Service Management Online
Creating a Successful Service Request Catalogue

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Contents

List of figures

List of tables

About this guide

Who's it for?

People who are experienced in running IT operations or the service desk are now expected to build a state-of-the-art service catalogue with little training or information available to them. This publication is intended for these service management professionals: the IT professionals tasked with building an enterprise-wide service portal.

People running help desks who may not yet be interested in ITSM/ITIL should also find this a useful resource as they are often asked to build service request catalogues that will provide better service and support.

Why do you need it?

The service request catalogue is often misunderstood and not very well documented. Many people still mistake the service catalogue for the service request catalogue and this publication aims to dispel any confusion between the two. It also offers tips and tricks for designing an effective service portal and request catalogue.

It's the customer experience that ultimately drives the adoption of the service request catalogue. If a catalogue is poorly designed, customers will continue to use their current channels (phone and email, typically) to make requests, causing the organization to see little overall value from its investments. This guide will help IT professionals to create a catalogue that their customers will love. It should also enable IT departments to streamline some of their request fulfilment processes, which can in turn both satisfy customers and give IT time to continue to explore other innovative ways of supporting the business.

Who's it by?

Phyllis Drucker

Phyllis Drucker is an innovative and focused industry leader with over 20 years' experience in business and IT strategy, service management and governance. As senior business process consultant for Linium LLC she uses her experience in business process design, implementation strategy road mapping including organization change management, project management and team building to help organizations implement service management programmes and tools. An ITIL® v3 Expert, accredited to train all ITIL certification programmes, she is an accomplished speaker for *it*SMF, HDI, BrightTALK™, All Things ITSM and Linium. Her service request catalogue expertise comes from implementing numerous catalogues for Linium's clients.

How is it organized?

The publication provides background information on defining services and offerings, followed by an in-depth guide on how to turn these into an enterprise portal that users will value, and one that will deliver the internet shopping experience that both internal and external customers seek.

A summary of what is covered in each chapter is as follows:

- **Chapter 1** Sets the scene and introduces the reader to the basic concepts.

- **Chapter 2** Encourages you to look at your service catalogue, and to consider alternative ways of organizing its contents.

- **Chapter 3** Discusses how you should go about designing your service request catalogue, and the common pitfalls to avoid. It deals with how to identify and log the requests, the actual design of the requests, and whether to include content management capabilities. Governance and service level management are also considered.

- **Chapter 4** Deals with the all-important aspect of building your service request catalogue, and the basic rules you should follow.

- **Chapter 5** Provides guidance on the various tools available, as well as the features they offer. The emphasis here is on functionality, and how you should select your tools according to your needs.

- **Chapter 6** In this chapter, measurement and continual improvement are discussed as critical aspects of catalogue design. You must ensure that metrics are in place to measure success once your catalogue is built.

- **Chapter 7** Describes the main ownership and management roles and the interfaces between the roles and the various areas of the organization. Ideas for a high-level roadmap are suggested.

- **Chapter 8** Contains some final comments in closing.

- **Appendix A** Provides a number of templates that readers may find useful when starting to build their own service catalogues.

Throughout the publication, the author uses examples and her own personal experiences to bring the text to life.

Foreword

Welcome to *Service Management Online*. Regardless of what role you are in – whether you are a manager or consumer of IT – you will find this publication extremely useful and applicable to how your current services are delivered and supported. The delivery of services and business technology to organizations to help them win, serve and retain customers must be the overarching objective of every service provider today. So let me welcome you to the 'age of the customer', which Forrester Research defines as:
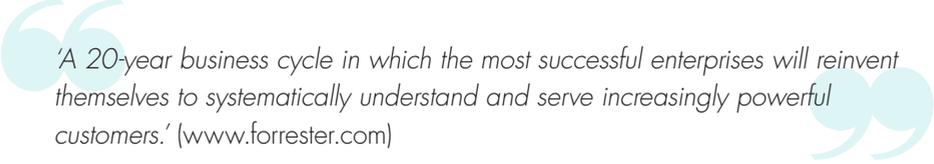
> *'A 20-year business cycle in which the most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers.'* (www.forrester.com)

Your company must be obsessed with serving and retaining customers, and to this end you should be obsessed with enabling your workforce!

You might say 'Why me?' or 'So what?' – and yes, that would be a fair question. But here is why: when your company and your workforce are under pressure to stay competitive, *you* can help your workforce to achieve this by equipping them with the right services and business technology. You must manage the demand and supply of services and technology to your workforce and your lines of business so that the customer experience is easy, fast and enjoyable, and customers get what they want when they need it (could this be the simplest definition of a service catalogue?). The sooner you become comfortable with brokering and orchestrating the supply and demand of services and business technology, the faster you can become your company's hero. Phyllis is just one of these heroes who has assembled a great publication to help you. With her advice, you are sure to have a happy journey.

