Business & IT
The Business Cost of Poor Service Can be Staggering

Cingular users dropped during system failure in Galveston Co.
08:28 AM CST on Thursday, February 15, 2007

CHAOS: Voting Extension Denied Amid Massive Computer Problems in Colorado
By George Merritt and Jeffrey Leib, Denver Post Staff Writers
November 07, 2006

Air-traffic system outage grounds flights
Planes nearly came too close together; glitch causes Miami delays
Associated Press
Updated: 3:30 p.m. ET Dec. 5, 2006

iTunes back to normal after holiday traffic quadruples
ABC News: December 28, 2006

November 24, 2006
Wal-Mart website shuts down on Black Friday morning
By CNN’s Katy Byron
Delivering High-quality, Cost-effective Services is Difficult

- **Challenges:**
  - Complex, silo’d enterprises
  - Constant change
  - Gap between operational and development spending

- **IT must prioritize, balance and shift investments based on business needs:**
  - Dependability
  - Innovation

- **A service-centric approach enables success of both**
Effective IT Governance is a significant critical success factor

Failure Example: Katrina and a lack of clarity in governance

- Situation: Hurricane and flooding based disaster.
  - Various processes and services existed from multiple management domains: Federal State, Local, Commercial, Non Profit
  - Processes existed for triage, assessment, recovery planning, requesting aide, providing services, distributing aid, short term and long term aid etc
  - Technologies existed, some were developed ad hoc
  - Many roles were defined and in place. FEMA, Firefighters, Police, National Guard, Health Services, nurses, Doctors etc

- Result: Services were not delivered in a valuable, reliable or cost effective way

- Lesson: Lack of clarity and transparency in governance causes service failures. Governance is required to enable value.
  - Who is responsible for what – before, during and after. Who is directing, who is controlling and who is executing needs to be clear to enable effective service value.
ITIL (IT Infrastructure Library)

Over the last few years, ITIL has been revamped and now ITIL V2 comprises 7 books, and other books are being written, describing current best practice in IT Service Management. They were written by IT consultants and delivery professionals, many in the private sector.
ITIL Refresh, ITIL v3

ITIL V2

ITIL V3

Continual Service Improvement

Service Design

Service Strategies

Service Operation

Service Transition

Continual Service Improvement

Continual Service Improvement

Continual Service Improvement
ITIL Refresh, ITIL v3

- Major rewrite and reorganization of ITIL documents
- Retain existing processes
- Clarify and enhance processes
- Add new processes where necessary
- Organize into a lifecycle approach
  - Service Strategy
  - Service Design
  - Service Transition
  - Service Operation
  - Continual Service Improvement
- IBMers are involved in review of books
  - ITIL Advisory Group
  - Other reviewers
IT Governance?
IT Governance Focus Areas

**Strategic alignment** focuses on ensuring the linkage of business and IT plans; on defining, maintaining and validating the IT value proposition; and on aligning IT operations with enterprise operations.

**Value delivery** is about executing the value proposition throughout the delivery cycle, ensuring that IT delivers the promised benefits against the strategy, concentrating on optimising costs and proving the intrinsic value of IT.

**Performance measurement** tracks and monitors strategy implementation, project completion, resource usage, process performance and service delivery, using, for example, balanced scorecards that translate strategy into action to achieve goals measurable beyond conventional accounting.

**Risk management** requires risk awareness by senior corporate officers, a clear understanding of the enterprise’s appetite for risk, understanding of compliance requirements, transparency about the significant risks to the enterprise, and embedding of risk management responsibilities into the organisation.

**Resource management** is about the optimal investment in, and the proper management of, critical IT resources: applications, information, infrastructure and people. Key issues relate to the optimisation of knowledge and infrastructure.
ITSM & IT Governance
What is the problem?

- Many companies have “implemented service management” and received little or no value. Behaviors are unchanged, and real improvements in quality or reductions in costs have been elusive.

- What these companies have done
  (All of these actions and more are critical to success, but are insufficient on their own)
  ✓ Developed individual process guides and stored them on the network
  ✓ Implemented process management tools
  ✓ Defined process execution roles for each process
  ✓ Implemented tool training and ITIL foundations classes

- What these companies have not done
  ✓ Defined the desired behavior
  ✓ Clarified the decision making rights and accountability framework – who will be directing and controlling each service and process – how will they make the decisions, what information will they need to make those decisions – how will the results be reviewed and improved, how will exception requests be handled
  ✓ Effective governance was the missing ingredient to the value equation
The Problem is how to achieve desired behavior across management domains and ensure business aligned decision making.

