



Bulldozing Barriers to IT Performance

How Mid-Market
Companies Can
Use IT Service
Management
to Improve
Service Levels,
Reduce Employee
Turnover and
Deliver Business
Value

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The typical IT organization spends 80-90% of its human and capital resources “keeping the lights on” —routine maintenance, general operations and response to system failures or other loss of service.

At the same time, maintaining user satisfaction can be extremely difficult as user demands and expectations increase while systems become more complex and interconnected.

Even in organizations that are committing large amounts of resources toward strategic IT initiatives, organizational inefficiencies can create barriers that hinder IT’s ability to perform and deliver optimally.

This white paper will break down the issues hindering IT performance and explore how IT Service Management philosophies can be utilized to eliminate them and ultimately create business value for mid-market organizations.

BULLDOZING BARRIERS TO IT PERFORMANCE

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The Barriers to IT Performance

There are a number of common issues that may hinder IT Performance. System downtime and lack of availability is obviously a major issue. Even in organizations that don't suffer significant "realized" downtime, however, the efforts required to maintain availability despite a lack of change management policies, operational controls, undocumented systems and inefficient or missing response mechanisms can be significant. In addition, the inability to adequately forecast capacity requirements, staff frustration and turnover and expectation gaps between IT and its users can keep IT running from fire to fire. All of this leads to an IT organization that may keep things running, but never quite delivers on its true potential.

System Downtime & Availability

A system that is not accessible and available to its users is a mortal indictment against a CIO and his entire IT team. More than a few IT executives and managers have "moved on to new opportunities" because they were unable to provide reliable system access to their users. Whether caused by network, server, data or application issues – users don't care. But most organizations have figured this out (or else the supply of CIOs might be running short!) and have cobbled together a mish-mash of tools, tricks and threats to ensure that outright system failures are averted. In many cases, however, the underlying issues remain and result in a significant expense of resources to avoid system downtime. The greatest of these issues are a lack of change control, undocumented systems and unstructured response mechanisms.

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Lack of Change Control & Undocumented Systems

The lack of change control may be the most expensive “effort saver” that IT staff enjoy. Let’s face it. For the most part, technical teams hate writing stuff down. They want to fix the problem. They don’t have time to waste going through a whole “change control process” – especially if it’s just going to turn a simple fix into a bureaucratic hassle. They just want to get in there and get the job done. And a lot of times, everything works out just fine. The problem is resolved and they’re the hero.

The same goes when they’re bringing up new systems (whether they be networks, servers, applications, etc.). Get it up and running – there’ll be plenty of time to document it later. But as organizations grow larger and more complex, this approach creates a cascade of problems, confusion and headaches that will burn resources long past the few minutes saved by skipping the change control and system documentation process in the first place. Over time, this dynamic duo will result in an environment that only a handful of people understand and which requires a mammoth effort to keep running.

Lack of Suitable Response Mechanisms

As increasing complexities and user expectations result in system failures and user requests, many IT organizations lack a suitable response mechanism. The process to receive and respond to system failures or user requests may be haphazard. Some requests may go through the help desk while others are made directly to key staff. Response mechanisms are often unstructured – or structured, but not enforced – and inefficient. In certain instances, they don’t exist at all except with the assumption that the IT team will respond to any issue with a best effort. Ironically, this lack of structure can result in a high level of responsiveness in smaller organizations. The lack of “required reporting and tracking” steps and the direct access to key technical staff gets things done. But eventually, increased user demands and increased system complexity will overburden these key team members and result in the breakdown of the response mechanisms. This lack of well defined response mechanisms result in a significant amount of resources being required to avoid and respond to system downtime.



Forecasting Capacity Demands

Understanding, tracking and forecasting the capacity required to meet the present and future needs of the organization is one of the most difficult tasks that an IT organization faces. In some cases, business units make plans and begin initiatives without consulting IT management. Other times, IT itself lacks a full understanding of either the available capacity or the potential capacity required by a project. In many cases, this is caused when several members of the IT team plan to use the same available capacity, without consulting one another.