Eveline Oehrlich
Vice-president and research director
Forrester Research

Preface

Customers and toolsets have changed so much in recent years that building an online request catalogue is no longer a simple matter of making a few forms available to help manage computing requests. This catalogue has matured into a full service portal and expanded beyond the four walls of the data centre. It now enables customers to request services from all of the organization's providers, not just information technology (IT).

Whether or not an organization has begun to implement an IT service management (ITSM) framework such as ITIL[1], this publication provides guidance on building an online catalogue that customers will appreciate and value, and developing it into a full service portal. It starts with the basics, including understanding the difference between the ITIL service catalogue, and its cousin, the 'actionable service catalogue' or service request catalogue. While the two are closely related, they have different, yet equally powerful, purposes.

The service catalogue is distinguished from the service request catalogue and I introduce ITIL concepts where they are needed to help readers design a robust service catalogue with associated requests. The publication also provides a detailed guide to designing a service request catalogue: organizing and constructing the requests that customers submit; creating workflows for their fulfilment; and providing the automation that helps people achieve an internet shopping experience such as that provided by amazon.com®, the Apple App Store and thousands of other shopping websites.

The focus of this publication is to provide a practical guide for organizations to use when embarking on the journey to produce a service request catalogue. It provides a view of an idealized 'future state' in catalogue design: an all-inclusive portal providing access to requests fulfilled by all service providers in the organization, with fulfilment automated as much as possible, while providing information about services these providers offer and access to organizational knowledge and technical 'how-to' articles. The aim is to give both internal and external customers the same experience they receive when shopping on the internet: the ability to purchase almost anything, and to enjoy certain purchases immediately. My experience over the years has shown that each client's needs are different. I have had to continually expand my own horizons and skills to create and fulfil the needs of the customer. I have gained an incredible amount of knowledge and have seen first-hand what works and what does not. My aim is to pass on this experience to you.

Acknowledgements

I could not have written this publication without the contributions of others. I would like to acknowledge a few of them.

Rachel Slater, Sean Caron and Chris Minarich have all continued to extend the limits of what is possible in service portal design. I would like to thank you for the great discussions on the art of portal design, and what a catalogue should be. While the work in this publication is original, you have helped me open my horizons and expand my ideas for what is possible in building a catalogue.

I would also like to publicly thank the Linium team, including Joe Burke, Tim Hislop and Chris Damon, since I would not have developed many of the skills detailed in this publication without the opportunity to build numerous catalogues for a wide variety of service provider types and industries.

Of course, I also need to acknowledge the tool vendors. The expansion in features and functionality available in today's online catalogues has made it possible to design a fully fledged service portal experience, similar to those available through professionally developed shopping sites. This growth has been great for the industry, empowering providers to serve their customers more effectively.

Finally, I would like to thank my family for their overall support while I wrote this publication. Without it, I would have given up partway through the first chapter!

About the reviewers

Diane Key

Diane Key has more than 15 years of IT related experience, with the last 10 years focused on adding formal certification to her experience in service management practices.

Diane has extensive experience in service transition and service operations process development work for a variety of industries, including provincial and federal government institutions, oil and gas, and healthcare. Qualified as an ITIL Expert, she is a positive influencer on the service design aspects of the ITIL lifecycle, and has a passion for ensuring end users' expectations are met, whether they are related to IT or the business more generally.

Diane is currently employed with Alberta Health Service as service design/service catalogue manager, and also sits on the itSMF Southern Alberta board as vice-president of memberships.

Donna Knapp

Donna Knapp has more than 30 years of experience in the IT industry working as a practitioner, consultant and trainer. She is ITSM Academy's curriculum development manager and is on the DevOps Institute's board of regents. Donna's love of learning shows in her many industry certifications including ITIL Expert, certified process design engineer, certified Scrum Master and DevOps Foundation. Donna's years of practical experience and knowledge make her a sought-after speaker on issues surrounding IT service management and the service desk, and she is the author of three books (and counting) on those same topics.

Wilbur McVay

Wilbur McVay has 20 years of management experience across hospitality, healthcare and retail markets in both operations and IT. He has found the management techniques used in the hospitality industry correlate directly to ITSM frameworks and the day-to-day challenges of managing an enterprise IT organization.

He is currently a member of *it*SMF USA and holds a distinguished professional in service management credential from the prISM Institute. He also has certifications of manager in ITSM (ITIL V 2.0), ITIL Expert (ITIL V 3.0) and executive manager in ISO/IEC 20000.

Dennis Ravenelle

Since 2006, Dennis Ravenelle has served Harvard University in multiple high-profile strategic and tactical project management roles, most recently as release project manager in support of the university's three-year, $60 million Student Information System programme. He has been a successful entrepreneur, consultant, COO, CIO/CTO and CEO and served in leadership roles for several industry groups and boards. As a thought leader, he has presented on numerous tactical and strategic technology and management topics at meetings and conferences including Educause, SIMposium, ITSM Fusion and Knowledge.

