



# The IT Manager's Guide to ITIL v3

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## The IT Manager's Guide to ITIL v3



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This content was adapted from Internet.com's bITa Planet, CIO Update, and ITSM Watch Web sites. Contributors: Jennifer Zaino, Mike Tainter, Martin Likier, Drew Robb, Augusto Perazzo, Glen Willis, and Troy DuMoulin



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# ITIL Version 3 is All Business

By Drew Robb

// Shrek III" was better. So were "Rocky III" and "Mission Impossible III." But while ITIL III is no blockbuster, it is getting decent ratings from the IT community overall. In particular, it is earning kudos for attempting to bridge the chasm between IT and the various business units within organizations.

IT Infrastructure Library (ITIL) made its debut in 1989 and since then has become the de facto standard for IT service management best practices. Since the release of v2 at the start of the millennium, there have been new business regulations and mandates, technology advancements, and general shifts in how IT is valued.

In light of this, the UK's Office of Government and Commerce (OGC) has been working with industry leaders to update ITIL for the third time in two decades even as many organizations are in varying stages of ITIL adoption. With the release of ITIL v3 come many questions from IT managers and CIOs. Most common among them: "What's the difference between v2 and v3?" and "Should I wait to start my ITIL project?" and, "What

does this have to do with the data center?"

"For those worried about a brand new ITIL, instead of thinking of it as a big bang, think more of it being another step on a evolutionary pathway designed to help you better deliver what you are already trying to

do," said Martin Atherton, principal analyst at consulting firm Freeform Dynamics in the UK. "Practitioners will be pleased to know that all their ITIL efforts thus far will not be any less relevant or become redundant with the new version of ITIL."

## ITIL Adoption Climbs

The commercial world is embracing ITIL in a big way. According to Forrester Research, over 40 percent of billion dollar corporations have already adopted ITIL. That figure will rise to 80 percent by the end of 2008.

Why are adoption rates so high? As well as greater efficiency

Gartner states that an organization can achieve up to a 48 percent reduction in total cost of ownership (TCO) by fully implementing ITIL. It's no wonder that the first



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IT Infrastructure Library (ITIL) made its debut in 1989 and since then has become the de facto standard for IT service management best practices.

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ever international standard (ISO 20000) covering how organizations are to manage IT services is built around ITIL.

Most organizations currently involved in ITIL are working on ITIL v2, which introduces more formal processes. The goal was to promote better business-IT working relationships, eliminate redundant processes, improve levels of services, and reduce operating costs.

"ITIL v2 was clearly a big success and the number of organizations implementing it is testament to that fact," said Ron Potter, manager of best practices at TeamQuest Corp. "The most common benefits reported by users are better service improvement and reduced costs."

But ITIL v2 was far from the finished article. Thus several years of review and consultation have gone into further ITIL refinements. In 2007, the third version of ITIL was released.

### v2 vs. v3

So what's new? The core of ITIL will stay much the same. The Service Management Knowledge System addresses the incorporation of certain knowledge management principles into ITIL. The labels, though, have changed slightly. ITIL v3's core practices are now: Service Strategy; Service Design; Service Transition; Service Operation; and Continuous Service Improvement.

"Probably the best way to describe the difference is to look upon ITIL v2 as being process-oriented whereas v3 is much more service-oriented," said Potter. "In other words, v2 is more about linear process flow from business to infrastructure where v3 is a hub-and-spoke structure that adds flexibility and addresses the unique challenges of the Web."

The new version is also more customizable so may be able to better meet the individual organization's needs. Although most of the v2 processes continue to exist, this ITIL refresh is designed to be less complicated to comprehend. This should make it much easier to sell ITIL-based programs to senior management.

v3 also adds flexibility by providing structure to incorporate complimentary best-practices such as Six Sigma.

It has separate component to address unique challenges of the Web, though Service Delivery and Service Support remain central elements in v3 as they were in v2.

Another benefit of the latest ITIL iteration is it makes team effort between IT and business crucial to success. The previous version left too many opportunities for IT to go it alone so ultimately the business never really understood the value of IT.

"v3 closes the gaps," said Potter. "That, however, may prove to be a two-edged sword as the companies that can't or don't care to involve the business will not do v3 for very reason that business must be involved."

### What To Do?

So what should users do that are in the midst of an ITIL v2 project? Potter suggests it is probably best to stay the course with in-flight ITIL implementations as they already have senior management buy-in. Once ITIL is in place, the project team should have an after-action taskforce review the differences between the two versions, see if there's anything that brings additional value to the organization and only then commission work to tweak the processes.