Issues can also arise when IT team members take a myopic view of capacity – accounting for only a subset of capacity elements, rather than all those affected. It is important for IT to assess the requirements of any project, initiative or system expansion in terms of all capacity elements – financial, staffing, network, security, servers, data, integration, etc. Most of the time this is a difficult and time consuming process because IT organizations often lack a structured change management, configuration tracking and/or capacity planning process. Whatever the cause, the inability for IT to accurately assess and forecast capacity requirements often leads to both project exposure and the expense of resources reacting to unforeseen needs.

Staff Frustration, Dissent and Turnover

An unrecognized side effect of an IT organization that is constantly running from fire to fire is the level of frustration and dissent that it can breed within the IT team. Many IT organizations are suffering with professional apathy and high turnover – particularly in the most highly skilled staff. Those skilled and driven technical staff grow weary of spending all of their time and energy in reactionary efforts. There is also the constant risk that they begin to feel that they are carrying an undue amount of the support burden. This inevitably leads to in-fighting, finger pointing between IT groups and difficulty creating a fully integrated, cross-functional IT team. When

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this occurs, the IT team finds it increasingly difficult to provide cohesive and consistent service to its users.

The Expectation Gap Between Users and IT

Perhaps the most frustrating barrier to performance is the gap between user and IT expectations. All too frequently, IT will complete a project or perform operational tasks that they feel have been completed successfully only to find that the users don't share the opinion. Even more dangerous are those situations in which the user dissatisfaction is not voiced and instead is allowed to create a divide between IT and its user community.

Often, the expectation gap is caused by simple miscommunication. A combination of IT staff not fully understanding the business needs from the user perspective and the inability of both sides to communicate in the other's "language" leads to misunderstandings. Finally, the lack of communication standards, formal service level agreements (SLAs) and negotiated metrics often make it difficult for IT to either gain a full understanding of the user's expectations or to prove that the agreed upon expectations have been met. In either case, the "customer" is normally deemed to be "right" and IT must again react to the situation, burning resources in the process and creating another barrier to optimal performance.

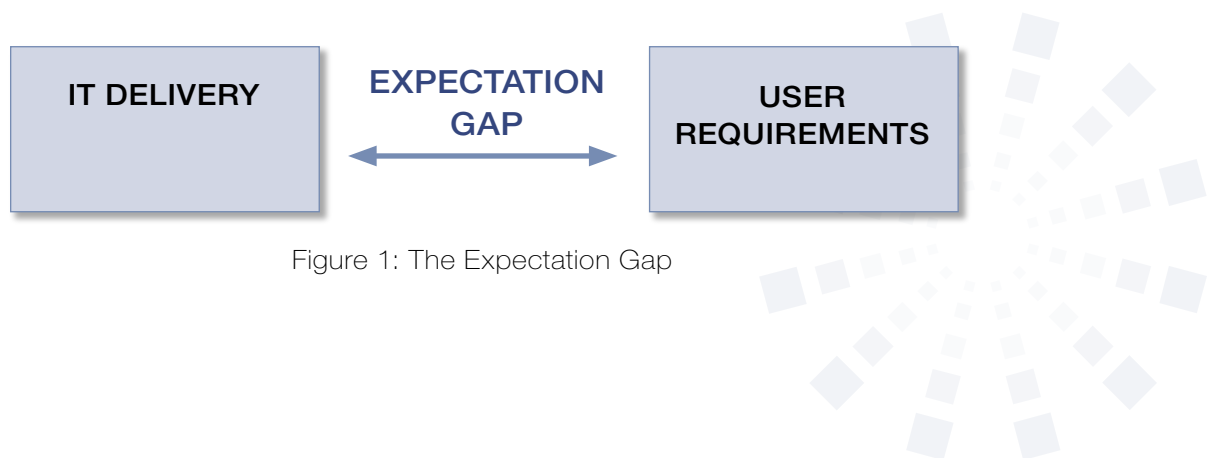


Figure 1: The Expectation Gap



IT Service Management: A Best Practice Approach to Eliminating Performance Barriers

What is IT Service Management and How Can it Help?

