (2005). *Top Ten Reasons Organizations are Unsuccessful Implementing ITIL*. Houston: BMC Software.

2. Create a balance between strategic efforts and initial wins

While ITIL implementation is a long-term effort, usually taking between 3-5 years to complete, it is highly unlikely that any organization in today's environment could sustain support for such an undertaking without being able to demonstrate some level of quick wins. It is therefore very important to provide practical, quick returns while steadily progressing towards the ultimate objective of full ITSM transformation. This balance will help maintain the necessary momentum.

Comment: This is another true observation and recommendation, shared by Steinberg and Fry. I fully support this recommendation as my experience confirms the importance of striking a balance, and demonstrating *both* quick wins and steady progress throughout the initiative.

3. Implement IT Service Management as a whole instead of only selected processes

Every ITIL process has some level of dependency upon another. No ITIL process is an island unto itself. The view is that every organization ultimately needs to address every process, but not necessarily in the same order, or at the same level of depth and detail. Each organization, therefore, needs to conduct an organizational-specific, honest and objective assessment of its current state and its vision state in order to identify what are the most important gaps that need to be addressed first. It is for this explicit reason that it is impossible to develop a generic "ITIL Implementation Project Plan" that will work in every instance.

Comment: This is another statement that can be tied back into Fry's 'Top Ten Challenges'. I do believe that the full benefit is only achieved through complete transformation. While it is indeed possible to scope the ITSM effort to only a subset of selected processes, an organization will not be able to maximize its potential for benefits using this approach as all ITIL processes have clear inter-dependencies. Only a complete network of implemented and automated processes will maximize potential benefit and Return on Investment.

4. Target 20% of effort to get 80% of the benefits

Steinberg suggests most organizations tend to approach ITIL implementations from a clean slate, which results in a high percentage of wasted resources. The observation is that most organizations already have a wealth of tools, data, information and intrinsic knowledge that can fast-track the ITIL implementation by focusing efforts in a smart way, reusing what already exists, and developing what does not in a sensible, as-needed basis only. This would result in maximum benefit for minimal effort, resulting in faster, more successful implementation.

Comment: I believe this is a good recommendation, as it will help generate the early wins that a potentially long-term initiative such as this will need in order to maintain the momentum.

5. Staff the effort with a balance between leaders and managers

Both leaders and managers are needed for successful ITIL implementation, and absence of either will likely result in failure. ITIL Leaders are needed to create the vision, challenge status quo, generate new ideas and constantly ask probing questions. They will excite the team, and will remove obstacles. However, successful ITIL implementation also requires disciplined people, disciplined thought and disciplined action, manifested through selection of right managers that are capable to grasp the vision and make it a reality.

Comment: Another excellent observation and recommendation for a successful ITSM implementation, which recognizes that a blend of skills is needed to affect such an organizational change. Leaders are needed to set the vision, and managers are needed to execute on it.

6. Establish a compelling business reason for the effort

There must be a real reason for ITIL implementation. This reason has to meet the following criteria, at minimum: Identify true pain that the organization is experiencing, or is about to experience, and provide a clear path of how, why and when will ITIL implementation address such pain. This reason should be articulated in a compelling Business Case that will not only get the attention of business leaders, but also keep the momentum going throughout the effort.

Comment: I would suggest that this recommendation should be listed as the very first one on any list of reasons to undertake ITSM transformation. If there is no compelling business reason for the effort – why do it? Even if there is an intrinsic understanding that a process approach is better than an ad-hoc approach, without clear business reasons, such an effort will likely stall in front of the first moderate obstacle.

7. Scope the effort based on service delivery, rather than location or business unit

This point suggests that the scope of ITIL implementation should include every point where services are offered, regardless of geographic or departmental demarcations. The reason for this is that services are created, assembled, delivered in a continuum and often crosses imaginary organizational silos. This is the case for most organizations, with the exception of those that have a high level of geographic or departmental independence, where service strategy, design, operation, delivery and continual improvement are all retained within a specific, self-sufficient organizational unit.

Comment: This recommendation is akin to Malcolm Fry's challenge of organizational silos. It recognizes the importance of having everyone that is involved in end-to-end process, or service delivery be an active and willing participant. As Service Delivery is a value-chain, every link in that chain needs to understand its role and contribute to the value of the chain. Hence, the scope of transformation effort needs to include Service Delivery (a totality of a particular 'service value-chain'), rather than siloed organizational boundaries regardless of the type of silo, functional or geographic.

8. Get Senior Management to “walk the talk” as well as sponsor the effort

In simple terms, without Senior Management buy-in and support, attention and priorities will be placed on other efforts and the appropriate level of organizational change will never be reached. Steinberg suggests that the best way to get the Senior Manager's support is when they are actually funding the effort and providing staffing resources.

Comment: This is, in my opinion, a better articulated version of Malcolm Fry's 'Management Commitment' challenge. This recommendation recognizes the importance of senior management's commitment, not just in words, but in action. I would add the importance of executive's leadership commitment as well, in works and action, and on a sustained basis, throughout the duration of the initiative, not just at the beginning, and during celebratory events.

9. Recognize the critical importance of metrics

Successful ITSM is highly process driven. It involves the implementation of processes and cultural change to improve services and achieve business results. The best way to assess if the implementation has been completed and successful is through appropriate metrics. Metrics need to be developed at different levels, to measure ITSM (ITIL) implementation, service quality, process performance and operations. In addition, a performance management framework should be created that would tie individual and team performance to the above metrics, providing a measuring yardstick, and a tool for rewards and recognition.³⁵

Comment: This recommendation is exceptionally important, as it enables the ITSM Program Team to pragmatically demonstrate improvements they are realizing. Properly designing and implementing a set of right metrics will also serve as the benchmark for future measurements, and can be used to refine alignment to an overarching business Performance Management system, if one exists.

From the above provided lists, it is apparent that both authors consider ITIL implementation as the organizational transformation effort, broader than just a project to implement a specific group of IT processes. If we recognize the effort as first and foremost the Organizational Transformation, it is both appropriate, and necessary to enrich this analysis with a set of Organizational Transformation challenges, as identified by Kotter (1996) in his landmark article 'Leading Change: Why Transformation Efforts Fail':

1. Allowing too much complacency

Kotter suggests that by far the biggest mistake people make when trying to change organizations is to plunge ahead without establishing a high enough sense of urgency in fellow managers and employees. This error is fatal, as transformations always fail to achieve their objectives when complacency is high. Some of the reasons for complacency are identified as past success, lack of visible crisis, low performance standards and insufficient feedback.

³⁵ Steinberg, R.A. (2005). *Implementing ITIL: adapting your IT organization to the coming revolution in IT service management*. (Page 11). Victoria: Trafford Publishing.

Relevance to IT Service Management: This challenge is directly linked to finding a compelling business reason to undertake ITSM transformation. The more compelling the reason, the higher the urgency – the higher the urgency, the greater is the chance for the ITSM program to receive due attention, resources and support from across the organization.

2. **Failing to create a sufficiently powerful guiding coalition**

While both Fry (2005) and Steinberg (2005) identify criticality of Senior Management buy-in, Kotter (1996) suggests that support of a group of leaders, a “coalition” is needed to affect the organizational transformation. The coalition needs to be powerful enough, and broad enough to deal with anticipated and unanticipated challenges of an organizational transformation. The failure to mobilize such a coalition is usually associated with underestimating the difficulties in producing and sustaining change.

