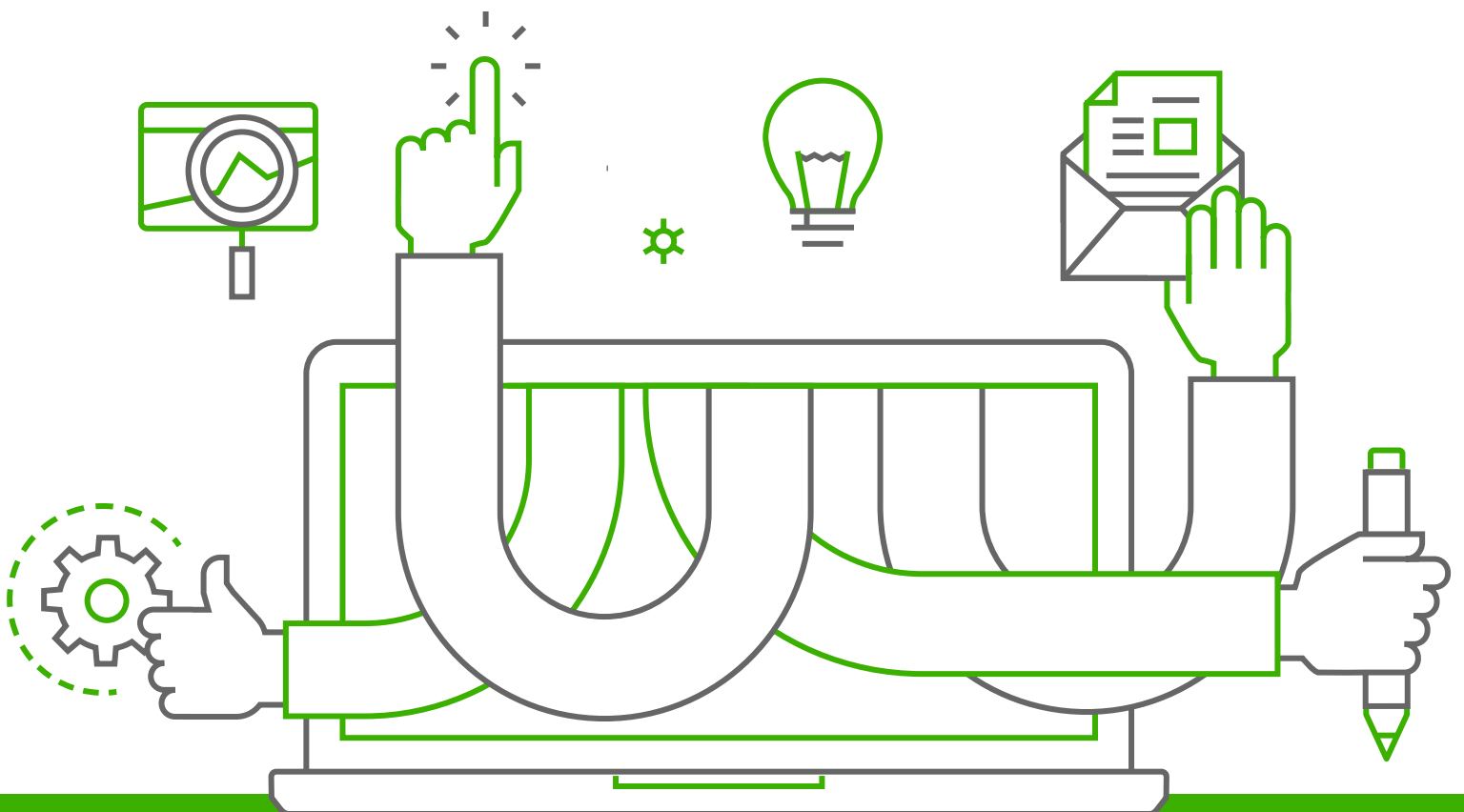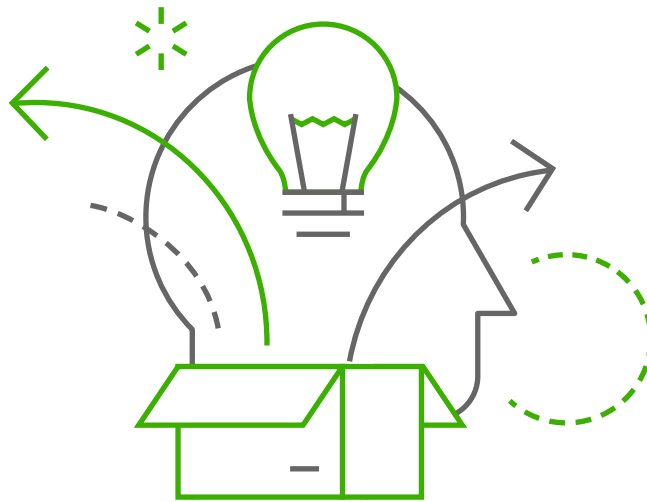# IT Service Management