The Iceberg-Principle

Current System

20 % Influence

Behavior

80 % Influence

IT Service Management requires people from multiple management domains to orchestrate their efforts in a way that provides valuable and justified services to the customer.
IT Governance Focus Areas

- Strategic alignment
- Value delivery
- Performance measurement
- Risk management
- Resource management
IT Governance Solution Framework

Strategic Alignment
- Enterprise Architecture
- Project & Portfolio Management

Value Delivery
- ERP
- MIS
- CRM
- SCM
- BPM

Risk Management
- BCP
- DRS
- Security
- Basel II
- SOX

Performance Management
- Balanced Scorecard
- IT ROI
- IT Cost & Chargeback

Resource Management
- ITAM
- ITSM
- BSM
Service-centric Approach

Requires Coordination Across the Full IT Service Lifecycle
Service Management and Governance are Complementary

Service management helps develop and deliver service quality / value across the lifecycle and enables better governance.

The objective of Governance and Risk Management is to evaluate risk, establish business policy, define business controls and manage through to outcomes.

Governance is not management:
- Management implements within the policy & process created by the governance activity.
- Governance must be distinct from management to be meaningful oversight to set direction, enable and measure.
IBM Governance and Risk Management
Business alignment, visibility and control

How Does Service Management Deliver Value to the Business
To Enable Better Governance

- IT projects are delivered on time, on budget and meet or exceed expectations
- Audit deficiencies are identified on a timely basis
- IT deliver or exceed service level targets
- Security breaches are automatically dealt with according to policy
- IT is responsive to LOB requests for deployments of new application support

Enabling governance through service management enables technology investments that match business objectives via the enablement of effective governance of development processes (create value) and the management of the resulting services and software, as well as the infrastructure that supports the business (manage value)
Benefits of Enabling Governance with Service Management

- **Create Value** on time, within budget and pursuant to expectations to help
  - Increase innovation and responsiveness
  - Greater efficiency
  - Speed time-to-market

- **Manage Value** real-time with service priority and context to help
  - Improve responsiveness
  - Stronger dependability
  - Faster time to value
IBM Service Management

IBM Governance and Risk Management
Business alignment, visibility and control

IBM Service Management

- Business Alignment
- Development Operations
- Governance
- Development
- Operations

IBM Service Management Platform
- Software Delivery
- Service Delivery and Support
- Development Productivity
- Operational Management
IBM Service Management

- Integrating technology, people, process
- Broad and deep domain-specific operational management
- Integrated data and contextual visualization
- Automated workflows, processes and repeatable tasks
- Proven intellectual property, services and best practices
- Flexible management platform built on service-oriented architecture (SOA)
- Based on self-managing autonomic technologies
IBM's Approach to Service Management
Create and Manage Value with IBM Service Management

Addressing needs across the IT service lifecycle to enable better governance

IBM Service Management

- Business Alignment
- Process Management
- Service Management Platform
  - Software Delivery
  - Service Delivery and Support
- Development Productivity
- Operational Management

The IBM unified process model simplifies IT Governance

The Integration and automation platform & products enable and support the governance model
Delivering Value with IBM Service Management

Architected to clarify prioritization and improve efficiency

Enable service priority and leverage best practices: Process management supports organization alignment with business goals

Visibility to information & service contest: Service delivery and support platform serves as the foundation for automation

Receive service context: Operational management products deliver task level automation

Gain insight and establish best practices: Identify opportunities for added efficiency, business value and growth

Bridge silos and reduce friction: Provides a collaborative team-based software delivery platform to reduce friction

Accelerate tasks and improve effectiveness: Automate development and delivery tasks
### IBM in Process Management

*Enables increased team performance, coordination and collaboration*

#### Automated workflows and process management:
- Consistent process execution
- Based on robust process best practices
- Role-based visualization and control
- Integration of IBM and third-party operational management tools into and across IT and business processes
- Enforcement and auditing of change and compliance
IBM in Process Management

IBM Process Management products work with your operational management products to automate repeatable processes, reduce manual tasks and free staff to focus on business-critical priorities. Process managers fully integrate with IBM Tivoli® Change and Configuration Management Database (CCMDB)
IBM in Service Delivery and Support

Service visualization
- Role-based contextual views
- Customizable Web-based visualization

Data integration and federation
- Open and standards based, built on SOA
- Trusted source of information
- Decision making and policy based
- Highly scalable

Automation
- Enforces policies to better address compliance with internal and regulatory requirements
- Automated discovery and impact analysis spanning Layers 1–7
- Built-in self-managing autonomic technologies
IBM in Service Delivery and Support

The **Tivoli Change and Configuration Management Database** (Tivoli CCMDB) benefits your business

- Being a scalable platform for the implementation of successful IT service management initiatives
- Enabling you to better anticipate the impact of changes, lowering the business risks of service failures and inconsistencies
- Helping ensure compliance to internal and regulatory requirements by enforcing policies and tracking changes across your organization
IBM in Service Delivery and Support

- IBM Service Management for Converged Assets
  - Maximo Asset Manager for IT

- End-to-end network management
  - NetCool & Vallent

- IBM Service Management for Service Requests
  - Tivoli Service Desk

- Enhanced security and innovated compliance management
  - Consul
IBM in Operational Management

Broad technology support spanning:
- Security to storage
- SOA to legacy applications
- Virtualization to composite applications
- Management support for Layers 1–7

Deep management capabilities, including:
- Network and event management
- Availability and performance management
- Storage and security management
- Extensive support for third-party products

