

The ITIL Experience

Has it been worth it?

Report author

Noel Bruton
Bruton Consultancy
Box 27
Cardigan
Wales SA43 2YL
+44 1239 811646
itil@noelbruton.com
<http://www.noelbruton.com>

Section One

Introduction

Until now, the assertion that ITIL provides quality and best practice has never been scientifically tested. However, it is clear that for a company to adopt ITIL, it commonly requires a major commitment to changes in practices, re-skilling of staff and considerable expense. This raises the issue as to whether this outlay can be expected to produce a return, and what the might be nature of that return.

Organisers of the UK's Helpdesk and IT Services exhibition and conference VCM have teamed up with Helpdesk software vendors Hornbill Systems and The Help Desk Institute to commission this report on experiences in implementing the Information Technology Infrastructure Library (ITIL). The survey from which the report was compiled and the report itself are the work of Noel Bruton, a globally respected expert on IT services management and author of 'How to Manage the IT Helpdesk' and 'Managing the IT Services Process'.

Does ITIL deliver on its claims? Is it worth the effort and investment? As a way of running IT, where in various companies much of the design is already done, the implementation already experienced, the whole being backed up by academe and software production, it is undoubtedly the best we have. But is it really, in the eyes of those who live with it every day, actually good enough? If your company were to adopt ITIL tomorrow, would you be striding towards a bright new dawn of operational and service excellence, or leaning over the edge of a bottomless pit of unjustifiable costs, procedural disruption and shattered expectations? And if the answer is somewhere in between, how do we make the scales balance?

Preface

There is no doubt that the Information Technology Infrastructure Library (ITIL) is important. It is a set of pre-written strategies and procedures for running a corporate information technology (IT) function. Its scope is broad, relative to IT - it covers aspects from development, through system delivery, availability and maintenance all the way to support of the system through helpdesk and other services. It consists fundamentally of a set of reference manuals, each covering a different aspect of IT. These are the work of acknowledged industry experts and commentators, practitioners as well as theorists. Through their efforts they have matured ITIL from its beginnings nearly two decades ago as a set of guidelines for running IT in UK government departments, until now, ITIL is as eagerly adopted by the commercial sector.

ITIL is concerned about its own quality, to the extent at least that it ordains training standards for those IT professionals who will practice in an ITIL-compatible environment. Training companies may have their course materials audited, the competence of their staff assessed. Course attendee certificates are endorsed by a wing of the long-standing and highly esteemed British Computer Society.

There is nothing else like it in IT. The principal exponents of ITIL here in the UK are the Information Technology Service Managers Forum and various training companies and consultancies who assist companies to move towards ITIL compatibility. Alongside these are various IT-service software vendors who have oriented their products towards an ITIL-like operating method.

These advocates are often at pains to point out that ITIL is not a standard, because it is not audited - and neither is it prescriptive, because it cannot tell you how to run your business. The claims made by various factions of the ITIL industry in this country do however include that the methodology includes 'best practice' and quality in its ways of working. From these contentions, the observer may be tempted to infer that taking the ITIL route by extraction attracts these benefits too.

Companies considering, adopting or rejecting ITIL all submitted their experiences and views and the reasons behind their approach to ITIL. For the first time, the IT services industry has a composite document to show the reality of ITIL in its adoption and use. It gets beyond the hyperbole and myth that have accompanied some of the claims made for ITIL - but it goes deeper into what really can be expected practical terms. Questions of costs, policy changes, impacts on delivered service, headcount alterations, return on financial investment and strategic considerations are all raised and answered.

They realise that ITIL adoption is not straightforward. It is a major business decision that needs more than just a suggestion of improved practice and service quality. The survey respondents show how they went about the decision and the extent to which their commitment paid off.

Noel Bruton
Spring, 2004

Summary of main conclusions

- *Proof that the adoption of ITIL produces, for most of those who measure it, a real improvement in service levels to the user base as customer.*
- *More than half of adopting companies measured a distinct improvement in customer satisfaction.*
- *ITIL benefits staff. Not only does their work competence increase, but so does their job satisfaction.*
- *The size of your company is no limit to or likelihood of your adopting ITIL or not. Size does not appear to make a difference. You can take up ITIL with just two people in the IT department.*
- *The typical ratio of IT headcount to userbase is around four to six percent - this by-product of the survey could be seen as a staffing benchmark.*
- *Taking up ITIL still remains a matter of deliberate choice rather than a must-have. This is encouraging for ITIL as a philosophy, for it suggests that despite the method's recent prominence, it is not a passing fad or the latest IT lifestyle, but the subject of serious strategic consideration.*
- *Those who adopt ITIL have a slightly heightened tendency to adopt other external practice standards in their business. Those who reject ITIL are highly likely to reject other standards also.*
- *Smaller companies are more likely to be among the group rejecting ITIL. Despite its apparent workability in smaller, even tiny IT departments, the methodology is still typically the premise of the larger organisation.*
- *At this stage in ITIL's development, it is by design a methodology, not an industry standard to which companies can adhere - but 63% of adopting companies still expect it to be a standard.*
- *ITIL-based companies see one of the main benefits as being the unification of the whole of IT under common practices - but ITIL alone will not necessarily deliver this. The active participation of as many departments as possible is crucial.*
- *ITIL can be adopted exclusively within IT, without necessarily accounting for existing business practices and strategies.*
- *A fifth of adopting companies acknowledged that ITIL had indeed given them a competitive advantage in their company's market - and as by definition not everybody can be market leaders, this fifth reflects a commercially significant benefit to ITIL.*
- *For any desired benefit, the implementers must take specific and careful steps to ensure that it comes about. Clear goals and a consistent pursuit of them are critical so the benefit does not become one of the ubiquitous 'Almost Delivered'.*
- *ITIL is an IT matter only. Business strategic, commercial and political matters, although important on an organisational scale, are not necessarily components of the ITIL implementation.*
- *All sections at all levels of IT should be prepared for procedural and operational change. Concentrated study of IT procedures will be paramount and unavoidable.*