Relevance to IT Service Management: This challenge is linked to Senior Management buy-in, but extends it to a more broader “Guiding Coalition”. In ideal circumstance, the ITSM Champion will be the Chief Information Officer, as the individual ultimately accountable for the Information Technology Management Department, and his direct reports and peers will be the broad “Guiding Coalition” referred to in this section of Kotter’s text.

3. **Underestimating the power of vision**

Vision plays a key role in producing useful change by helping to direct, align and inspire actions on the part of a large number of people. Without a sound vision, a transformation effort can easily dissolve into a list of confusing, incompatible and time-consuming projects that go in the wrong direction or nowhere at all. Kotter further suggests that the vision needs to be simple and clear, providing the following rule of thumb: “Whenever you cannot describe the vision driving change initiative in five minutes or less and get a reaction that signifies both understanding and interest, you are in trouble.”

Relevance to IT Service Management: Vision has not been directly mentioned by either Fry or Steinberg in the analyzed discussion so far. However, deeper analysis of Steinberg’s work (2005) identifies “ITSM Visioning” as the first phase of his ITSM Implementation Lifecycle. This would imply the level of importance of having a well defined and clearly articulated vision, and would also imply the magnitude of challenges that can be anticipated if such vision does not exist.

4. **Undercommunicating the vision by the power of 10**

Vision is critical, but without clear and frequent communication and enforcement of the vision, transformation efforts will be at risk. Without credible communication of benefits of change, and a lot of it, employee hearts and minds will not be captured. Communication comes in both words and deeds. While words are important, deeds are probably even more critical. Kotter suggests that nothing undermines the transformational effort more than when important individuals behave inconsistently to what the verbal communication is.

Relevance to IT Service Management: As per the previous comments, a clear and inspiring vision will not be achieved if it resides in the heads of a select few, and is not widely communicated, explained and enforced through action. This challenge can only be overcome by development and implementation of a comprehensive communication strategy that would consider all stakeholders, their need for information, preference of the communication channel and frequency, and the appropriate form of messaging. The lesson is that a strong communication element needs to be a part of a holistic ITSM program.

5. Permitting obstacles to block the new vision

Almost every transformation effort will face obstacles. Some obstacles may be real, such as regulatory and contractual requirements, while others may be more transient, such as organizational structures, performance metrics, individual preferences, positions and power. Leaders that drive transformational efforts need to be prepared to face and actively deal with obstacles along the way. Guiding coalition will help along the way. Whenever smart and well-intended people avoid confronting obstacles, they disempower employees and undermine change efforts.

Relevance to IT Service Management: This recommendation further emphasizes the importance of having an ITSM champion and the guiding coalition of senior leaders and managers who are committed and vested in the success of the ITSM transformation. Being an IT initiative, the ITSM program will likely be run by a mid-manager. This individual may not have the power and influence to overcome certain obstacles. This is where the ITSM champion and the guiding coalition needs to act and remove such obstacles.

6. Failing to create short-term wins

In successful transformations, leaders and managers actively look for ways to obtain clear performance improvements right away. They are aware that true change takes time, and that complex efforts to change will lose momentum unless there are short-term goals to meet and celebrate. Without short-term wins, many employees will give up, or even join the resistance.

Relevance to IT Service Management: This challenge has been identified by both Fry and Steinberg. Its relevance to the ITSM initiative is direct and has already been extensively discussed in this paper.

7. Declaring victory too soon

Kotter (2005) suggests that, while celebrating quick wins is necessary, it is very important not to pass the message that the “job is done” too soon. True transformation is completed only once the changes get ingrained into the organizational culture, which can take anywhere from 3 to 10 years, depending on the size of the organization and strength of its current culture.

Relevance to IT Service Management: This is a new challenge, that does directly apply to ITSM transformations, particularly as they are not short or mid-term IT

projects, but transformational initiatives that are designed to change organizational culture. Kotter's guidance in this respect is most appropriate and relevant, and such guidance should find its way into every ITSM Program Manager's toolkit.

8. Neglecting to anchor changes firmly in the corporate culture

The true change is permanently sunk-in once the employees describe it as "the way we do things around here". Kotter suggests there are two key factors in anchoring change into the organizational culture: First, a conscious attempt to show and demonstrate to people how specific actions and behaviours have helped improve performance. Second, allowing sufficient time to ensure that the next generation of management really does personify the new approach. The biggest error change leaders make in this respect is failing to be sensitive to cultural issues, and deeming logic, which can be manifested in positive financial or performance results, as sufficient to continue anchoring change into the corporate culture.³⁶

Relevance to IT Service Management: This final challenge is, in my opinion, closely linked to the previous one, which deals with long-term nature of transformational success. Its relevance to ITSM transformation is direct, and the guidance provided by Kotter should be considered by members of an ITSM Steering Committee as they make strategic decisions that steer the newly transformed IT Service Management organization.

Reviewing both provided lists (Fry and Steinberg), it is easy to derive common challenges and recommendations. Adding Kotter's perspectives enriches the view. Lastly, using my practical experience from conducting and advising on numerous ITIL and ITSM transformations, I would propose the following as the **holistic list of Top Ten ITIL Implementation Challenges**:

1. Lack of vision
2. Organizational complacency
3. Lack of sustained supportive "Tone at the Top"
4. Lack of governance
5. Lack of program and project management discipline
6. Lack of quick wins
7. Lack of subject matter expertise
8. Organizational segmentation
9. Focus on process, not service
10. Inability to anchor the new state

The following section provides additional detail about each one of the identified challenges:

1. Lack of Vision

ITIL implementation has to be undertaken for a specific, compelling business reason. The reason has to be clearly articulated in a clear vision, reinforced by project sponsors, and understood and shared by stakeholders. The vision needs to be related to a real issue that ITIL is going to solve: improved service quality, improved effectiveness, transparency, reporting, improved relations with clients and users, cost control, etc. Further, the vision,

³⁶ Kotter, J.P. (1996). *Leading change*. (Pages 4-14). Boston: Harvard Business School Press.

the purpose, the reason for ITIL implementation needs to be real, understood and endorsed by the majority of the IT organization. Without a compelling business reason for implementing ITIL, and without organization-wide buy-in, ITIL implementation will not have the required direction and achieve the required traction to be successful. Developing a business case for ITIL implementation, which would articulate both financial and non-financial benefits, would be an excellent vehicle to clearly communicate the vision, purpose, reasons, goals, objectives of an ITIL implementation.

2. Organizational Complacency

Once the reason for implementing ITIL is clear and accepted by the majority within the IT organization, the ITIL implementation team needs to create a high enough sense of urgency among a large enough group of people in order to successfully overcome the complacency that exists in most organizations. This complacency manifests itself as unwillingness to change. Kotter (2008) suggests the following approach to creating and maintaining a true sense of urgency:

The Strategy: Create action that is exceptionally alert, externally oriented, relentlessly aimed at winning, making some progress each and every day, and consistently purging low value-added activities – all by always focusing on the heart and not just the mind.

