ITIL for the Small and Mid-sized Business (SMB)

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EXECUTIVE SUMMARY

Small and mid-sized businesses (SMBs) experience business issues and challenges that are inherently different from those of larger enterprises. They generally have smaller workforces, lower budgets and less complex IT environments than enterprise organizations. And yet SMBs must meet the same types of demands as enterprise organizations, and optimize service levels to support business objectives, control costs and align IT with what matters to the business.

SMBs can achieve these goals by delivering service management based on the industry's guiding principles— ITIL® (Information Technology Infrastructure Library). This white paper discusses how SMBs can implement core ITIL best practices to improve their IT service delivery and support.

"ITIL is of benefit and is applicable to all IT organizations, irrespective of size."

itSMF IT Service Management, Version 2

ITIL Defined

So what exactly is ITIL? ITIL is a *framework*, a set of best practice guidelines to align people, processes and technology and improve service management efficiency. It is not a *doctrine* or a rigid standard, as it can sometimes be portrayed. Although ITIL provides guidance on a common set of best practices, each implementation of ITIL is different and can change based on the needs of the organization. The flexibility of the ITIL framework is one of the key factors driving the growing success of ITIL.

ITIL should be implemented as part of a flexible business methodology that wraps around your business process, yet at the same time enhances your service management process and effectiveness. It provides a process-driven approach, with the main goals of helping a business reduce overall management and support costs, and improving business models to enable a higher quality IT service. Implementing ITIL can be a complex, time-consuming process and SMBs, in particular, should set realistic goals and not try to accomplish everything at once. This allows companies to maintain a flexible approach that can easily be adapted as the business changes. Finding an adaptable service management product also plays an important role in deploying ITIL as a flexible standard, while at the same time helping an IT organization to align its people, processes and technology for the betterment of the business.

There is a growing interest in ITIL and what it can bring to the business. Whereas around one in ten companies looking for a Service Desk application five years ago was interested in ITIL, the figure is nearer to eight in ten today.

> *"In service desk circles, 2005 may well be the year of ITIL."*

John Ragsdale, Forrester Research
"Trends 2005: IT Service Desk"
November 2004

ITIL encompasses two vital areas of service management: service support and service delivery. It is comprised of ten processes and one function—the service desk itself.

ITIL was designed with large enterprises in mind. However, even large organizations with resources dedicated to the processes illustrated in **Fig. 1** often do not implement ITIL best practices in an all-encompassing way across all business areas. These large organizations can find that the resources they have available are simply still not sufficient for an implementation covering all of the ITIL processes. The implementation of a fully ITIL-based approach to service management requires a significant amount of business process analysis, both in terms of pre-ITIL methodologies and post-ITIL desired best practices. Even some of the largest organizations may be concerned that this process requires a significant time and resource investment.
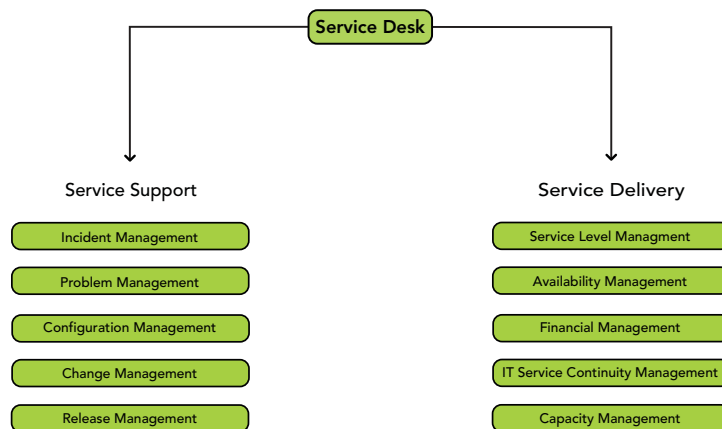
Service Desk

Service Support
- Incident Management
- Problem Management
- Configuration Management
- Change Management
- Release Management

Service Delivery
- Service Level Managment
- Availability Management
- Financial Management
- IT Service Continuity Management
- Capacity Management

Fig. 1: ITIL Processes and the Service Desk

ITIL for Small and Mid-sized Businesses

Given that ITIL is a flexible framework, and not a doctrine, and that it is challenging for even large organizations to implement, how can SMBs gain the greatest benefit from ITIL? Resources within SMBs are often more fully utilized than those within larger organizations, and so they will need to take advantage of ITIL to help improve productivity. For example, in SMBs the job of a help desk manager and change manager can often be held by just one person. In larger organizations, these individual responsibilities are generally full-time occupations and the positions are held by different individuals. Typically, less time and resources are available within mid-sized companies to analyze business processes and implement service improvements.

