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ITIL Benefits

Where's the Beef?

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Introduction

Many organizations that have invested significant resources into ITIL-based process improvement struggle to quantify the benefits of the changes they've implemented. While their assessments indicate that they have indeed raised their level of process maturity, quantitative measures of the impact of that maturity in terms of cost savings or value to the business remain elusive.

Compass analyses suggest that ITIL initiatives often fail to meet expectations largely because of the way they are designed and implemented, and how their impact is measured. An effective approach to ITIL is characterized by a manageable yet scalable implementation, a focus on people and skills issues, and ongoing measurement that takes a comprehensive view of the enterprise-wide impact of process maturity.

This article examines common problems as well as leading practices and success factors related to implementing ITIL initiatives and gauging the benefits of process maturity.

Fall Small or Bust Big

ITIL process maturity initiatives are often confined to individual business units or infrastructure towers. The idea is to conduct a "pilot study" that can then be more broadly rolled out. In practice, however, such initiatives often lack a well-defined long-term plan for extending process improvement, as well as specific goals or milestones to track. Equally important, many pilot initiatives don't contain an effective mechanism to assess and communicate the impact and benefits of process changes.

These strictly localized efforts are generally doomed. By definition, ITIL requires an integrated, enterprise-wide approach – the point is to understand how problems in one specific area permeate throughout an organization, and to then use that analysis to take corrective action. If a narrow pilot study can't address those big picture questions, or clearly communicate achievements, skeptical business units question the value of the overall framework.

At the other extreme, organizations bite off more than they can chew. Amidst much fanfare that sets a high bar of expectation and projects significant results, these initiatives endeavor to roll out *all* ITIL processes concurrently across the entire enterprise. When reality sets in and the complexity of implementing changes and gauging cause/effect impacts across a global organization become apparent, the initiative quickly loses momentum. This all-at-once approach not only fails to deliver benefits, it can actually result in a regression and decline in overall process maturity. And again, the viability of the ITIL framework is called into question.

Act Local, Think Global

An effective ITIL implementation creates a seamless organization unrestricted by pockets of non-standard activity. As such, an ITIL initiative typically requires addressing four types of organizational "silos:"

- *Geographic* silos – still a reality for most IT organizations – hinder process consistency.
- Group-based silos, comprised of multiple development and/or support teams, provide redundant services that lead to higher costs, conflicts, and project delays.
- *Technology* silos add complexity and inhibit change, as applications running on multiple distributed platforms require managing dependencies between the platforms and synchronizing work on each platform.
- *Functional* silos, put in place to address complexities related to project management, architecture, database administration, testing, and other areas, can impede coordination and communication.

Top-performing businesses address the silo challenge by applying focus and detail on the one hand, coupled with a holistic perspective and a long-term plan for extending ITIL across the enterprise. Specifically, an effective approach is characterized by a phased, process-by-process implementation that begins with one ITIL process – Change Management, say – and extends from the IT organization across the business. It's imperative to include applications in the implementation, as AD/M change activity has a significant impact on the overall IT environment.

Once the initial process is rolled out, integrated, and assessed, a second ITIL process (Incident Management, perhaps) can be similarly rolled out, followed by a third (Release Management) and so forth. Through this approach, repeatable best-practice processes and a supporting knowledge base can be established to facilitate communication between group members and across groups.

For each phase, training for IT staff and business users should be included to build understanding and set expectations, as should clear milestones to be achieved and communicated.

From this perspective, a pilot-based approach can be effective, if implemented within the context of a long-term process improvement plan that includes ongoing measurement and communication of benefits. This makes it possible to combine a phased or step-by-step implementation, while at the same time gauging the enterprise-wide impact of the changes.

The Hero Issue

Many businesses rely on their IT “heroes” – talented and skilled IT staff who resolve difficult issues and provide direct, *ad hoc* support to users. As valuable as these heroes are, they can be anathema to ITIL's process-oriented culture. For one thing, heroes tend to have their own ideas regarding best practice – that may or may not align with ITIL standards. Users, moreover, quickly learn to ignore process and procedure and go directly to their local hero, knowing their problem will be resolved.