On the other hand, some organizations are struggling to commence ITIL because they failed to achieve a common point of understanding among their various stakeholders. In a case like this, Potter said it might be best to switch to v3 as it will probably facilitate better understanding. ITIL v3's changed viewpoint does a good job of communicating the business value of ITIL.

Using the service perspective of v3 will permit senior managers to better understand the advantages IT brings to the organization, both from a service quality and a cost perspective. Since it is more customizable, ITIL will meet the organizations needs more closely than the older method, which made use of generic process views. As a result, the odds of success improve because the solution is designed just for that organization and described in terms that both senior IT and business management will understand.

### Products Proliferate

Vendors, of course, are quick to come out with products that facilitate the move towards ITIL and incorpo-

rate the v3 changes. TeamQuest Performance Software v10.1, for example, includes the concept of IT Resources, which aligns closely with ITIL methodology. Additionally, TeamQuest IT Service Analyzer permits quicker identification of performance-related issues. Capacity managers can drill down to isolate affected services and users, and determine the exact reason for bottlenecks before they snowball into major problems. This facilitates the accomplishment of many of the capacity management goals of ITIL v3.

CA for example, has just released Unicenter Server Catalog that enables IT services to be defined, delivered, and consumed in business terms. It provides a centralized source of information for all services. By keeping IT informed about who is requesting and consuming resources as well as the frequency with which they're doing so, it also aids in demands in demand planning and allocation.

"Organizations need to ensure their IT spend is direct-

ed where it will do the most good and deliver the best returns," said David Hurwitz, vice president of product marketing at CA. "Unicenter Service Catalog enables the business and IT staff to work cooperatively and implement best practices that optimize IT spending."

But ITIL isn't the answer to everything. While v3 encourages business and IT to coordinate, it takes real live communication between CIOs and line of business heads to relate ITIL to their own environment. And from there, they need to align it closely to ongoing programs and strategies.

"ITIL is high-level and focuses on what should be done, but doesn't describe at a detailed level how to do it," said Gartner research director Ed Holub. "It is important that IT and business executives work together to understand what specific business problems they are trying to resolve, and how ITIL can be an enabler to solving them." ■

# Bridging the Gap Between IT and Business

By Augusto Perazzo and Glen Willis

Historically, ITIL has been predominantly applied within the operational support (downstream) areas of IT. The focus has been on maintaining existing services at a satisfactory level of quality and on increasing operational efficiencies – in general, to do more with less.

While the vast majority of all IT spending is focused on "keeping the lights on," IT organizations with an operational focus are struggling to introduce new services in order to keep up with changing business needs. Furthermore, new products and services have been traditionally delegated to project based IT functions such as application development groups, which their own processes and methodologies with very little consideration for operational realities.

So, how do organizations that have established ITIL programs with an operational focus facilitate the creation of new services and ensure greater integration among project based IT functions, IT operations, and the ever changing business demands?

They must shift the focus from the pure operational management of deployed services to a more strategic view of the entire service lifecycle. ITIL v3 comes to the rescue by incorporating a more strategic, innovation-focused and integrated view of service management, better aligning the IT service portfolio to the business strategy and providing project teams with an honest and realistic view into the operational realities of an organization's enterprise.



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## From Business as Usual to Innovation

Most experts believe that approximately 60 to 80 percent of the IT budget is allocated towards operations, i.e., spent on managing day-to-day activities.

Nonetheless, according to industry surveys the majority of CIOs would prefer to spend much more of their IT budget on innovation.

Trends such as sourcing and IT commoditization are the results of companies trying to divert a greater portion of the IT spend from the operational areas to the areas driving innovation and next generation IT solutions.

While the vast majority of all IT spending is focused on "keeping the lights on," IT organizations with an operational focus are struggling to introduce new services in order to keep up with changing business needs.

CIOs would much rather be recognized as a business strategist than as an operational guru. However, the reality is far from such ambitions.

One of the main implicit assumptions in ITIL version v2 is that the services to be managed were already in place. The question was how to best provide such services to the business. This led most ITIL implementations down the cost reduction path. IT executives saw ITIL as a set of best practices to manage existing services in the most effective and efficient manner.

This is the operational guru view.

There are many success stories on how ITIL guidance has helped organizations reduce spending on IT operations and become more effective. Nonetheless, businesses are increasingly demanding for IT to be an enabler of innovation and to focus on more strategic concerns such as creating competitive advantage through the development of new products and services.

Cost reductions, while still imperative, should not be the primary focus of a well-aligned IT organization. Organizations must understand once and for all that there should be no separation between business strategy and IT strategy. In times where the technology infrastructure touches, supports, and enables all areas of business, IT is the business and the business is IT. CIOs must become business strategists.

v3 builds up on the operational excellence concepts of v2 and extends service management towards a more holistic approach. With the lifecycle mindset embedded in v3, IT organizations are better equipped to understand the business needs, to have a closer dialogue regarding business strategy and to best support it through the creation, design, and implementation of relevant IT services that are in sync with business requirements.