Brian Scott

Brian Scott runs an independent consultancy whose aim is to transform clients' IT management capabilities through pragmatic adaptation of leading frameworks to sound business alignment. He has over 25 years of telecommunications, IT and business software experience and has recently been engaged in BSS/OSS, catalogue and process transformation engagements for national transportation and defence clients. Brian is a firm believer in shared learning and mentoring and currently chairs the BCS Service Management Specialist Group. Service integration and automation are his favoured technical core components for the optimal service catalogue and service desk, with social, customer-engaged people as the ultimate end product.

1 Introduction

Tools to support the service request catalogue have been evolving rapidly. The catalogue has grown from a tedious, form-based catalogue to a true internet shopping experience, with smart content and device sensitivity coupled with point-and-click ordering. Gone are the old days of answering a lengthy questionnaire and then waiting for someone to fulfil your request – or are they?

The truth of the matter is that while the tools used to deliver the service request catalogue have matured significantly, the same people who designed paper-based request forms for years are still implementing them, and many of these people have not yet made the transition to a fully automated environment. The result is that the power of the tools is not truly being realized. Organizations need to transform their thinking about how they can implement a request catalogue into a full-scale internet service portal to support an entire organization.

The vision in building today's online catalogue requires developers to think globally, and to consider the customer experience as the number-one priority in its design. Information technology departments (IT) should think portal, rather than catalogue, and take advantage of a catchy design and great functionality to win over their customers. Amazon and other retail businesses with a strong internet presence have set a high bar in customer expectation, and IT needs to think along the lines of duplicating the kind of catalogue that customers are used to seeing.

1.1 What is a service catalogue?

Stores and vendors have used catalogues for years to provide customers with a list of goods and services available for purchase. Typically, the catalogue offers a description of the item and its price, often with a picture intended to capture the buyer's interest. The ITIL service catalogue is no different. It offers a description of the services that the IT department makes available to business customers to help them achieve the outcomes for which they are responsible. These services are at the core of service management as a practice, shifting the focus from technology and applications, and towards the outcomes the business is committed to achieving. This shift enables IT providers to talk to the business in meaningful terms, providing the ability to discuss operational costs associated with services versus the revenue the business was able to realize because of their availability.[2]

Many organizations are confused about what constitutes a service catalogue and, more importantly, the difference between the service catalogue and the service request catalogue. To many they seem interchangeable, leading people to believe that implementing online requests via a service management tool is the same thing as defining and documenting their service catalogue. Others believe their applications are services, and base all of their service management activities around their applications; but there can be hundreds of them in an organization. Organizations that can define their services and understand the

business outcomes associated with them are rare, compared with the number of organizations that implement a service request catalogue and believe that they have fully defined the services they offer.

So, what is the difference?

A **service catalogue** defines the services an organization provides within its own business or to external customers, while the **service request catalogue** is a collection of requests that assists an organization in delivering goods and services to its customers.

Both are equally important, but they are different and serve different purposes. Looking at it another way, defining a service catalogue is a strategic act, while the request catalogue provides a tactical solution that enables an organization to support its customers.

Services and value

A car dealership uses a system that enables it to manage inventory, develop and print the contracts and loan documents required to sell a car, and track service performed on that car over time.

Through use of this system the dealership:

- Receives the funding from the loan provider
- Pays the manufacturer for the car and generates revenue as a result of the sale.

The system applications, as well as the sales and finance teams and the fund transfers, enable the dealership to generate revenue.

One could look at the cost of operating this 'car sales' system versus the revenue generated through car sales and servicing to determine the value provided to the organization.

Services provide value to the business, as illustrated in the example in the box describing a car dealership. However, they also help IT support and align with business operations:

- A configuration management system can be structured to show all of the components of this service, and how they are related to one another. If one of these components fails, the impact is easily determined.

- Discussions between the customers and IT can include reviews of service levels and the ability of IT to deliver services within the terms set forth in a service level agreement (SLA).[3]

- IT and users of the service can discuss the service's functionality and new features the customers may want.

Most importantly, IT is able to speak to its customers about this service and its ability to generate value. Contrast this with talking to customers about servers and networking equipment, which typically stirs up very little customer interest. Defining services provides a common understanding of what IT provides to the organization and a means of discussing it.

The service request catalogue also offers a means of enabling customers to request services. A typical service request catalogue contains requests related to services offered within the organization, along with the common, everyday equipment and supplies needed by its associates.

Summarizing the difference in the most simplistic terms, the service catalogue enables the organization to look strategically at the services it offers and determine whether they provide value to the organization (and to retire or improve those that do not), while the service request catalogue enables the organization's customers to request the items they need to perform their jobs.

Third-party providers have little difficulty defining their services; it's an intrinsic part of their business model, which relies on selling services. The easiest way to distinguish services and decide how to structure them is to think about some of the services offered by commercial providers.

The cable TV industry offers great examples, particularly as they begin to look for other ways to leverage their cabling infrastructure. Looking at the website for a local provider, there were numerous services for sale, all well-defined and described. In the examples provided in the subsequent boxes in this chapter the provider's name has been changed to EZ Cable Company and the dollars changed to euros, but the rest of the information is closely based on a real site.