IT Service Management (ITSM) is a term that has been in use for quite some time, yet is often misunderstood. Many IT executives still associate it solely with operating procedures for their help desk. This is partially because ITSM principles are service desk-centric, believing that all communication and service between IT and its user-customers should radiate from the service desk. And while ITSM principles certainly include operating procedures for a service desk (a more appropriate term for what is commonly called the 'help desk'), it is much more than that.

IT Service Management is a process-based approach to providing information and delivery support services that effectively meet the needs of the organization. It reflects an approach to IT management that is service-focused and strives to view all IT functions, no matter how technical or arcane, as part of the IT service delivery chain resulting in some form of business value to the greater organization. Above all, the philosophies embody a belief that IT must define and quantify the requirements of the organization, commit to meeting them and provide a highly efficient, quality service that does so.

While the underlying goal of ITSM philosophy is very broad based, its practical result is an IT organization that is well run, spends minimal resources on unplanned events, adequately forecasts the needs of the organization, has a fulfilled and productive staff and consistently exceeds the expectations of the organization. In doing so, ITSM will break down common performance barriers and create an IT organization that delivers strategic value to its organization.

ITIL: The de facto ITSM standard

The roots of ITSM can be traced to Dr. Edward Deming and the theories he advanced on quality management in the 1930's and 1940's. His theories became

the foundation of Total Quality Management (TQM) philosophies and gave rise to quality frameworks such as Six Sigma and the ISO 9000 quality standards. In the 1980's, the British government recognized the need to reduce costs associated with IT management and began assembling a set of best practices from both public organizations and private industry. This collection of best practices became known as the Information Technology Infrastructure Library, or ITIL. Since its introduction, a number of ITSM frameworks have been developed on the basis of ITIL, including the Hewlett-Packard ITSM Reference Model, IBM's IT Process Model and the Microsoft Operation Framework. The wide adoption of the ITIL set of best practices, both independently and as part of the commercial frameworks, has made it the de facto standard for ITSM.

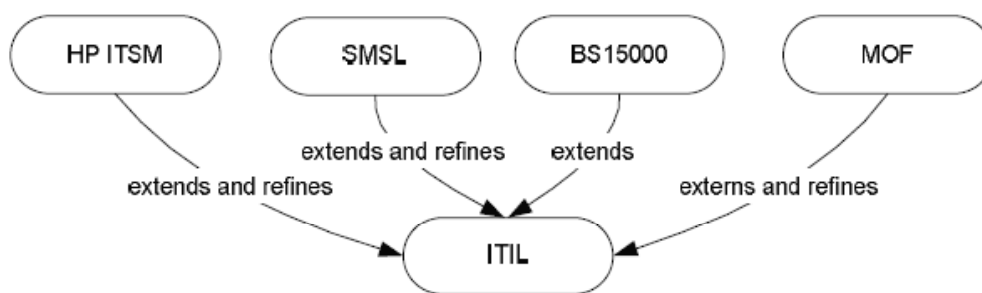


Figure 2: ITIL's Relationship to Other ITSM Frameworks (Source: Hewlett Packard)

It is important to understand, however, that ITIL is not a methodology or step-by-step instruction guide. While it contains a certain level of detail, it is intended to act as a quality framework that organizations can use to employ ITSM principles within their organization. Adopting the underlying principles, objectives and language of ITIL and then adapting the best practices to the specific needs of the organization will yield significant advantages and help break down the barriers to true IT performance.

