TeamQuest

TeamQuest and ITIL Version 2

Part 2 — Service Delivery
The Cornerstone of the ITIL V2 Framework

Widely adopted or considered, IT Infrastructure Library (ITIL) Version 2 is still relevant today. Yes, a refreshed version has been released, but that version relies on core processes from Version 2. Many of the core processes in the new Version 3 are contained within the Service Delivery component of Version 2. This paper will provide an informative overview of the ITIL component that is responsible for delivering quality, cost-effective services to IT customers.

About the Author
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Introduction

It's a quiet Friday morning in the Computer Operations Manager's office when the phone rings.

"Computer Operations, this is Bob speaking."

"This is John in Sales. I have a job running on the computer that needs to get out ASAP and it is running way too slowly. I want you to give it whatever it takes to get the job done."

If this company had implemented ITIL Service Delivery framework and best practices, it would have been an entirely different conversation.

"Well, John, we have other high priority work running on the system right now that needs to get out."

"Bob, I don't care what is running on the system. Do whatever it takes to get my job run. If that job doesn't complete in the next few minutes, I'm going to lose that big customer and you will be to blame for it. You IT guys need to work on your customer service. I pay a lot of money for my IT work and your service just seems to get slower and slower. Get that job out now." John hangs up.

In reality, John was in a hurry to leave on vacation and didn't care about the impact of his request on the rest of the organization. Bob had no escalation processes or service level agreements that would permit him to push back on John. As a result, John's job was given higher priority and the more *important* work, which had financial penalties for late delivery, was put on hold. Both IT and the company lost in that transaction. As a result, Bob and John faced disciplinary action over the incident.

Too many conversations like this one occur on a regular basis in companies around the globe. If this company had implemented the ITIL Version 2 Service Delivery framework and accompanying best practices, the conversation would have been an entirely different. John's call would have never happened.

Let's see how an effective ITIL Service Delivery helps the situation.

The phone rings.

"Computer Operations, this is Bob."

"Hi, this is Pete on the Customer Service Desk. Sales has a job, number 1704, waiting to run on the "A" machine. It needs to get out as soon as possible to support a sales effort. A large customer is making a decision today. We realize that the priority job running on the machine now has financial penalties associated with it, but both Bill, the Director of Sales and Jim, Chief Operating Officer, agree we need to take the risk and get the job out for Sales. Could you please take care of changing the level of service for job 1704?"

"Certainly, Pete. I will get right on it."

The process promotes the idea of IT Service Providers and fosters the disciplines and metrics to ensure services, roles and responsibilities, costs and metrics by which to judge performance are well documented and understood.

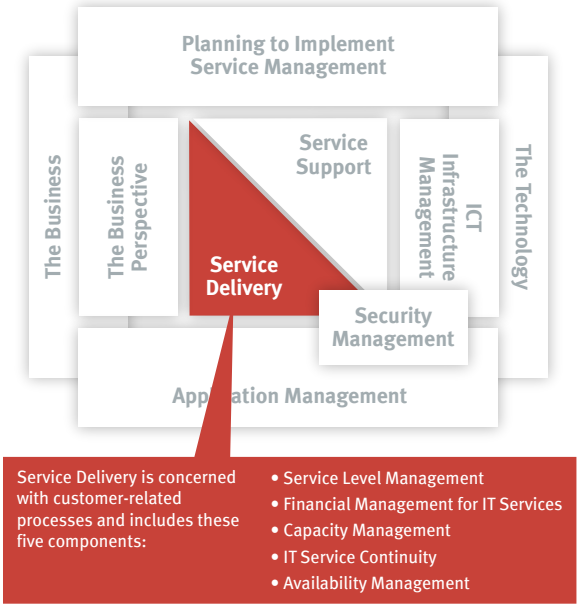
In this case, the business and IT understood their roles and responsibilities and followed a predetermined process to make an informed change in the levels of service delivered to a particular business function. Both IT and the business worked together and made an informed decision that benefits the company by more effectively using limited IT resources to solve business problems.

As we discussed in Part 1 of this series, ITIL suggests a framework for aligning IT components into discrete services and then offers a number of best practices to deliver and support them. The process promotes the idea of IT Service Providers and fosters the disciplines and metrics to ensure services, roles and responsibilities, costs, and metrics by which to judge performance are well documented and understood. When implemented correctly, services can be provisioned internally or externally without any perception by the business of differences in the Service Provider.