EZ Cable Company
EZ digital cable TV service
Provides a unique TV experience, offering top TV stations through a variety of broadcast bundles, enabling customers to select from different delivery platforms that include on-demand services and sophisticated search capabilities. Customers may upgrade this service by purchasing additional premium channels, sports packages and more. Also offers access to popular shows and movies via internet-accessible devices, and enables some programming to be downloaded to the device for offline viewing.

EZ internet
Provides internet services, enabling customers to use their digital cable TV infrastructure to connect to the internet. A variety of speeds are available and internet security is included to provide firewall protection. Includes the ability to connect from WiFi hotspots across the country.

EZ voice
Offers voice telephone services using the cabling already in the home delivering TV services. This includes the ability to access the service both from telephones within the home and from any WiFi-enabled device, readable voice mail and advanced call forwarding.

The EZ Cable example provides the base for distinguishing the concepts of the service, service offerings[4] and requests associated with these offerings. If we apply this to IT, the result will be a clear understanding of the difference between the service catalogue and the service request catalogue automated in a way that enables a customer to shop for offerings associated with the services IT provides.

A successful service management practice requires participation from providers and customers, as well as a strong relationship between them. IT organizations often have internally focused operations, keeping their heads down and their systems up, but to be successful service management must include the business partners outside IT. Take the business away and all you have are some good, solid IT management processes. This is still helpful, but it is not the same as service management.

The same can be said of the service catalogue: IT must work with the business to successfully define the services needed by the business to succeed. Defining the organization's market space,[5] and how it will offer services within that space, is a strategic exercise. Once the organization has defined its consumer goods and services, an IT provider can respond by working with the business to define and offer the services the business needs in order to deliver its consumer services.

Defining the services offered by IT is only the start of the journey towards creating, funding and managing these services. New services will be needed by the business to support new initiatives, while operational services must be maintained. This concept of balancing funding across different aspects of service delivery is represented by ITIL's concept of the service portfolio.

The service portfolio represents the lifecycle of a service, from the initial desire to create it, through its operation over time and eventually its retirement, when business needs change or it no longer meets them.

This portfolio represents an investment portfolio and, much like a personal investment portfolio, it is most successful when investments are diverse. In the case of the service portfolio, these investments represent where IT is spending the business's money. The service portfolio represents three areas that are critical to financial management within IT: the service pipeline, the service catalogue and retired services, as shown in Figure 1.1.
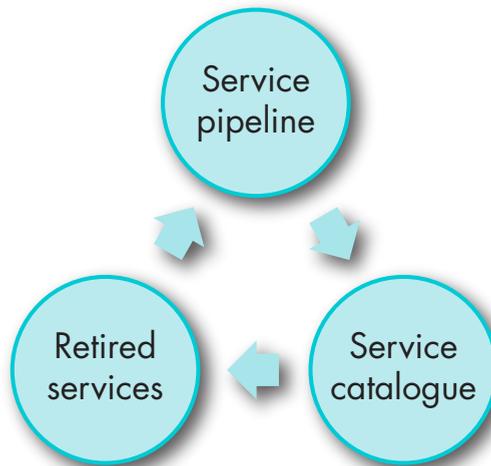

Figure 1.1 The service portfolio

The service pipeline represents requests to develop new services, or make changes to existing services. This area is highly critical to gaining strategic alignment between IT and business customers. It also represents the increasing demand for resources to build and implement these services initially, and then to support them after they go live. It is important to recognize that these projects will require funding, so they also represent a need for physical assets and/or the ability to purchase equipment.

The service catalogue represents the services that are currently live and in operation, or which will be in operation soon. The funding for this area represents the 'run' portion of the budget and has a critical impact on the amount of funding available for the service pipeline's projects. Cost optimization and efficiency play a definitive role in making funding available to the pipeline.

Retiring services represent an opportunity to reclaim resources and apply them towards pipeline projects. Often services are left in place even when no longer needed, as organizations do not have a definitive means of identifying and shutting them down. As long as they are in the service catalogue and using resources, they represent a cost-saving opportunity that is not realized, even if the service is no longer providing value. So retiring unnecessary services is another critical aspect of managing the cost of service delivery and the service portfolio.

When considering the services being delivered, there are several pressures on IT. First is the need to provide services that the business needs to operate effectively. An effective IT leadership team is able to work closely with the business to define what these are, and the functionality needed. They are also able to add value to the organization by proposing ways to leverage technology to provide innovative services in the business's industry, giving them a competitive edge. IT providers that concentrate on infrastructure and technology may not be able to deliver the services the business needs or, worse, may have little interest in the business, being focused only on technology.

Effective leaders will always be looking for ways to optimize the cost of offering services, whether through new architectures or through external providers, while less effective leaders struggle to obtain the funding they need to keep existing services going. To secure and maintain a good relationship with their business partners, IT leaders need to provide solutions that the business needs and do so in a cost-effective manner.