The Tactics:

1. Bring the outside in
 - Reconnect internal reality with external opportunities and hazards
 - Bring in emotionally compelling data, people, video, sites and sounds
2. Behave with urgency every day
 - Never act content, anxious or angry
 - Demonstrate your own sense of urgency always in meetings, one-on-one interactions, memos, and e-mail and do so as visibly as possible to as many people as possible
3. Find opportunity in crises
 - Always be alert to see if crisis can be a friend, not just a dreadful enemy, in order to destroy complacency
 - Proceed with caution, and never be naïve, since crisis can be deadly
4. Deal with the NoNos
 - Remove or neutralize all the relentless urgency killers, people who are not skeptics but are determined to keep a group complacent or, if needed, to create destructive urgency.³⁷

3. Lack of Sustained Supportive “Tone at the Top”

One of the key challenges of any transformational project is securing and sustaining visible and clearly supportive “Tone at the Top”. Executives that show lack of interest in the initiatives they sponsor are putting such initiatives at risk – this is particularly true as the leaders at the top are the ones who are setting and communicating priorities, and are

³⁷ Kotter, J.P. (2008). *A sense of urgency*. Boston: Harvard Business School Press.

expected to demonstrate leadership. As per Fry and Steinberg, management and senior management support is critical, and such support should be visible in their actions, not just words. Further, as per Kotter, a Guiding Coalition should be formed to remove obstacles and provide required support. Lastly, an ITSM Champion should be identified early on (ideally before the initiative officially starts), and it should be their job to provide the leadership and assemble the Guiding Coalition of their peers and direct reports for maximum effect.

4. Lack of Governance

IT governance can be defined as “specifying the decision rights and accountability framework to encourage desirable behaviour in the use of IT”.³⁸ IT Service Management transformation, if approached holistically, can have profound impacts to the current IT organizational structure, decision making, authorities, accountabilities and responsibilities. An effective governance structure needs to be in place both before ITSM transformation starts, to provide the required resources and support during the ITSM transformation, to remove obstacles and provide direction, and after ITSM transformation is over, to assume governance of the new state.

5. Lack of Program and Project Management Discipline

We also validated that implementing ITIL is not an IT Project. At best, it needs to be approached as a Program which consists of multiple related projects and activities that need to be coordinated in a structured and disciplined manner. Lack of such rigor and discipline, given complexity, can easily result in straying from the direction, and significant cost and schedule overruns. Significant guidance already exists on best practices for Program and Project Management. Such guidance is accessible through Project Management Institute’s PMBOK and The Standard for Program Management guides.

6. Lack of Quick Wins

We have already discussed the importance of quick wins, and excellent ways to demonstrate progress and maintain needed momentum. This list suggests that lack of such quick wins is one of the top ten ITIL/ITSM implementation challenges and that those responsible for designing the ITIL/ITSM program should attempt to identify a least one quick win milestone for each quarter (3 month periods), and two major milestones per year so that the organization and its people sees the progress unfolding.

7. Lack of Subject Matter Expertise

IT Service Management in general and ITIL in particular, cover a distinct subject matter. This subject matter includes a specific overarching philosophy and a set of specific guidance and recommendations regarding approaches to strategize, design, transition, operate and continuously improve IT services and underpinning IT processes. Topical knowledge and experience is needed if the person and team leading ITIL/ITSM transformation hopes to be successful. Lack of such skill can be disastrous to an ITSM effort, just like with any effort that is undertaken without required knowledge and insight. While this observation seems logical, it is surprising how many organizations send their IT management to 3 day ITIL

³⁸ Weill, P, Ross, J.W. (2004). *IT Governance, how top performers manage IT decision rights for superior results*. Boston: Harvard Business School Press.

Foundations course assuming that the knowledge gained will be sufficient for them to successfully lead IT Service Management transformation.

8. Organizational Segmentation

IT Service Management requires philosophical change. When we adopt IT Service Management as our philosophy, we are changing our focus from being 'technology minders' to being 'service providers'. This squarely places the customer at the center. This change requires that every element of the service value-chain actively participate. Every element of this service value-chain needs to understand its role and perform it in synch and alignment to the new philosophy. Having ITSM adopted by only some IT teams, while others in the service value-chain are allowed to continue business as usual is a sure way to halt the progress, and have it gradually revert to the old state.

9. Focus on Process, not Service

Many organizations make an error to focus all their ITIL implementation efforts solely on process design, reengineering or improvement. It is a critical error to assume that ITIL, being a Process Framework, is about IT Processes! ITIL, an IT Service Management, is about IT Services first and foremost, and they suggest and promote a process model as the way to design and deliver better quality IT Services. Focusing on Process alone, and failing to consider Services along the way, would be akin to designing a brand new car by focusing on the engine alone, and completely omitting consideration of the chassis.

10. Inability to Anchor the New State

Lastly, but of critical importance, ITIL transformation needs to be viewed as a permanent organizational change. ITSM needs to become the "way we do things out here". Organizations often fail to sustain a changed state, with the excellent effort and early wins slowly reverting back to the "old way we did things". This real challenge needs to be at the forefront of every ITSM program leader, who needs to prepare the ongoing operational leaders (often assembled in form of a Steering Committee) with the tools and advice on how to maintain and further enforce complete, one-way organizational transformation for many years to come.

9. Critical ITSM Implementation Success Factors

Based on the review of literature, discussion so far, and secondary sources collected through my ITSM experience, it becomes apparent that a successful ITSM implementation is much more than an IT Project to implement IT process improvements. True ITSM implementation requires ITSM transformation, which includes the people, process, technology and partners. This section will provide the answer to the third and final Research Question of this Applied Project: *“What are the Critical Success Factors for a successful ITSM implementation?”*

Following are the ten Critical Success Factors, developed with consideration of the Top Ten ITIL Implementation Challenges identified and analyzed in the previous section:

1. Sense of Purpose
2. Sense of Urgency
3. Relentless and Sustained Executive Support
4. Effective Governance
5. Program and Project Management Excellence
6. Resources: People, Time and Money
7. Capabilities: People, Skills and Aptitude
8. Enabling Technology
9. Performance Metrics
10. Momentum for Continual Improvement

The following section provides more detail on each of the identified Critical Success Factors:

1. Sense of Purpose: Finding a Compelling Reason for ITSM

Probably the most critical success factor of all is to identify, articulate, communicate and continuously reinforce the compelling reason(s) to undertake the organizational change and transformation required to evolve into a true IT Service Management organization. Some compelling reasons may be the following:

- Customer satisfaction with IT Services considered low, and/or eroding
- Cost of IT service provision considered/benchmarked to be too high
- Threat of outsourcing
- Need to improve merger and acquisition capabilities
- Need to strengthen infrastructure stability in preparation for the new system
- Need to minimize non value-adding activities within the IT organization

Such reason or a purpose for change should be articulated in a clear, but compelling vision. This vision could become the overarching vision of the IT organization (“We will be the Service Provider of choice...”). Following the identification of the vision and reason for ITSM transformation, a solid business case should be developed that will articulate the expected benefits in both financial and non-financial terms. Such a business case will be useful not only to inform senior management of the reason for making necessary investments of resources into ITSM program, but can also serve as the benchmark against which the progress of the transformation and its results can be measured.

2. Sense of Urgency: Why now?

Once the vision exists, and the business case is developed, it is critical to raise the sense of urgency throughout the organization. As per Kotter (2008), true urgency is the “gut-level determination to move and win, *now!*” It is imperative to create and maintain a true sense of urgency during ITSM transformation. It should be the job of ITSM leaders to generate and instill this sense of urgency, and the job of ITSM program managers to reflect it in program and project plans.

3. Relentless and Sustained Executive Support

Another critical success factor, stemming from Kotter’s theory, is the ability to identify and mobilize the guiding coalition of senior organization leaders, and keep this coalition supportive throughout the duration of the ITSM program. One effective way to gain such support is from the executives who are directly sponsoring the effort by providing the money and people (resources) for the initiative. This support needs to be extended and properly channeled as well, and a suggested way to accomplish both is to establish the ITSM Program Steering Committee that will consist of key Senior Stakeholders who would assume ultimate accountability and ownership over the Program. This Steering Committee needs to have clear Terms of Reference that will define its role, scope and decision making, which will be done as part of the overall ITSM governance.