"Back to Basics" Might Not Be What You Expect

By Stuart Rance

ITSM and security consultant

We all think we know what we mean when we talk about "getting back to basics" in IT service management (ITSM), but when my friends at SysAid asked me to write about the topic I made a rather surprising discovery. My immediate reaction was that of course I would need to explain the common ITSM processes, incident management and change management for example. But once I began to really think about it, I found myself writing about something different. I realized that I have seen many organizations with great technical and process expertise fail to deliver great customer value. This told me that to find the basics, the things every IT organization must do well, I needed to look elsewhere.

If you want to provide your customer with an IT service that they love, then you need to do five things:

- ◆ Understand what your customers want now

- ◆ Set reasonable and realistic expectations

- ◆ Meet the expectations you have set and be seen to meet them

- ◆ Plan how you will exceed expectations in the future

- ◆ Anticipate what your customers may want next

Read on to find out if you agree with me.
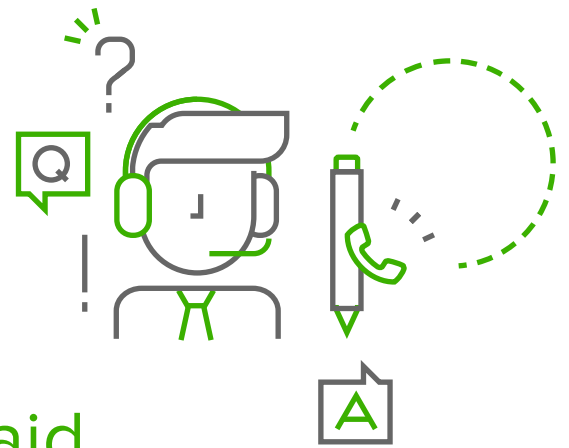
Say What You'll Do, Then Do What You Said

Many years ago I worked for a large international company. One day I was using my Unix workstation and my mouse stopped working, so I dialed the phone number for what everyone in the company called the helpless desk and told them my mouse was broken. "No problem," said the help desk agent, "We'll put a new mouse in the post to you. When it arrives, swap it for your faulty mouse, and send the broken one back to us in the same box." This sounded like a reasonable solution to me, but I needed to work that afternoon, so I turned to my colleague at the next desk, who always had lots of spare hardware lying around, and asked, "Can I borrow a mouse for a couple of days, please Dave?" Dave lent me a spare mouse, and I connected it to my workstation, putting the faulty mouse into my desk drawer.

Later that day I had to go and visit a customer, and on returning to my desk I found a note that said "Engineer called and swapped your mouse." Sure enough they had taken Dave's spare mouse and left me a shiny new one. The faulty mouse was still in my desk drawer.

I still remember this event many years later, because it taught me something really important about ITSM. Delivering same-day service with an on-site engineer was less valuable to me, as a customer, than putting the mouse in the post (even though it probably cost more for IT) because it wasn't what I had expected. All I wanted from IT was that they tell me what they were going to do, and then do it. I didn't need a really expensive, best-in-class, service. I needed to know what was going to happen, and then for IT to deliver what it had promised. There was a reason that people in that company used the term the helpless desk; it wasn't because the people who worked there lacked skills, or didn't care about their customers, rather it was because the help desk staff consistently failed to meet their customers' expectations.

An IT organization that reliably delivers what its customers expect (and need) is doing a good job, whereas one that regularly fails to meet customer expectations needs to understand what's going wrong and do something about it.