Therefore, it is even more vital for SMBs to focus their ITIL implementation on the areas that can create the most business benefits. The improvements that an organization can make in the areas of Incident, Problem, Change and Configuration Management are the biggest improvements; these are the areas where the gap between current practice and best practice is typically largest. There are six other processes within ITIL, along with the Service Desk function, but for mid-market companies, an enterprisewide ITIL adoption is generally too complex.

By focusing on these core competencies, organizations can improve the utilization of existing resources, eliminate self-generated issues. In a 2004 Help Desk Institute (HDI) Practices Survey, 78 percent of the support organizations surveyed have full or partial responsibility for change control, emphasizing the responsibility for system availability and performance. In the same survey, 45 percent of support organizations stated that they provided tools for their customers to resolve their own incidents, emphasizing the focus on improving support resource utilization. This percentage of customers resolving their own incidents has increased from 29 percent in just two years.
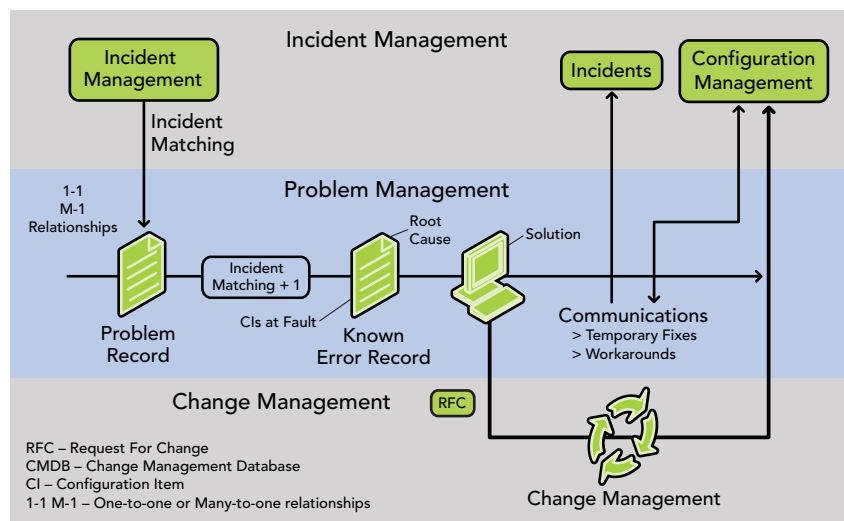

Fig. 2: Key ITIL Focus Areas for SMBs

In addition, through implementing core ITIL processes, SMBs can also provide measurable management statistics and the type of proactive service approach that the business needs.

"From more complex reporting to adopting standards, to working with service providers in order to best address the needs of customers, IT service desks are finally moving out of a pure reactive existence and are beginning to do more strategic thinking and planning."

John Ragsdale, Forrester Research
"Trends 2005: IT Service Desk"
November 2004

Even with just the four core ITIL processes, SMBs often take a phased approach to ITIL adoption. This is emphasized in the "A Customer Perspective" section of this paper. To analyze and improve business processes in four different areas is still a huge task. And, therefore, it can be advisable to take a phased approach to these core principles. It will take longer to roll out service improvements across the core ITIL processes, but the results will generally be a higher quality service management delivery.

A CUSTOMER PERSPECTIVE

Customers who intend to apply the ITIL standards within their service operations need to take into account the resources needed to make this happen. For example, a sporting goods manufacturer wanted to streamline its IT service and support by providing more standardized processes, based on best practices, for their 1,000 users across Europe. The company had the following objectives for its ITIL implementation:

1. Provide a single service desk application
2. Learn from ITIL best practices
3. Implement best practices in incident management initially, with problem, change and configuration management to follow

Note that the customer decided to implement its incident management separately first. The customer recognized that analyzing its business requirements in four key areas was a demanding task, and decided to phase its approach. This customer wanted to limit the implementation to addressing just the four key processes. Significant benefits could be gained from improvements in these areas alone. The methodology the customer employed was as follows:
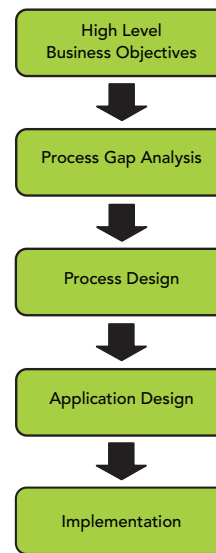

Fig. 3: ITIL Implementation Process for a Retail Customer

1. **High Level Business Objectives.** A definition of desired processes.
2. **Process Gap Analysis.** A review of current processes.
3. **Process Design.** Detailed process definition, planning of required resources/training and obtaining management commitment and sign-off.
4. **Application Design.** This includes translating the detailed processes into an application customization project and defining the key tasks and milestones required for implementing desired processes into a chosen application.
5. **Implementation.** This includes implementing the application customization project and process improvement where appropriate.