Creating a Structure for IT Performance

The heart and soul of ITIL is a set of two publications (ITIL is presented as a series of 7 books/publications) entitled, "Service Support" and "Service Delivery." These two publications lay out a set of best practice processes that deal with most of a typical IT organization's day-to-day activities. They include:



Service Delivery	Service Support
Service Level Management Financial Management for IT Services Capacity Management Availability Management Continuity Management	Incident Management Problem Management Configuration Management Change Management Release Management

Figure 3: ITIL's Service Delivery & Service Support Framework

When implemented and integrated, these best practices will enable you to create a consistent process that guides the entire IT organization during the provision of support and delivery services. Organizations that have implemented an ITSM approach realize increased operating efficiencies, reduced costs and greater control of their resources.

While this white paper cannot provide an in-depth look at each of these areas, there are a few common components that are integral to helping IT organizations break through performance barriers.

Objectives, Roles & Results

Each best practice area is essentially a set of processes that provide the foundation for each operational area. Within each of these processes, a number of key criteria are established that will create a structured way to manage it effectively. These include: process goals, resources required and their process roles, quality parameters, key performance indicators, input specifications and intended results (output specifications). The definition of these criteria creates an operating structure that leaves very little room for ambiguity.

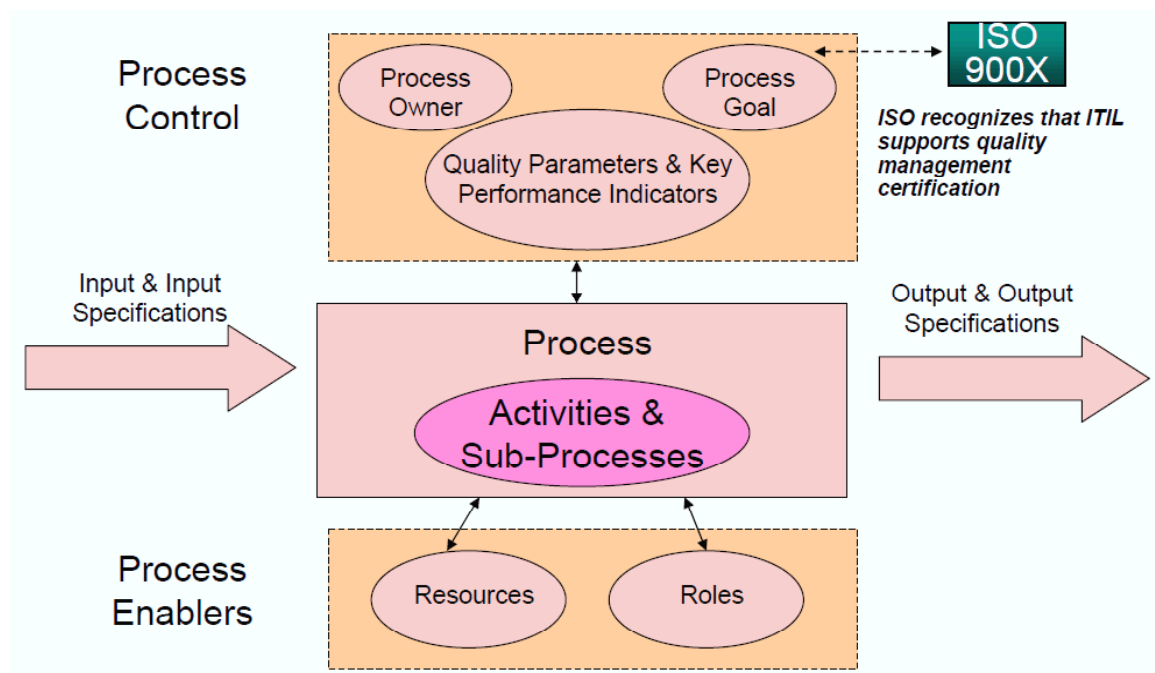


Figure 4: Generic ITIL Process Model (Source: Pink Elephant)

While this level of structure and process documentation may seem onerous at first glance, the effort pays off in spades. The common problems of staff being unsure of their own duties and even less sure of the duties of those who impact them (or whom they impact) virtually disappear. Every action is part of a process and every process has a purpose, rules and results. The IT team will do their job in a controlled and orderly fashion, knowing what to expect from others, what they need to do and what others expect from them. Perhaps most importantly, they will understand their role in the service delivery chain. While some IT executives may think this exists today, in most organizations, it doesn't. In most IT organizations, the majority of resources are spent handling issues that shouldn't have existed in the first place or which could have been handled with less cost had appropriate processes been in place.