Meeting Expectations
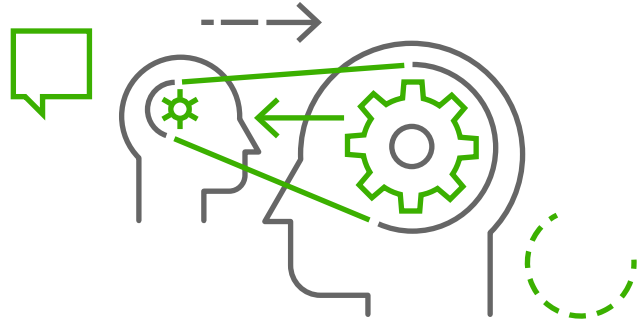
Before I started working in IT service management I was a level 3 support engineer, resolving incidents and problems on highly complex hardware, software, and systems. I moved from technology to ITSM when I discovered quite how often the highly reliable technology I was supporting simply failed to meet the needs of the IT departments who were my customers. These IT departments used the systems I supported to deliver services to their customers, and eventually I came to recognize a pattern. Some IT departments were always delighted with the systems, even though they would occasionally fail, but others were always dissatisfied.

A little investigation led me to the realization that the happy customers were the ones managing their incidents and problems, planning their changes and releases, and negotiating service levels with their customers. The unhappy IT departments, it appeared, were always playing catch-up. They always seemed to be surprised by events, were never prepared to deal with incidents and problems, their changes and releases kept going wrong, and they never met their customers' expectations.

So that brings us back to basics. How do you ensure that your customers have realistic expectations? What do you do to ensure that you reliably meet them? Why is it important to report on your achievements and what form should that reporting take?

I think that great ITSM starts with effective service level management (SLM). So my first "back to basics" recommendation is this:

Review how you do SLM to make sure it's focused on the right things.

If you get this right, then your customers will have reasonable and realistic expectations, you will reliably meet these expectations, and your customers will know that you met their expectations. So your next task is to deliver something even better.

Exceeding Expectations

In my view, the most effective approach an IT organization can take to ensure that it delivers beyond what its customers expect is to know exactly what it is delivering, when, how, and to whom; to know where its strengths are and how it intends to build on them; to recognize its weaknesses and to know what it can to do to improve on them. So my second "back to basics" recommendation is this:

**Invest in continual service improvement (CSI) –
keep measuring and improving everything you do.**
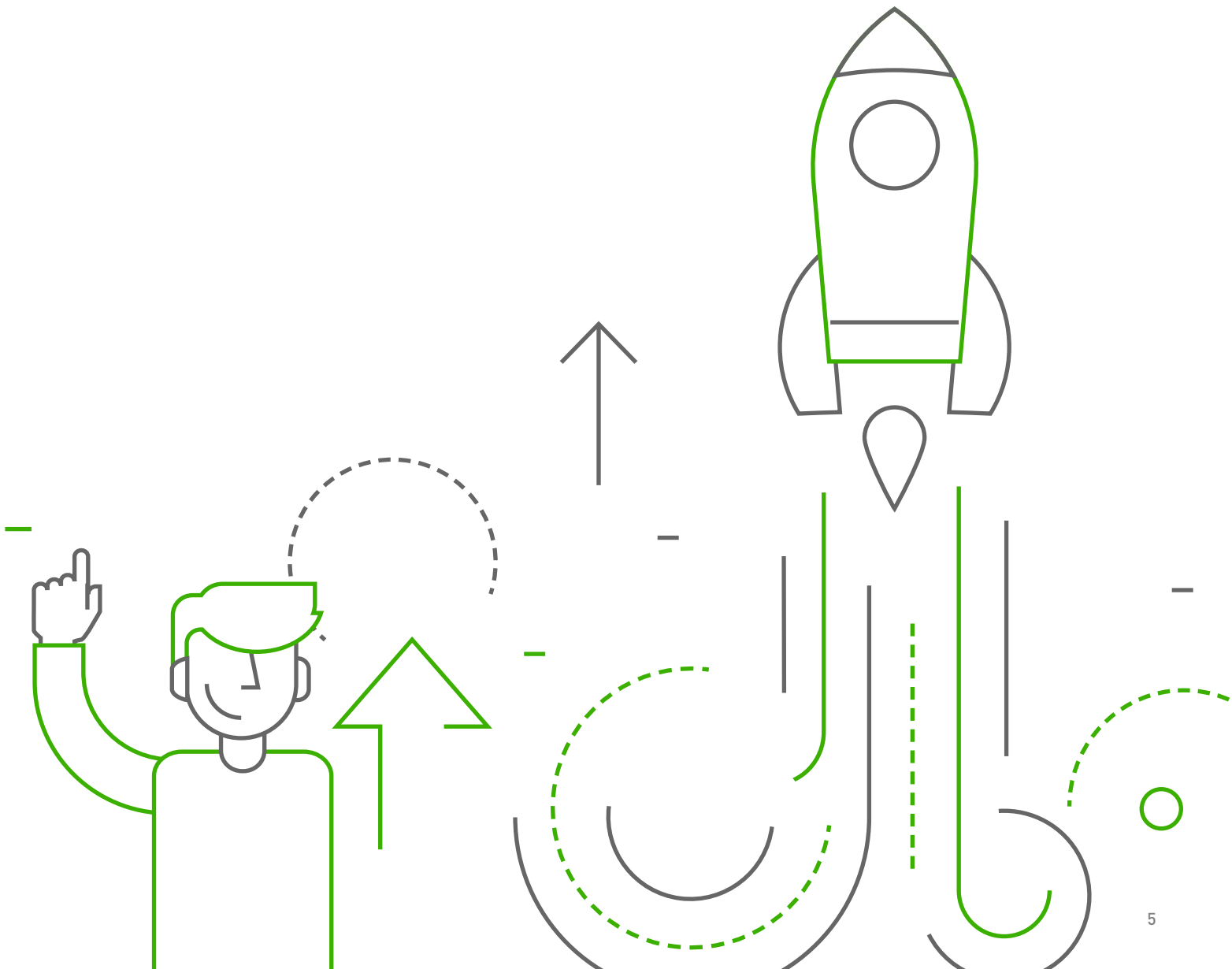
Anticipating Future Expectations

