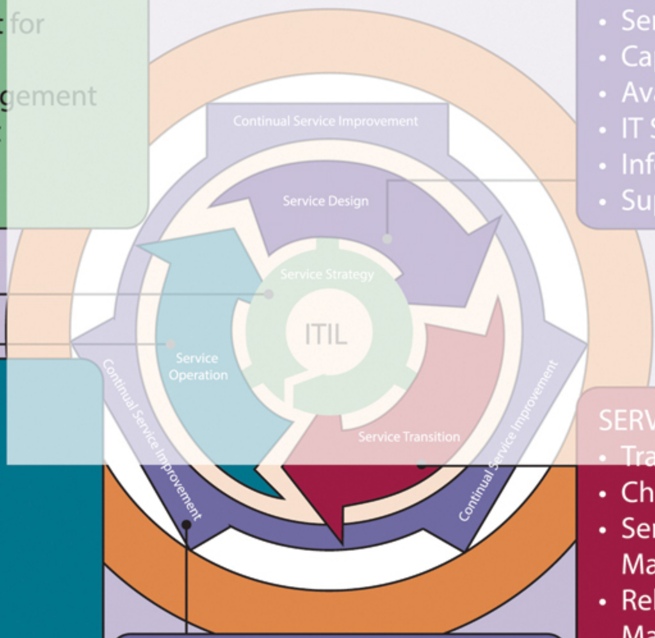
COURSEWARE

ITIL® Foundation - exam course

Courseware

SERVICE STRATEGY
- Strategy Management for IT Services
- Financial Management for IT Services
- Service Portfolio Management
- Demand Management
- Business Relationship Management

SERVICE DESIGN
- Design Coordination
- Service Catalogue Management
- Service Level Management
- Capacity Management
- Availability Management
- IT Service Continuity Management
- Information Security Management
- Supplier Management



SERVICE OPERATION
- Event Management
- Incident Management
- Request Fulfilment
- Problem Management
- Access Management

Functions
- Service Desk
- Technical Management
- IT Operations Management
- Application Management

CONTINUAL SERVICE IMPROVEMENT
- 7-steps Improvement process

SERVICE TRANSITION
- Transition Planning & Support
- Change Management
- Service Asset & Configuration Management
- Release & Deployment Management
- Service Validation & Testing
- Change Evaluation
- Knowledge Management

Van Haren PUBLISHING

ITIL® TRAINING ORGANIZATION ACCREDITED BY PEOPLECERT ON BEHALF OF AXELOS

ITIL® Foundation
Courseware

Colophon

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Welcome to ITIL® Foundation

ITIL®
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Introduction

Courseware - (This book) contains text and images that will help you study the ITIL Foundation course, exercises, mock exams, rationales and syllabus.

Trainer slides - all slides are in the courseware together with explaining text.

Study book - Use this for extended reading and reference. The clipboard on the trainer slides, shows in which paragraph (§) of the study book you can find additional information.

Course objectives

Comprehension:

- ✓ Service management as a practice
- ✓ The ITIL service lifecycle
- ✓ Key principles and models

Awareness:

- ✓ Generic concepts and definitions
- ✓ Selected processes
- ✓ Selected functions
- ✓ Selected roles
- ✓ Technology and architecture
- ✓ Competence and training

Course outline

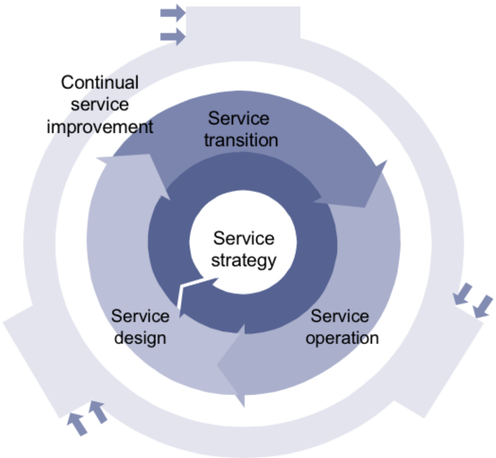
DAY 1	DAY 2	DAY 3
Introduction	Service Design	CSI
ITIL key concepts	Service Transition	Recap
Service Strategy	Service Operation	
Service Design		ITIL® Foundation Exam