Documentation & Control

Two key components of an IT Service Management framework are probably two of the ugliest words to most IT staff: documentation and control. For whatever reason, IT staff seem to hate writing things down and asking for permission. But it is a lack of documentation and proper controls that create a large amount of the issues that IT organizations face on a routine basis. Each ITIL management best practice places a heavy emphasis on these two elements. Quality parameters built into every process and explicit processes addressing configuration management, change management and release management that tie into every other process creates an overall IT management structure heavily reliant on these two key actions.

Documentation and control tasks can appear to be a waste of time to a swamped IT staff. In a short amount of time, however, the IT team will realize that things seem to work better simply because the documentation they need is available and because systems aren't changed without the necessary notification and planning. Soon, they will find that there are fewer fires to put out and that they can handle the remaining fires more quickly and with less pain.

Integration of Functional Silos

Perhaps the single greatest attribute of an ITSM framework is its ability to integrate processes across the functional silos within IT. A large number of IT performance issues can be traced back to a lack of communication and collaboration between IT functional groups. As technology has become more complex, IT staff is increasingly becoming more specialized. For example, it is not unusual to find a person responsible for just site-to-site VPNs in a certain region of a large organization. While this specialization may be required to ensure that adequate technical skills and familiarity are available, it can isolate IT staff and create a mental disconnect between their function and the service delivery chain.

By its nature, an ITSM framework is concerned only with the process requirements of providing various levels of service to IT's user-customers. Functional roles are often delineated into "swim lanes" during process modeling to identify task owners, but the process lives outside of a functional structure. More importantly, the integration of all staff and tasks into a process-based framework mandates that they

be aware of their place in the service delivery chain and the impact of both their actions and inactions. This element of an ITSM approach, particularly when ITSM is automated, has a significant effect by breaking through functional silos and creating an integrated team focused on providing quality service to user-customers.

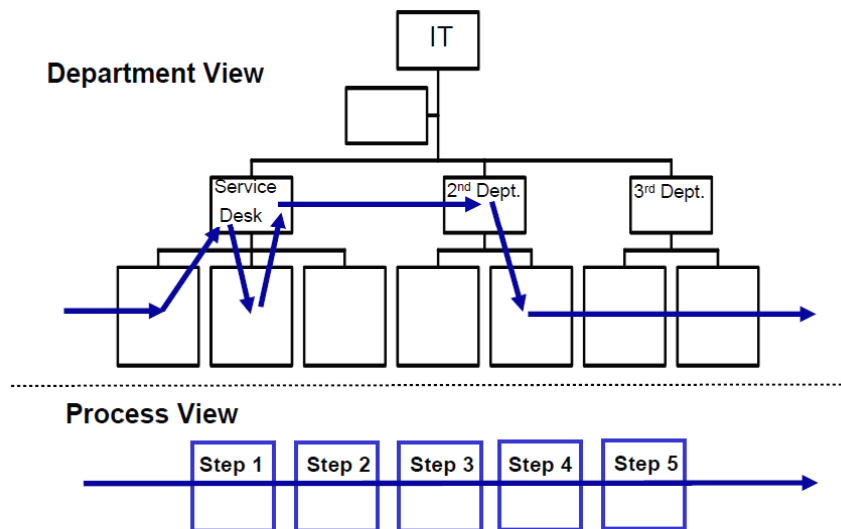


Figure 5: From Silos to Integrated Processes (Source: Pink Elephant)

The Whole Package

When you bring these core elements of ITSM together (along with the specific practice elements in each area), you will create a highly efficient and structured IT organization. System availability, downtime issues, capacity requirements and incident response will all become routine issues handled largely without notice. Costs will go down and performance will go up. It's not easy, but it is that simple.