The Service Strategy phase in the v3 lifecycle provides such guidance. It encourages IT organizations to understand why a service is needed from a business perspective and how to best align to and pursue IT capabilities that are in par with business needs. It places IT as a core strategic asset, participating and often leading the business towards the innovation path.

A key concept at the Service Strategy phase is the definition of Market Spaces. It recognizes that a service or product must be developed according to a specific need and thus must keep the target customer(s), be it internal or external, in mind at all times. There is no justification for providing a service that is of no or little relevance to its consumers, no matter how efficient you can deliver the service.

This represents a paradigm shift within IT service management. In the past, ITIL has never explicitly questioned the relevance of a given service but was mostly focused on supporting it in the most cost-effective manner. Imagine for instance that you are hired to manage a Barber and Beauty shop. From an ITIL perspective there are two ways you can approach this. In the v2 way, you would roll up your sleeves, inherit a bunch of existing services and look at how you can deliver these services in the most efficient way.

However, following the v3 philosophy, you would first catalogue all existing services, understand your customer, and make sure that the services you provide are in line with their needs. That insight would lead you to modify some of the existing services, retire services that are no longer relevant and introduce new services accordingly. Furthermore, ITIL v3 would encourage you to continue to monitor the relevance of your services amidst shifts in consumer tastes.

Which way would you rather approach this if it were your business?

### Aligning the IT Service Portfolio to the Business Strategy

Business strategy concerns which opportunities, market segments, products, and services the organization will focus upon and how it will gain advantage over competitors in meeting customer needs. Once those are defined then it is time to rally the troops to execute the strategy. However, before execution can begin organizations must decide on the best organizational structure, business processes, systems, and services to support it. IT strategy—including which IT services and IT applications are needed—becomes just another component of the greater business strategy.

The Service Design phase in ITIL v3 provides guidance

on how to build a portfolio of services that are aligned with the business strategy. Whereas the Service Strategy phase is concerned with understanding the why and elaborating on what is needed, Service Design is concerned with how to make it happen.

Furthermore, Service Design assesses the feasibility of developing such services and that IT possesses the right capacity to meet growing business demands. But above all, Service Design goes beyond the infrastructure requirements and takes a holistic view of how processes, people, and platforms, managed internally or by an outside vendor, comes together to best support the overall business strategy.

Organizations should take advantage of the guidance provided in Service Design to ensure that all IT services are created with the ultimate end goal in mind: to enable business strategy and innovation at the most cost effective manner.

New and existing services must pass the following test: the service is relevant under the overall business strategy and it can be provided in the most cost-effective manner. If a service is relevant but its cost is prohibitive, e.g., it is not in line with business benefits, the service should be redesigned and optimized.

### Bridging the Gap Between Development and Operations

Unfortunately, IT organizations are mainly divided into two groups: engineering/application development and operations/maintenance groups. In this arcane IT world, the app-dev guys are expected to "understand" the business needs, create new and slick applications to support it and toss it over to the operations guys. The latter group then becomes responsible for making sure, sometimes in a miraculous way, that the new app is up and running 24/7 and are charged with day-to-day user support.

Many conflicts have emerged in such a disconnected world. Apps are developed with too little consideration of operational requirements and are built over platforms that are hard to integrate into the live infrastructure. Furthermore, operations staff is poorly trained on how to support user needs and the original creators of the application are often too busy with the next big

thing to provide any timely guidance and relief to the ops team. At the end, one group blames the other for production issues but forgets the real losers: the people you are building the app for in the first place.

One of the reasons that IT groups were artificially isolated from each other can be linked to incompatible cultural perspectives. App-dev groups are used to thinking in terms of software development lifecycles (SDLC). No matter which SDLC has been used, be it waterfall models or more iterative processes such as RUP and Agile, they all incorporate the concept of phases, going from understanding business and users requirements, designing and building an app to fulfill those needs, to transitioning it to the live environment.

By nature of the process such activities occur with a degree of isolation from day-to-day business concerns and mostly under operation's radar. This kind of protective mode hinders app groups from having insights into operational issues and vice versa.

In contrast, operations are concerned with the day-to-day activities required to maintain the IT infrastructure; making sure people have all the tools they need to perform their business duties and that eventual glitches are resolved on a timely manner. They live these duties and usually are not concerned with development work. Through the eyes of operations this "type" of work resides on a different environment, protected by a time-bounded concept called a "project." Operations has no defined duration and does not come to an end, it lives in perpetuity.