ITIL® Foundation Exam

The examination

- ✓ 1 hour (+15 min non-English native tongue)
- ✓ 40 multiple choice questions
- ✓ 26 correct answers to pass (65%)
- ✓ There are no trick questions!
- ✓ Closed book
- ✓ English dictionary allowed non-English native tongue

Service Management, Service Lifecycle & Key Principles



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Service Management

Chapter overview

Service Management
- Overview

- ✓ Answer the following questions
  - ✓ What is a Service and Service Management?
  - ✓ What is ITIL?
  - ✓ How does ITIL relate to IT Service Management?
  - ✓ What is the ITIL Service Lifecycle?
- ✓ Go through some key concepts
  - ✓ Process, Function, Roles, RACI…
- ✓ Service Automation

Challenges for IT

Service Management
- Challenges
Background P. 1-3

- ✓ Understanding the business
- ✓ Adding value to the business
- ✓ Unclear expectations
- ✓ Unclear deliveries
- ✓ Unacceptable disturbances in the deliveries
- ✓ Technology focused organizations

Service - definition

Service Management
- Service
Basic Concepts P. 11

Service is a means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks

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Services are a means of delivering value to customers by facilitating the outcomes customers want to achieve without the ownership of specific costs and risks. Services facilitate outcomes by enhancing the performance of associated tasks and reducing the effect of constraints. These constraints may include regulation, lack of funding or capacity, or technology limitations. The end result is an increase in the probability of desired outcomes. While some services enhance performance of tasks, others have a more direct impact – they perform the task itself.

The preceding paragraph is not just a definition, as it is a recurring pattern found in a wide range of services. Patterns are useful for managing complexity, costs, flexibility and variety. They are generic structures useful to make an idea applicable in a wide range of environments and situations. In each instance the pattern is applied with variations that make the idea effective, economical or simply useful in that particular case.

An outcome-based definition of service moves IT organizations beyond business–IT alignment towards business–IT integration. Internal dialogue and discussion on the meaning of services is an elementary step towards alignment and integration with a customer's business. Customer outcomes become the ultimate concern of business relationship managers instead of the gathering of requirements, which is necessary but not sufficient. Requirements are generated for internal coordination and control only after customer outcomes are well understood.

Ref. Service Strategy 2.1.1

Outcome-based service

Service Management - Service
Basic Concepts P. 12

- Moves IT organizations from a simple awareness of business needs towards a deeper understanding of how to create long-term Value for the customer
- Becomes the ultimate concern of business relationship managers instead of the gathering of only requirements

Customers seek Outcomes but do not wish to have accountability or ownership of all the associated costs and risks

Customers seek outcomes but do not wish to have accountability or ownership of all the associated costs and risks. All services must have a budget when they go live and this must be managed. The service cost is reflected in financial terms such as return on investment (ROI) and total cost of ownership (TCO). The customer will only be exposed to the overall cost or price of a service, which will include all the provider's costs and risk mitigation measures (and any profit margin if appropriate). The customer can then judge the value of a service based on a comparison of cost or price and reliability with the desired outcome.

Ref. Service Strategy 2.1.1

Types of services

Service Management
- Service
Basic Concepts p. 12-13

Core Services

- ✓ Deliver the basic Outcomes desired by customer
- ✓ Represent the Value that the customer wants and for which they are willing to pay

Enabling Services

- ✓ Are needed in order for a core Service to be delivered
- ✓ Are “basic factors”

Enhancing Services

- ✓ Are added to a core Service to make it more exiting or attractive

Service	Core Service	Enabling Service	Enhancing Service
Taxi service	Personal transportation	Dispatch service	Newspaper in car

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All services, whether internal or external, can be further classified in terms of how they relate to one another and their customers. Services can be classified as core, enabling or enhancing.

To illustrate this in another context, the core services of a bank could be providing financial capital to small and medium enterprises. Value is created for the bank’s customers only when the bank can provide financial capital in a timely manner (after having evaluated all the costs and risk of financing the borrower).

Enabling services could be:

- Aid offered by loan officers in assessing working capital needs and collateral
- The application-processing service
- Flexible disbursement of loan funds
- A bank account into which the borrower can electronically transfer funds.