4. Effective Governance: Excellence in Decision Making

Having effective governance before, during and after the ITSM program is another critical success factor. Effective governance means that decision making authorities are clearly defined, understood and implemented in such a way that most appropriate decisions are made in a timely fashion, taking the organization towards its stated vision. The Steering Committee identified previously could be at the apex of the ITSM governance structure during the ITSM Program implementation, providing direction, support and removing obstacles. As the ITSM program draws to a close, the ITSM *Program* Steering Committee could evolve into a permanent ITSM Steering Committee, continuing its life, but shifting its role from program steering into operational service steering and continual service improvement.

5. Program and Project Management Excellence

Steinberg (2005) suggests that ITSM transformation is NOT an IT Project, but a comprehensive program of organizational change. This insight is confirmed through numerous practical experiences and secondary research. Further, Jim Collins suggests that disciplined people, disciplined thought and disciplined action are essential for exceptional performance. From these two insights, we can conclude that a formal and disciplined approach to ITSM program management is required for success. While there are a few globally established Project and Program Management methodologies, North American organizations most rely on the one published by the Project Management Institute (PMI). This Project Management methodology is captured in a publication called “A Guide to Project Management Body of Knowledge (PMBOK)”³⁹, and its related Program Management Methodology is captured in a publication titled “The Standard for Program

³⁹ Project Management Institute (2008). A guide to the project management body of knowledge (PMBOK guide), fourth edition. Newtown Square, PA: Author

Management”⁴⁰. Regardless of the selected project and program methodology, one should be adopted to reinforce required discipline, transparency and monitoring throughout the ITSM transformation.

6. Resources: People, Time and Money

Implementing ITSM transformation will require significant resource investment. The actual level of investment will vary between organizations, and will depend on numerous factors such as current state maturity, existing service quality, vision and identified gaps. Investments will be needed in the following areas: People will need to execute identified Projects within the Program. This will take time and will take such people from their daily duties, which will need to be back-filled. Also, ITSM implementation will likely include some level of technology investment, both in hardware and software, which is now considered to be required for successful ITSM transformation and operation.⁴¹ In addition, people performing the transformation, but also those who are expected to adopt the changed way of performing, will need to be properly trained and educated. Each one of these identified activities will require financial and time commitment.

7. Capabilities: People, Skills and Aptitude

Jim Collins, in his landmark work “Good to Great” (HarperCollins, 2001) suggests that one of five keys to exceptional performance is having the “right people on the bus, and wrong people off the bus”.⁴² This would suggest that right people, with right capabilities in terms of skills, aptitude, attitude, experiences and commitment are needed to successfully implement ITSM transformation. Such “right people” will require help and support throughout the implementation. The support will come through commitment of resources, relentless and sustained executive support, investment in education and training, certification and ongoing professional development.

Another important element under the ‘right people’ Critical Success Factor (CSF) is the engagement of the right external support in terms of ITSM advisors and consultants. As the ITIL and ITSM industry grew and an increasing number of organizations decided to adopt its philosophy, a growing number of consulting firms started offering support and advice to organizations planning or in the midst of ITSM transformation. Such help and advice can be invaluable if received from reputable professionals with proven track record of success.

Lastly, discussion on capabilities is broader than people alone. ITIL itself defines capabilities as “an organization’s ability to coordinate, control and deploy resources to produce value”, and consist of, besides people, the Management philosophy and style, organizational structure, processes, knowledge, and culture⁴³. All these elements need to be considered and collectively form the capability CSF for ITSM transformation.

⁴⁰ Project Management Institute (2008). *The standard for program management*, second edition. Newtown Square, PA: Author

⁴¹ The Stationary Office (2007). *Service Operation*. (Page 157) Norwich: Office of Government Commerce.

⁴² Collins, J. (2001). *Good to Great. Why some companies make the leap... and others don't*. (Page 41) New York: HarperCollins

⁴³ The Stationary Office (2007). *Service Strategy*. (Page 38-39) Norwich: Office of Government Commerce.

8. Enabling Technology

Although this element has not been explicitly identified as an ITIL implementation challenge, it is certainly identified as a Critical Success Factor by ITIL guidance itself⁴⁴. In essence, ITSM is a holistic transformation of an IT organization from technology-focused minders of hardware and software, to service providers that deliver measured and managed services. Such services must be at the quality levels agreed to with the customer through Service Level Agreements, for a known and controlled unit costs, utilizing a set of inter-related, effective and efficient processes. This service value-chain is a complex system of people, partners, processes and technologies, which includes dedicated and shared software and hardware.

Historically, ITIL technology was focused around Service Desk ticketing systems. Managing incidents, problems and simple service requests in the early 1990s gradually expanded to include management of changes and releases, establishment of Configuration Management and Asset Management Databases (CMDB⁴⁵) and service level achievements. Over the past decade, the industry saw further integration of IT systems management and monitoring into IT Service Management solutions, with companies such as Hewlett Packard⁴⁶, IBM⁴⁷, and CA⁴⁸ integrating their solutions (HP OpenView⁴⁹, IBM Tivoli⁵⁰ and CA IT Service Management suite⁵¹) into central ITSM Service Desk platforms.

The latest trend, spearheaded by BMC Software, promotes the concept of Business Service Management (BSM)⁵², and offers integrated technology solutions to manage IT Service Management which can be described as true Enterprise Resource Management (ERP) systems for IT⁵³. This represents a breakthrough in IT management, as for the first time in its 60-year history, we now have the end-to-end capability to fully automate and manage IT's business processes in a similar way that IT has been automating business processes for the Lines of Businesses.

9. Performance Metrics

⁴⁴ The Stationary Office (2007). *Service Strategy*. (Pages 179 – 188) Norwich: Office of Government Commerce.
The Stationary Office (2007). *Service Design*. (Pages 199 – 203) Norwich: Office of Government Commerce.
The Stationary Office (2007). *Service Transition*. (Pages 191 – 194) Norwich: Office of Government Commerce.
The Stationary Office (2007). *Service Operation*. (Pages 157 – 168) Norwich: Office of Government Commerce.
The Stationary Office (2007). *Continual Service Improvement*. (Pages 143 – 151) Norwich: Office of Government Commerce.

⁴⁵ <http://www.cmdb.info/p/>

⁴⁶ https://h10078.www1.hp.com/cda/hpms/display/main/hpms_content.jsp?zn=bto&cp=1-11-85%5E12473_4000_100, retrieved from the World Wide Web on July 19, 2009

⁴⁷ <http://www-01.ibm.com/software/tivoli/governance/servicemanagement/>, retrieved from the World Wide Web on July 19, 2009

⁴⁸ <http://www.ca.com/us/it-service-management.aspx>, retrieved from the World Wide Web on July 19, 2009

⁴⁹ https://h10078.www1.hp.com/cda/hpms/display/main/hpms_content.jsp?zn=bto&cp=1-10%5E36657_4000_100, retrieved from the World Wide Web on July 19, 2009

⁵⁰ <http://www-01.ibm.com/software/tivoli/>, retrieved from the World Wide Web on July 19, 2009

⁵¹ <http://www.ca.com/us/it-service-management.aspx>, retrieved from the World Wide Web on July 19, 2009

⁵² <http://www.bmc.com/solutions/bsm>, retrieved from the World Wide Web on July 19, 2009

⁵³ http://en.wikipedia.org/wiki/ERP_for_IT, retrieved from the World Wide Web on July 19, 2009