Please note the differentiation between the Process Design and Application Design phase; the two should not be combined. Process Design should be purely an exercise to determine the process optimization required to best support the business operations. This should be an application-independent task, focusing solely on how IT can benefit the business and help it to achieve its goals. Only when this has been completed can the Application Design phase begin— the task of translating business processes into an application project plan. A flowchart with defined process becomes a set of tasks required for a product installation and configuration. This flowchart often includes database design amendments, screen customization and, most importantly, workflow design.

After having worked through the four phases identified above and implemented an ITIL-based approach to incident management, the customer achieved the following significant benefits.

1. It had now adopted a standard Incident Management process, which the company's application supported. As a result, the organization reduced analyst time spent on incident logging. How much was the reduction? This is often a difficult question to answer. Prior to implementing ITIL there is generally not the baseline statistics from which to measure performance, which is one of the key reasons for adopting ITIL. However, the company estimates that analysts now spend 20 percent less time logging incidents, which allows them to do more with less.
2. The customer also adopted a standard escalation and notification process, which was automated and greatly improved management reporting, through more comprehensive and more defined reports.

The Importance of Change

Often the ITIL module that usually offers the greatest cost reductions and service improvements is related to change management. IT-related changes can have the most negative effect on the business, particularly if you do have the right processes and if you are not following ITIL. If you make what you believe is a simple change in the IT infrastructure, the implications can be extensive. Planning, process management and having the right information on hand are critical in managing IT changes. BMC Software advises that mid-market organizations adopt ITIL-based service improvements in change management as soon as is practical in their ITIL deployment.

Leading analysts have said that 60 to 80 percent of unplanned changes fail outright, and that more than half of all IT changes are unplanned.

The implication here is obvious—fail to implement procedures to manage IT change within your organization and it will cost your organization significantly. With the ever-increasing diversity of technology and applications today, IT managers simply cannot afford not to implement processes to manage change. They must align their IT sources alongside the objectives of the business, not just the IT department. This is key, along with having technology in the form of a service desk tool to support this. Who wants to be responsible for costing their organization money because they let an unplanned change bring down their Internet server for two hours, resulting in lost revenue from the organization's website?

The only constant is change.

Recommendations

SMBs can gain significant business benefits through implementing ITIL-based best practice improve-ments in their IT delivery and support.

Magic Service Desk Suite and Magic Change Management provide customers with the framework and out-of-the-box functionality from which they can quickly adopt an ITIL-led methodology. These products are verified as ITIL-compatible by Pink Elephant, the industry's leading ITIL verification provider for service management vendors.

BMC Software's key recommendations for the adoption of ITIL best practices to help improve IT service and support for the mid-market are as follows:

1. Adopt a phased approach to implementing ITIL in the four core business processes of incident, problem, change and configuration management.
2. If at all possible, implement configuration management during the first phase. This has significant business benefits immediately.
3. Utilize the business process engine in all ITIL processes, but in particular in change management. Automating change approvals, assessments, notifications, escalations and status updates creates an efficiently managed change process, where the negative effects of unplanned and unmanaged changes are virtually eradicated.
4. Spend sufficient time mapping existing and desired IT business processes. This can be a lengthy and time-consuming task, but the benefits of it can be immense.
5. Remain open to further change.

Magic Service Desk Suite, a Remedy® IT Service Management solution from BMC Software, is the Service Management industry's only application that is built specifically for the SMBs. Magic Service Desk Suite and Magic Change Management offer SMBs a solution that allows them to optimize service levels to better support business objectives and increase IT effectiveness and control costs by aligning people, process and technology. For more information about these products, please visit www.remedy.com/solutions/magic

Sources

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About BMC Software

BMC Software, Inc. [NYSE:BMC] is a leading provider of enterprise management solutions that empower companies to manage their IT infrastructure from a business perspective. Delivering Business Service Management, BMC Software solutions span enterprise systems, applications, databases and service management. Founded in 1980, BMC Software has offices worldwide and fiscal 2004 revenues of more than $1.4 billion. For more information about BMC Software, visit www.bmc.com

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