Although concepts in ITIL v2 have attempted to mitigate these issues, previous efforts were concentrated on the moment the baton passed from one group to the other. "You do your thing, we'll do ours." This limited, shortsighted overlapping between the two groups has proved to be a fiasco time after time.

ITIL v3 provides a greater opportunity to address this unproductive behavior. By incorporating the mindset of a service lifecycle, v3 brings service management and operations much closer to the way app dev groups have been working for years.

First, ITIL v3 provides guidance on how operational concerns such as availability, capacity, and incident



management can be taken into consideration when new services are being designed. The Service Design phase seeks to ensure that new services are discussed and designed with business requirements in mind and operational realities on hand. New services will require technology and new, integrated software applications to realize its full potential. Therefore operations staff should be involved early on in the development process to advocate for operational needs and to understand any new demands placed on the live environment.

Second, through the Service Transition phase, v3 recognizes that a much more structured approach is needed in order to transition a service, its related applications and subsequent modifications from the development group into the live environment. This phase brings the two groups even closer together to ensure a smoother transition.

Third, by promoting a service lifecycle as opposed to a software development lifecycle, ITIL v3 can provide insights to the app-dev group about service management. App-dev groups must create applications inside the greater context of a service. They must ask themselves which IT service(s) will this application support and/or enable:

- How efficient and effective will this application be in enabling day-to-day business processes once it goes live?

- How can it be changed in the less disruptive way in order to adapt it to new business needs without introducing unwanted risks?
- How to best support users without key technical resources being stripped away from critical new developments?

Those are all questions that ITIL v3 with the support of the operations group can help elucidate.

### Summary

In conclusion, ITIL v3 provides a mindset shift. It encourages service management organizations to step outside the operations realm and to work closer with the business in order to provide relevant services that are aligned to the business strategy in the most effective and efficient way. It goes further and provides a framework and an opportunity to unify and integrate IT groups to work together.

Under the ITIL v3 umbrella, the two groups will better understand that new business strategies require new services realized by new applications that will eventually transition to the live environment and be supported by operations. They must then stop the blaming each other and work together towards serving and delighting the business.

After all, isn't this the Holy Grail of service management? ■

## Q&A with Robert Stroud, Member of the ITIL Advisory Group

By Jennifer Zaino

One of the features of ITIL emphasized in v3 is its focus on business-technology alignment through continual service improvement. We spoke with Robert Stroud, a member of the ITIL Advisory Group (IAG) for the ITIL v3 update project, about how ITIL v3 may change how organizations move forward with ITIL implementations.

Stroud also is an ITIL reviewer, mentor, and board member of the IT Service Management Forum (itSMF), as well as director of brand strategy for CA's Business Service Optimization business unit. CA's Business Service Optimization software includes asset, configuration, enterprise change, service, project and portfolio, business process, and mainframe resource management software.

**Q: Can you explain ITIL's lifecycle approach to implementation, continual improvement, and business-technology alignment?**

Stroud: The industry used to do technology for technol-

ogy's sake. Now technology is being leveraged for business advantage. There's this notion around IT and business alignment. We know that it's not enough to buy new technology — we need to see value out of it. The same is true in v3 — looking there at the "plan, do, check, act" lifecycle to link processes together, to

get from the beginning to the end process, and one of the outputs of that is to get value all the way through.

In terms of the new guidance, one of the things is, if you look at ITIL v2, the 10 books cover most of the areas we look at in v3. But we've come up with a logical flow of doing things. So at the core, we've started with service management

strategies, and these are clearly designed to align IT and the business. And understand the business metrics to measure to and imperatives to run to — a key point sometimes missed in terms of implementation of lots of things, not just ITIL.

From there, we give the process of guidance to design,



“ One of the features of ITIL emphasized in v3 is its focus on business-technology alignment through continual service improvement. ”

implement, and operate services, and then surrounding it all is continual service improvement. Some elements we've placed to assist are organizational charts, key measurement metrics, linked back to base elements like the cost to deliver IT services, so you can have those considerations upfront, and elements like management of knowledge through the lifecycle. Sadly missing in v2 is, how do I manage the knowledge — we've defined processes to develop, verify, implement, and refine that knowledge.

**Q: What is your perception of the state of ITIL implementations today, and how will ITIL v3 change these?**

We see a lot of single-process implementations. Someone might do incident and problem management, and get those to a mature level. [Incident/Problem Management is the resolution and prevention of incidents that affect the normal running of an organization's IT services.] Then they start the change management process, and so on. These are kind of in silos.