The old adage “you can’t manage what you don’t measure”⁵⁴ holds true for IT Service Management transformations as well. Hence, measuring performance metrics needs to be considered as a Critical Success Factor. In addition to developing performance measurements for the initiative itself, which will be closely linked to the project and program performance measures (schedule, cost and quality, as per PMBOK), it is required that a comprehensive Performance Management System be designed and implemented as part of the overall ITSM transformation. Such systems should consider the following elements:

- **ITSM Transformation Performance Management:** a system of measurements and metrics to track and report on the progress of the transformation program, and constituent projects
- **Service Performance Management:** a system of measurements, benchmarks and metrics that will be defined for each service that is offered in the Service Portfolio
- **Process Performance Management:** a system of measurements, benchmarks and metrics to measure and report on each process that underpins service delivery
- **People Performance Management:** a comprehensive system of IT Organization, Team and Individual performance management, linked to the Organization’s HR systems

The Balanced Scorecard⁵⁵, and its IT variant – Balanced Scorecard for IT⁵⁶ could provide an effective framework to develop the overarching and cascading systems of Scorecards, dashboards, measurements and metrics. Established research analysts, such as Gartner⁵⁷, Forrester⁵⁸ and IDC⁵⁹ can be effectively used as the source of independent and objective benchmarks.

10. Momentum for Continual Improvement

Lastly, as per Kotter (2005), it is critical to successfully anchor the change into the organizational culture. In the context of IT Service Management, this could be achieved by establishing a culture of continuous service improvement which will, once firmly embedded, provide the right environment that will keep the momentum of service culture alive.

The research into the subject of Continual Service Improvement discovered a number of accepted methods, frameworks and approaches. Most of these revolve around the teachings of W. Edwards Deming, a “Father of Quality Revolution”⁶⁰, and include the Deming Cycle, Total Quality Management⁶¹, Lean⁶², Six Sigma⁶³, and its amalgamation – Lean Six Sigma⁶⁴ currently considered as the leading framework for continual service improvement.

⁵⁴ <http://management.about.com/od/metrics/a/Measure2Manage.htm>, retrieved from the World Wide Web on July 19th 2009

⁵⁵ Kaplan, R.S, Norton, D.P. (1996). *Translating strategy into action – the balanced scorecard*. Boston: Harvard Business School Press

⁵⁶ Keys, J. (2005). *Implementing the IT balanced scorecard*. Boca Raton: Auerbach Publications

⁵⁷ <http://www.gartner.com>

⁵⁸ <http://www.forrester.com>

⁵⁹ <http://www.idc.com>

⁶⁰ <http://deming.org/>

⁶¹ <http://govinfo.library.unt.edu/npr/library/status/sstories/nasa2.htm>

10. Recommendations

Considering the research conducted so far, and its findings, the key to successful IT Service Management transformations seems to be in adopting a holistic approach to change, driven by clear vision, enabled by sustained executive commitment, and supported by knowledgeable, passionate and dedicated team. To enable such a transformation, a simple implementation model and a roadmap should be presented to help guide development of custom plans that each organization wishing to embark on ITSM transformation can adopt and customize for its use.

10.1. Generic ITSM Implementation Model

The following diagram depicts a generic ITSM implementation model that attempts to account for the learnings from this research.

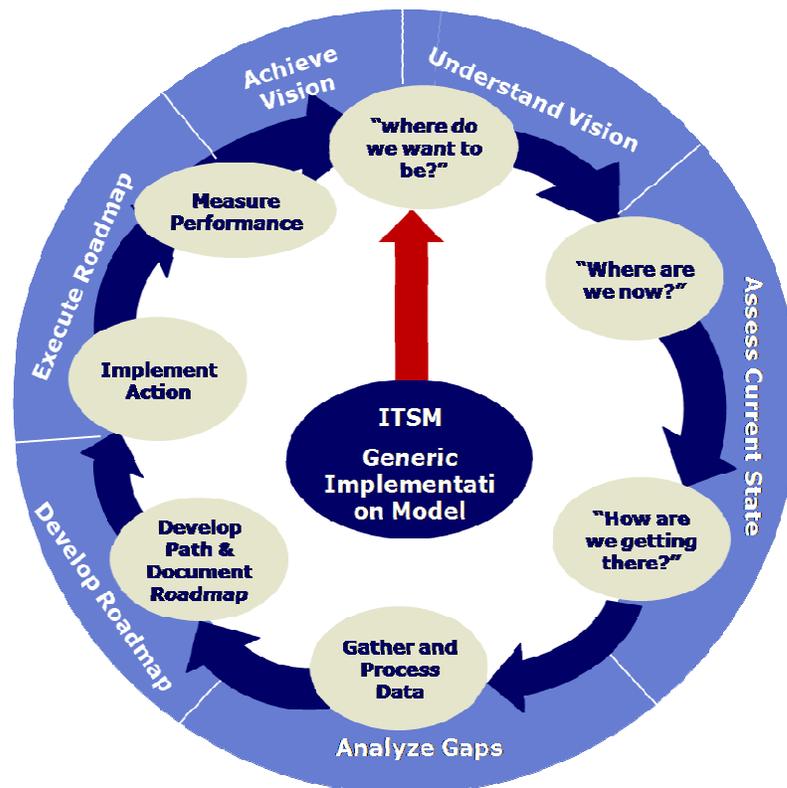


Figure 3: Generic ITSM Implementation Model

The model consists of a number of sequential steps, aligned to the “7-Step Improvement Process”, described in ITIL’s CSI Volume⁶⁵, with consideration of the key elements of the

⁶² <http://www.lean.org/WhatsLean/>

⁶³ <http://www.motorola.com/content.jsp?globalObjectId=3088>

⁶⁴ <http://www.army.mil/ArmyBTKC/focus/cpi/tools3.htm>

⁶⁵ The Stationary Office (2007). *Continual Service Improvement*. (page 43) Norwich: Office of Government Commerce.

“Continual Service Improvement Programme”⁶⁶, and the cyclical approach of continual improvement advocated by W. Edwards Deming⁶⁷ and Walter A. Shewhart⁶⁸ in the Deming (a.k.a. Shewhart) Cycle⁶⁹.

The following section provides a brief explanation of each of the six steps proposed in the generic ITSM implementation model:

Step 1: Understand Vision

Through the research, we identified the importance of vision to an organizational transformation effort. A good vision can serve the following purposes:

- clarify the direction
- motivate people to take action in the right direction
- coordinate actions of many people, and
- outline the views and desires of senior management.

Developing a good vision will be critical to a successful ITSM program. It is through this vision that the senior ITSM leader will paint the picture of the future state, where the compelling business reason for undertaking the initiative has been addressed.

Step 2: Assess Current State

In order to reach the vision state (target state), the organization needs to have a clear and objective assessment of its current state. This assessment needs to be conducted across the domains of people (both individuals, and the IT organization as a whole), process and technology. The current state of processes can be assessed using a variety of available Process Maturity models, while the current state of technology can be assessed using a Requirements and Fit/Gap Analysis. Also critical, and often missed, is the assessment of services – both in terms of their appropriateness (fit), comprehensiveness and quality (Customer Satisfaction).

Step 3: Analyze Gaps

Once we have a good understanding of where we are going (target state - vision), and where we are now (starting state), we should be able to identify very specific actions and tasks that need to be completed to gradually move us from the current to the future state. A collection of such tasks and actions will be the outcome of this step of the generic ITSM implementation model.

Step 4: Develop Roadmap

A collection of required activities and tasks identified in the previous step now need to be analyzed for their interdependencies, estimated resource requirements in terms of cost and work effort, risks, and logical groupings. Activities that are interrelated and have logical relationships can be grouped together into distinct projects, or “streams” within the ITSM program, and related streams can be organized into logically sequenced phases that would

⁶⁶ The Stationary Office (2002). *Planning to implement service management*. (Page 16) Norwich: Office of Government Commerce.