Service Management is the core of the ITIL framework. From a process flow perspective, it is positioned between the business and the physical infrastructure and manages the flow and quality of services between them. The major components of Service Management are Service Delivery, which addresses more of the customer-facing processes, and Service Support, which addresses more of the technology related processes. In this installment in the TeamQuest ITIL V2 series, we will examine the Service Delivery component of Service Management which covers the definition, costing, monitoring, and provisioning of services.

What is Service Delivery?

Service Delivery is about customers (those paying for IT services), users (those consuming IT services) and service providers. Service delivery should clearly define the content of services, the roles and responsibility of the customer, user and service provider, and set expectations of service quality, availability and timeliness.



Service Delivery is about tailoring services to meet specific business needs at a price the business can afford. Service Delivery defines services so that they may be provisioned with equal ease and results from internal staff and resources or from an external vendor.

Service delivery is about measuring service quality and results with meaningful metrics and using those metrics to drive continuous service improvement. Effective Service Delivery fosters a corporate behavior of responsible use of IT services to maximize the corporate bottom line. Most importantly, Service Delivery is about fostering true business-IT partnerships to the benefit of the company as a whole, eliminating the “Us versus Them” mindset and all the unproductive activities it drives. The components of Service Delivery are described below.

Service Level Management

SLM processes provide a framework by which services are defined, levels of service required to support business processes agreed upon, Service Level Agreements (SLAs) and Operational Level Agreements (OLAs) developed to satisfy the agreements, and development of the costs of service.

This is probably the most important set of processes within the ITIL framework. Service Level Management (SLM) processes measure and report on results measured against a pre-defined point of reference, from which IT's level of success is judged. Without SLM, IT Services will not be clearly defined. The roles and responsibilities for all parties will not be understood. Service Delivery will not have any clear goals to attain.

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Service Level Management processes are tightly integrated with business processes and Customer Management, Financial Management for IT Services, and Capacity Management.

The value Service Level Management brings to IT and the business is:

- Business needs assessment — works closely with the individual business units to understand their IT service needs. Works with Financial Management, Capacity Management, Availability Management and IT Service Continuity Management to tailor a set of services and associated Service Level Agreements that satisfy the business needs with the available budget dollars. If a need cannot be satisfied by an existing service, SLM works with IT departments and the business to research options and develop appropriate services.

- Service Level Agreements define the levels of service to be provided to the individual business units and set expectations as to the costs of the service, the hours of availability, and the recovery requirements should the service be interrupted, either short or long term. This process also defines the metrics and reporting requirements to determine service quality. As a result of this work, the business and IT clearly understand their roles and responsibilities, the details of the services to be provided and the associated costs. Thus the value that IT brings to the business processes is clearly understood.

- Periodic review and continuous improvement of SLAs refining services to meet changing business needs. Provides the flexibility the business needs to react quickly and compete in a fast paced, constantly changing marketplace.

Financial Management for IT Services

Cost benefit analyses for projects assist senior management in understanding the ongoing total cost of ownership of a proposed IT initiative.

Where Service Level Management defines and manages the services, Financial Management determines the costs of services and provides financial accounting support to ensure expenditures fall within approved plans and that funds are well spent. The role of Financial Management varies depending upon the structure of IT within the organization.

Some organizations view it as an expense center, some as a profit center, and some as a cost recovery center. Different best practices are suggested for each role. Financial Management processes are tightly integrated with Service Level Management, Capacity Management, Configuration Management and the Corporate Finance Department. The value of this process is described below.

- Provides a budget planning process for the business of IT that dovetails with the corporate budgeting cycle to plan and predict future expenditures required to maintain and improve services. Business plans, both short and long term, provide the input needed to work closely with Capacity Management and Service Level Management to develop the IT Budget.

- IT accounting ensures expenditures fall within approved plan guidelines and that the money is well spent.

- Cost benefit analyses for projects assist senior management in understanding the ongoing total cost of ownership of a proposed IT initiative. As a result the business can make more informed decisions when prioritizing future work.

