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Research Report
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ISO/IEC 20000 – The IT Service Management Standard – Why Should You Care?

About ISO/IEC 20000

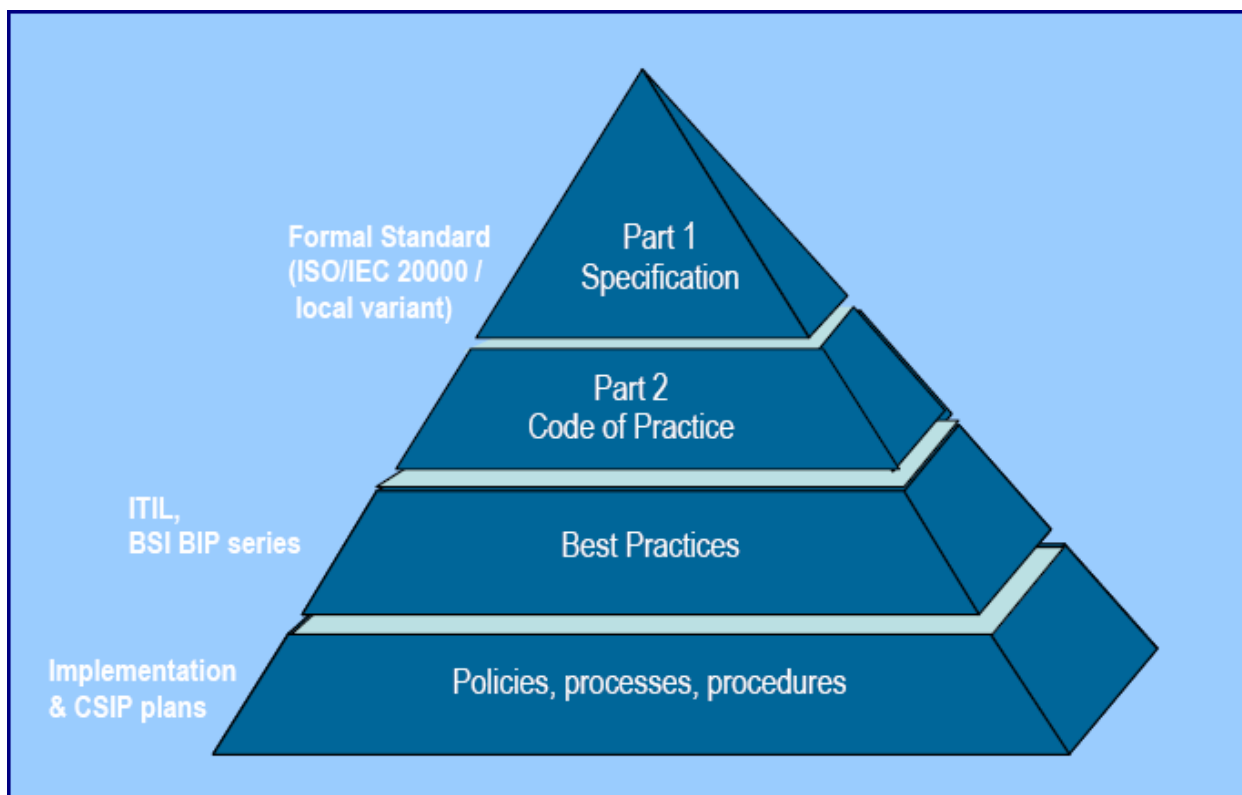
ISO/IEC 20000, formerly known as BS15000, is the world's first Service Management standard which is internationally recognized through the ISO certification scheme. The standard describes an integrated process approach to effectively deliver managed services to meet business and customer requirements.

ISO/IEC 20000 is aligned with and complementary to the process approach defined within the IT Infrastructure Library (ITIL) from The Office of Government Commerce (OGC). ISO/IEC 20000 consists of two parts:

ISO/IEC 20000-1 is the formal specification and defines the requirements for an organization to deliver managed services of an acceptable quality for its customers. The scope includes: Requirements for a management system; Planning and implementing service management; Planning and implementing new or changed services; Service delivery process; Relationship processes; Resolution processes; Control processes; and Release processes.

