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Research Report
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ITIL: Miracle or Myth?
Why all the interest and what does it take to attain 'Best Practices'?

SUMMARY - There is fast growing interest in the ITIL (Information Technology Infrastructure Library) as the preferred tool for IT organizations wanting to do a better job of Service Support and Service Delivery. However, the real secret to gaining the benefits ascribed to ITIL's Best Practices framework is only realized by enterprise IT organizations that are truly willing to transform their IT-related processes.

This article describes a practical roadmap outlining how to successfully plan, deploy and sustain ITIL process improvements - in the context of a real world case study on a firm beginning an ITIL Best Practices migration. Additionally, advice is given regarding how to avoid some of the common pitfalls that have plagued ITIL's early adopters here and abroad.

BACKGROUND ON ITIL – Information on the history or structure of ITIL and its support organizations will be found at the company website mentioned at the end of this article.

DEFINITION OF ITIL - ITIL is a standard process framework for integrated IT service support and delivery processes used to manage an IT operations environment. There are two primary drivers for the growing interest in ITIL:

- Most IT organizations spend approximately two thirds of their annual budget on infrastructure and operations (according to Gartner) with the license revenue for software supporting IT infrastructure and operations approaching $7 Billion in 2005,

- ITIL focuses on a 'customer centric' view for the delivery of much improved services with a goal of fewer incidents, less frequent major events and change-induced errors – a focus well aligned with today's increasingly competitive marketplace.

THE CHALLENGE FACING ITIL - The question is "Can ITIL meaningfully respond to these drivers? Can it deliver better services while at the same time keeping the related costs either flat or downward sloping and reducing business risk – with these seemingly conflicting goals exacerbated by today's IT challenges:

- Tightly constrained IT budgets,
- Entrenched infrastructures,
- Rising expectations, and
- Multiple approaches to "Best Practices".

A CASE STUDY – Company X (CX) is a large service organization facing some very distinct challenges in the delivery of competitive services to its customer base. CX is a mid-tier firm competing aggressively with larger firms in its market. In 2002 they invested heavily in a web-based strategy and deployed a broad portfolio of web-based applications in an attempt to deliver better customer service and self-service Internet-based access to all its offerings. Initial gains were substantial and viewed as a success.

Over time a set of different issues arose. The transaction volumes and application complexity of web-based services to meet customer demands grew at a rapid rate. This growth combined with the *new way of doing business* across a mature portfolio of legacy information silos caused some major infrastructure failures adversely impacting their customer's service experience. In spite of a series of "quick fix" corrective actions, the infrastructure and application outages continued.

After completing several assessments and infrastructure "correction" projects performed by its vendors and various consulting organizations to address the web delivery issues, CX brought in an ITIL-skilled IT management consulting firm to perform a detailed Web Performance Assessment. As part of this, CX asked the ITIL-skilled firm to implement several specific recommendations on how to migrate to ITIL Best Practices and address the web based Standard Development Life Cycle (SDLC) during the assessment phase.

CX had a history of false starts and partial recommendation implementations. They felt the initiation of 'Quick Hit' initiatives starting two thirds of the way through the assessment engagement was a key success factor. These Quick Hit initiatives addressed high priority, high payback components during the assessment phase. The intent was to overcome the organizational status quo inertia and establish some momentum migrating to Best Practices.

WHERE TO START? - The Quick Hit opportunities were split equally between ITIL and SDLC initiatives. The most common areas to start ITIL initiatives are called the "Big Five:"

1. Problem Management
2. Incident Management
3. Change Management
4. Configuration Management
5. Service Level Management

CX was much like most firms. The major gap was between Problem Management and SLA Monitoring for web applications. The SDLC initiatives addressed web code promotion through various testing stations and production deployment management.

For each ITIL initiative a functional scorecard assessment was performed prior to initiation. At the end of the Quick Hits the same scorecard was used to track the achievements and highlight areas for further improvement. During the initial scorecard assessment, CX was reluctant to give itself much in the way of "low marks." After the Quick Fix initiative and getting a much stronger exposure to ITIL's processes, CX revised downward its earlier assessment consequently giving the post-Quick Hit environment a higher achievement score.

Prior to undertaking an ITIL migration, one must be very conscious of the checks and balances between the components. Over investing in a "Big Bang" implementation of one or two of the components will not produce lasting results. The key to successful ITIL migrations is to advance several components evenly on a broad front - a balancing act that is different for every organization undertaking the transformation to Best Practices.

Changing processes requires a strong, visible, and up-front commitment to managing that change. CX understood this requirement and established a Process Promotion Group (PPG).