Service Level Management and Reporting – Manage Your Success

A final key element to ITIL and the IT Service Management philosophy is the employment of reporting metrics and service level agreements (SLAs). This crucial step creates a framework for measuring IT's performance against performance criteria established internally (key performance indicators) and with



your user-customers (your SLAs). Many organizations have implemented some form of SLAs, but they are often flawed. In many cases, existing SLAs attempt to measure only technical performance indicators, such as server uptime or network latency. Sometimes they measure a degree of delivery performance including application availability or help desk response time. In either case, however, the measured criteria are measured in a vacuum without the necessary controls and processes in place to either ensure performance or identify areas that may be inhibiting it.



Figure 6: Metrics & SLAs

Adopting the ITSM philosophy to IT management will lead to the definition of business value-based reporting metrics. These metrics will measure not what IT thinks it should be doing, but rather actual customer expectations from a functional perspective. IT organizations are often amazed to find out that customer expectations do not line up neatly with their technical performance indicators. In addition, and sometimes more shockingly to IT, user-customers do not consider all systems and data equal in terms of their functional value. As IT is able to evaluate and demonstrate the “cost of response” in relation to service expectations, they will

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be able to establish service level requirements that are closely aligned with user-customer expectations.

Finally, the adoption of an ITSM framework will create a whole set of key performance indicators (KPIs) that will provide a depth of measurement, tracking and monitoring that was not previously available to IT management. It is not enough to simply monitor IT performance at the point of delivery to the user-customer. The depth of KPIs will enable IT to monitor for potential issues much deeper into the organization and identify them long before they impact their user-customers.

A Team That Works

While creating an efficient IT organization may be the driving force behind the introduction of ITSM principles, an often missed benefit is the effect it has on staff. Generally speaking, people do not perform in a state of perpetual chaos. We may rise to the challenge in a moment of crisis, but we generally prefer structure and order. While a team may enjoy the challenge of an environment that is in a state of crisis, that challenge will become a burden if it is never solved.

An IT organization that has successfully employed ITSM principles will be highly structured and stable. It will create an environment that is enjoyable and fulfilling (things will actually get done and get better!). Most importantly, as resources get freed, the highly qualified staff will be able to spend time creating innovations that continue to improve service levels and identify new ways to add strategic value to the organization. This combination of fewer fires, greater fulfillment and time to work on “fun” innovations will increase job satisfaction, reduce staff turnover and make it easier to attract highly qualified staff.





Making ITSM Work

The challenge that some IT executives have with ITIL or ITSM is the idea that “it all sounds good on paper”, but won’t work as promised when implemented – if you can implement it at all. There is a lot of truth to this concern. Implemented improperly or half-heartedly, an ITSM adoption can result in nothing but a bloated bureaucracy that hinders rather than boosts performance. But while this concern is valid, there exists a unique opportunity for mid-market organizations who stand to reap significant benefits that outweigh this concern. There are also a large number of exceptional tools that can make the adoption of ITSM easier to both complete and sustain. Finally, when weighing the benefits and risks of an ITSM adoption, it is important to recognize that ITSM is part of an integrated approach to effective IT management that is being driven by governance and compliance concerns.

A Unique Opportunity for Mid-Market Organizations

A unique opportunity is presenting itself for mid-market companies – and specifically their IT organizations. The scale and speed with which technology adoption has taken place throughout enterprise organizations over the last fifteen years, coupled with a long period of merger and acquisition activity, has left most enterprise organizations with a mish-mash of complex technologies that they neither fully understand nor manage effectively. The rash of security breaches being seen across major industries is just the tip of the iceberg. As enterprise companies continue to add incrementally to their technology base while their customers become more and more dependent on their technology-based services, they will

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find it increasingly difficult to maintain the demanded levels of service with their scattered infrastructures.

At the same time, enterprise organizations will continue to put increased pressure on IT to reduce costs, justify projects and capital expenditures and basically “finish the projects they already have.” With limited exception, few enterprise organizations are actively embarking on bold IT initiatives. Instead, they are concerned with “completing the investments” they’ve already made and automating business processes only as necessary to maintain a basic level of competitiveness.