By continually seeking ways to reduce costs without affecting quality of service, IT is making money available to fund projects in the service pipeline.

By focusing on the service request catalogue, this publication is most interested in the operational services found in the service catalogue part of the portfolio. The service catalogue is just a listing of services and information about them. This can be as simple as a printed catalogue, providing details about the services, their costs, hours of operation, service level commitments and functionality, and how to obtain them. Or, it can be as

technical as the organization desires. Details can also be entered into a service management tool to assist in providing service-based support and enable service-based reporting of service levels and financial aspects.

Once services are defined, the provider may find it useful to define variations on the services it offers, turning them into 'service offerings'. For example, the cable provider's descriptions in the earlier box can be expanded to cover its several different offerings for TV and voice services, as shown in the boxed text here.

EZ digital cable TV service
Provides a unique TV experience, offering top TV stations through a variety of broadcast bundles and enabling the customer to select from different delivery platforms that include on-demand services and sophisticated search capabilities. Customers may upgrade this service by purchasing additional premium channels, sports packages and more. Also offers access to popular shows and movies via internet-accessible devices and enables some programming to be downloaded to the device for offline viewing.

EZ digital cable TV service offers:

- **Basic digital TV** 140 channels and on-demand services available for €49.99 per month.
- **Digital premier** Offers 260 channels including four premium movie channels for €99.99 per month.
- **Digital preferred** Offers 220 channels including sports and non-premium movie channels for €59.99 per month.
- **Digital TV and internet streaming** Adds 45 more cable TV channels and internet services up to 50 Mbps plus HBO premium service for €59.99 per month (for the first six months of service).
- **Internet plus** Adds 10 more channels plus internet services up to 25 Mbps. When combined with paperless billing, the basic digital TV with internet plus is available for €49.99.

EZ voice
Offers voice telephone services using the cabling already in the home delivering TV services. This includes the ability to access the service both from phones within the home and from any WiFi-enabled device, readable voice mail and advanced call forwarding. The packages are:

- **Unlimited voice services** Available for €29.99 per month.
- **Budget voice** Emergency and incoming calls only are available to people on a fixed income for €1.99 per month if they have any other service in the home (TV or internet).

Adding a description of the hours for each service, along with commitments for support (service level agreements) would round out this offering and create an entry in the service catalogue.

Adding the ability to purchase any of the service offerings listed in the catalogue turns a traditional service catalogue into an 'actionable service catalogue' or 'service request catalogue'.

The ability to request the offerings associated with a service is included in most IT service management tools, and is generally called the 'service catalogue', which is why there is confusion around this terminology. While the two are parts of the same whole, they fulfil two distinct roles within an organization: one strategic, the other tactical.

Having now distinguished the different levels of usage of the service catalogue, and the ability to order through defined services, the rest of this publication aims to assist readers in designing the self-service request catalogue that enables service providers to support the organization's needs. This may include the service catalogue, just as it provides access to knowledge and support, or the ability to submit a request online. The publication presents all of the options available, including providing an internet shopping experience, an app store or a full enterprise-wide self-service portal. In addition, readers will be provided with the tools and techniques needed to design this portal in a way that ensures customer adoption.

1.2 What is a service? Beyond the definition

Since the service catalogue and service request catalogue require an understanding of the services offered by a provider, a provider must understand what a service is as well as the types of services available before a catalogue can be built.

The easiest way to understand the concept of a service comes from the often-quoted statement in *ITIL Service Strategy*:

> *Customers want to buy a ¾-inch hole.*[6]

If a customer came to them looking for a ¾-inch hole, many of today's organizations would sell them a drill and a ¾-inch bit, and explain how to power the drill and how to drill the hole. However, what the customer really wants is someone to provide them with a ¾-inch hole. If they wanted a drill and a bit, they would ask for the tools, not the service.

Looking at this in IT terms, customers want email and we sell them a network, some servers, email software for the servers and their devices, and some support services to help them set it up. We then cannot tell them how much it costs to operate because we do not set up our financial systems to track all of the component and support costs associated with delivering email. Rather, we set them up to capture infrastructure components by type across the enterprise (such as network services, servers, software and support). So when the customer wants to compare our operational costs with externally hosted services, IT is unable to give them an appropriate response in financial terms. In the transformation to being a true service provider, we would sell them email for €20 per month, including all the technical and support services needed to deliver the product.

To assist readers in learning how to define services, it is worth investigating the types of service ITIL defines:

- **Core services** The basic IT services that serve the business needs. Using the cable provider as an example, they are the cable TV, internet and voice services offered, making up the core business.

- **Enhancing services** The service add-ons and options that distinguish the provider from its competition. For the cable TV provider they might include digital video recording, streaming content and so forth. The ability to stream internet content is a great example of an enhancing service because TV service is fine without it. We've been watching TV without streaming internet programming for years, but it gives the provider a competitive edge, allowing it to compete with Netflix, Hulu and others.