Like my first recommendation, my third recommendation is about understanding your customers' needs. There isn't any point in pouring resources into maintaining a complex database that no one uses, or providing a shiny new tool that customers will not be trained to use. On the other hand, if you can anticipate what your customers will find most useful in a rapidly evolving marketplace, they will thank you for it. So my third recommendation is this:

**Focus on service portfolio management (SPM) –
make sure you're delivering what your customers really need.**

Again, some readers may be surprised to see that I haven't included common ITSM processes like incident management and change management in my back to basics approach. There are two reasons for this. Firstly, I think it's much more important to focus on your relationships with your customers. If you get the structures you put in place as part of SLM, CSI, and SPM right, you can pretty much guarantee that your relationships will be positive and that everything else will be under control. Secondly, this paper will be distributed in a box with other articles that offer advice on how to get started with these critical ITSM processes, and I don't want to duplicate that advice here!

Meeting Expectations with Service Level Management (SLM)

There are two different approaches that I have seen IT organizations take to SLM. One of these is very effective and the other always leads to dissatisfied customers; so let's start by looking at what SLM can be, if you do it well. The diagram below shows that SLM has two cycles of activity, joined together by a service level agreement (SLA).
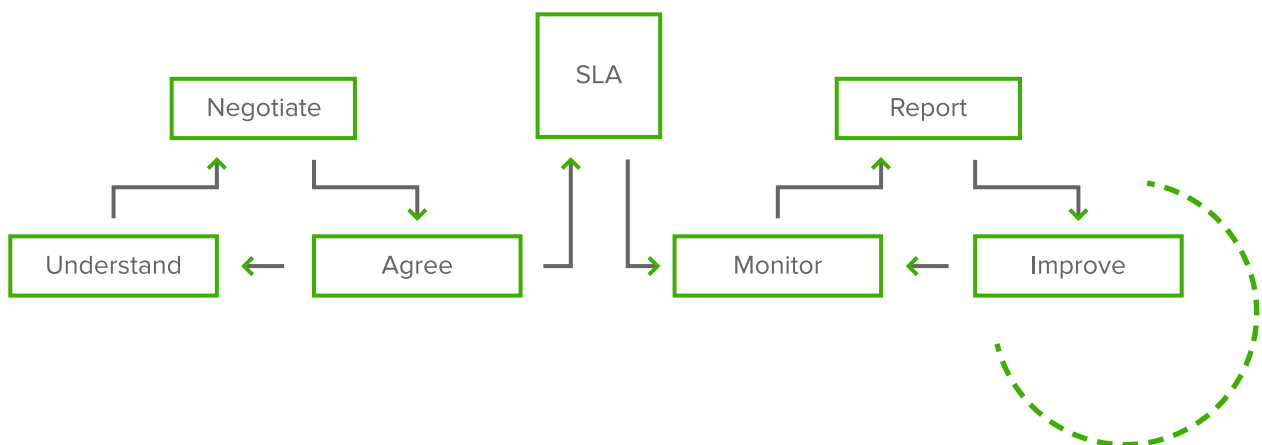