As basic factors, enabling services only give the provider an opportunity to serve the customer. Enabling services are necessary for customers to use the core services satisfactorily. Customers generally take such services for granted, and do not expect to be additionally charged for the value of such services. Examples of commonly offered enabling services are service desks, payment, registration and directory services.

In most markets, enabling services will allow the minimum requirements for operation, although many provide the foundation for differentiation, but it is the enhancing services that will provide the differentiation itself – the ‘excitement factor’. Examples of enhancing services are more difficult to provide, particularly because they tend to drift over time to be subsumed into core or enabling services. In other words, what is exciting to a customer today becomes expected if it is always delivered.

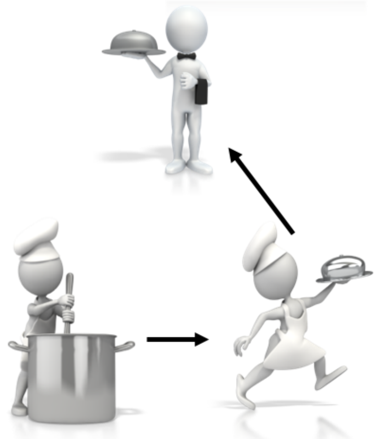
Ref. Service Strategy 3.2.2.4

Internal & external services

Service Management
- Service
Basic Concepts P. 11-13

External Services
- ✓ Delivered to external customers
- ✓ Achieve business Outcomes, e.g. external web ordering portal

Internal Services
- ✓ Delivered between departments or business units in the same organization
- ✓ Support internal activities, e.g. financial accounting



Internal Services have to be linked to external Services to understand the contribution to business Outcomes

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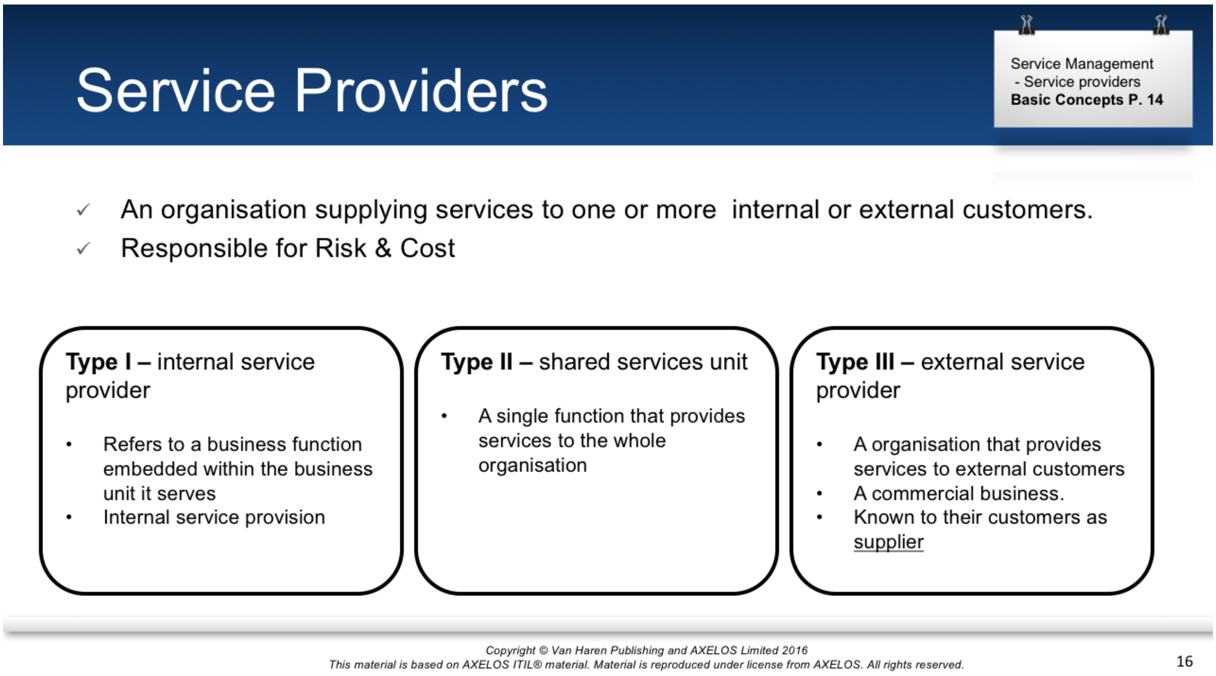
Just as there are internal and external customers, there are internal and external services. Internal services are delivered between departments or business units in the same organization. External services are delivered to external customers. The reason for differentiating between internal and external services is to differentiate between services that support an internal activity, and those that actually achieve business outcomes. The difference may not appear to be significant at first, since the activity to deliver the services is often similar. However, it is important to recognize that internal services have to be linked to external services before their contribution to business outcomes can be understood and measured. This is especially important when measuring the return on investment of services