- *Despite all the processes mentioned in ITIL, it remains incomplete. Adopting companies found a need to add other processes beyond those described in the ITIL literature.*
- *Two thirds of those using software to support ITIL adoption found that the software had to be customised even where the software was aimed at the ITIL market.*
- *There is no single way of 'being ITIL compliant' because the flexibility of the methodology renders the concept of 'compliance' irrelevant in an ITIL context.*
- *First-time-fix and time-to-fix improvements delivered by ITIL have cost justification implications because quicker fixes mean that users are losing less downtime in the helpdesk queue. This service increase translates directly into a business benefit.*
- *There is a trade-off between expedition and accuracy. The records in the CMDB do not just impact IT, but have a business implication, for they are a list of valuable hardware assets. Perhaps it is worth seeing a reduction in service level in exchange for an increase in the integrity of management information.*
- *Benchmark the services prior to adoption in light of a probable benefit thereafter.*
- *In nearly three quarters of cases, ITIL can be implemented with the same or ultimately fewer staff than at present.*
- *Average cost of ITIL implementation is around £5338 per IT seat regardless of how much of IT takes part.*
- *ITIL is not a cure for all procedural ills or absences - its processes, though detailed, do not cover everything, as experienced implementers overwhelmingly agree.*

Section Two - Respondents

One hundred and twenty-five companies provided usable data, of which fifty (40%) had adopted ITIL in part or completely. Thirty-nine (31%) had dismissed it. The remaining thirty-six (29%) are still considering the possibility of using ITIL in their organisations.

The great majority of participants were based in the UK, which reflects the content of the contact databases of the survey authors rather than indicating the international acceptability of ITIL.

Does size matter?		All respondents	ITIL Adopters	ITIL Rejecters
Size of user base	Mean	3463	3760	2399
	Median	1300	1500	625
	Smallest	2	2	2
	Biggest	50000	50000	25000
Number of IT staff	Mean	155	171	85
	Median	83	91	38
	Smallest	1	2	1
	Biggest	1050	1050	650
IT heads in relation to number of users	Mean	4%	5%	4%
	Median	6%	6%	5%

Does the size of your organisation's userbase suggest you are more or less likely to be the sort to adopt ITIL?

The table above relates the report size of userbase to that of IT department for all companies and then specifically for those adopting ITIL. The range of size of userbase is the same in both cases - from two to fifty thousand users. Similarly, the range of size of IT department is the same - from one or two to over a thousand IT personnel.

However, there is a difference in the average userbase and the average IT department. It is, by a small but noticeable margin, the larger company that is statistically more likely to adopt ITIL. Companies taking up ITIL tended to have a userbase 9% to 15% larger than the average and an IT department 10% more strongly staffed.

The size of your company is therefore no limit to or likelihood of your adopting ITIL or not. In this case at least, size does not appear to make a difference. You can take up ITIL with as few as two people in the IT department.

Size does matter in one respect. Those companies choosing to reject ITIL are smaller than their adopting counterparts and among the smaller organisations represented in the survey overall. Small organisational size does not of itself preclude adopting ITIL - but the smaller company is statistically more likely to reject it. Companies choosing not to adopt have a userbase and IT department around half the size of that of their adopting peers.

Smaller companies are more likely to be among the group rejecting ITIL. Despite its apparent workability in smaller, even tiny IT departments, the methodology is still typically the premise of the larger organisation.

A notable by-product statistic of this survey, is the number of IT heads in relation to the number of users. Although it bears no direct relation to ITIL as such, it suggests that among the surveyed companies, the typical ratio of IT headcount to userbase is around four to six percent. This is valid for all respondents and both adopters and rejecters of ITIL. This could be used as a benchmark in a staffing calculation.

Are they adopters of other standards?

The survey considered if the sort of organisations tending to move towards ITIL were the sort who would be more likely to operate under other industry standards. In both the charts below, the respondents partially or fully adopting are summarised and shown in *italics* for comparison with those not considering.

All respondents	BS 15000	TickIT	Prince2	Investors in People	Other standard
Partially adopted	7%	4%	24%	10%	0%
Fully adopted	3%	6%	17%	31%	0%
<i>Partly or fully adopted</i>	<i>11%</i>	<i>10%</i>	<i>41%</i>	<i>41%</i>	<i>0%</i>
Not being considered	62%	80%	49%	41%	0%
Considered and rejected	0%	1%	2%	1%	0%

ITIL Adopters	BS 15000	TickIT	Prince2	Investors in People	Other standard
Partially adopted	15%	8%	27%	13%	0%
Fully adopted	6%	8%	27%	27%	0%
<i>Partly or fully adopted</i>	<i>21%</i>	<i>17%</i>	<i>54%</i>	<i>40%</i>	<i>0%</i>
Not being considered	42%	71%	38%	44%	0%
Considered and rejected	0%	2%	2%	0%	0%

ITIL Rejecters	BS 15000	TickIT	Prince2	Investors in People	Other standard
Partially adopted	3%	3%	18%	3%	0%
Fully adopted	0%	5%	5%	36%	0%
<i>Partly or fully adopted</i>	<i>3%</i>	<i>8%</i>	<i>23%</i>	<i>38%</i>	<i>0%</i>
Being considered	8%	3%	5%	13%	0%
Not being considered	90%	90%	67%	49%	0%
Considered and rejected	0%	0%	5%	0%	0%

With the exception of 'Investors in People', companies adopting ITIL are statistically slightly more likely to adopt other standards, with Prince 2 (a project development methodology) coming in as the clear favourite. However, among ITIL adopters, those not considering adopting any other standard form the largest group, with the exception of 'Investors in People'.