This was not a Project Management Office, but a formal organization responsible to help the 'Process Owners' in their efforts to establish new policies and integrate them into the existing governance process. This group's charter included responsibility for the strategic plan for ITIL migration, budget allocation recommendations to accomplish it, a quality management review process and mentoring of the tactical plan. The last item was very important for CX since it had spent much time and effort establishing a comprehensive Enterprise Project Methodology (EPM) for IT project approval. The PPG's assignment was to integrate the ITIL processes into these established procedures. For the Senior IT management this was a valuable confirmation that they were headed in the right direction with ITIL.
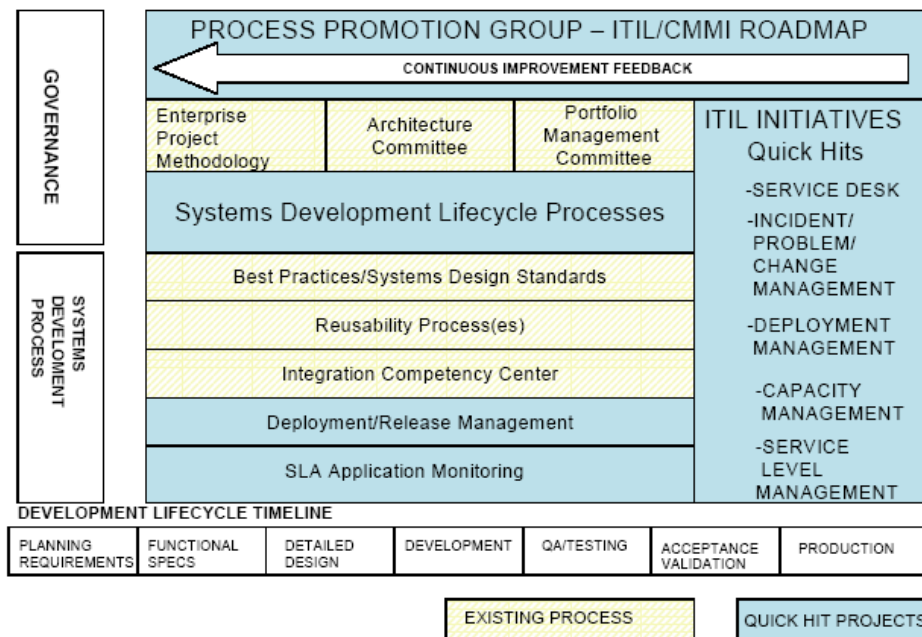
WHAT DOES IT TAKE TO SUSTAIN? - In addition to the PPG, the sustaining responsibility rested squarely with the Process Owners/Champions. In this case, several owners were identified with each playing an important and active role – including *owning* their process (i.e., Change Management, Problem Management) across organizational dividing lines. They did not have to perform the function (i.e., problem determination) but they were responsible for its success. For example, the Problem Manager owned the process, hosted appropriate meetings and escalated issues and reports on progress to IT management or management boards wherever required. He or she worked closely with Problem Resolution Managers who were Subject Matter Experts (SMEs) for their specific technology or application. Here again, the Problem Manager owned the problem resolution/error management space across the application and infrastructure organizations.   These are critical appointments for an organization transforming from a functional silo structure to a more matrixed approach.

LESSONS TO BE LEARNED - ITIL is not the only 'process' required to migrate IT organizations to a customer centric organization adopting a continuous improvement model. Each IT organization has its strengths that can be built upon and improved. In addition ITIL requires support from other "Best Practice" models. The Figure 1 below is a functional representation to of how CX set the foundation for its transformation to ITIL by integrating CMMI and its existing IT processes. The figure represents the source of the key processes CX built upon. The key lessons learned are:

➢ **ITIL integrates with other processes -** The project started out knowing that the application development control process was not standardized across the different development units and was the source of conflict. ITIL provided structure for the operational component of application deployment, and SDLC and EPM focus on the steps required from inception, definition, design, development, testing and release. The coordination of those activities and the use of a common terminology are vital for success.

➢ **ITIL builds upon what IT organizations do right** - CX had several project in various levels of maturity that were incorporated into the scope of the ITIL campaign. Significant value in both staff and pre-existing processes was preserved. CX learned that there were changes required in several areas (EPM, Architecture, Portfolio Management, etc.), however, the foundation is in place to facilitate these in an orderly, effective manner.

➢ **ITIL is an enterprise wide initiative** - At initiation the ITIL/SDLC assessment was addressing web performance issues only. However, CX realized early in the assessment that they were addressing symptoms and the solution was in formatting a common enterprise approach.

➢ **Demonstrate value early** – CX required the Web Performance Assessment to spawn early, reduced scope initiatives to demonstrate the benefits of their ITIL migration and to assure the migration would develop momentum. Four initiatives were selected: Problem Management, SLA Application Monitoring, Application Testing and Deployment Management. Even though not all the four initiatives achieved the stated Quick Hit goals, there was a strong understanding by both staff and management of the benefits that were attained and excitement over what could be attained in the next phase.

Figure 1 – ITIL/CMMI Functional Migration Model

➢ **Training at all levels vital** - Successful ITIL migration requires the organization to go through several transformations. The initiatives are driven top/down through senior management and bottom/up through grassroots acceptance by staff. It is crucial to make sure that the organization spends adequate time training both staff and management on the ITIL processes. It is also vital to communicate results and plans across all the constituents in an enterprise on the objectives, process and progress of the migration.

CONCLUSION – ITIL is neither a Miracle nor a Myth. There are many examples of organizations reaping significant benefits from adopting the ITIL framework. These organizations have some common attributes: [1] - they are committed to transforming their IT organization from top to bottom, [2] - they understand their roles in this transformation, [3] - they have a plan, and, [4] - they communicate plans and results to the entire enterprise. Not a Miracle nor a Myth, just working smart.