Internal IT organizations are not the only providers of external services to customers. Outsourcers, internet service providers and cloud service providers are all examples of organizations that are in the business of providing external services – and the technology departments providing these services are business units, supported by internal IT service providers.

A business process can be distributed across technologies and applications, span geographies, have many users and yet still reside wholly in the data centre. To integrate business processes, IT frequently employs bottom-up integration, stitching together a patchwork of technology and application components that were never designed to interact at the business process layer. What begins as an elegant top-down business design frequently deteriorates into a disjointed and inflexible IT solution, disconnected from the goals of the business.

A better strategy for supporting these business processes is to start by defining the outcomes and then identifying the IT services that support them, and after that defining how supporting services will be aligned to support the entire chain of dependencies.

Ref. Service Strategy 3.2.2.3



There are three main types of service provider. While most aspects of service management apply equally to all types of service provider, other aspects such as customers, contracts, competition, market spaces, revenue and strategy take on different meanings depending on the specific type.

The three types are:

Type I – internal service provider an internal service provider that is embedded within a business unit. There may be several Type I service providers within an organization.

Type II – shared services unit an internal service provider that provides shared IT services to more than one business unit.

Type III – external service provider a service provider that provides IT services to external customers.

ITSM concepts are often described in the context of only one of these types and as if only one type of IT service provider exists or is used by a given organization. In reality most organizations have a combination of IT service providers. In a single organization it is possible that some IT units are dedicated to a single business unit, others provide shared services, and yet others have been outsourced or depend on external service providers.

Ref. Service Strategy 2.1.4

Stakeholders

Service Management - Stakeholders
Basic Concepts P.15

User

- ✓ Someone who uses an IT service on a day-to-day basis

Suppliers

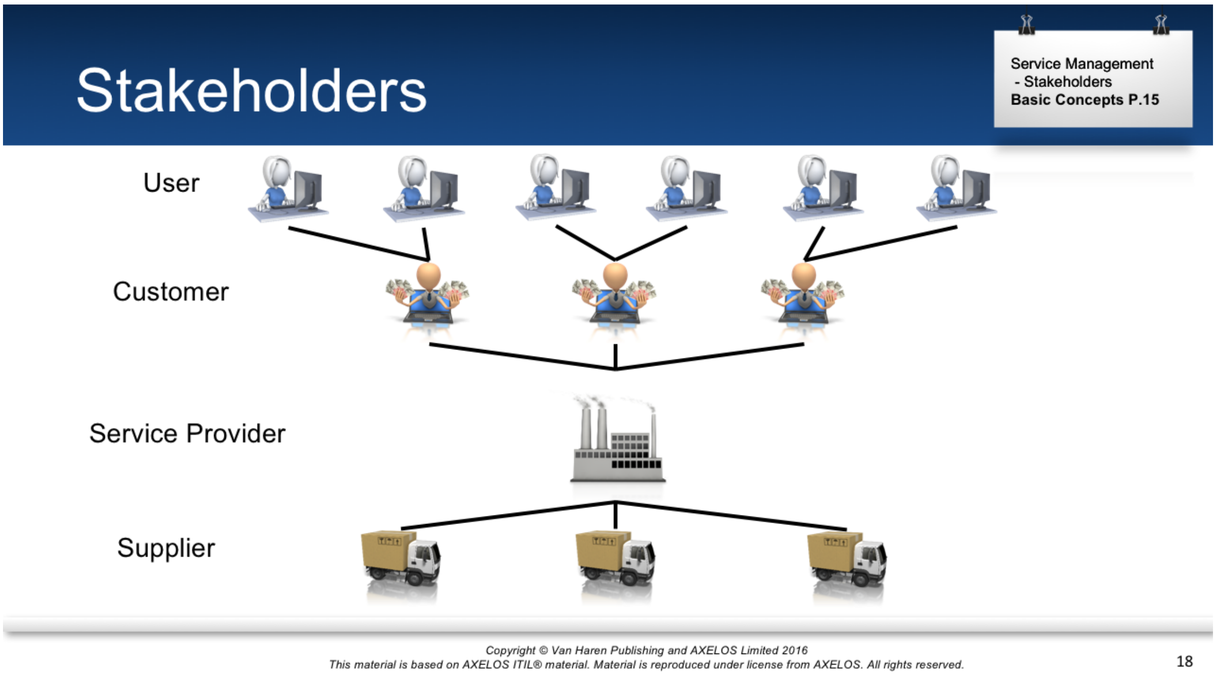
- ✓ Third parties responsible for supplying goods or services that are required to deliver IT services