In addition, no respondent offered their compliance with another standard other than those specifically mentioned on the survey form.

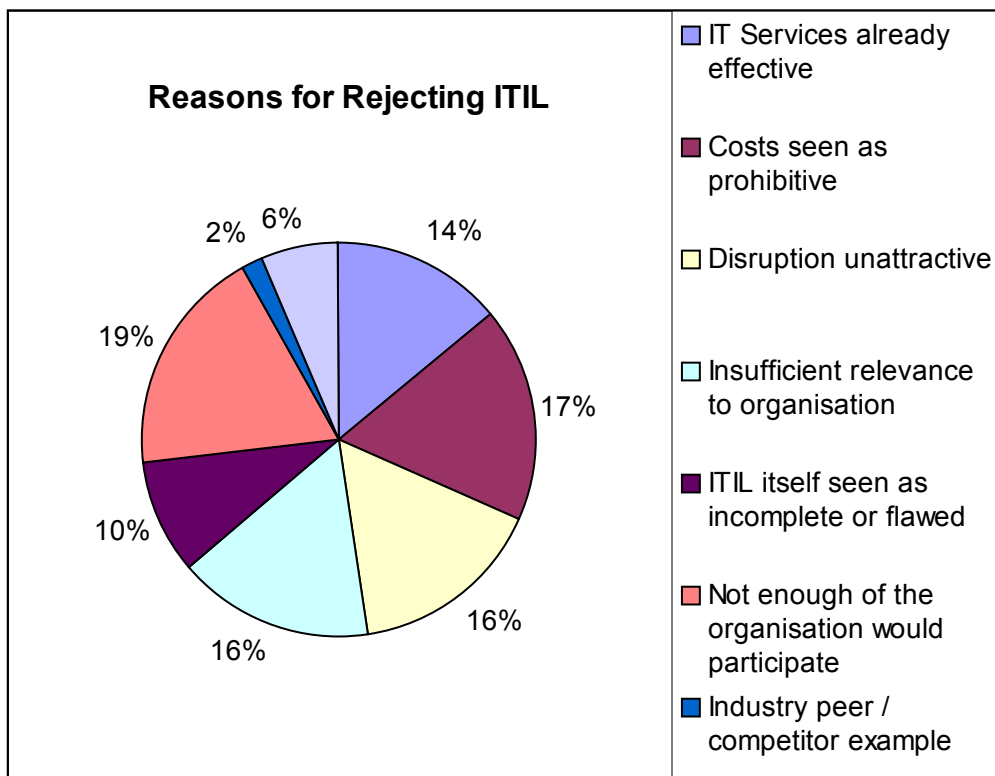
Also notable is the elevated tendency of ITIL adopters to be moving towards BS15000. This newer standard is being advocated by some ITIL commentators as a device to cement the ITIL methodology into an auditable framework and make it part of general corporate practice. The marriage of ITIL and BS15000 may well go some way to answering some critics of earlier incarnations of ITIL. There had been questions as to whether ITIL could justify its claim to provide best practice when it offered no performance benchmarks, no auditing of its implementation and no claim to be complete. BS15000 will expect a procedure to provide a cycle of continuous improvement, and this could fill some of the gaps in ITIL.

Those who have rejected ITIL are also significantly likely to reject other industry-wide practice standards, again with 'Investors in People' being the one they are *most* likely to consider. Nevertheless, among those deciding that ITIL is not for them, 90% feel the same way too about BS15000 and TickIT and 72% feel they can do without Prince2 and half believe they will get by without 'Investors In People'.

Those who adopt ITIL have a slightly heightened tendency to adopt external practice standards in their business. Those who reject ITIL are highly likely to reject other standards.

Why was it rejected?

Nearly a third of all survey respondents had made an active decision to not adopt ITIL. Their main reason was that 'not enough of the organisation would participate', as reported by a fifth of those rejecting ITIL. Ten percent see ITIL itself as inherently flawed. Taking together those worried about cost and the disruption, 35% are concerned about the actual implementation of ITIL. For a total of thirty percent of rejecters, ITIL is either irrelevant or their IT services believes it does not need the methodology.



The pie chart above shows participants response to the reasons suggested in the survey. The following is a list of other reasons given for refusing the ITIL experience:

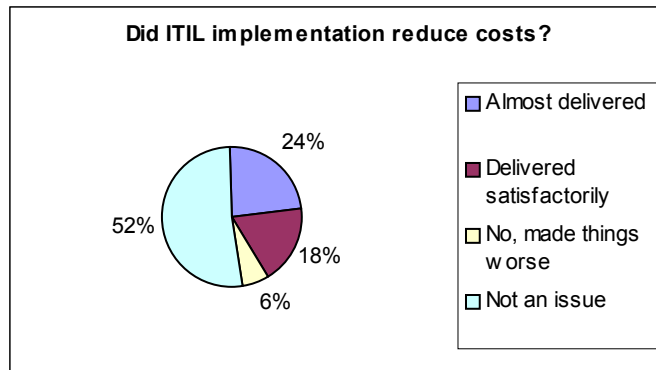
- "Change management too expensive for perceived benefits"
- "Denial that improvements are needed / possible"
- "Not seen as a priority, Lack of resources, e-Govt"
- "Lack of interest from board level"
- "Is not relevant at the moment"
- "I don't know what is involved"
- "ITIL may be seen as too grand for an organisation this size"
- "Has never been evaluated"
- "Business does not really understand what it is"
- "Lack of understanding and knowledge"
- "Not seen as 'marketable' - not required by clients"

ITIL is not a given. Not all companies see it as a benefit, and as we shall see later, even those who have adopted and indeed benefited from it are prepared, even in their enthusiasm, to concede its incompleteness in some areas.