One of the benefits of IT and business alignment [which ITIL v3 focuses on] is that feedback loop. For instance, there's an incident that impacts a major production system, you quickly rally the troops to resolve that by checking first the knowledge store of previous incidents, and then from there you see a pattern emerge, and schedule a change. It shows the interaction between processes. It's thinking through the business service you are delivering. Customers are very good at base processes. Now they want to see the real business interconnectivity.

**Q: Can you give a real-world example of how this might play out?**

Yes. For example, say you're in retail banking, you would have a base of service levels to measure to — a service should be available these certain hours, have this transaction throughput, and in the event of an incident the business continuity plan says the system should be back up in five minutes. Then look at which ITIL processes you need to support that [incident management, change management, measure service levels to provide reports to users]. You can implement this quite quickly in terms of ITIL processes.

In that example you can do the basic things first, and as you become a little more mature, look at linking more elements or becoming more sophisticated with the service levels. Over time, because you are starting to document processes, you will see room for efficiency improvements as well. Part of the iterative development is to plan, do, check, and act. Set the process in place, achieve certain levels, and move on from there.

**Q: Managing your ITIL implementation this way isn't exclusive to v3, though — couldn't businesses undertaking ITIL initiatives now be thinking about operating this way, without waiting for the publication of the new texts?**

Absolutely you could do it this way with v2. ITIL is common sense. A lot of the best practices were in people's minds. But in v3 we've taken the field experience and modified the guidance to reflect what is really happening in the real world.

A lot of organizations have already made the move to this more cross-process type thought pattern, whether they have started implementing or not. ITIL is now supported well by a large vendor community. The guidance we've been giving out has been cross-process guidance for some time now. So, if you are doing v2 today you are well-positioned to move forward, and one of the aspects of that is that in v3, we support all the v2 processes that are in the field to help ITIL practitioners move forward.

There's always some insecurity when the world changes. But the reality is you can implement ITIL v3 as your organizational appetite allows. If you're already on that direction by looking across processes, this can only help accelerate your journey.

**Q: Any noticeable changes in how people are approaching ITIL?**

A year ago, people were starting with incident and problem management as the first processes on top of service desk. One change is that people are looking to do change management first. Very much in the last year, ITIL clients who are fairly mature see value in measuring, monitoring and managing change, as it does have a correlation to the performance of their environment and business alignment. The industry understands the delivery of service is paramount, and

managing change, both controlled and uncontrolled, is a key point in helping to control the environment.

**Q: What sorts of tie-ins will we see between ITIL v3 and other governance or security standards?**

We've identified that you must allow for governance, security, and quality management standards. Once guidance is developed, we will develop a series of complementary publications and mappings. [For example, ISO 2700, ISO 20000, and the new software asset management standard IA19770-1 will be key.] So mappings to those types of things will follow the guidance to say where there's a standard you might want to use, here it is. Go grab it here's the mapping.

**Q: How is CA preparing for ITIL v3 in its products?**

The reality we've seen is that we've already been supporting a lifecycle model and "plan, do, check, act" for

some time in terms of integration and delivery of our products. Over time, we will see some modifications to the products to reinforce the processes in v3 but we are already clearly continuing with our objective of helping customers accelerate their ITIL journeys with the automation of technology and processes.

For example, for some time we've talked about change management at the enterprise level. Right now, many ITIL change implementations may start when the change is documented in the change system and handed to operations. We look at the lifecycle approach, from the request to approval through to integration with the coding aspects, understanding the operational impacts, and then passing that code for testing change into production, etc. We certainly have supported that with our integrated products for some time, and that will play nicely into the ITIL v3 approach. ■



# The Evolution of Service Management Philosophy

By Troy DuMoulin

It has often been said that the only constant is change. In the dynamic world we live in, this is true of all organic things and ITIL is no different. From its humble beginnings as an internal U.K. government initiative, to its growth and adoption as a global best practice and standard for Service Management, ITIL has taken many steps along the road of progress and maturity.

First published in the late 1980s, ITIL started as a project to document best practices in IT, but it has since become known worldwide as the most credible framework for IT Service Management and is now an international standard (ISO 20000).

The last version (v2) was published in 2000. Commencing in 2004, the ITIL v3 project involved extensive consultations with thousands of global ITSM practitioners from the public and private sector, vendors, qualification bodies, exam institutes, and education providers.

Among the key changes we see in ITIL v3 is a shift towards a service-driven lifecycle approach and more prescriptive guidance than v2. Whereas v2 outlined

what should be done in terms of process improvement, v3 explains how it should be done. Demonstrating ROI to the business is another new feature that was one of the most common requests from the industry consultations.