Cycle 1 – Understand, Negotiate, Agree

◆ **Understand**: Talk to your customers, understand how they use each IT service, and what service levels they would like in an ideal world. Discuss the impact of incidents and problems on their business, and how quickly they need you to respond to requests for change. Do they need this service to be agile and responsive, with many changes to fit changing business needs, or do they need it to be stable with low rates of change and extremely high reliability? Does the data need to be highly secure to protect confidentiality, or do they need minimal controls to enable flexible working? Do they need an expensive, fast continuity arrangement, or will something more basic be good enough? Ideally, you should write down what the customer wants in their own language. Don't force them to use IT terms. If they say, "I want to be sure that IT failures don't have a significant impact on business processes," then that is what you should write down; don't change it to "they want 99.99% availability."

◆ **Negotiate**: Once you have understood what the customer would like, you can discuss this with your IT colleagues. Work out what you can deliver easily, and what will be more difficult. Some customer desires might be unachievable, and others might require additional funding. Once you have understood your constraints you can negotiate with both the customer and your IT colleagues to document service level targets that are relevant and achievable. It is important that the targets are sufficient to satisfy the customer, and that they can be reliably met by the IT organization. Your targets should be SMART: specific, measureable, achievable, relevant, and time-based, but this is not enough. They need to be formulated in such a way that each target is clearly aligned with something the customer wants, expressed in clear language that the customer uses and can relate to – even if that language is not technical or numerical. So if, for example, in your preliminary discussions with the customer about their wants you have written down "IT failures don't have a significant impact on critical business processes," then you might at the target setting stage agree on targets of: "Maximum of 6 total service outages in any year" and "After a total service outage, service will always be restored within one hour".

◆ **Agree**: Write down the agreed targets in an SLA, and get the customer to review them. Don't lose sight of the original customer requirements. They should appear in your SLA, with the numerical targets written below them, so that it is clear to everyone what it is that the customer really expects you to deliver, and what numerical target(s) you have agreed to measure as a way of indicating that you have in fact achieved the real requirement. When everybody is happy with the targets, you can publish the SLA. Publishing the SLA should not be an end point though. As the diagram shows, this agree step leads straight back to understand. It's essential to continually communicate with your customers: keep updating and refining your understanding of their needs; make sure you understand how their business is evolving and changing; and then negotiate SLA changes that reflect these changing needs.
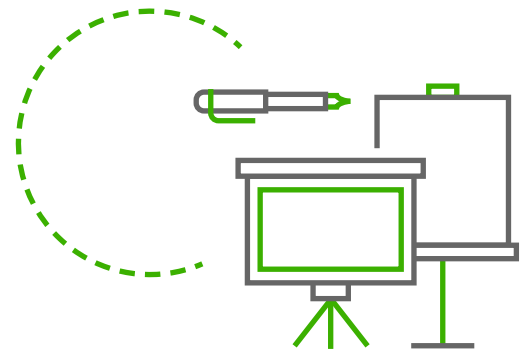
Cycle 2 – Monitor, Report, Improve

◆ **Monitor**: Every metric that you put in the SLA must be measureable, and you need to collect and record the data on a regular basis. If you can't measure something that you have agreed on, then you should either get the tools you need so that you can measure it, or remove the metric from the SLA. You can use monitoring to trigger events that allow you to take action before service levels are breached; the best measurement is one that you make in time to correct an issue before it has impacted a customer. One of my customers, for example, has an agreement that there will be a maximum of 4 hours downtime per quarter for critical services. They generate an alert when any of these services goes over 2 hours' downtime in a quarter, and this triggers action to prevent an SLA breach. For example, they might put in a change freeze, or assign a senior technical person to monitor the service on a regular basis, or change the priority for incidents to ensure they are escalated sooner.

