



Five Steps to Success and Cost Saving Step One

Introduction

It is often hard to find justification for an improvement programme in the IT department, but ITIL can support cost effective success for the business. All businesses want to save money, especially in this economic climate. Most businesses now are heavily dependent on IT and the IT services they use. Some are completely reliant on their IT departments, but typically those at the top of the business have minimal understanding of this vital element of the organization. IT is often seen as a 'money pit' and the benefits that are provided are difficult to quantify. But the simple fact is that like all good business departments, the key to a successful IT department is all about the effective use of processes and procedures to maintain effectiveness and efficiency. All the fantastic technology in the world will not be worth the cost, if it not used effectively and efficiently to help achieve the business goals.

IT Service Management is based on the concept that IT should be delivered to the business as a service. Business customers want to be able to carry out their business, and the technology that supports that should be seamless and work first time, every time. ITIL is not a magic bullet, but by adopting 5 simple stages, it is possible to improve the delivery of services to the business and make real and measurable savings in the overall IT budget.

The First Step

It is vital to remember that IT is part of the business. Often we hear about IT and business alignment, as if they were separate from each other - they are not. They should work together to further the overall aim of the organization. This is the first step - understand and vocalize the goals of the organization. What are the strategy, the mission statement, the goals and objectives of the business?

Clarify what it is that your organization is trying to achieve. Often this can be stated in the simplest terms - make a profit. But this is not enough for the organization to develop a strategy. It is necessary to understand how that goal is to be reached. What are the key services or products that the business produces? What are the key business drivers? Is the organization based on the delivery of excellent customer service, or a high specification product, or both? Once this has been established and articulated throughout the organization, it is possible to match these goals and drivers to the IT services that support them. For example, online business models are very reliant on their IT provision, downtime will mean a potential loss of existing customers, reputation and future business. So the availability of the online system is a key driver and IT must understand that requirement and be resourced to provide it.

This is where the start of an IT strategy, complementary to the overall business strategy should begin to be developed.

How Will This Save you Money?

No more wasted budget on IT systems and services that do not support the needs of the organization. By implementing the concepts of IT Service Strategy, your IT department will begin to support and promote the strategy of your organization.

The Service Strategy publication in the ITIL framework provides advice and guidance on financial management, demand management, IT service portfolio management and the application of strategic assessments to ensure that the demands of the organization are fully supported. By understanding the true cost of IT services, and the demand for those services within the business, is a key factor in ensuring that money is not being wasted on services that do not support the key drivers in your organization.

Financial management is often undertaken outside of the IT department, and may be carried out in isolation. It is important to ensure that the organizational cost policies are carried out in the IT department, and that the process of financial management for IT services is a key element to the strategic drivers for the delivery of service.

Review of the overall portfolio of services that you are asking your IT department to deliver, may provide insight into savings on unnecessary or redundant services. The application of a strategic assessment of business needs supported by IT, will ensure that business and IT are working together to deliver the organizational goal. Many organizations do not understand the value of adopting the service portfolio approach, instead basing their planning on the service catalogue. This may lead to a disconnect between new initiatives and management of the existing services. The portfolio allows for a broader vision of the overall services from the new ideas through to the retirement of unnecessary services. It is only through this broader perspective that service strategy can ensure that the correct mix of services is developed and delivered to the business.

In order to understand the requirements of the business, it is important to have a strong relationship with those who drive the organizational strategy. This is the responsibility of the process of business relationship management. Strategically there needs to be a clear understanding of the business aims and drivers. Business relationship management will be involved with all of the strategy processes and will be the source of information from the business regarding their budgets and aspirations.

Choosing to begin to adopt the ITIL framework, beginning with the consideration of your IT strategy, is a major step to planning how to manage your services cost effectively and efficiently.

Step Two

Step 2 will review the next important stage in the ITIL framework - Service Design, and how to ensure your strategy is carried out.



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The image shows a laptop displaying a course interface. The screen displays 'Welcome to Module 5' and a list of topics: 'Module 5: Introduction', 'Module 5: Service Strategy', 'Module 5: Service Design', 'Module 5: Service Transition', 'Module 5: Continual Improvement', 'Module 5: Incident Management', 'Module 5: Problem Management', and 'Module 5: Change Management'. A circular diagram is visible on the right side of the screen.