⁶⁷ http://en.wikipedia.org/wiki/W._Edwards_Deming

⁶⁸ http://en.wikipedia.org/wiki/Walter_A._Shewhart

⁶⁹ <http://en.wikipedia.org/wiki/PDCA>

provide order during the implementation. The result of this exercise should be an actionable program plan – the roadmap that will identify the streams and phases within them which will, once executed, take the organization through the required transformation from the current into the target state. This step also provides resource and timeline estimates for the program.

Step 5: Execute Roadmap

This is the roadmap implementation step, where program teams execute the activities, achieve the milestones and create the new service oriented environment.

Step 6: Achieve Vision

The final step is included as the reminder that our objective is to achieve the vision stated at the beginning of the program. Through completion of required activities, and creation of appropriate metrics to report on, we can estimate how closely we were able to achieve the objectives of the Program. If the consensus amongst the stakeholders is the objectives of the program have been met, the activities performed in this step can be described as ‘anchoring the change’.

10.2. Generic ITSM Implementation Roadmap

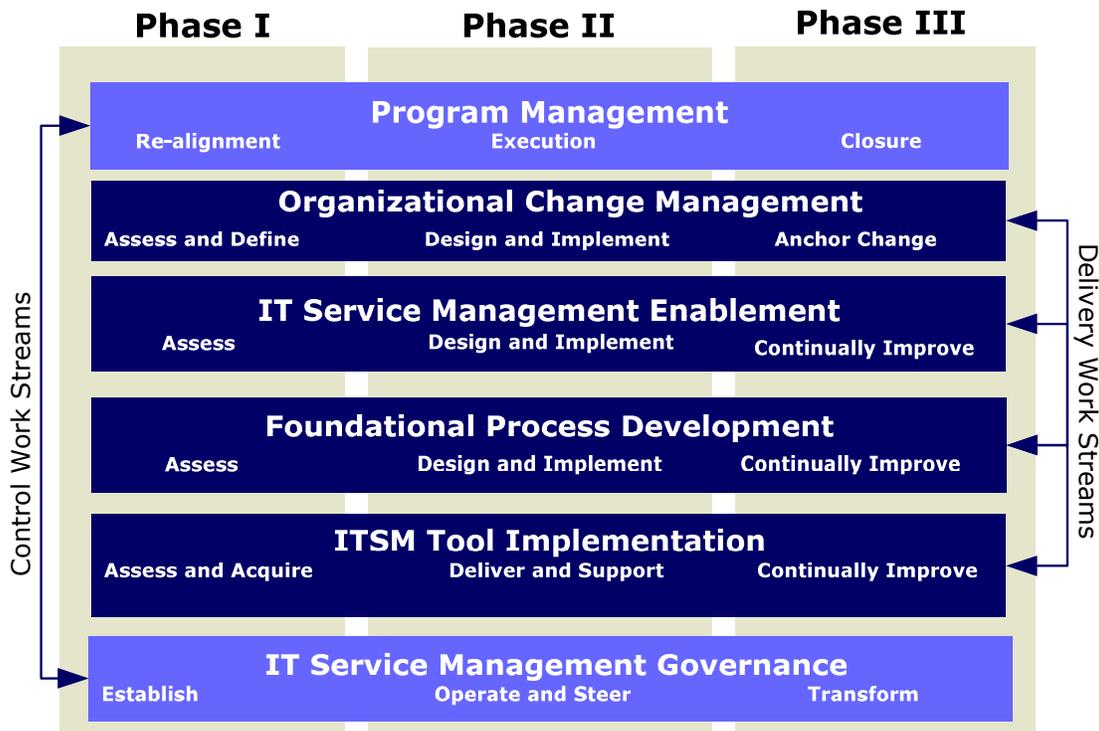
One of the most challenging elements of any ITSM Program is to identify the proper scope of activities that should be performed.

This research has focused on ITSM implementation challenges and critical success factors. These challenges and critical success factors, when combined with the research conducted on the topic of ITIL and ITSM implementations, and the author’s personal experience advising numerous clients on their ITSM implementations, can be used to derive a generic ITSM Implementation Roadmap that will identify key streams of activities, key phases within each stream, high level deliverables and benefits that each stream should deliver.

As every organization is different, this roadmap cannot, and should not be used as prescription, rather as another input to ensure the scope is more complete. However, a few overarching elements should be considered:

1. Grouping the necessary activities into project work streams combined to form an ITSM program
2. Scheduling activities based on the business priorities to establish the quick wins and disseminate these to the business
3. Ensuring there is adequate integration between work streams and the necessary governance in place.

I would therefore recommend a multiple-stream approach, effectively establishing a program of interlinked projects, each executed in three phases, as depicted in the diagram below:



To ensure proper division of responsibilities, I would recommend considering two distinct types of streams: Delivery Streams and Control Streams.

The Control Streams should provide supporting program management and overarching Service Management governance elements and be considerate of the fact that all streams are dependent on one another and should be driving towards the same goal.

The Delivery Streams should focus on delivering IT Service Management artifacts.

Each of these six work streams should be viewed as a distinct project and should be managed by a project manager. If the size of the organization warrants it – every stream should have a distinct Project Manager.

Each project manager should report to the program manager and take guidance and steering from the dedicated governance structure. The project managers for each stream, however, should have functional knowledge and participate in delivery activities of the stream.

As indicated by the above diagram, these six work streams transcend the three phases reflecting the near-term, mid-term and long-term goals of the initiative.

The following table provides brief descriptions of each of the six streams, their key deliverables and anticipated benefits:

<p>Stream Description</p>	<p>Program Management Stream (Control Stream)</p> <p>The Program Management stream establishes the appropriate project and program controls, leads the selection of program staff, and will establish the funding model. The ongoing operations of the Program Management work stream will be to manage the other work streams and ensure that projects are integrated, on budget, in scope and are being delivered on schedule. This stream will monitor and manage all of the interdependencies between the various streams and the dependencies on external initiatives.</p> <p>It is through this stream that the ITSM Program ensures the appropriate level of discipline is applied.</p>
<p>Deliverables</p>	<ul style="list-style-type: none"> • Detailed Program Plan, as per an organization PMO standards and guidelines • Project Charter • Risk and Issue Logs • Exception Reports and other Management Products • Stage Gate Process • Funding Model • Program Team staffing recommendation • Program Team expectations document • Ongoing management of the program
<p>Benefits</p>	<ul style="list-style-type: none"> • Establishment of the necessary program and project environment • Effective project monitoring and tracking • Effective risk and issue management underpinning successful delivery • Clear documentation of expectations, timelines and associated milestones
<p>Stream Description</p>	<p>Organizational Change Management Stream (Delivery Stream)</p> <p>The Organizational Change Management stream will initially be focused on developing the foundational elements required for a successful transformational initiative. A significant amount of implementation time and effort should be spent on effective organizational communication and change activities to ensure the organization is informed, ready and willing for the changes being proposed. This work stream will focus on building and then implementing the necessary tools such as the Management of Change strategy, communication strategy to ensure information sharing is embedded into the project and that progressive stakeholder engagement is achieved.</p> <p>This stream will ensure that activities required to anchor the change after</p>