◆ **Report**: Regular reporting of achievements against your SLA gives you an opportunity to build relationships with your customers. You can use the reporting phase to find out whether their experience of the service matches your understanding, and to help set their expectations for future service levels. These reports should be delivered frequently enough to help you develop the relationships you need – if you don't report often enough your reports will not help you to build the positive working relationship you are after. Monthly reporting works well for many of my customers, but you should agree on the reporting frequency with your customers depending on their needs. Your reports must provide data about how well you met your measureable targets, and what the trends are – but this is nowhere near enough. You also need to discuss what the customer wanted, not just what you agreed to measure. For example, you could say something like:

> *"We agreed that IT failures wouldn't have a significant impact on your critical business processes, and that we would measure this by showing that we had fewer than six total outages in any year, and that service would always be restored within an hour. Last month we had an outage and service was restored in 56 minutes. Are you happy with this? Do you agree that this didn't have a significant impact on the business?"*
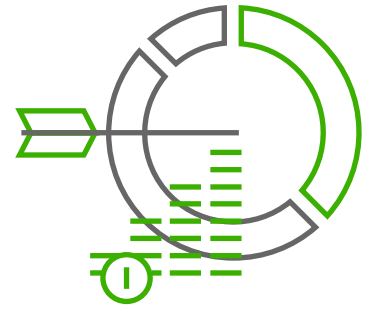
A discussion framed like this ensures that you are reporting the IT service in terms the customer understands, not simply forcing the customer to accept your IT view of the world. They may respond by agreeing that the service has been acceptable, or they might say that this 56 minute outage actually had a major impact and they need to renegotiate the metrics – but that's the point, this is how you get a better understanding of the customer, and build a relationship.

Your reports should not just show the values, and whether or not you met the targets, they should also show trends, and should include information about what you are doing to improve. If you have missed a target, take the opportunity to explain what happened (without making feeble excuses) and say what you are going to do about it. This is much better than reporting a missed target without giving any indication of why it was missed, or what you are going to do about it, which will inevitably have a negative effect on your customers.

◆ **Improve**: If you have failed to meet an agreed target, or if the trends suggest that you may miss a target in the future, then you should develop an improvement plan, and these improvement plans should be shared with your customers and discussed in your regular service review meetings. Even if you are consistently meeting all of your metrics and the trends are stable, you should still make plans to improve the level of service where this is practical and affordable.

You need to keep repeating this monitor, report, improve cycle. Typically, the cycle will be driven by the frequency of agreed reports, but monitoring should happen all the time, and the rate at which you make improvements may require some of them to be managed outside the normal SLA reporting framework.

Service Level Management Abuse Alert

I mentioned at the beginning of the section on SLM that there is a way to approach SLM that leads to dissatisfied customers. I see this approach so often that I think it's worth an "abuse alert". If you recognize any of the following – sadly, not untypical – features, you will find it particularly helpful to review your SLM so that you can get back to basics.

◆ Poor SLM presents customers with SLAs that have been written by the IT department, with no customer input and no attempt to align the targets with customer needs.

◆ Poor SLA targets are written in IT terms, often quoting percentage availability that means absolutely nothing to a business person.

◆ Poor SLAs include lots of internal IT metrics, which have to do with how the internal IT processes and systems work, rather than metrics that measure outcomes the customers want.

◆ Very poor SLAs include penalties for not achieving targets; these almost always lead to really destructive behavior, with the IT department learning how to manipulate the metrics, rather than focusing on helping customers to achieve their goals.

◆ The worst SLAs consist of extremely long documents, with lots of legal terms, and result in painful meetings where the detailed wording of the SLA is argued over. These lead to poor relationships and dissatisfied customers, exactly the opposite of what SLM was meant to achieve.

Remember, the point of SLM is to help you:

◆ Set reasonable and realistic customer expectations

◆ Reliably meet customer expectations

◆ Be seen by the customer to meet their expectations

If you're achieving all three of these, then congratulations, keep up the good work. If you're not, then consider getting back to basics, and focus on how to get SLM right for your customers.
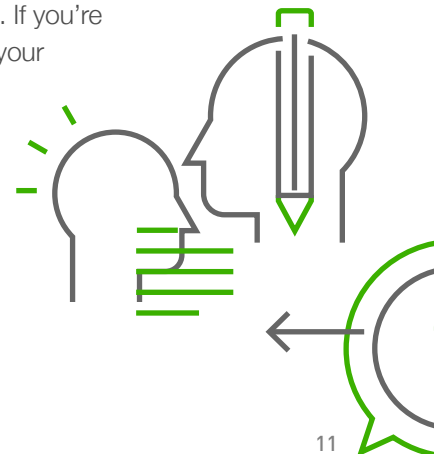
# Exceeding Expectations with Continual Service Improvement (CSI)

My second "back to basics" recommendation is to develop CSI. If you can get CSI working in your organization, then you can use this to drive improvements in every other area, while keeping the focus where it needs to be – on maximizing customer value and continually improving customer experience.

