Nouri Associates, Inc.
Research Report
Author: Hamid Nouri
Date: September 2006

Status and Impact of ITIL v3 (ITIL Refresh)

If you are like most IT executives and professionals in the US, you have heard the industry buzz around "ITIL" and "ITSM" in the last 2-4 years. And like many you are probably maintaining a good dose of skepticism for yet another silver bullet that is going to solve the age old problems that IT faces in many organizations. So you start your own personal investigation to get at the "real story". After talking to a few trusted sources, you decide that this is worthy of further attention and study. You finally send a uniquely qualified staff member, or personally attend a training session (or a vendor briefing) on the topic and decide that you are going to seriously pursue the potential benefits promised by the deployment and use of the framework. Of course you soon realize the more significant benefits can take 2-3 years of hard work with dedicated resources. Meanwhile, there is talk of a significant upgrade or refresh!

This short research paper is intended to provide a quick overview of "WHY", "WHEN" and "WHAT TO DO" about ITIL v3.

WHY: Efforts around development and publication of IT Infrastructure Operations Best Practices, now referred to as the IT Infrastructure Library (ITIL), started in the 1980's by the UK Central Computing and Telecommunications Agency (CCTA now referred to as Office of Government Commerce – OGC). Version 2 of this library was published in 2000. The seven (or eight) books that make up version 2 have been the basis for the majority of training and deployment activities around ITIL in the US. The initiative to look at an update to the current version started in November of 2004. Between January and March of 2005 an extensive public consultation was undertaken to seek input from users, vendors and educators. This consultation was used to inform the scope of the refresh project. The key recommendations from the consultation for ITIL content were:

1. Provide consistent structure and navigation throughout the entire library.
2. Preserve the key concepts of Service Support and Service Delivery. The basic concepts are still relevant but could be improved by expanding on them.
3. Include best practices that extend deeper into service management concepts. This will reflect ITIL's relevance to business in a more tangible way and can be built into business processes and cycles.
4. Provide guidance on the softer issues of organizational structures, cultural issues and an understanding of the interfaces to other best practices that help support effective ITIL practices in the workplace.
5. Provide a knowledge management strategy to support the service management needs of business and IT environments today and tomorrow. Relatively stable core material would form the base framework. It would be complemented by focused and topical material in the form of case studies, templates, subject matter expert white papers, implementation packages and business cases, keeping ITIL practices current over time by sharing the wealth of community

experience.
6. Demonstrate and articulate value, benefits and ROI to establish the value proposition for ITIL.
7. Reflect the reality of today's business, operational, procurement and technical environments including the use of ITIL in multi-sourced environments.

Based on the consensus views, the next version of ITIL is expected to include a few key changes:

- Restructuring of the layout and navigation to be consistent across all books in the library.
- Addition of new topics not currently covered in the guidance.
- A combination of new volumes as well as the absorption of existing guidance into new and other existing books.
- The elimination of some existing books.
- The addition of value added product to support the core library
- Updates and perhaps a reorganization of the qualifications scheme and syllabus.

The biggest change in organization and context of the information covered in version 3 is the expected transition from a best practices "IT process framework" to life cycle stages of "IT Service Management". As consultants, we have always positioned the deployment of ITIL processes as the foundation for transformation into a Service Management culture where IT focuses on development, deployment, delivery and improvement of IT Services defined from the user point of view. But in reviewing many implementations, more often than not, we observe a lack of attention or focus on IT Service Management (ITSM) concepts and philosophies.

The transition to a Service life cycle view will also make ITIL more consistent with the ISO 20000 standard. The ISO 20000 standard looks for evidence of the existence of a quality management system to enable the effective management and implementation of IT services. This includes planning for, implementation, monitoring and improvements to IT Service Management.