Customer

- ✓ Someone who buys the goods/services
  - ✓ Internal Customers
    work for the same business as the IT service provider
  - ✓ External Customers
    work for a different business from the IT service provider

Stakeholders have an interest in an organization, project or service etc. and may be interested in the activities, targets, resources or deliverables from service management. Examples include organisations, service providers, customers, consumers, users, partners, employees, shareholders, owners and suppliers. The term 'organization' is used to define a company, legal entity or other institution. It is also used to refer to any entity that has people, resources and budgets – for example, a project or business. Within the service provider organization there are many different stakeholders including the functions, groups and teams that deliver the services. There are also many stakeholders external to the service provider organization, for example:

Ref: Service Strategy 2.1.5



Users Those who use the service on a day-today basis. Users are distinct from customers, as some customers do not use the IT service directly.

Suppliers Third parties responsible for supplying goods or services that are required to deliver IT services. Examples of suppliers include commodity hardware and software vendors, network and telecom providers, and outsourcing organizations.

Customers Those who buy goods or services. The customer of an IT service provider is the person or group who defines and agrees the service level targets. This term is also sometimes used informally to mean user – for example, 'This is a customer-focused organization. There is a difference between customers who work in the same organization as the IT service provider, and customers who work for other organizations.

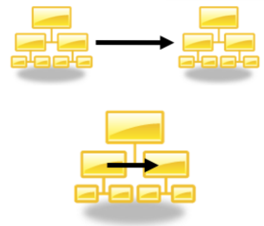
Ref: Service Strategy 2.1.5

Internal vs External customers

Service Management - Stakeholders
Basic Concepts P.15

External Customers
- ✓ People not employed by the organization
- ✓ Organizations that are separate legal entities

Internal Customers
- ✓ People or departments in the same organization



Many aspects are similar but differences in e.g. funding, accounting and involvement in all Service Lifecycle phases

Regardless of how consistently customers and consumers are treated, they are not all the same. There is a difference between customers who work in the same organization as the IT service provider, and customers who work for another organization.

Internal customers are people or departments who work in the same organization as the service provider. For example, the marketing department is an internal customer of the IT organization because it uses IT services. The head of marketing and the CIO both report to the chief executive officer (CEO). If IT charges for its services, the money paid is an internal transaction in the organization’s accounting system – i.e. not real revenue.

External customers are people who are not employed by the organization, or organizations that are separate legal entities, that purchase services from the service provider in terms of a legally binding contract or agreement. When the service provider charges for services they are paid with ‘real’ money, or through an exchange of services or products. For example, an airline might obtain consulting services from a large consulting firm. Two-thirds of the contract value is paid in cash, and one-third is paid in air tickets at an equivalent value.

It is very important to note that both internal and external customers must be provided with the agreed level of service, with the same levels of customer service. The way in which services are designed, transitioned, delivered and improved, however, is often quite different.

Ref: Service Strategy 3.2.1.2

Service Management

Service Management
- Definition
Functions and processes P.15

"A set of specialised organisational capabilities for providing value to customers in the form of services."

- ✓ Capabilities include functions and processes for managing services over a lifecycle
- ✓ Capabilities represent an organisation's capacity, competency and confidence for action

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The use of IT today has become the utility of business. Business today wants IT services that behave like other utilities such as water, electricity or the telephone. Simply having the best technology will not ensure that IT provides utility like reliability. Professional, responsive, value driven service management is what brings this quality of service to the business.