<p>Deliverables</p>	<p>the project elements are over are properly identified and performed.</p> <ul style="list-style-type: none"> • Actionable Communication Plan • Stakeholder Management Plan • Actionable Training Plan • Future Organizational Operating Strategy • Communication of Executive commitment • Outputs of the Communication Plan • Outputs of the Training Plan • Outputs of the Organizational Operating Strategy • Training in anticipation of deployment of processes and tools • Ongoing and Sustained Organizational Commitment: <ul style="list-style-type: none"> ○ Top Driven ○ Middle Management Supported and Enforced ○ Enthusiastic adoption by IT staff members
<p>Benefits</p>	<ul style="list-style-type: none"> • Ensures the necessary level of organizational adoption and buy-in • Allows for effective communication of tailored and specific benefits to the business users • Promotes a structured and coordinated approach to communications to facilitate the critical organizational change • Demonstrates management's commitment to effective organizational change
<p>Stream Description</p>	<p>IT Service Management Enablement (Delivery Stream)</p> <p>The IT Service Management Enablement work stream initially focuses on defining and documenting the IT services offered to the business. Further, it starts to build the understanding of the underlying components and devices that support delivery of IT services to facilitate capacity, availability and continuity planning. As part of documenting the services that an IT organization provides, cost and demand should be identified and activities undertaken to understand these costs and demand levers. During the latter phases of this work stream, processes will be implemented to help the organization better manage and report on IT services provided. Ultimately, this stream is the whole reason for pursuing IT Service Management.</p>

<p>Deliverables</p>	<ul style="list-style-type: none"> • Service Portfolio Framework • Documented Services – IT Service Catalogue • Continual Service Improvement (CSI) process documentation <ul style="list-style-type: none"> • CSI process implementation • Financial and Demand Management process documentation <ul style="list-style-type: none"> • Financial and Demand Management process implementation • Service Level Management process documentation <ul style="list-style-type: none"> • Service Level Management process implementation • Service Catalogue Management process documentation <ul style="list-style-type: none"> • Service Catalogue Management process implementation • Availability Management process documentation <ul style="list-style-type: none"> • Availability Management process implementation • Capacity Management process documentation <ul style="list-style-type: none"> • Capacity Management process implementation • Service Continuity Management process documentation <ul style="list-style-type: none"> • Service Continuity Management process implementation • Knowledge Management process documentation <ul style="list-style-type: none"> • Knowledge Management process implementation • Improvement plans for documented services
<p>Benefits</p>	<ul style="list-style-type: none"> • Articulates IT Service provided by an IT Organization • Provides the strategic and tactical processes necessary to sustain an effective and progressive IT Service Management organization • Allows an organization to move towards the strategic goal of becoming a service-oriented, best of breed IT provider • Promotes end-to-end holistic accountability through documented processes, roles and responsibilities throughout the environment • Demonstrates professionalism and business alignment to the organization through the transparent provision of needed IT Services in an efficient and effective way
<p>Stream Description</p>	<p>Foundational Process Development Stream (Delivery Stream) The focus of the Foundational Process Development work stream is to design and implement the Service Support processes based on ITIL best practices. This stream aims to build the capabilities of the IT organization to operate as an internal services provider, gradually building the processes to define and support an integrated and automated (where possible) controlled process environment.</p>

<p>Deliverables</p>	<ul style="list-style-type: none"> • Process Maturity Baseline • Incident and Request Fulfillment process documentation <ul style="list-style-type: none"> • Incident and Request Fulfillment process implementation • Configuration Management process documentation <ul style="list-style-type: none"> • Configuration Management process implementation • Asset management process documentation <ul style="list-style-type: none"> • Asset management process implementation • Change Management process documentation <ul style="list-style-type: none"> • Change Management process implementation • Release Management process documentation <ul style="list-style-type: none"> • Release Management process implementation • Problem Management process documentation <ul style="list-style-type: none"> • Problem Management process implementation • Process Maturity Reassessment • Improvements and modifications as necessary
<p>Benefits</p>	<ul style="list-style-type: none"> • Provides the initial baseline of operational maturity for subsequent comparison to assess progress and improvements • Provides the foundational operational processes needed to sustain daily operations of an effective IT Service Management organization • Provides a level of maturity in operational IT delivery that supports an effective, stable, and flexible infrastructure that can effectively meet the needs of the business • Promotes end-to-end holistic accountability through documented processes, roles and responsibilities throughout the environment • Provides a level of maturity in IT delivery that allows for complete transparency over the underpinning service components, therefore facilitating effective cost accounting of IT Service delivery
<p>Stream</p>	<p>IT Service Management Tool Implementation Stream (Delivery Stream)</p>
<p>Description</p>	<p>IT Service Management Tool Implementation is a work stream to implement a new Service Management tool within an organization. The long term plan should be to use a selected tool as an integrated IT Service Management toolset for all the processes and functions – Service Desk, Change, Asset, and the Configuration Management Database (CMDB).</p>
<p>Deliverables</p>	<ul style="list-style-type: none"> • Incident Management module • CMDB Data architecture • Service Desk module deployment (Supports Incident, Request, and Problem Management) • Change Management module deployment • Asset Management module deployment • CMDB deployment • Analytics and Reporting • Improvements and modifications as necessary

<p>Benefits</p>	<ul style="list-style-type: none"> • Provides the necessary toolset to successfully underpin the Service Management initiative • Provides the requisite automation of the operational processes to greatly facilitate successful execution of the operational Incident, Problem and Change processes • Allows for timely monitoring, tracking and reporting of the Service Management organization to allow for effective management
<p>Stream Description</p>	<p>IT Service Management Governance Stream (Control Stream)</p> <p>The IT Service Management Governance work stream has two aspects: one is to initially establish IT Service Management governance and the second is the ongoing operations of the IT Service Management governance. The ongoing operations of IT Service Management governance will govern the work streams and ensure there are appropriate controls in place with clear ownership and accountability. This stream will play a vital role in approving changes to the program plan where required, providing an independent channel and steering committee to resolve any conflicts around design or the approach to implementing the various components of the IT Service Management solution, and provide the business-aware, final decision making authority to resolve strategic issues that affect the program and/or the business to minimize the chance of delay.</p>
<p>Deliverables</p>	<ul style="list-style-type: none"> • IT Service Management Governance Assessment Report • IT Service Management Steering Committee Terms of Reference document • IT Service Management Performance Management competencies framework document • IT Service Management Operational Governance design • Communication of Steering Committee commitment • Decisions as necessary • Transition plans from IT Service Management Program steering committee to Service Review Committee

Benefits

- Ensures that accurate governance is in place to steer the IT Service Management initiative through this roadmap of activities and on a continuous basis as a Service Management organization
- Clearly documents roles, responsibilities and accountabilities for the IT Service Management initiative so that all stakeholders are fully aware of their role in steering, supporting or delivering the IT Service Management initiative
- Effectively removes challenges or roadblocks that are causing delay or impeding the progress of the IT Service Management initiative
- Ensures timely resolution of issues facing the IT Service Management initiative
- Ensures adequate mitigation of risks facing the IT Service Management initiative
- Ensures timely decisions are made to keep the IT Service Management initiative on track

The Generic ITSM Implementation Model, and the associated Generic ITSM Implementation Roadmap presented in this section attempt to provide guidance to ITSM leaders in developing their own, customized ITSM implementation plans.

In developing the Model and the Roadmap, I have attempted to include the key artifacts required as part of a comprehensive ITSM Transformation, and account for both Top Ten Implementation Challenges and Critical Success Factors identified as part of this research with the intent of being at a non-prescriptive level to allow individual ITSM Program leaders to customize the Model and Roadmap to fit their organization's unique needs.