- Chargeback promotes better understanding and control of the costs of providing services to a particular business unit. It fosters an environment of controls to ensure IT services are more effectively and efficiently used. Places responsibility for judicious use of IT services with the business unit. Effective costing disciplines can also influence changes in consumption patterns to better utilize IT infrastructure assets. For example, a lower rate for batch jobs run overnight can influence business units to perform work during hours when idle computing capacity is available, releasing capacity during peak hours, thus delaying expensive capacity upgrades.

Capacity Management

Capacity is responsible for building the annual infrastructure growth plan with the assistance of Business plan input, Service Level Management, Service Support, and Financial Management teams.

Capacity Management is responsible for ensuring that IT infrastructure resources are in place to satisfy planned business needs and that those infrastructure assets are effectively used. It is responsible for building the annual infrastructure growth plan with input from the business plan, Service Level Management, Service Support, and Financial Management teams. Capacity gets involved very early in the application life cycle to assist in determining the implementation and ongoing support costs of new applications or releases. Activities in this service area are proactive rather than reactive, such as finding application and infrastructure bottlenecks at future business volumes so that corrective actions can occur before service issues are experienced by the end user.

Capacity Management is probably the most wide ranging of all the ITIL V2 processes, having links to most other ITIL processes plus close relationships with all business units. Capacity Management processes are tightly integrated with the other Service Delivery processes and with Configuration Management, Business Strategic Planning, Incident and Problem Management, and Change Management.

The value Capacity Management brings to the business is:

- Use of tools to more effectively use existing technology assets, Predictive modeling and capacity forecasting processes permit IT assets to be driven closer to the edge, getting more out of existing resources and improving unit cost positions of IT services.

- Central data store of IT service performance and usage data eliminates redundant work across IT and permits consistent reporting across all ITIL processes. Reporting from same data stores ensures consistency no matter if it's generated from the capacity, performance, chargeback or incident management teans.

Reporting from the same data stores ensures consistency across capacity, performance, chargeback and incident reports.

- Continuous runtime improvement processes fine tune applications and infrastructure resource usage, thus improving performance and delaying expensive capacity upgrades.
- Predictive modeling disciplines more efficiently provision capacity and provide more timely capacity and related cost information to the Business for more informed decisions.
- More accurate input for Total Cost of Ownership analyses so business and IT leaders can make more informed decisions regarding proposed new IT-related initiatives.
- Proactive — modeling future growth discovers bottlenecks with sufficient warning to correct them before services are adversely affected.

Availability Management

Availability Management is responsible for ensuring application systems are up and available for use according to the conditions of the appropriate Service Level Agreements (SLAs). The process reviews business process availability requirements and ensures the most cost effective contingency plans are put in place and tested on a regular basis to ensure business needs are met. For example, Internet applications supporting online ordering systems may have 30-minute or less recovery requirements so may be provisioned with infrastructure components providing several levels of redundancy. Less critical, non-customer facing applications used by a few users in small offices with a 5-day recovery period may be provisioned on less expensive infrastructure with limited redundancy capabilities.

Availability Management is responsible for ensuring application systems are up and available for use according to the conditions of the appropriate Service Level Agreements.

Availability Management is also the lead in Component Failure Impact Analysis and Service Outage Analysis initiatives, determining cause, analyzing trends and commissioning any appropriate actions can be taken to ensure service availability meets SLAs.

Availability Management processes are tightly integrated with Service Level Management, Capacity Management, IT Service Continuity Management, and Incident Management.

Availability Management benefits are:

- Services are available for use during expected time frames as specified in SLAs.
- Review of business process availability needs ensures services are provisioned on specific infrastructure depending upon their availability needs. This avoids excessive costs due to provisioning services with longer recovery times on more expensive high availability platforms.
- Service availability trends are tracked and analyzed to identify and correct potential issues before they negatively impact services.

IT Service Continuity Management (ITSCM)

Also known as DCP, DRP, DCT, or just plain DR, ITSCM takes standard disaster recovery planning to the next level. It provides a framework for developing IT infrastructure recovery plans in support of Business Continuity Management plans and timeframes.

Also known as DCP, DRP, DCT, or just plain DR, ITSCM takes standard disaster recovery planning to the next level. It provides a framework for developing IT infrastructure recovery plans in support of Business Continuity Management plans and timeframes. ITSCM defines the processes that enable IT to work closely with Business Continuity Management departments to ensure plans and alternative service options are in place to meet BCM needs in the event of a significant business outage or disruption. ITSCM plans differ greatly by region as different areas have different risks, such as earthquakes, floods, hurricanes, tornados, and/or terrorist activities. As a result, recovery plans are highly customized to meet individual business and locale needs.