On the basis of these figures, however, taking up ITIL still remains a matter of deliberate choice rather than a must-have. This is encouraging for ITIL as a philosophy, for it suggests that despite the method's recent prominence, it is not a passing fad or the latest IT lifestyle, but the subject of serious strategic consideration.

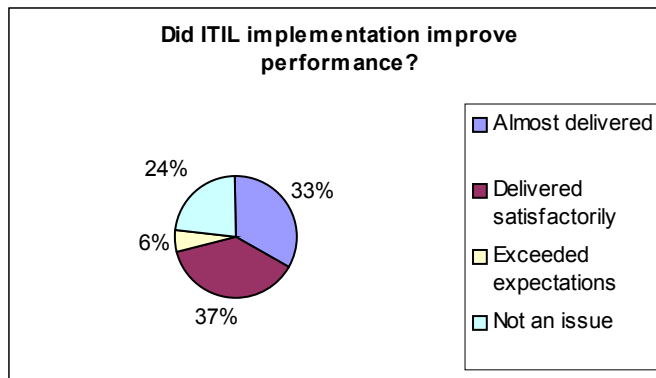
Section Three - Going ITIL

This section is dedicated to ITIL adopters. The range of questions around this topic as they appeared on the survey form, anticipated some of the common reasons for going ITIL. Respondents were asked to rate both how relevant these reasons were to them and how effective their ITIL implementation had been in delivering against those reasons.



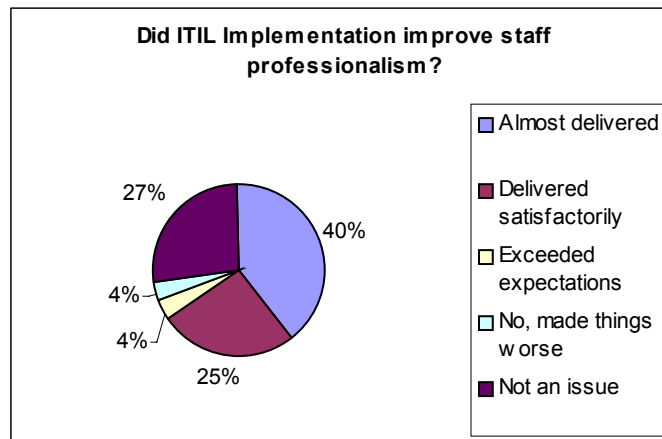
For a little over half of companies taking up ITIL, cost reduction as a result is not an issue. The little under half for whom cost reduction was an agenda item had a mixed experience. A fifth of all adopters are happy that they have made their cost reduction target, while a quarter are still waiting for the consequent cost reductions to kick in. Six percent consider the costs to have risen beyond acceptable levels.

Nearly a third of adopters wanted cost reductions as a result of ITIL and did not get them. The question remains whether cost reduction was a reasonable expectation, given that half of those taking up ITIL do so for the service improvements it will bring rather than what it will cost.



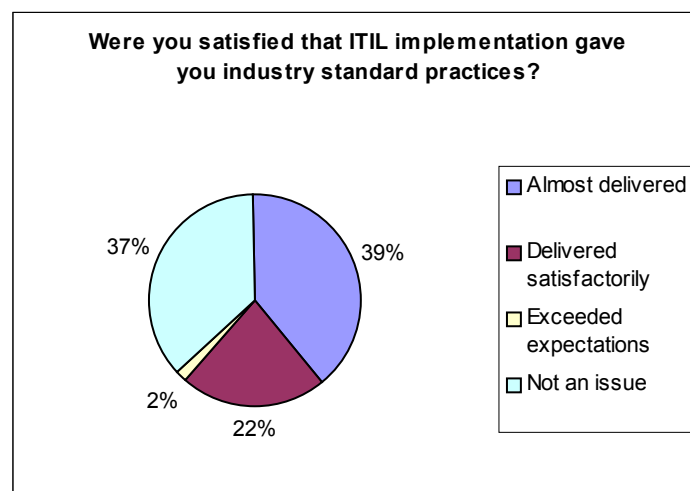
So does ITIL bring those service improvements? For three quarters of adopters this was an issue, and one adequately met in 45% of all cases. 33% saw performance improvements as being 'almost delivered'. There were no reported cases of overall performance having declined under ITIL. We look at these performance increases in detail in Section Four.

Suffice to say that it is reasonable to expect ITIL to produce an increase in service performance. But where does this come from? One place to look is the professionalism of the staff. ITIL brings with it clear processes - instructions about what has to happen, in what order and at whose hand. Where staff know what is expected of them, they are more likely to produce the desired result.



For 27% of adopters, staff professionalism was not a priority. Forty percent see the professionalism as being 'almost delivered'. A further 27% were happy that their intended increase in professionalism came about, although this is not as high as the 45% who saw a service performance increase - so the performance increase was not all due to this.

What ITIL does provide is procedure, a method for handling all work. Where procedure comes into play, performance is likely to become more consistent because jobs are dealt with in a similar way. This consistency means that fewer issues are likely to slip through the cracks, because some of those cracks simply will not be there after the adoption of considered practices, processes and procedures.