Some people think that CSI is a process, with fixed activities that you have to carry out, or that it is a function, with a CSI manager, and a CSI team who are responsible for continual improvement. Other people think that CSI is a stage in the service lifecycle. They have read the ITIL® publications or attended ITIL training and took the presentation of the service lifecycle very literally. This lifecycle describes service strategy, service design, service transition, service operation, and continual service improvement, so people take away the message that CSI is something you do after the service is in operation. They miss out on all sorts of improvement opportunities across the whole lifecycle.

I don't find any of these views of CSI helpful. For me, CSI is a combination of attitudes, behavior, and culture. It is the understanding that you can never stand still; the alternative to improvement is stagnation, and gradually losing relevance. Your competitors are constantly upping their game and if you don't keep pace, then your customers will gradually become less satisfied with your services.

An organization that adopts CSI is constantly looking for ways to improve:

◆ The services they deliver to their customers (see next section on SPM)

◆ The service levels they achieve for each of these services (see previous section on SLM)

◆ The tools and technology that support the services

◆ The processes that underpin delivery of the services

◆ The skills and competence of the people who manage the services
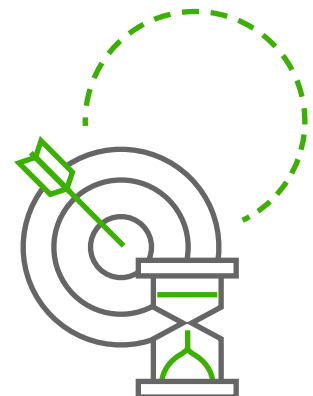
CSI won't make all these things perfect, but if everyone in the organization understands the importance of CSI, and keeps looking for opportunities to improve, then you will be able to identify and prioritize the improvements needed to keep you competitive.

I find a CSI register a very helpful tool for managing improvement opportunities. This is just a log of all the improvement opportunities you have identified, with a bit of information about how much each will cost, what value it will have, how urgent it is, etc. It is used to prioritize the improvement opportunities, so you can select the ones that you want to invest in. In a large organization there could be many CSI registers, one for each process, or one for each business unit. Even in a small organization you could have a personal CSI register for tracking your own improvement opportunities, as well as one for the team.

Some improvements can be very low cost, or even zero cost. I was discussing CSI with some colleagues on Twitter last year and we coined the term Zero Cost Improvement (ZCI). This is a great idea to introduce to any organization. There are always ways that you can improve, which cost absolutely nothing. These improvements have an infinite return on investment, and you can't get better than that!