Service management is a set of specialized organizational capabilities for providing value to customers in the form of services. The more mature a service provider's capabilities are, the greater is their ability to consistently produce quality services that meet the needs of the customer in a timely and cost-effective manner. The act of transforming capabilities and resources into valuable services is at the core of service management. Without these capabilities, a service organization is merely a bundle of resources that by itself has relatively low intrinsic value for customers.

The origins of service management are in traditional service businesses such as airlines, banks, hotels and phone companies. Its practice has grown with the adoption by IT organizations of a service oriented approach to managing IT applications, infrastructure and processes. Solutions to business problems and support for business models, strategies and operations are increasingly in the form of services. The popularity of shared services and outsourcing has contributed to the increase in the number of organizations that behave as service providers, including internal IT organizations. This in turn has strengthened the practice of service management while at the same time imposed greater challenges.

Ref Service Strategy 2.1.2

IT Service Management

Service Management
- IT service management
Basic concept P.12

"The implementation and management of quality IT services that meet the needs of the business. IT service management is performed by IT service providers through an appropriate mix of people, process and information technology."

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Information technology (IT) is a commonly used term that changes meaning depending on the different perspectives that a business organization or people may have of it. A key challenge is to recognize and balance these perspectives when communicating the value of IT service management (ITSM) and understanding the context for how the business sees the IT organization. Some of these meanings are:

- IT is a collection of systems, applications and infrastructures which are components or subassemblies of a larger product. They enable or are embedded in processes and services.
- IT is an organization with its own set of capabilities and resources. IT organizations can be of various types such as business functions, shared services units and enterprise-level core units.
- IT is a category of services utilized by business. The services are typically IT applications and infrastructure that are packaged and offered by internal IT organizations or external service providers. IT costs are treated as business expenses.
- IT is a category of business assets that provide a stream of benefits for their owners, including, but not limited to, revenue, income and profit. IT costs are treated as investments.

Every IT organization should act as a service provider, using the principles of service management to ensure that they deliver the outcomes required by their customers.

ITSM must be carried out effectively and efficiently. Managing IT from the business perspective enables organizational high performance and value creation.

A good relationship between an IT service provider and its customers relies on the customer receiving an IT service that meets its needs, at an acceptable level of performance and at a cost that the customer can afford. The IT service provider needs to work out how to achieve a balance between these three areas, and communicate with the customer if there is anything which prevents it from being able to deliver the required IT service at the agreed level of performance or price.

Ref Service Strategy 2.1.3

What is ITIL®?

Introduction to ITIL®
- What is ITIL®
Background P. 4-6

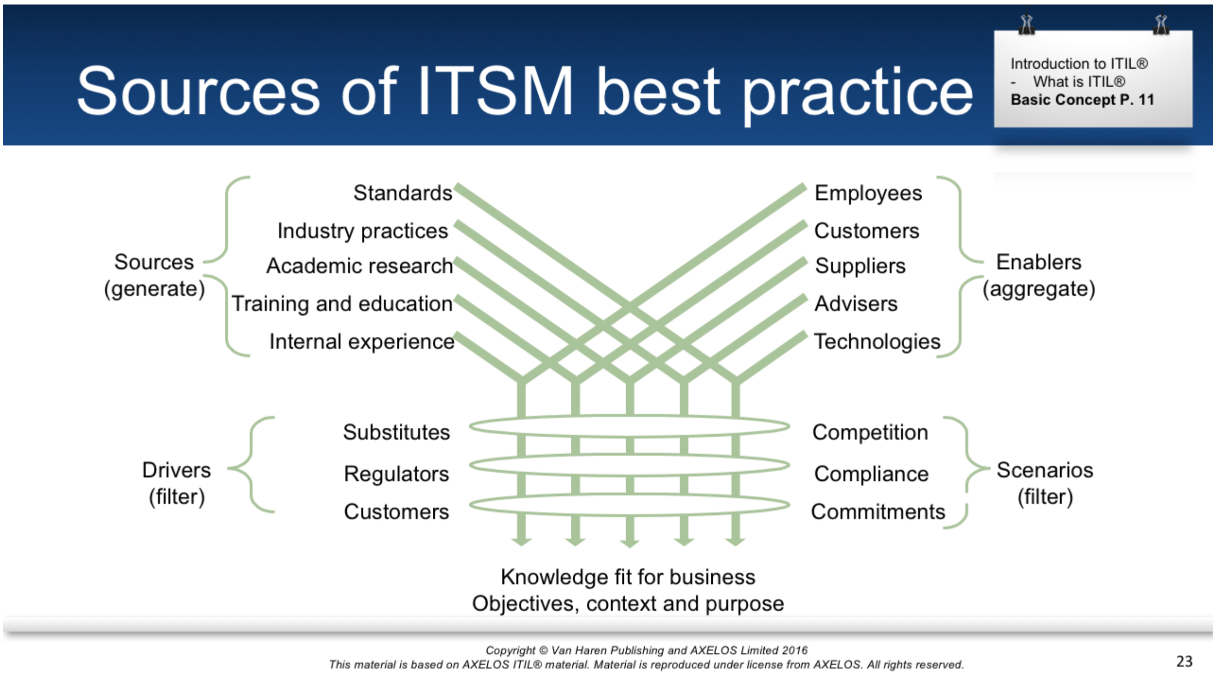
- ✓ ITIL® = IT Infrastructure Library ®
- ✓ ITIL® is a framework, not a methodology
- ✓ Produced by "Cabinet Office" (former Office of Government Commerce, OGC)
- ✓ Now owned by Axelos
- ✓ Guidance rather than standard
- ✓ A source of good practice in IT Service Management
- ✓ Organisations will need to adopt and adapt the processes