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It is our view that ITIL v3 is definitely taking a major step in the right direction. Comparing v2 to v3, we can identify and interpret some additional key evolutions in ITSM philosophy:

## Business/IT Alignment (v2) vs. Business/IT Integration (v3)

For many years, we have been discussing the topic of how to align business and IT objectives. We have done this from the assumption that while they (business and IT) shared the same corporate brand, they were somehow two separate and very distinct functions.

However, when does the line between the business process and its supporting technology begin to fade to

Among the key changes we see in ITIL v3 is a shift towards a service-driven lifecycle approach and more prescriptive guidance than v2.

a point where there is no longer a true ability to separate or revert back to manual options?

If you consider banking as an example, the financial management business processes and their supporting technologies are now so inter-dependent that they are inseparable. It is due to this growing realization that the term alignment is being replaced with the concept of integration.

### Value Chain Management (v2) vs. Value Service Network Integration (v3)

When reading ITIL v2, you get the perception that the business and IT relationship is primarily about a business customer being supported by a single internal IT service provider (Value Chain Management). Little acknowledgement or guidance is provided about the reality of life never being quite that simple.

Today's business and IT relationship for service provision is much more complicated and complex than the concept of a single provider meeting all business needs. We need to consider that yes, there are internal IT functions, but some are found within a business unit structure where others are providing a shared service model to multiple business units.

Add to this the option of using different external outsourcing options or leveraging software as a service (SaaS) model and what you end up with is what ITIL v3 refers to as an Integrated Value Service Network.

### Linear Service Catalogs (v2) vs. Dynamic Service Portfolios (v3)

While ITIL has always been referred to as an IT Service Management Framework, the primary focus up until now has been on the 10 Service Support and Delivery processes. In previous versions of ITIL, the concept of a "service" has almost been an afterthought or at least something you would get to later.

Consider that in ITIL v2 the process of Service Level Management has, as one of its many deliverables, a Service Catalog which can be summarized from the theory as a brochure of IT Services where IT publishes the services it provides with their default characteristics and attributes or Linear Service Catalog.

## The Buzz About ITIL v3

**By Jennifer Zaino**

We asked a few leading thinkers in the vendor and consultant community to share some of their thoughts about the enhancements and improvements to the best practice framework.

**George Spalding, vice president, and Gary Case, executive consultant, Pink Elephant, authors of the Continual Service Improvement ITIL book.**

One of the biggest changes in v3 is the Service Lifecycle Approach: The five core books are Service Strategy, Service Design, Service Transition, Service Operation and Continual Service Improvement. Service Strategy was not covered a lot in v2, so much of this material is really new, and the goal is to provide organizations with the ability to design, develop and implement Service Management as a strategic asset and to think and act in a strategic manner. Continual Service Improvement as a Practice is also fairly new material.

Another major change is the move from discussing Business and IT Alignment to Business and IT Integration. Also, v2 talks about a Service Catalog, while v3 talks about a Service Portfolio and Service Catalog.

Within Service Design, Service Transition and Service Operation, the processes that were in V2 have been updated and modified based on good practice. There have also been new processes added, such as Knowledge Management, Event Management, and Supplier Management. Service Request Management has also been removed from the Incident Management process and is now its own process. Finally, v3 provides more prescriptive guidance than v2. Whereas v2 told you what you should do, v3 goes a bit further and tells you how you should do it.

**Robert Stroud, CA ITSM & ITG Evangelist**

ITIL Version 3 has been developed to meet the growing needs for the integration between business and IT to ensure the transparent delivery of business services representing the current and future state of ITSM delivery.

The new books consist of a core or central theme that follows the Deming (Plan-Do-Check-Act) lifecycle with an integrated approach from planning to

In contrast to this, a Dynamic Service Portfolio can be interpreted as the product of a strategic process where service strategy and design conceive of and create services that are built and transitioned into the production environment based on business value. From this point, an actionable service catalog represents the published services and is the starting point or basis for service operations and ongoing business engagement.

The services documented in this catalog are bundled together into fit-for-purpose offerings, which are then subscribed to as a collection and consumed by business units.

### Collection Of Integrated Processes (v2) vs. Service Management Lifecycle (v3)

Based on publicly available information, we know the ITIL v3 core books are structured around a Service Lifecycle. This new structure organizes the processes we understand from ITIL v2 with additional content and processes we are waiting to hear more about within the context of the life span of IT Services.

From this observation, we can see the primary focus is shifting from process to IT Service. While processes are important, they are secondary and only exist to plan for, deliver and support services. This moves the importance and profile of the Service Catalog from being an accessory of the Service Level Management process to being the corner stone of ITSM.

As organizations evolve from a technology focus to a service orientation focus, these core changes to ITIL provide the context and ability to support this emerging reality. ■

execution, monitoring and provisioning, which form the basis for IT service improvement. ITIL V3 introduces more detailed guidance, which thereby enables faster and more cost-effective implementations.