Regular testing of ITSCM plans and processes permit the team to uncover potential issues and correct them before they negatively impact future real-life recovery and restoration efforts. ITSCM processes are closely tied to Service Level Management, Availability Management, Capacity Management, Configuration Management, Change Management and Incident Management processes.

ITSCM brings value to IT and the business through:

- Business Impact Analysis — works with BCM and SLM to determine potential issues and recovery requirements.
- Risk Assessment — assesses risks, determines costs to mitigate, and then develops priority list for which recover plans will be developed. This work is done working closely with Business Continuity Management teams.
- Plan development and approval/agreement — works with IT staff to translate recovery requirements into infrastructure options and data storage requirements. Also works with IT Financial Management to determine costs of options.
- Plan Implementation and ongoing testing — backup and recovery techniques put in place, tested. Alternate site arrangements made. Required vendor contracts negotiated and signed.
- Periodic Review and Refinement — continuous improvement of plans to ensure they remain effective as business events dictate.

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Tightly Integrated Processes for Success

As you can see, Service Delivery is a tightly integrated set of processes that works closely together to deliver the most effective, highest quality IT services that best satisfies business needs at an affordable price. Service Level Management defines the services and their bounds, Financial Management reveals the costs, Capacity Management cost effectively provisions the services, Availability Management makes sure services are there when you need them, and ITSCM ensures that services can be restored in the event of a catastrophe.

If a staged ITIL implementation is desired, then Service Delivery is a good place to start. Service Level Management and Capacity Management are probably the two best candidates to consider. SLM takes longer to implement and longer to realize benefits, but probably has the best long-term benefits from an organizational perspective. Capacity Management can be quickly implemented, usually requires tools investments and usually results in early successes, facilitating future ITIL rollouts. Either way, your company will benefit from Service Delivery implementation.

The Bottom Line

Implementing Service Delivery frameworks and best practices will foster a partnership atmosphere between business and IT. Services, delivery goals, roles and responsibilities will all be well understood. The company as a whole will develop more discipline regarding the deployment and use of IT services. However where the rubber meets the road, it's always about cost, so after all the rhetoric, the ultimate goal is to deliver the best possible IT services at the best possible price. Implementing ITIL Service Delivery will be the most effective way to get there.

How does TeamQuest fit into ITIL V2 Service Delivery best practices?

TeamQuest software gathers performance data from all of the IT components comprising a service, providing a comprehensive view of end-to-end performance as a service moves through the tiers. It also supports a variety of Unix, Linux and Windows platforms. This integration across the entire enterprise provides a single point of reference with a unified look and feel, making it easier to measure performance against service levels.

TeamQuest Performance Software is a suite of four integrated products that helps organizations optimize IT services. Used individually or in combination, TeamQuest software scales to thousands of servers in complex heterogeneous and virtualized environments.

TeamQuest Model is a capacity planning package that accurately projects the amount of resources required to support consistent service delivery at appropriate risk levels. TeamQuest Model is used to:

- Accurately provision for services, taking business priority, demand fluctuations, and architectural policies into account
- Determine optimal configuration for services to minimize waste
- Predict if service levels will be maintained as workload increases
- Analyze components of response time

TeamQuest IT Service Analyzer offers powerful performance management as well as reporting capabilities. IT Service Analyzer can be used to ensure quality service delivery by assisting with early problem detection, in-depth investigation and analysis, and trending capabilities. IT Service Analyzer is used to:

- Analyze service performance
- Investigate performance issues that affect service levels
- Monitor and report service levels
- Identify potential problems before service levels are affected
- Measure service response time

TeamQuest Alert monitors activity throughout the data center and watches for problem conditions that could impact services. TeamQuest Alert is used to:

- Monitor services across the entire enterprise and report on events
- Spot and report impending problems before they impact service levels

TeamQuest IT Service Reporter automatically creates and distributes periodic performance reports complete with your logo and explanatory information. IT Service Reporter is used to:

- Report service levels to management
- Automatically produce and distribute performance reports to business units and IT management

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