11. Conclusion

This research paper answered a number of specific research questions, under a specific set of assumptions and hypotheses. Through the conducted research, I was able to validate my hypotheses, and also provide answers to the research questions.

My **primary hypothesis** was that evolving a traditional internal IT organization from 'technology minders' into 'service providers' requires focused transformational activities within an IT organization for which ITIL guidance alone is not sufficient.

The research I conducted clearly demonstrates that, while ITIL framework provides an excellent process and service-focused framework, it is not sufficient as the only guidance for complete and successful IT Service Management transformation. This is due to the fact that ITSM transformation requires application of knowledge and skill beyond process and service strategy, design, transition, operation and improvement. Some of the additional disciplines needed are Portfolio, Program and Project Management, Organizational Design, Organizational Change Management, Performance Management, Governance and Control. Holistic ITSM transformation should use best of breed guidance from a variety of sources that would be best suited for a particular organization that is being transformed.

My **secondary hypothesis** was that most organizations approach IT Service Management from technology and process perspectives, implementing only certain convenient, known and comfortable aspects of ITIL rather than embarking on organizational transformation whose ultimate objective is to run IT as a business. This narrow focus does provide incremental improvements, but fails to deliver anticipated transformational benefits which ultimately results in weak organizational buy-in, substandard level of adoption, disillusionment and failure to meet stated objectives.

Research conducted for this paper, corroborated by my personal experience, confirms that maximum benefit, and the highest return on investment from ITSM transformations will be achieved when the transformation is approached as a holistic, cultural shift from one state into a different state of being and performing, which requires time and persistence. While a piece-meal approach and taking the path of least resistance will yield short term results, failing to make and anchor full cultural transformation into a true Service Provider will most likely result in steady and complete reversal into the previous state of comfort, ultimately losing the short term benefits of the attempted transformation.

The research further answered the following questions:

1. What are the top ten challenges of a typical ITIL implementation?

The research led me to identify the following top ten challenges of a typical ITIL implementation:

1. Lack of Vision
2. Organizational Complacency

3. Lack of Sustained Supportive “Tone at the Top”
4. Lack of Governance
5. Lack of Program and Project Management Discipline
6. Lack of Quick Wins
7. Lack of Subject Matter Expertise
8. Organizational Segmentation
9. Focus on Process, not Service
10. Inability to Anchor the New State

2. Is the ITIL Framework a sufficient body of knowledge for ITSM implementation?

The research led me to a conclusion that ITIL framework does not provide sufficient guidance for a holistic ITSM implementation. I found the following additional elements to be very beneficial, *in addition to the ITIL Framework*, which should continue to be the axis of knowledge that unifies the complementary ITSM guidance:

1. Organizational Background and Culture – Internal Employees and Leadership
2. ITSM Vision and Mission – Internal Leadership
3. Portfolio Management – The Standard for Portfolio Management, PMI
4. IT Value Management – Val-IT Framework, ITGI, ISACA
5. Program Management – The Standard for Program Management, PMI
6. IT Governance and Controls – COBIT Framework, ITGI, ISACA
7. IT Process Maturity – COBIT Framework, and CMMi for Services
8. Performance Management – The IT Balanced Scorecard
9. Organizational Change Management – Kotter’s Change Management Model
10. ITSM Accreditation – ISO/IEC 20000: Part 1 – Specifications, ISO

3. What are the Critical Success Factors for a successful ITSM implementation?

The research led me to identify the following top ten Critical Success Factors for a successful ITSM implementation:

1. Sense of Purpose
2. Sense of Urgency
3. Relentless and Sustained Executive Support
4. Effective Governance
5. Program and Project Management Excellence
6. Resources: People, Time and Money
7. Capabilities: People, Skills and Aptitude
8. Enabling Technology
9. Performance Metrics
10. Momentum for Continual Improvement

12. Appendix A: ITIL V3 Publications

Service Strategy

Service Strategy is depicted as residing at the centre of the ITIL model, as it directly influences all other phases of the Service Lifecycle. The objective of Service Strategy volume is to help organizations understand the fundamental premise of IT Service Management, where the customer is the focus, and IT delivers value to them in the form of value-adding services. The goal of the volume is to help IT organizations establish themselves as IT Service Management organizations, and therefore become a strategic asset to their businesses. The discussion within the book includes review of IT Service Management as a Practice, definition of an IT service, value, concepts of utility, warranty, market spaces, service strategy fundamentals, service structures, types of service providers and current types of service sourcing.

This volume also describes a number of processes that relate to, enable or enhance development of Service Strategies, namely:

- Service Strategy process, including:
 - Defining the Market
 - Developing the offerings
 - Developing Strategic Assets
 - Preparing for execution
- Service Economic processes, namely:
 - Financial Management, including Return on Investment
 - Service Portfolio Management
 - Demand Management.

Service Design

The second volume in the ITIL library and the second phase in the ITIL Service Lifecycle describes the process of designing new and improved IT Services, and associated and enabling IT processes. This volume introduces the concept of the Service Design package – a set of detailed blueprints required for building a new, or changed IT service. Specific processes discussed in the Service Design volume include the following:

- Service Catalogue Management
- Service Level Management
- Service Availability Management
- Service Capacity Management
- Security Management
- IT Service Continuity Management

Service Transition

Service Transition is the third volume in the ITIL library, and also marks the third phase of the Service Lifecycle. It provides guidance on how to successfully transition newly designed IT

services and IT processes into operation. The guidance includes a number of processes critical to successful transitions:

- Service Transition Planning and Support
- Change Management
- Service Asset and Configuration Management
- Release and Deployment Management
- Service Validation and Testing
- Evaluation
- Knowledge Management

Service Operation

Service Operation is the fourth volume of the ITIL library and represents the fourth sequential phase of Service Lifecycle. It focuses on operations, which are key in effective and efficient delivery of IT Services. Most industry experts agree that IT operations is the most essential phase in the Service Lifecycle, as it is in this phase that all the previous work, from strategy to design and transition gets realized and delivered to clients. The guidance in this volume includes the following:

- Event Management
- Incident Management
- Request Fulfillment
- Problem Management
- Access Management

Continual Service Improvement

Continual Service Improvement (CSI) is the final volume of the core ITIL library. It is NOT considered to be the fifth phase in the Service Lifecycle, as continual improvement is assumed to take place at every stage of the Service Lifecycle. CSI volume is heavily inspired by the teachings and practices of W. Edwards Deming, a famous American statistician, professor and consultant who is credited for development of numerous improvement methodologies such as the Total Quality Management (TQM), 12 Step Continual Improvement Models, Deming Cycle (aka Shewhart Cycle) and others.

The guidance in the CSI volume includes the following processes:

- The 7-Step Improvement Process
- Service Reporting
- Service Measurement
- Return on Investment for CSI
- Service Level Management

Supplementary Guidance

Supplementary Guidance includes a myriad of related publications, white papers, books and web sites developed under the auspices of the Office of Government Commerce and itSMF International that provides information to ITIL practitioners on how to best implement the core knowledge in a variety of environments. In this sense, the supplementary guidance may provide case studies for

implementing ITIL in Public Sector organizations, the Health Care industry, or Oil and Gas distribution organizations. The intent of the Supplementary Guidance is to continuously expand and therefore increase the durability and portability of ITSM knowledge, indirectly protecting and enhancing investments that organizations and individuals have been making in developing and implementing core guidance.

Whether it is Margaret Thatcher, a single lady who changed a nation or John Stewart who gave birth to a new standard that changed our industry or whoever has fought with us to propagate ITIL, this success didn't come by accident. It came from a lot of effort and it continues to be successful only by the daily exertions of many.

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