ITIL v3 now follows the lifecycle approach and has moved from a focus on individual ITIL processes to the services that IT delivers. This, coupled with the more detailed guidance, will allow CIOs to more actively communicate the value of IT to the business, while enabling IT staff to focus on the elements that drive value to the business.

ITIL v3 provides the CIO with the ability to measure the value of the ITIL process implementation and the business services delivered, which will enable him to focus on business value rather than IT process.

#### **Ken Turbitt, BMC Software global best practices director**

In various meetings at BMC UserWorld EMEA in Prague, where we had the privilege of having Sharon Taylor (Chief Architect of ITIL v3 and Chief Examiner of ITIL v3) together with Michael Nieves (Accenture and co-author of the Service Strategies book), it became apparent that ITIL v3 is not a revolution, just an evolution. In fact, it is simply catching up with that is actually happening today in the market. Yes, it has brought in some new thinking and processes, but these are in place in many organizations today.

The lifecycle approach is a new way of looking at IT, getting away from the silo approach of functions, and taking an holistic approach to services: From Strategy, and how this integrates with the business strategy, goals, and objectives, through into the Design of the service based on that strategy, to Transitioning that design while managing or minimizing the disruption, and on into Operations of that new service until the end, with continual improvement at each phase.

Someone recently asked me, would it be difficult to move from v2 to v3? My response was, tell me when people have v2 implemented and I will tell you how difficult to move. Very few have all seven core v2 books implemented, and even fewer the remaining 30 books in the library. So why would they all suddenly implement all of v3? They need to read, understand, and decide what needs changing from how they deliver services today. Maybe it's more a through process change than anything else. ■

# Key Differences Between ITIL v2 and v3

By Mike Tainter and Martin Likier

By now you have read numerous articles explaining that ITIL v3 is really just an extension of the previous library and that the underlying principles and processes have not really changed, but rather have been refined in places.

The same articles may have also stated that a primary rationale behind the refresh was that ITIL v2 was heavily process-focused. In contrast, ITIL v3 is centered on a service lifecycle approach to help IT departments focus on providing business value. However if you are like us, you may have finished reading those articles and still asked yourself, "What are the key differences between ITIL v2 and V3?" And, even more important, "How does the new version affect my ITIL implementation? Do I need to switch over to V3? How quickly?"

The simple answer is: Keep doing what you're doing. If your organization is in the middle of an ITIL v2 implementation, you do not need to change horses midstream. The expanded elements of ITIL v3 are, in many cases, best-practice activities your organization is already following even though they were not explicitly

described in ITIL v2. However, if you have not yet started your ITIL journey, there is no reason not to start with the latest version. Finally, organizations that have already completed their ITIL v2 implementation, will find it useful to take advantage of the new version as they proceed with ongoing improvements to their IT service management approach.



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That being said, for those interested in better understanding the differences between ITIL v2 and ITIL v3, we've provided a detailed comparison.

## Topics Realignment

The most obvious change is the format of the library itself. The ITIL v2 library was presented in seven core books: Service Support, Service

Delivery, ICT Infrastructure Management, Planning to Implement Service Management, Application Management, The Business Perspective, and Security Management. Most IT professionals focused on the first two books, which are sometimes referred to by their cover colors, as "the blue book" (Service Support) and "the red book" (Service Delivery).

If your organization is in the middle of an ITIL v2 implementation, you do not need to change horses midstream.



The blue book deals with best-practice processes for day-to-day activities while the red book deals with best-practice processes for forward-looking activities. They offer guidance as to how organizations can improve their processes to work smarter, but do not particularly align the processes discussed with larger business requirements. The other five books touch rather lightly on a variety of ITIL process issues, and are considered somewhat esoteric even by ITIL experts.

In contrast, the ITIL v3 has been organized into five new books: Service Strategy, Service Design, Service Transition, Service Operation, and Continual Service Improvement. These books follow a more practical order:

1. How to develop a business-driven strategy for IT service management
2. How to design a system to support the chosen strategy
3. How to transition the newly designed system to the production environment (in terms of people and processes as well as technology)
4. How to support operations in an ongoing fashion
5. How to continue improving processes and operations

In addition, the regrouping and expanding of the topics in each book better aligns IT processes and operations with the business outcomes they are meant to enable.

### Expansion of Process Descriptions

In ITIL v3, the key concepts of Service Support and Service Delivery processes outlined in ITIL v2 have been preserved. They have, however, been augmented with 12 new processes.

#### Service Strategy (Book 1)

Financial management: No material changes from V2.