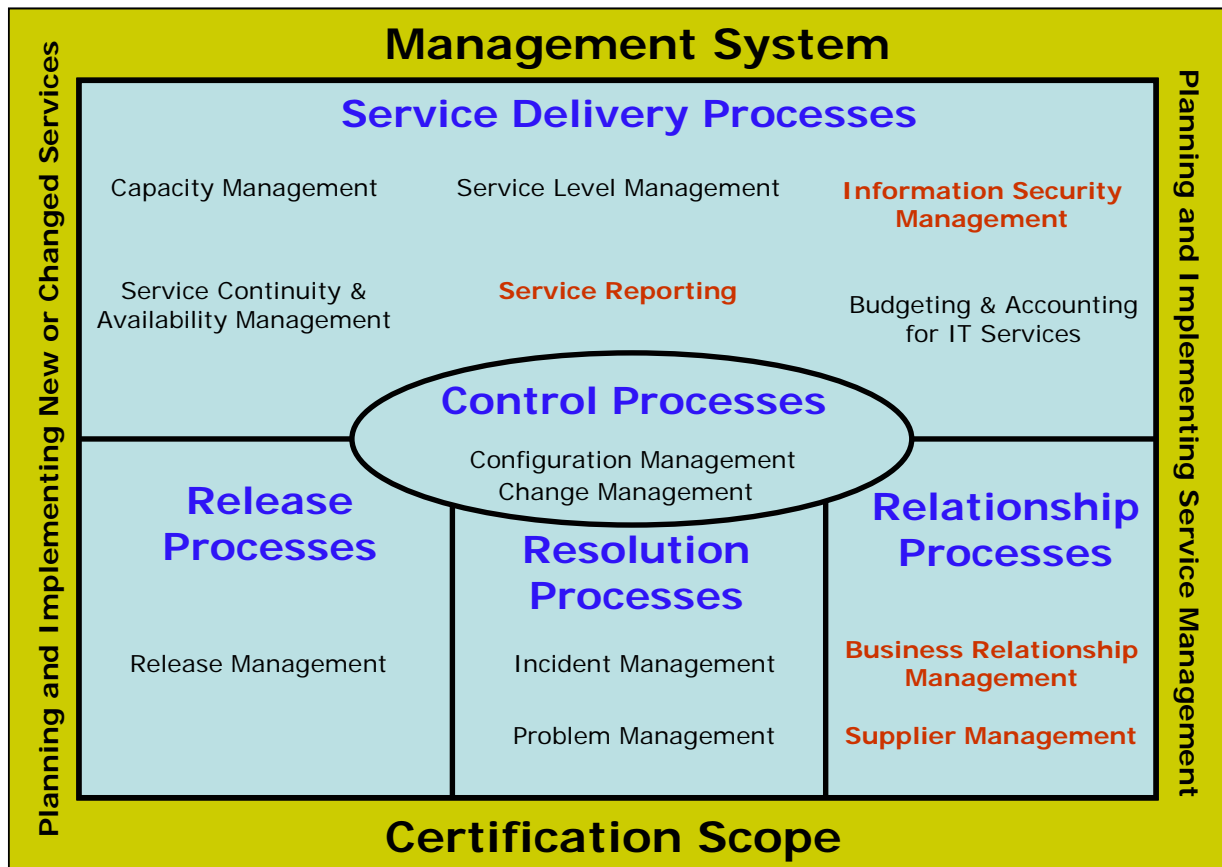
ISO/IEC 20000-2 is the Code of Practice and describes the best practices for Service Management processes within the scope of ISO 20000-1. The code of Practice will be of particular use to organizations preparing to be audited against ISO 20000-1 or planning service improvements.

The graphic below illustrates the relationship between the two components of the standard and other best practices.



ISO/IEC 20000 only concerns itself with the processes (and the policies, documentation, roles and responsibilities) associated with service delivery and support — specifically, incident, problem, change, configuration, release, capacity, service continuity and availability, service-level management, service reporting, information security, budgeting and accounting for IT services, business relationship management and supplier management. It does not address broader governance issues or any risks other than those directly associated with these processes. It also has a mandatory requirement for an overall management system covering all IT services within the scope of certification.

The following graphic provides an overview of the process and management model:



The management system is concerned with the existence of a management philosophy and approach including policies and a framework to enable the effective management and implementation of all IT services, definition of management responsibility, documentation requirements and proactive management of the required staff competency, awareness and training.

Planning and Implementing Service Management and New and Changed Services concern themselves with the existence of a formal plan for deploying Service Management using a continuous improvement approach and having a process in place to ensure that new and changed services can be delivered at the agreed to cost and quality.

The process model looks for the existence and effective deployment of the 13 core processes. There are four new processes introduced beyond the ten formal Service Support and Service Delivery process domains covered in the ITIL framework: Security, Service Reporting, Business Relationship and Supplier Management. Service Continuity and Availability Management have been combined into a single domain.

Scope is another key element of the framework and the certification process. Certification applies to a specific service relationship or specific service center. It means that a specific relationship between an external service provider and a specific client is certified. Or, for example, if a collocation facility were to be certified, it would mean all services or some of the services coming out of that facility are certified for one, several or all clients. An ISO/IEC 20000 certification does not mean that current or future clients are covered by the certification beyond those explicitly within the scope of the specified certification. The certification does not cover the entire service portfolio, or all customers. It will typically involve a single client or a small number of internal or external customers.

History of the ISO/IEC 20000 standard

The initial Guide (PD0005: 1995/1998 - A code of practice for Service Management) was issued in 1995. The BS 15000:2000 - Specification for Service Management and PD0015:2000 IT Service Management Self-assessment Workbook were issued in 2000 and the specification was reissued in 2002. In July 2003 a formal ISO/IEC 20000 certification scheme was developed and made publicly available in the United Kingdom. In 2004 the standard was accepted as an Australian standard (AS8018) by the Australian Standards Organization.