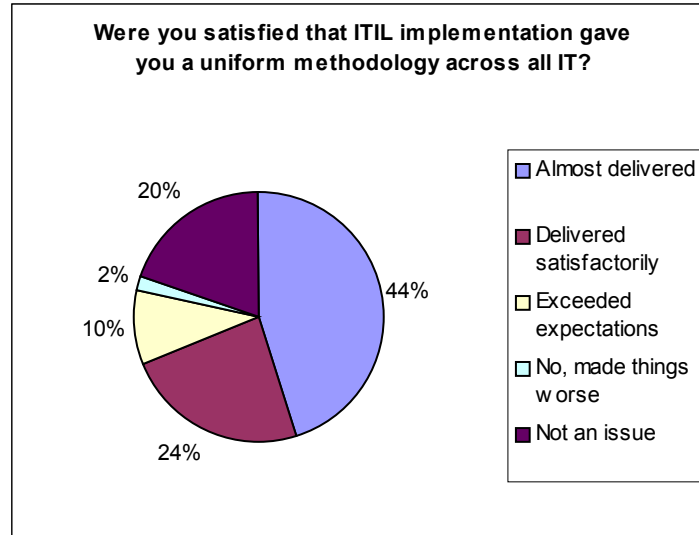


Are those practices compliant with an industry standard? For 37% of adopters, any such standard is not an issue. The question does not address whether ITIL provides processes, for that is the point of the methodology (we look in more depth at those processes in Section Four). What we consider here is how these practices may reflect an industry standard. A quarter are happy that for them, ITIL has delivered just that. For the remaining 39%, this standardisation has not quite been delivered.

The question actually looks at the issue as to whether ITIL is a standard at all. Its exponents and commentators will assure us that it is not. The very nature of ITIL is that it is not prescriptive and thus cannot be considered a standard - and of course the closer to standardisation, the further away from individual identity, which might put ITIL at risk of being relevant to fewer organisations or industry sectors. It is in the interests of both the industry and the methodology that ITIL does not go too far down the path of standardisation, for that might make its benefits less available to some companies.

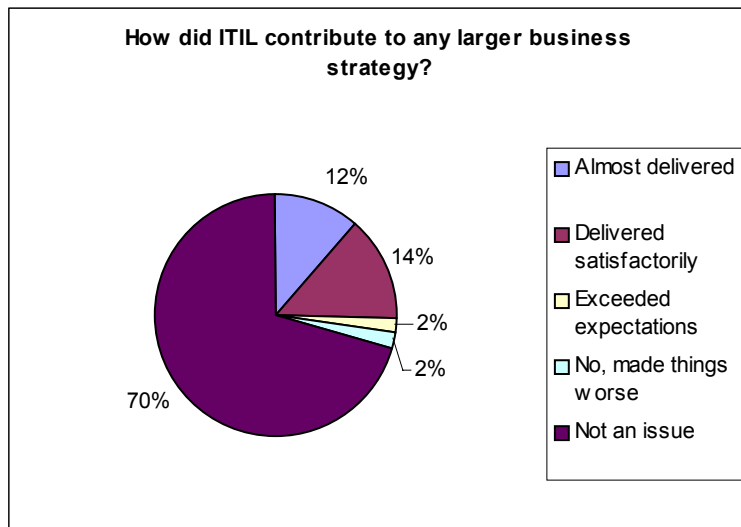
Nevertheless, perhaps the use of the term 'best practice' in ITIL marketing appears to have led even some of the adopters to hope for an industry standard way of doing things and indeed a high standard. As the chart shows, industry standard practices are an issue for 63% of adopters. Perhaps it is time for the designers of ITIL to consider making ITIL a standard rather than just a methodology. The coming together of ITIL and BS15000 may deliver just that.

At this stage in ITIL's development, it is by design a methodology, not an industry standard to which companies can adhere - but 63% of adopting companies still expect it to be a standard.



One particularly important putative benefit of ITIL is the effect on IT as a function. The issue of a uniform methodology across all IT was a consideration to 80% of adopters, making it the most appealing benefit. It almost delivered in 44% of cases, which is a large number to be still waiting for such a significant benefit. As we see below at 'Who Was Affected?', the impact of the move to ITIL tended to differ across departments. Some change much more than others, and this may frustrate the desire to link the whole of IT together under one umbrella practice regime. We must remember too that the main reason for rejecting ITIL was the expectation that not enough of the company would take part - perhaps these pockets of non-participation exist in adopting companies also.

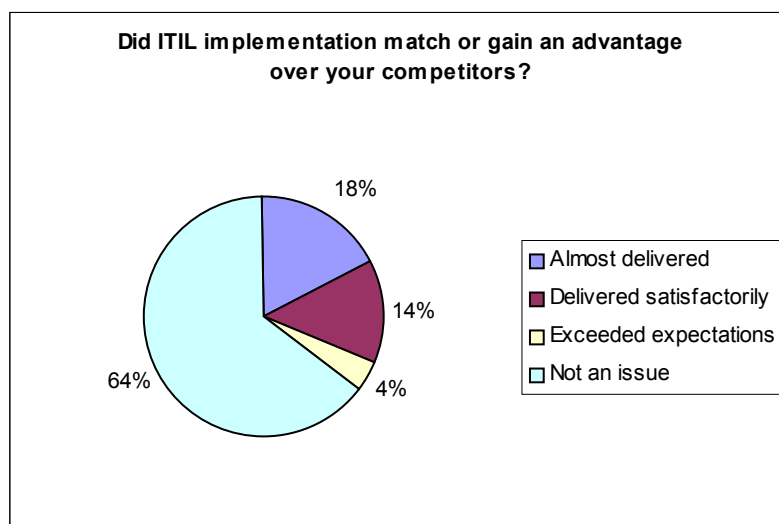
ITIL-based companies see one of the main benefits as being the unification of the whole of IT under common practices - but ITIL alone will not definitely deliver this. The active participation of as many departments as possible is crucial.



The point of ITIL being chiefly an IT internal consideration is shown in the above chart. Respondents were asked about ITIL's place in a larger business strategy. For seventy percent of adopters, this was not an issue.

This is of interest in terms of the future of ITIL, in particular where it may come into line with the BS15000 management standard. Of course unlike ITIL, BS15000 is not an IT regime, but one that fits the corporation as a whole. Those designing the marriage of the two may well consider that ITIL does not necessarily need a business strategy, and by implication, nor does it necessarily require a link with BS15000 to be effective.