ITIL v3 core consists of 5 volumes of best practice guidance that follow service management cradle-to-grave life stages:

1. Service Strategies
2. Service Design
3. Service Transition
4. Service Operation
5. Continual Service Improvement

Each publication will have consistent structure, navigation and cross-references. Even though the prime target audience for each book will vary and may not be the role that you currently play in your organization, you will likely be in a position to influence the intended audience and so it is strongly suggested that everyone read the entire core library.

The following table provides a high-level overview of each book and its target audience:

Core Practice Books			
Title	**Description**	**Main Target audience**	**Main Influencers**
Service Strategies	Will appeal to those who have the need to understand strategic analysis, planning, positioning, and implementation with respect to service models, strategies, and strategic objectives. It provides guidance on how to leverage service management capabilities that can effectively deliver value to customers and capture value for service providers. Decisions about service portfolios, capability development, operational effectiveness, organization models and the importance of knowledge assets are some of what Service Strategies will provide guidance on	Senior leadership of customers and service providers	Service managers and operations managers
Service Design	Translates strategic plans and objectives and creates the designs and specifications for execution through service transition and operations. It will appeal to those whose role is to bring together the infrastructure, applications, systems, and processes, along with partners and suppliers, to make feasible a superior service offering	Service managers and providers	IT operational staff, service owners, service providers, vendors
Service Transition	Will ensure that the design will deliver the intended strategy and that it can be operated and maintained effectively.	IT service managers, service owners, operational staff	customers, service owners, support staff
Service Operation	Will manage a service through its production life of day-to-day management.	service owners, operational staff, vendors and service providers	customers, end users, business and IT management
Continual Service Improvement	Will ensure that a service delivers the maximum benefit and measure its performance through its life, suggesting improvements along the way.	service planners, service designers, business and IT leaders, IT service managers, service owners, operational staff	business leaders, IT leaders, customers and users, service owners, quality and conformance managers

WHEN: The refresh project was started in November of 2004 and has made remarkable progress against the plan that was developed. It is now in final stages of development and is about to enter an exhaustive review process. The core books (Strategies, Design, Transition, Operation and Improvement) are expected to be published together by TSO in the late spring of 2007.

The following is a high-level timeline of key events over the next few months:

▪ Final Draft of Content	–	Mid Oct 06
▪ Editorial Board review	–	Oct 06
▪ ITIL Advisory Group QA review	–	Oct / Nov 06
▪ International Public QA review	–	Nov / Dec 06
▪ itSMF International IPESC Endorsement	–	Dec 06 / Jan 07
▪ Translations begin	–	Feb 07
▪ Publication Production & Launch	–	Apr 07
▪ Qualification Scheme finalized	–	Spring 07

The elapsed time between when the qualification scheme(s) are finalized to the time when Exam Institutes develop their exams and training providers update their curriculums could be as long as 6 to 9 months. Therefore you may not see any version 3 certifications until late 2007.

WHAT TO DO: If you are a user or practitioner who has started down the path of implementing ITIL, you should continue to pursue your short, medium and long term objectives that have been set for your overall initiative and specific process domains. Version 3, when available, will provide you with more comprehensive guidance around implementing IT Service Management from a life cycle point of view. You should NOT stop any planned training or implementation activities in anticipation of the new release.

If you are an ITSM technology vendor who is attempting to fully support the ITIL best practices in your solution set, you should start to evaluate the potential impact of the new guidance on your specific domains of coverage, and start to seek out pilot client sites who may be interested and willing to test your planned enhancements in support of version 3.

If you are an ITIL Training or Consulting vendor, you should start to prepare your practice and curriculum development teams for rapid response to the expected release of the new guidance this spring. Updated methodologies and training curriculums should be in place by the 4th quarter of 2007.

The following Web links will provide you with more detailed coverage of the above subject and have been the primary sources of the information for this short report.

http://www.itsmf.com/upload/itil3/consultation_v5.pdf
http://www.itil.co.uk/scope_web.pdf
http://www.itsmf.com/bestpractice/.asp
http://www.itsmf.com/news/news.asp?NewsID=243