These trends have created a unique opportunity for mid-market IT organizations. By making timely and strategic investments in both IT management processes and technologies, they can ensure that they do not suffer the same fate as their enterprise counterparts. The adoption of ITSM by mid-market companies will create a highly efficient and effective IT organization that can provide a level of information accessibility and reliability – both internally and directly to customers – that will not easily be obtained by their larger competitors. This unique situation presents the potential for mid-market organizations to realize significant benefits that will provide strategic advantage to their organizations by adopting ITSM practices now.

Automating ITSM

While adopting ITSM practices does not require software or other forms of automation, automation tools can make it easier to integrate them into your organization. One of the greatest challenges to ITSM adoption is the enforcement of process rules and policy controls. With integrated process modeling, workflow and rules-based handling, many ITSM automation tools make the adoption process much easier.

It is important to note, however, that an ITSM automation tool is not a panacea. Implemented improperly, it becomes nothing more than a glorified help desk application. ITSM starts with a process and so must an ITSM automation project. Selecting an automation tool does not and cannot rescue an IT organization from the hard work of defining processes, adapting them to the




ITSM framework, developing business-based metrics and SLAs and educating the IT team on the value and importance of the ITSM philosophy. With this understanding, however, the use of an ITSM automation tool (or tools) can remove much of the risk involved with an ITSM adoption.

ITSM + IT Governance = Effective IT Management

While weighing the benefits and risks of an ITSM adoption, it's important to recognize that ITSM is one half of an effective IT management strategy. Effective IT management is generally accepted as having two parts: IT Governance and IT Service Management. IT Governance can be said to be the formulation of what IT should be doing and IT Service Management how IT should be doing it. Said another way, IT Governance is about making sure that IT is doing the right things. IT Service Management is about making sure that IT is doing things right.

With the compliance-driven rush to adopt IT governance strategies, many organizations fail to realize that it is only half of the equation. IT governance establishes controls to monitor what IT is doing and that it is aligned with business objectives and requirements. Without an effective ITSM approach, however, the processes necessary to meet the control requirements will be missing. To maintain an effective governance and compliance strategy, it is not enough to simply monitor and identify quality failures. There must also be the means to resolve them and create lasting improvements to the underlying processes. That means is ITSM.

As mid-market IT organizations seek ways to improve service levels, reduce employee turnover and improve IT performance, IT Service Management is the clear solution. The advantage of utilizing the collective wisdom of thousands of organizations that have contributed their best practices to the ITIL (and related) framework is unmistakable. In addition, the unique competitive landscape, a wave of new ITIL-compliant ITSM automation tools and the wide adoption of IT governance principles make the benefits of adopting ITSM now significant for mid-market organizations from all industries.

A decorative graphic consisting of a fan-shaped arrangement of squares of varying sizes and shades of gray, radiating from the bottom right corner of the page.

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About CastlePointe Management Consultants

CastlePointe provides IT Service Management tools and services to help mid-market IT organizations become highly effective and efficient. Formed in 1997, CastlePointe has served clients in a variety of industries. Our client teams are comprised of business analysts, strategic technologists, technical writers and project managers who are technically savvy and results oriented.

CastlePointe offers a range of ITSM-enabling professional services, training and automation tools to help our clients adopt and adapt ITSM principles. Our P³ Assessment and Development Services include the assessment of your current management and operating practices and the improvement and development of services in four key areas: Response Management, Change Management, Service Level Management and Service Continuity Management. Our training solutions cover a wide range of practice-driven ITSM training as well as ITIL[®] certification training. Our automation tools, including iGrafx Process and FrontRange ITSM, enable our clients to automate and enforce ITSM principles.

For More Information

If you would like more information about ITSM, our automation tools or services, please call us toll free at **1-877-751-2700** or **visit us online at www.castlepointe.com**

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