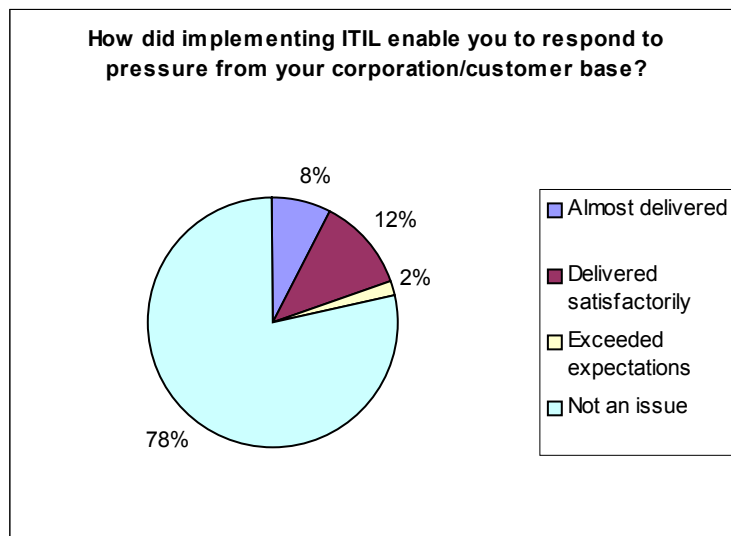
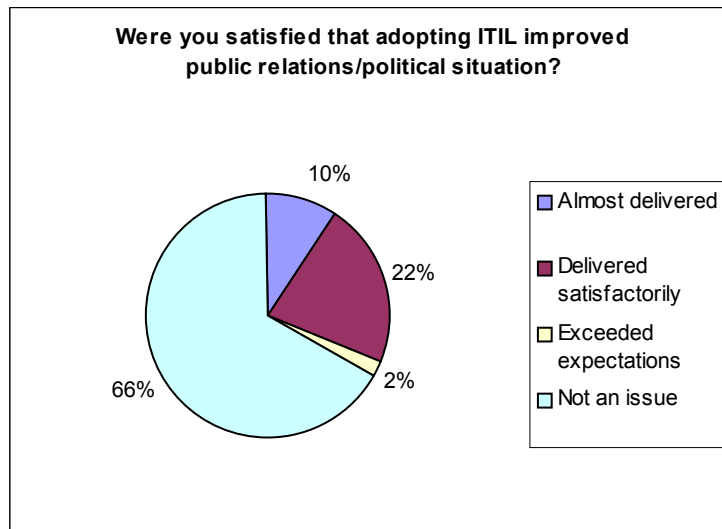
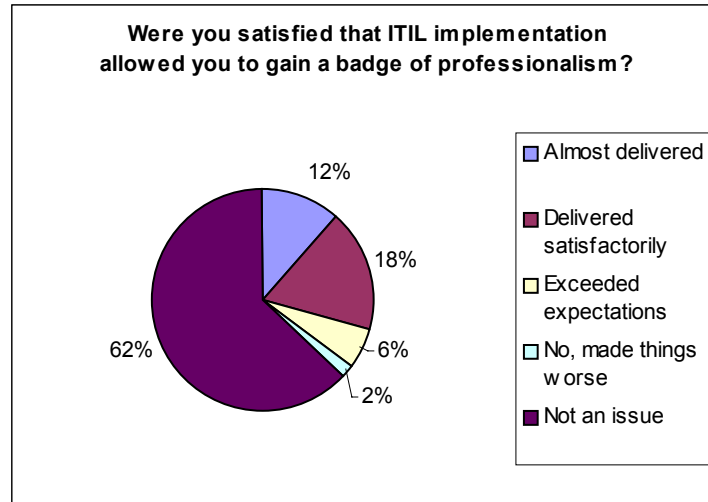
The above chart shows that ITIL can be adopted exclusively within IT, without necessarily accounting for existing business practices and strategies.



A further suggestion that ITIL is adopted as an IT theme, rather than as a business one, comes from the question about ITIL's role in providing the host company with a competitive advantage in its marketplace. For sixty-four percent, this clearly business-only issue was not a consideration in the adoption process.

However, a fifth of adopting companies acknowledged that ITIL had indeed given them a competitive advantage in their company's market - and as by definition not everybody can be market leaders, this fifth reflects a commercially significant benefit to ITIL.

As the following three charts show, ITIL adopters do not seek political advantage, nor do they take up ITIL in order to respond to political pressures.