A successful ITIL initiative must therefore minimize direct contact between end users and the second-level support teams where the heroes generally reside. This enables the business to retrain end users to use the ITIL process for reporting, tracking, and managing incidents. The hero, meanwhile, plays a central role by re-directing end users back to the Service Desk for initial troubleshooting.

Implementing this process change presents an obvious challenge: on the one hand, by reducing the hero's individual visibility and prestige, ITIL-required change is likely to make him or her feel marginalized (or worse, threatened); on the other, securing the hero's support and buy-in to champion the initiative is essential.

Giving the hero a stake in the success of the initiative is imperative to addressing this challenge. One approach is to offer clear performance incentives for process adherence that leads to a measurable improvement in criteria such as incident resolution time. Incentives can also foster collective effort: Operational Level Agreements (OLAs), for example, can encourage heroes to rely on other teams and recognize that they as individuals do not always have to be solely responsible for problem-solving.

Ongoing communication builds awareness of the benefits and impacts of ITIL-based changes, thereby building support. Clearly defined roles and responsibilities clarify ambiguities about who does what and when. By linking the communications effort to executive support and enlisting senior management to tout achievements and results, the initiative gains credibility and attention.

Measuring Early and Often

Process maturity assessments can take two perspectives. One is to chart the progress made in meeting the criteria of a particular level of maturity. The second is to measure the operational impact of the enhanced process maturity in terms of cost savings, increased productivity, or improved quality.

The second perspective – gauging the payback of the initiative – is where organizations tend to stumble. One challenge is isolating cause and effect linkages. The impact of improvements in Release Management, for example, can be difficult to quantify, because improvements in that area can have a far-reaching trickle-down effect. Moreover, to gain a full view of the impact of an ITIL-based initiative, the linkages and interrelationships between different processes must be assessed. For example, poor performance in Release Management and Change Management will generate a higher volume of incidents. A lack of root cause analysis capability in Problem Management, meanwhile, will have a long-term impact on Release Management performance.

One recent positive development is that Version 3 of ITIL includes enhancements in terms of recommended quality measures before, during, and after implementation that were lacking in previous versions. For example, the types of measures recommended for Change Management include:

- Number of incidents caused by unsuccessful changes
- Number of incomplete impact assessments
- Reduction in cycle time during each stage of change process
- Number of normal changes and emergency changes

A detailed benchmark analysis of the operational environment can decompose and identify the specific downstream changes that result from specific process enhancements. Ideally, efficiency, productivity, and service availability are baselined *before* the ITIL initiative begins. This baseline can then be used to more accurately quantify improvements resulting from process changes. The baseline may also identify gaps in the current state environment that need to be addressed.

With this measurement framework in place, the impact of ITIL-based changes can be more accurately gauged. For example, the implementation of ITIL Incident and Problem Management disciplines should reduce the volume of repeat incidents.

Analyzing the volume and nature of recurring incidents – before and after the initiative – enables a measure of the improvement’s impact.

Moreover, analyses that compare a particular environment against a reference base of leading practice can identify where higher levels of maturity correlate to improved performance. Such an assessment can help define process maturity investment priorities, based on where the highest return is most likely.

Long-Term View

That said, it’s important to note that ITIL process maturity isn’t designed to produce significant quantifiable cost savings. No data exists to show a clear correlation between ITIL compliance and cost savings, and there’s no “ITIL Maturity Equals x% Savings” formula. The ITIL framework is designed to improve quality and efficiency by enhancing an organization’s ability to manage activity within the IT function, as well as the IT function’s interface with the business.

As such, while total costs might not change, or while savings might not be measurable in concrete dollar terms, ITIL process improvement can allow IT to spend less time fighting fires and more time providing value to the business by developing new applications and deploying new technologies. Moreover, enhancing the productivity of users by reducing downtime is certainly a valuable benefit, but, again, difficult to put a number to.

In this context, a longer, big picture view of ITIL is most effective – one that recognizes that, ultimately, implementing rigor and discipline will deliver benefits to the business.

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