The problem with enhancing services is that they quickly become part of the core services, leaving customers looking for more. The provider must stay ahead of this cycle to retain high levels of customer satisfaction. This is already starting to be the case for cable TV, as smart TVs come equipped with the ability to stream internet already, making it a basic TV service.

In order to access streaming content, the TV viewer must have internet services. While they can buy these services from any provider, they also have the ability to bundle internet services, such as the hardware to enable the TV to access streaming content, with the core cable TV offering. It can therefore be said that the internet service is an enabling service, the ability to purchase streaming internet content is an enhancing service and the basic cable TV is the core service, as shown in Figure 1.2.

Core service: Basic cable TV

Enabling service: Internet service

Enhancing service: Internet streaming
                      Premium movie channels
                      Sports package
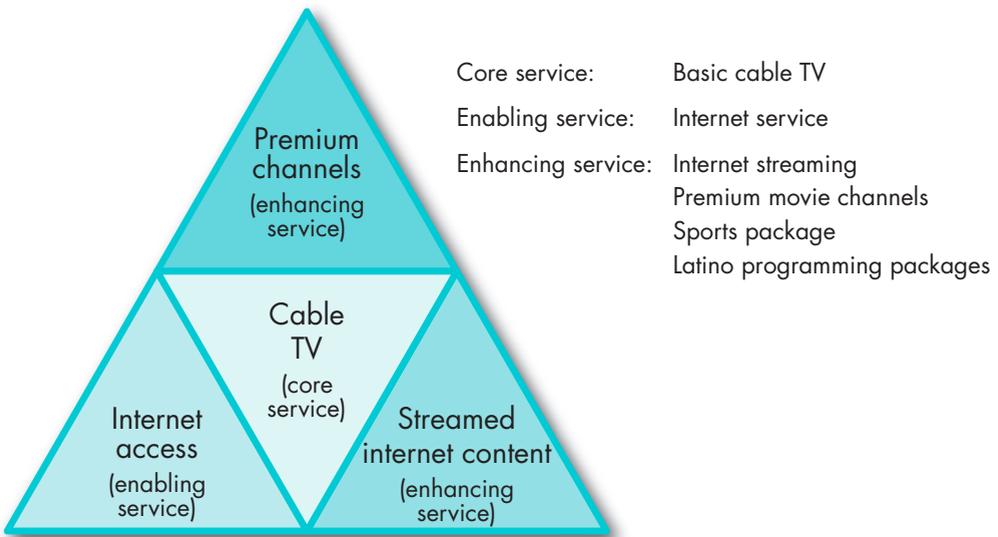   Latino programming packages

Figure 1.2 Service types using the cable TV example

Thinking strategically, an internal IT service provider needs to understand the market spaces occupied by the business, and how it competes within them. It needs to gain a solid understanding of the business processes involved and the services the business uses to perform them. Along with this, an understanding of the gaps experienced by the business when using these services is critical. IT service providers need to work with the business to identify opportunities within their market space that can be exploited to gain a competitive edge.

IT cannot distinguish these opportunities alone. IT leadership needs to engage with other organizational leaders and their representatives, to identify a group of stakeholders available to work with IT on an ongoing basis. This stakeholder group can be leveraged by IT to define the services offered already (the service catalogue) and those needed to remain competitive or grow the business. IT cannot define its service catalogue alone and cannot build a request catalogue the business will adopt without identifying the benefits to the business.

Before moving on, it is worth mentioning that many IT providers are proficient at defining their enabling services, but never move beyond them. Therefore the service catalogues of many IT providers contain entries such as service desk support, data centre hosting, application development and support, but do not include the business services they support. It is not that these aren't carried out by IT, but if they are the only services that it provides, the IT provider could be considered to be offering 'infrastructure as a service'. If the only services IT provides are infrastructure and application development services, these offerings can be purchased from a wide variety of providers who specialize in these services and can often provide them at lower cost. The value of the IT provider comes from its knowledge of the business, and its ability to support the business services that enable the organization to fulfil its intended outcomes. Without these, IT is just another commodity provider, and an expensive one at that.

1.3 Defining and documenting services

Readers who have not yet worked with a business unit to define the services IT provides may wish to consider doing so. It will become important later as they organize the service catalogue, but it is also important in enabling IT to meet the needs of the business and to speak with the business in terms the business understands.

The first two steps to defining services have already been identified:

- Create a group of business stakeholders as partners in defining IT's current services
- Identify the business processes they use to do their jobs.

Once this group is together, the next step is to look at the outcomes the business unit must provide for its success and the business processes performed to achieve this outcome. The business's use of computing resources may be examined to assist in defining services from the customer's point of view. For example, the payroll department has several business outcomes it must provide:

● Deliver employees' pay on time and for the correct amount

● Determine, collect and forward taxes, benefits changes

● Manage changes to pay, issues with pay etc.

More than likely, IT provides a payroll service, which:

● Calculates employee pay and deductions

● Prints payslips

● Collects and forwards electronic payments to the tax authorities

● Delivers payslips to individuals

● OR delivers electronic fund transfers direct to employees' bank accounts – an enhancing service.