ITIL is part of a suite of best-practice publications for IT service management (ITSM). ITIL provides guidance to service providers on the provision of quality IT services, and on the processes, functions and other capabilities needed to support them. ITIL is used by many hundreds of organizations around the world and offers best-practice guidance to all types of organization that provide services. ITIL is not a standard that has to be followed; it is guidance that should be read and understood, and used to create value for the service provider and its customers. Organizations are encouraged to adopt ITIL best practices and to adapt them to work in their specific environments in ways that meet their needs.

ITIL is the most widely recognized framework for ITSM in the world. In the 20 years since it was created, ITIL has evolved and changed its breadth and depth as technologies and business practices have developed. ISO/IEC 20000 provides a formal and universal standard for organizations seeking to have their service management capabilities audited and certified. While ISO/IEC 20000 is a standard to be achieved and maintained, ITIL offers a body of knowledge useful for achieving the standard.

In 2007, the second major refresh of ITIL was published in response to significant advancements in technology and emerging challenges for IT service providers. New models and architectures such as outsourcing, shared services, utility computing, cloud computing, virtualization, web services and mobile commerce have become widespread within IT. The process-based approach of ITIL was augmented with the service lifecycle to address these additional service management challenges. In 2011, as part of its commitment to continual improvement, the Cabinet Office published this update to improve consistency across the core publications.

Ref. Service Strategy 1.0



Organizations benchmark themselves against peers and seek to close gaps in capabilities. This enables them to become more competitive by improving their ability to deliver quality services that meet the needs of their customers at a price their customers can afford. One way to close such gaps is the adoption of best practices in wide industry use.

There are several sources for best practice including public frameworks, standards and the proprietary knowledge of organizations and individuals. ITIL is the most widely recognized and trusted source of best-practice guidance in the area of ITSM.

Public frameworks and standards are attractive when compared with proprietary knowledge for the following reasons:

- Proprietary knowledge is deeply embedded in organizations and therefore difficult to adopt, replicate or even transfer with the cooperation of the owners. Such knowledge is often in the form of tacit knowledge which is inextricable and poorly documented.
- Proprietary knowledge is customized for the local context and the specific needs of the business to the point of being idiosyncratic. Unless the recipients of such knowledge have matching circumstances, the knowledge may not be as effective in use.
- Owners of proprietary knowledge expect to be rewarded for their investments. They may make such knowledge available only under commercial terms through purchases and licensing agreements.

Ignoring public frameworks and standards can needlessly place an organization at a disadvantage. Organizations should cultivate their own proprietary knowledge on top of a body of knowledge based on public frameworks and standards. Collaboration and coordination across organizations become easier on the basis of shared practices and standards.

Ref. Service Strategy 2.1.7