Demand Management: ITIL v2 discussed concepts of Demand Management within the context of Capacity Management. However ITIL v3 introduces the process of Demand Management as a distinct process and as a

strategic component of service management.

Service Portfolio Management: ITIL v2 only discussed Service Level Management. ITIL v3 represents a fundamental rethinking of services, recognizing the need to conceptualize and identify a portfolio of services before dealing with the specifics of levels of service.

#### Service Design (Book 2)

Service Level Management: No material changes from ITIL v2 in Service Design book. Also covered in Continual Service Improvement (Book 5).

Availability Management, Capacity Management, and IT Service Continuity Management: No material changes from v2.

Service Catalog Management: A new process that consolidates and formalizes the processes around ensuring that a service catalog is produced and maintained, and that it contains accurate

information on all operational services and on those being prepared to be run operationally. In addition, v3 identifies the need for two interdependent parts of the service catalog, namely an "external" business catalog of (business) services as described and recognized by end-users, and an "internal" technical catalog of the tools, processes and procedures required to support those services.

In ITIL v2, the concept of a service catalog was mentioned, but no process was outlined for its creation or maintenance, nor was the distinction made between a business catalog and a technical catalog.

Supplier Management: A process for ensuring that all contracts and suppliers support the needs of the business and that they meet their contractual agreements. Supplier management was covered in ICT Infrastructure Management in ITIL v2.

Information Security Management: A comprehensive process designed to address the strategic direction for security activities and to ensure that objectives are

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achieved. It includes the confidentiality, integrity, and availability of an organization's assets, information, data, and IT services. Information security management was covered in very limited form in its own book in ITIL v2. ITIL v3 brings this topic up-to-date with current information security concerns and brings it into better alignment with related issues facing IT organizations.

### Service Transition (Book 3)

Transition Planning and Support is a unified process for coordinating all the activities of Change Management, Configuration Management, and Release Management described in ITIL v2. It has now been expanded and is presented alongside the related topics of Service Validation and Testing (i.e., testing a new change), Evaluation (managing risks associated with a new change) and Knowledge Management (gathering, analyzing, storing and sharing knowledge and information).

The seven process descriptions have been expanded. In ITIL v2, Knowledge Management was discussed separately, in the Application Management book.

### Service Operation (Book 4)

Incident Management and Problem Management: No material changes from ITIL v2.

Event Management is a standalone process for detecting and managing events and alarms (which ITIL calls "exceptions"). In ITIL v2, Event Management was covered under Incident Management.

Request Fulfillment is a new process for managing the lifecycle of all customer- and user-generated service requests. These types of requests include facilities, moves and supplies as well as those specific to IT services. In the previous version of ITIL, this process was covered under Incident Management. A notable difference in ITIL v3 is it now recognizes the existence of service requests beyond merely "break/fix" restoration of service.

Access Management is a new process that provides rights and identity management related to granting authorized users the right to use a service, while restricting access to non-authorized users. In ITIL v2, Access Management was covered in the Security Management Book.

### Continual Service Improvement (Book 5)

The ITIL v2 red book described a Service Improvement Program (SIP) within the context of Service Level Management, discussing best practices for measuring, monitoring and reporting on services which ultimately provided the data for making improvements. ITIL v3 expands this into its own book, Continuous Service Improvement, and structures a seven step improvement process as follows:

1. Define what you should measure
2. Define what you can measure
3. Gather the data
4. Process the data
5. Analyze the data
6. Presenting and using the data
7. Implement the corrective action

### Function Comparison

ITIL v2's Service Support book identified the service desk as the lone function (group of people and the tools they use to carry out one or more processes or activities). ITIL v3 now identifies three other functions in addition to the service desk: Technology Management, IT Operations Management, and Application Management.

The Technology Management function provides the detailed technical skills and resources needed to support IT services and management, along with the ongoing operation of the IT Infrastructure. The IT Operations Management function is responsible for the daily operational activities needed to manage IT services and the IT Infrastructure. It includes IT Operations Control and Facilities Management. The Application Management function manages applications throughout their lifecycle.

### Summary

The key changes include: A consolidation of the library into five books; the addition of 12 new processes and three new functions; emphasis on service management through the entire service lifecycle; and emphasis on creating business value versus simply improving the execution of processes.

Supplemental material will be released over time. Whether now is the right time to introduce the new version into your organization or continue with the old



## The IT Manager's Guide to ITIL v3



depends on the current state of the organization. That said, since most of the changes to ITIL v3 clarify and augment the previous library, a good case could be made to start using the new and refreshed library. ■

*This content was adapted from Internet.com's bITA Planet, CIO Update, and ITSM Watch Web sites.  
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