There are a number of systems and infrastructure components that make up this service:

● The application(s) used to manage employee time cards

● The application(s) used to calculate and determine employee pay

● The interface between the time-tracking and payroll applications

● The printers used to print payslips

● Mailroom services to deliver the payslips

● The electronic interfaces to the banks and other institutions for fund transfers

● The servers and infrastructure on which all of the applications and interfaces run

● The support services that maintain the infrastructure, databases and applications.

Information about the service could be represented in a service catalogue, as shown in Table 1.1. (A template for defining services is provided in Appendix A.)

While Table 1.1 does not provide an exhaustive list, it demonstrates the relationship between business processes, business services, IT infrastructure components and support services. It also demonstrates the relationships between components and the business processes they support. Note that the technical description of the work performed by providers is not necessarily duplicated in the catalogue listing, as the latter represents the customer-facing aspects of the service rather than the work that providers perform internally to support it.

Table 1.1 Payroll services provided by IT

Business process	Pay employees
Business service	Payroll services
Supporting services	Internet and network services Infrastructure hosting Application development and support Database administration User support services Mail services Printing service
Components	Time clocks, time cards Time-tracking application Payroll application Payroll databases Payroll servers PC-based or web-based payroll client Interfaces and connections to banks, insurance companies and government entities
Enhancing services	Direct deposit
Requests associated with this service	**IT requests** New/modified application access Report a printer issue Request application/data support Request a payroll report/change to a payroll report Report an issue with the service Set up/change an employee in the system (received from human resources, HR) **Payroll department requests** Lost or missing payslip Incorrect pay Name change (received from HR) Set up an employee in the system (received from HR) **HR department requests** Onboard an employee (with tasks to IT, payroll) Legal name change (with tasks to IT, payroll)

Looking between the lines, it is possible to see that the payroll department is not the only department that has an interest in payroll services, nor is it the only department involved in payroll delivery. For example, the mailroom may distribute the payslips, but HR determines

salary or hourly rates for employees, as well as managing the benefits packages employees enjoy. As the employees pay for some of these benefits through payroll deductions, there will likely be an interface between benefits services and the payroll department to set up these deductions or an arrangement that allows HR people to also access the payroll system.

Looking at the part of Table 1.1 displaying common requests associated with the use of the service, it's possible to see that a service request catalogue that contains only IT requests is not a complete catalogue. In this example, the IT, payroll and HR departments all have requests they need to manage in order to deliver payroll services.

The payroll service example provides the ability to distinguish several important roles played by service definition in the creation and throughout the lifecycle of the service request catalogue. It's worth taking a look at these:

- **Service level management** In this example, not all components have the same impact if they fail. Some components are needed throughout the month, such as the payroll applications and the components that support it, while others are only needed during the preparation of payslips and their delivery. If a printing problem occurs on the day payslips are printed, it has a greater impact than an interface issue that occurs off-cycle. Additionally, as the payroll application is the core service, any day that it is down impacts the payroll department and all of the related services, but the impact is only critical during preparation of payslips. These factors must be considered when designing the technical environment for the service and writing service level agreements for the service and its components.

- **Services as a foundation for IT service management (ITSM)** Defining services and the components associated with them is fundamental to achieving excellence in service management. Associating components with the services they support enables providers to understand the true impact of their failures, while also providing the ability to manage demand for these components across services. This is an area that many organizations do not address until they are relatively mature in their ITSM implementation, but one that should be performed early in maturity.

The relationship between services and business processes is not always a one-to-one relationship as it may take several services to support a single business process. The service package therefore provides a way of bundling services that are commonly used together into a single component, which may be offered to a line of business or several lines of business. Different lines of business may require different options in their bundles, and costs per bundle can be set appropriately.

1.3.1 The service package

Providers can group core, enabling and enhancing services in different ways to create product bundles that may be referred to as service packages. They can also offer different service level packages by combining different service level agreements at varying pricing

levels, designed to meet different customers' needs. As a result, the provider may combine service packages with service level packages to create a variety of service offerings, to appeal to different customers and budgets. It is this activity, which begins to bridge the gap from the service catalogue to the actionable service request catalogue, which provides an interface through which customers may order the offerings.

The easiest way to illustrate this is by using email services as an example. Most of the time organizations offer email as a single one-size-fits-all offering. There is tremendous opportunity, however, in defining offerings that enable IT to control costs associated with delivering email services. There are several factors that contribute to the cost of email, and these are in the hands of the customer, with support, remote access and storage being the most common. Just as airlines have add-on services for luggage, seats and internet, IT can offer a basic email service at no charge, but then offer additional services at a cost. Where the extras are charged back to the department or cost centre, costs that are beyond IT's control are pushed back to the people consuming them. Consequently, if an executive or legal department associate needs extra mailbox space, they pay for it. IT can afford the extra storage needed to support the additional space ordered by customers so it's beneficial for all, and it supports IT's ability to manage the cost of IT operations.