The British Standards Institute started a project for ISO/IEC 20000 to become an ISO Standard on November 11th 2004. On December 15th, 2005 the standard was officially accepted as an ISO standard. ISO/IEC 20000 is from that day internationally accepted as a standard for Service Quality management.

ISO/IEC 20000 and ITIL

IT Organizations and departments that have adopted ITIL as a best practice framework benefit from adopting the ISO/IEC 20000 standard. The standard provides a quality mark on the services that are offered to the business which is validated by an external body. ITIL and ISO/IEC 20000 are aligned in a sense that organizations using ITIL can be well on their way in complying with ISO/IEC 20000, but there are some differences as well.

ISO/IEC 20000 and ITIL are aligned but;

- ITIL is a set of guidelines
- ISO 20000 is a set of universal requirements
- Minor differences in scope and grouping
- Anyone can claim “they have adopted ITIL”
- The standard provides a quality level for service management processes that can be audited
- ISO 20000 does not specify ITIL
 - but ISO 20000 would be difficult to achieve without ITIL
 - ISO 20000 checks ITIL has been adopted intelligently
- ISO 20000 certification provides proof that an organization has implemented best practice which is validated by an independent, external auditing body

Benefits of Certification

There are a number of potential benefits to pursuing certification depending on whether you are an internal or external service provider. Here is a list of common benefits cited in talking to organizations that are interested in pursuing ISO 20000 or have achieved certification:

- Ability to address requirements for competitive bids
- Align goals with those of Business Units and customers supported
- Certification is recognized internationally
- Enforces collaboration across silos
- Enhanced/Increased Service Levels
- Establish continuous improvement culture
- Gain competitive advantage over competitors
- Impartial and external standard method of audit and certification
- Improved reputation, consistency and interoperability

- Improved quality and reliability of IT services offered
- Increased business and customer confidence
- Move from traditional supply-demand model to customer oriented processes and value creation
- Optimize resource utilization
- Optimized and controlled costs

As of September of 2006, there are approximately 85 companies certified in 18 countries. United Kingdom has the highest number at 21, followed by India at 16, Japan at 10 and S. Korea at 9. US has 2 thus far.

Who Should Consider Certification

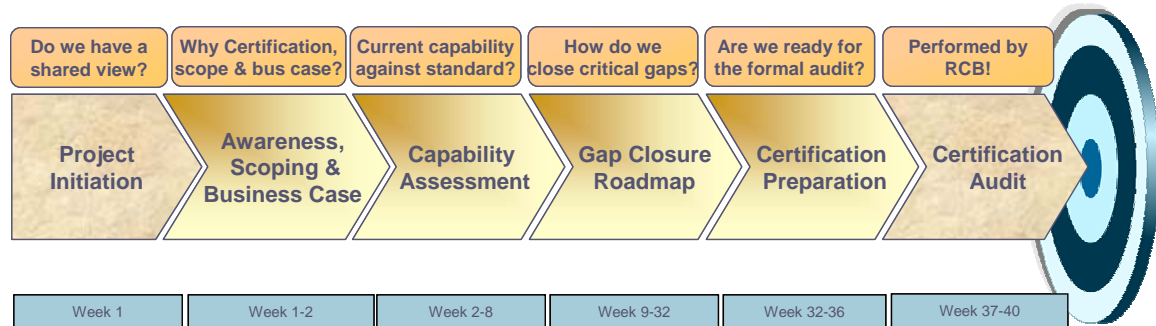
Gartner’s research and Strategic Planning Assumptions suggest that “By 2008, "ITIL compliance" will be a buying criteria in 75 percent of relevant IT sourcing decisions (0.8 probability). By year-end 2008, at least 60 percent of relevant public-sector and at least 30 percent of relevant private-sector sourcing deals in mature ICT economies will demand ISO/IEC 20000 certification in their RFPs (0.6 probability).”

If you are an internal IT organization that has adopted ITIL and would like to demonstrate the level of quality and professionalism achieved by your organization, ISO 20000 certification will provide an independent verification of your achievements to your key stakeholders. If you are a CIO or a senior business executive who would like an independent assessment of the management practices and adoption of best practices in IT Service Delivery, the certification will provide you with a highly objective assessment.

If you are an external service provider and you are encountering requirements for ITIL Compliance or ISO/IEC 20000 certification in bids and Request for Proposals, or would like to attain a competitive edge in your segment of the industry, ISO 20000 certification should be on top of your agenda. Certification can also help build client confidence in your ability to provide high quality services.

Preparing for Certification

It is important that organizations follow a disciplined and methodical approach in preparing for certification. Frequently, timing of achieving certification is a critical success factor for an internal or external service provider. It is also important to document a strong business case for why an organization is pursuing certification and secure senior management sponsorship for the initiative. Usually the audit itself is not a significant cost in the overall initiative (could be as little as \$30-\$40K depending on scope). It is the preparatory steps required to close any existing gaps against the standard that may require significant time. For an ITIL mature organization preparing for an audit may take as long as 8-12 months. If ITIL and best practices have not been a part of the agenda to date, the journey may be as long as 2-3 years. The following diagram provides an illustration of methodology used by NAI consultants in their ISO 20000 engagements.



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