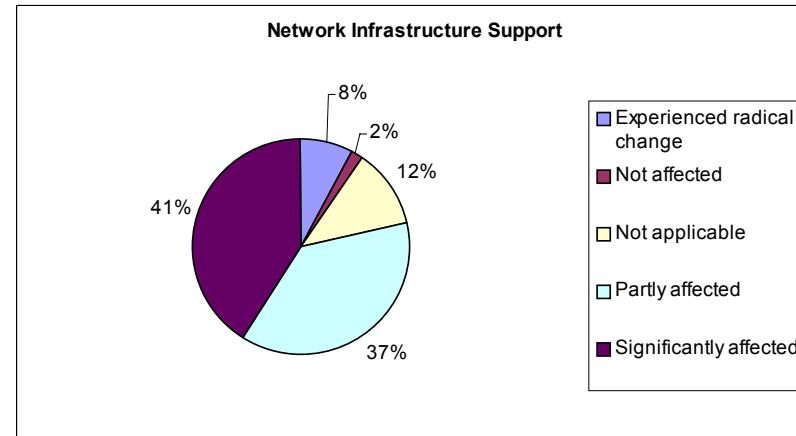
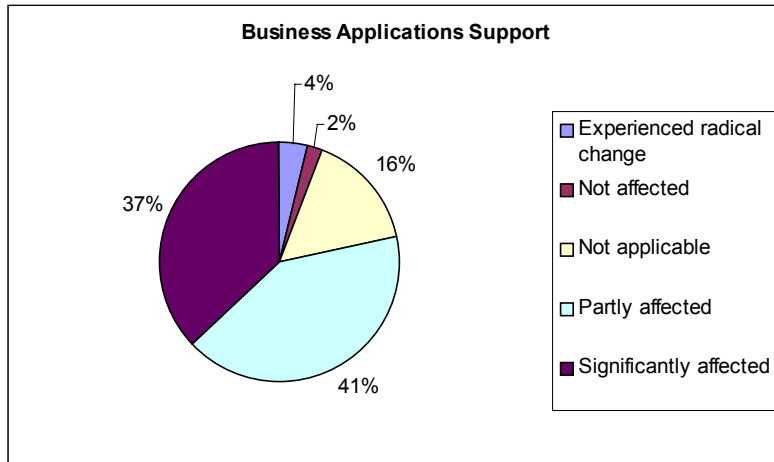
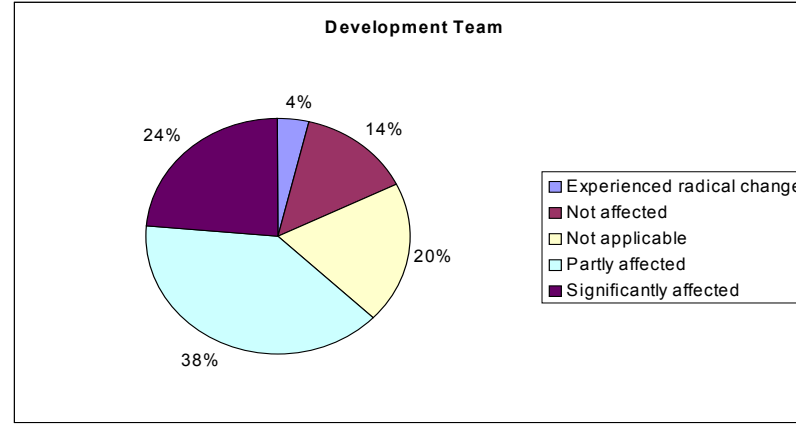
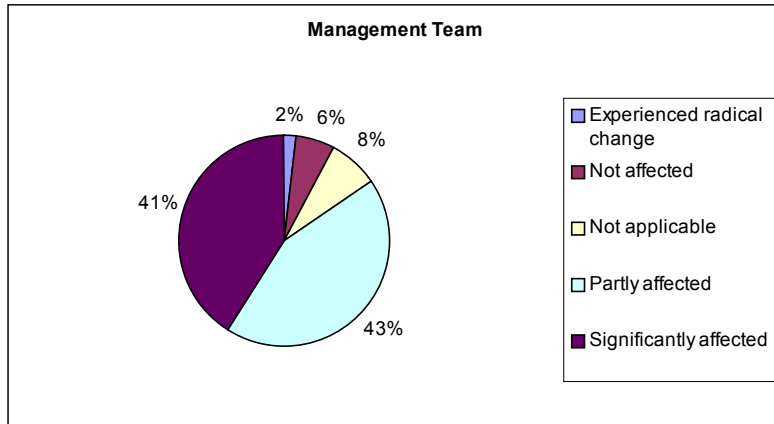
Taking the messages from this section overall, two general conclusions offer themselves. First, ITIL does not necessarily deliver against the expectations placed upon it. For all the benefits assessed in this section where the benefit had been desired by the adopting company, a significant proportion must put up with ITIL having done no more than 'Almost Delivered'. Some, but not all, companies can make it work, can extract the desired benefit and sometimes push it beyond expectations.