1.3.2 The service level package

Service level packages provide a similar opportunity and can become part of the overall service offering. Often IT offers a 'one size fits all' service level to corporate customers. This can lead to customer dissatisfaction when they feel they deserve faster service. This again becomes a battleground between IT and its customers, who get support services free, and then demand faster service. The problem is that customers expect a different level of service from the level for which the business has funded IT. IT is unable to provide a better service level without sacrificing in other ways.

Service level packages can be designed and combined to provide varying levels of service for a fee. Each IT service could have a standard service level included in the cost of the service, but faster response and resolution times can be available as service level upgrades. When IT charges for these enhanced services, it is generating revenue that enables it to pay for the added staff needed to support the faster response times. Thus, there is a clear expectation of service on the customer's part that is possible for the IT organization, which is now funded to provide the support the customer expects.

From this perspective, a customer may select the desired service level package and contract for it. The service level package selected becomes a contract between the customer and provider, also referred to as a 'service level agreement'. In this way, varied service level packages can be offered at different costs, allowing the customer to pick which is most appropriate within their budget. There are several components to the service level package:

- A full description of the support services to be provided, including:
  - Service availability
  - Performance
  - Response and resolution timeframes
  - Service levels for the requests associated with the service
- A cost for the package
- Assumptions and commitments, to which each party must agree.

A sample of several service level packages can be found in the service description for the email service example provided in Table 1.2.

1.3.3 Building service offerings

To realize the benefits, the organization needs to define or review the services offered, and engage the customers in discussions about the services and types of offerings their line of business or department needs to achieve their desired outcomes. Like the cable TV provider, IT needs to define and bundle services in a way that is logical to the business, and offer them at appropriate costs. These include the core and enhancing services, as well as the service level packages. The cost of operating the enabling infrastructure services could either be added to the cost, or charged to the IT provider that offers services based on consumption, depending on the financial operation of the organization.

A sample service catalogue entry for email services is shown in Table 1.2. This details the service itself, and then the service level packages and the enhancing services available to users of the email service. Following these descriptions are the requests associated with the email service.

1.4 Service offerings as building blocks

The service offerings defined by IT are one of the building blocks of the service request catalogue. When the catalogue is thought of as a place to list the goods and services offered by IT, there are two major components:

- Service offerings
- Product catalogues for hardware, software and computing accessories.

This combination of service offerings and products is customizable for the audience using the catalogue. Catalogue views appropriate to the user's line of business, or position within the organization, are provided. Thus, a single database can provide varied catalogue views, enabling people to submit requests for those items appropriate to them.

Table 1.2 A sample service catalogue entry for email services

Email services

This service enables customers to communicate with others (internal and external to the organization) from any personal computing device. Included in the basic email service is a personal mailbox, 20GB of storage, and the ability to access the mail from a mobile device. Mail is backed up daily and online support is also included.

Basic email services are provided at no cost to all associates of the organization.

The service level agreement for email services is 100% availability.

Support upgrades (service level packages)	Enhancing services
Bronze support – €10 per month	*Storage upgrades*
• 4-hour response and 1-day restoration of service	Additional 10GB increments of email storage for €10 each per month
• Standard business hours only	
Silver support – €20 per month	*Archiving*
• 2-hour response, and 4-hour restoration of service	For customers who need offline storage, archiving of email is available at no charge
• Standard business hours only	
Gold support – €100 per month (no charge to vice-presidents and above)	*Shared mailboxes*
• Deskside support within 10 minutes	Departments can purchase additional departmental mailboxes at €8 per month. These include the standard storage and support options
• 1-hour restoration of service	
• 24/7 support schedule	
	Shared calendars
	Departments can establish additional shared calendars for €8 per month. These include the standard support options

Email requests

- Request an email box (no charge for individual's initial mailbox, €8 per month for each additional mailbox)
- Purchase support upgrade (bronze: €10 per month; silver: €20 per month; gold: €100 per month)
- Purchase additional storage (€10 per GB)
- Request archiving and encryption support (no charge)
- Establish a shared calendar (€8 per month)

Using the email example shown in Table 1.2, specific offerings could be bundled for various departments, tailored to that department's needs, with the ability to buy additional services at an increased cost.

Another concept concerning service offerings is that they are not limited to IT. Each provider within an organization has service offerings. In the facilities management department, for example, building maintenance, cleaning, construction and support for office moves and

changes are all distinct services offered. Offerings can be established for each of these, and offered in a request catalogue much like the IT service catalogue. Therefore, it is important to remember that defining services is not just an IT activity but a general activity that occurs within businesses and in all lines of business. Services are how the work is completed within an organization, and how the organization generates revenue outside the organization. Thus, a service request catalogue can be internal and enterprise-wide, or externally facing, offering services to external customers. In fact, managed service providers often offer multiple catalogues: an internal catalogue used by the company's associates to make requests of internal service providers; a technical catalogue available within IT; and one or more external customer-facing catalogues enabling the business's managed service provider customers to make or log requests associated with the services they purchase.