Role-based visualization and control
- Automation of tasks, workflows and processes
- Open, standards-based products and tools
  - Built-in self-managing autonomic capabilities
IBM in Operational Management

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<tr>
<th>Business Application Management</th>
<th>Server, Network &amp; Device Management</th>
<th>Storage Management</th>
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**IBM Service Management**

- **Business Alignment**
- **Process Management**
- **Service Management Platform**
  - Software Delivery
  - Service Delivery and Support
- **Development Productivity**
- **Operational Management**
An innovative approach to implementing best practices

Proven methods tested in real-world environments

Modular approach for incremental execution and values through:

- World-class IBM Global Services
- Proven process models, standards and best practices
  - Standards-based Build to Manage toolkits
  - Process Model for IT (PRM-IT)
  - IBM Tivoli Unified Process
  - IBM Service Management Adoption Model
  - Support implementation of ITIL, eTOM, Control Objectives for Information and Related Technology (COBIT) and other process models

- IBM Service Management Partner Ecosystem
- Open Process Automation Library (OPAL)
PRM-IT – The DNA of IT
IBM Tivoli Unified Process

Scenarios
- How various elements of ITUP work together to solve an IT pain point

Tool mentors
- Best uses of tools to implement process activities

Processes
- Strongly ITIL-aligned processes for managing IT down to activity level; process mappings

Work products
- What is consumed and produced by each process activity

Roles
- Roles performed and detailed responsibilities

ITUP is based on IBM’s Process Reference Model for IT (PRM-IT). PRM-IT was developed jointly by GTS and Tivoli experts based on the experience from hundreds of customer engagements and the best practices in industry process methodologies. In the area of ITSM, the focus of ITUP, PRM-IT is strongly aligned with the Information Technology Infrastructure Library (ITIL)
IBM in Software Delivery

- Automated build & release process management
- Improved development governance with IBM Rational Portfolio Manager
- Improved architecture and test management for global teams
- Accelerated time-to-value for new Telecom services
IBM in Software Delivery

- **Automated build & release process management--Rational Build Forge**
  - Dramatic reduction in build and release cycle time
  - Documents an audit trail of process changes for compliance
  - Web-based console and distributed multi-platform support leverages globally distributed teams and platform resources

- **Improved development governance with IBM Rational Portfolio Manager**
  - End-to-end process guidance instantiated into project plans
  - Create plan WBS, roles, artifacts, activities and milestones
  - Gain visibility into budget variance and project status, including code churn, defect glide path, test status and requirements volatility

- **Improved architecture and test management for global teams**
  - New test products validate SOA performance and functionality
  - New process guidance for SOA development
  - New "model fusing" technology, enhanced model-code reconciliation
  - Improved global access to development resources

- **Accelerated time-to-value for new Telecom services**
  - Rational Unified Service Creation Environment (USCE)
  - New process guidance, SIP Servlet Toolkit, IMS Enablement Toolkit and Telecom Web Services Toolkit to streamline service creation
IBM Service Management Updates for the ITIL Refresh

ITUP v3

PRM-IT v3
- Adjustments for inconsistencies
- Processes for the entire IT scope

ISM Offerings
- Products
- Services
- Education
IBM Tivoli Unified Process

ITIL Version 3

Also referred to as the ITIL Refresh.

Relationships

Related Elements

- ITIL (Information Technology Infrastructure Library)

Main Description

The much anticipated release of ITIL version 3 will be in Spring 2007 with 5 new publications focusing on the lifecycle of services. The core ITIL Service Management processes from version 2 will remain in version 3, but will be augmented by other processes and categorized differently than Service Support and Service Delivery.

At the core of ITIL version 3 will be 5 publications available on May 30:

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

In addition, there will be the following:

- Introduction
- Key Element Guides
- Multiple topic-specific complementary guides
- Integrated service lifecycle model
IBM has a long history of commitment to providing service management thought leadership.
Key Takeaways

- Quality service delivery across the IT service lifecycle is critical for delivering business success and enabling better governance to help:
  - Optimize the process model to align business objectives with measurable IT objectives
  - Increase efficiency and effectiveness

- IBM Service management is an integral part of governance and risk management
  - *Create value* on time, within budget and pursuant to expectations
  - *Manage value* real-time with clear service priority and context

“As enterprises become more aware of the increasing interdependence of business and IT issues — they need to adopt a more holistic view of both internal and external service delivery. This is vital for business leaders in targeting and executing business change.”

*Thomas Mendel*  
*Forrester*
IBM Service Management Enables Better Governance

Across the Service Management Lifecycle to help

1. Ensure **predictable results**
   by helping to ensure that IT runs as designed and providing the space to innovate and shift investments based on business priorities.

2. Gain greater efficiency
   with automation, real-time dashboards and reporting across the lifecycle.

3. Drive value and reduce risk
   through a foundation that enables both development / operational governance with proven methods to focus your organization.
Where to Find Out More …

- **Key Web sites:**

- **Self Assessment:**
Thank You