For guidance on how to get started with CSI, please read my white paper The Help You Need to Adopt Continual Service Improvement.
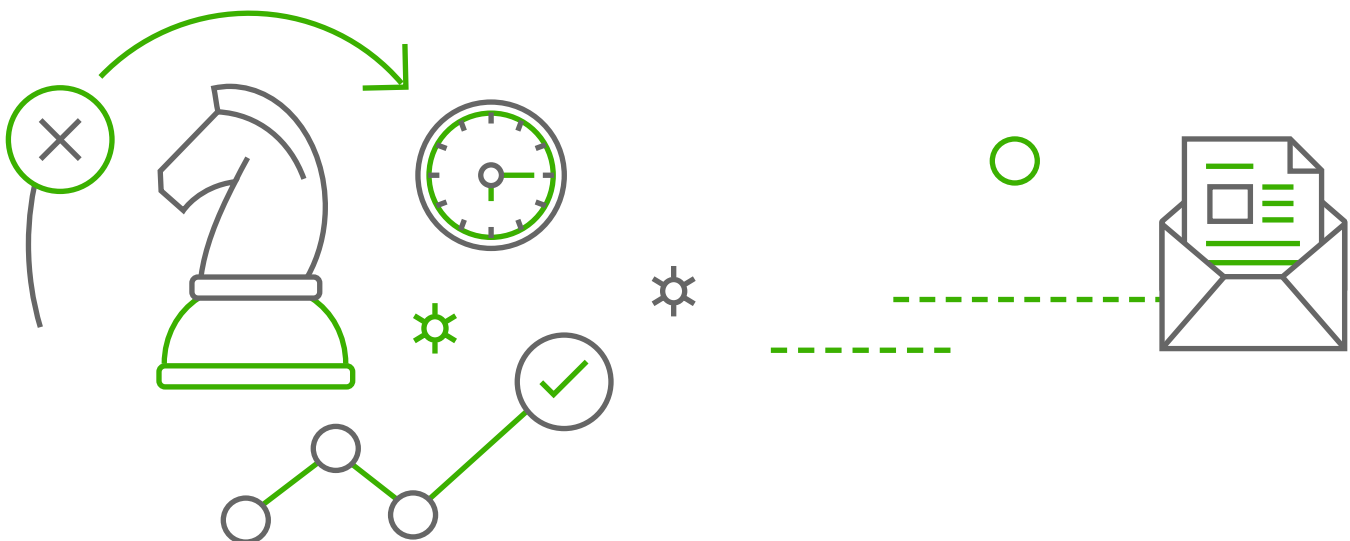
Anticipating Expectations with Service Portfolio Management (SPM)
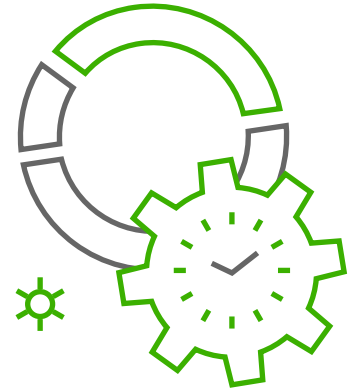
My final "back to basics" recommendation is to make sure you have good SPM. This is to ensure that the services you offer your customers are the ones they actually need, and that IT is driven by business priorities.

Some years ago I came across the term zombie services. A zombie service is one that nobody has any use for, but the IT department continues to deliver because there is no mechanism to measure and understand the value of services to the business, and to retire services that are no longer needed. Nearly every IT department I have worked with over a very long career has had one or more of these zombie services.

The other side of this issue is that a really great IT department sits down with their customers and discusses how they can help the business to innovate. They think about how all the data they have could be combined in different ways to create business value. They combine their knowledge of emerging technology with their understanding of the industry they work in to create insights about possible opportunities. As a result of these discussions, they invest in creating new services that make their customers more competitive.

Most people working in IT don't have significant influence over the service portfolio, but we all have an opportunity to identify services that are under-utilized, or to share our ideas of new things that IT could be doing. If you are responsible for the services your IT organization offers, then here are some ideas of things you could be doing:

◆ Make sure that you have documented the things you do as services, focusing on your customers' needs. If all of your services are just applications, or technology components, then you need to rethink how you deliver value to customers – unless of course you are providing infrastructure services as a service to other IT service providers.

◆ Maintain a service portfolio, which describes all of your services in terms of cost and value. Share this with your customers so they can see where the money is going, and so they can influence decisions about which services need more investment, which should be maintained as they are, and which should be retired.

◆ Include ideas for possible future new services in the portfolio, so that you and your customers can see the whole story when planning future budgets.

◆ Encourage IT staff to contribute ideas to the service portfolio. IT departments are usually full of clever people who really do understand how IT can make a contribution. If you encourage people to make suggestions of how IT can create more value for your customers, then you may be surprised at how many great ideas you get. Many of these can be added to the portfolio for discussion with the business.

Summary

If you want to deliver great IT services to your customers, then the key things you have to do are:

◆ Set reasonable expectations, so customers know what you will deliver.

◆ Reliably meet customers' expectations.

◆ Make sure your customers know what you have delivered, and that you have met their expectations.

◆ Keep improving everything you do, moving towards a culture of continual improvement where people see CSI as part of how they work.

◆ Document current and possible future services in terms of cost and value and regularly discuss these with customers, so that your IT organization can be seen as part of the organization's value creation, rather than as a cost.

As you start working on these things, you will identify opportunities to make improvements in many different aspects of how your IT organization works. Many of these will require you to make improvements to processes such as incident management and change management, but don't make the mistake of thinking that these essential processes are the "basics" of ITSM. Focus on customers and value first, and use the processes to help you get there.

In addition to Stuart's "back to basics" advice, SysAid is here to help you deliver great IT services to your customers. Want to learn more?

TALK TO US