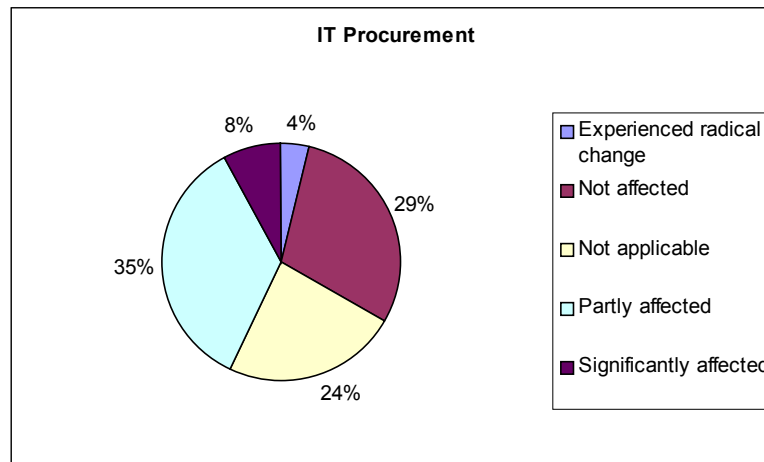
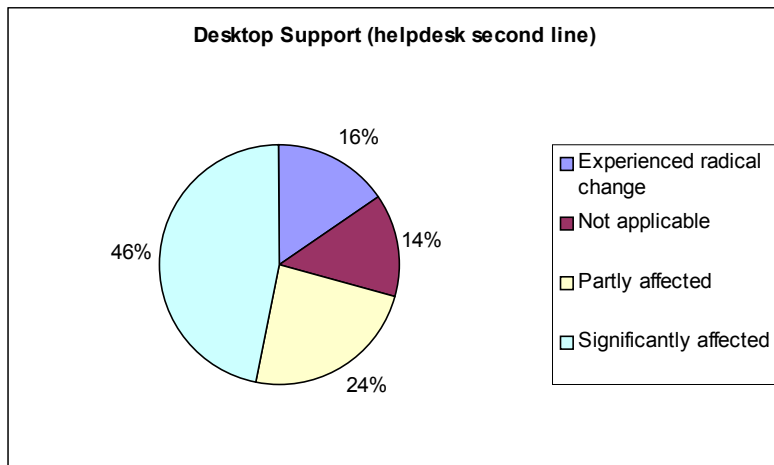
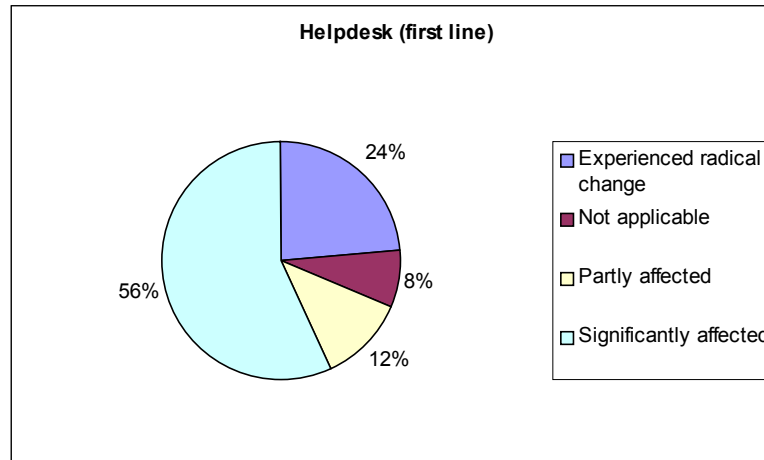
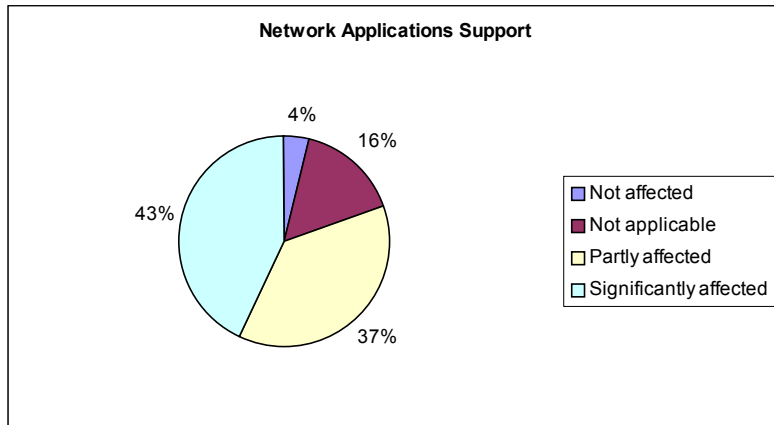
The message for this author is that if the benefit is truly desired, then the implementers must take specific and careful steps to ensure that it comes about. Clear goals and a consistent pursuit of them are critical so the benefit does not become one of the ubiquitous 'Almost Delivered'

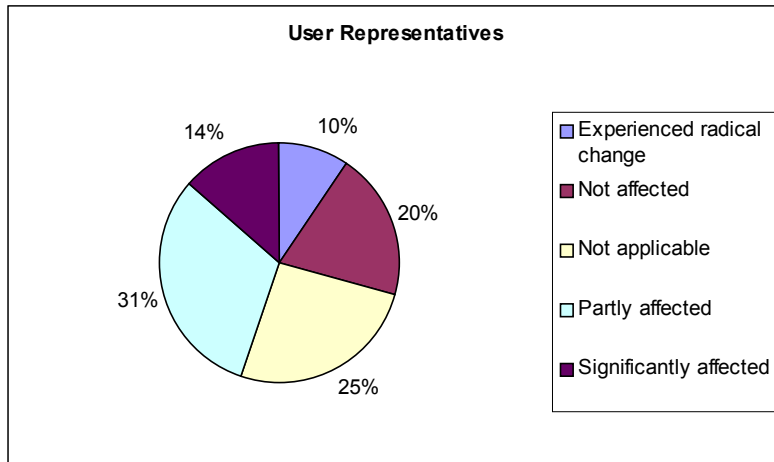
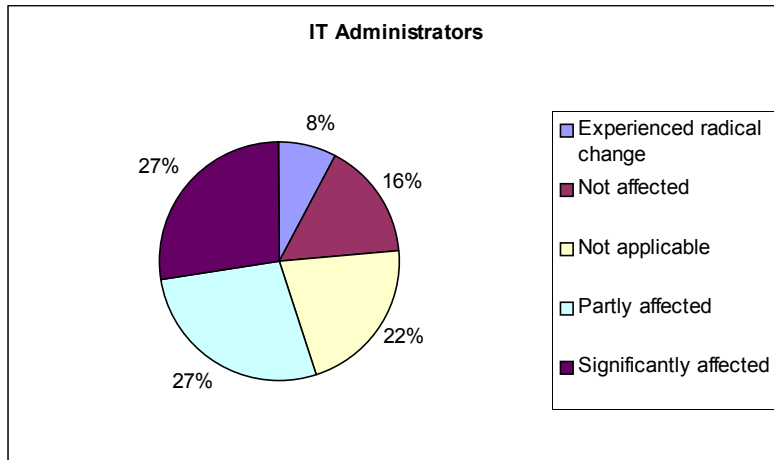
Second, it is clear that for the majority of companies, ITIL is an IT matter only.

Business strategic, commercial and political matters, although important on an organisational scale, are not necessarily components of the ITIL implementation.

Who Was Affected?







Seldom does anybody in IT escape the impact of ITIL adoption. Even the management team experiences some effect in 86% of cases. Two thirds of development departments undergo some level of procedural change, as will 82% of business applications support teams - this is typically the 'other' helpdesk, the one that supports the vertical, business-specific applications rather than the horizontal office software supported by the traditional helpdesk.

In fact those involved in user support tend to experience the most profound changes. 92% of all helpdesks and 86% of their second-line colleagues worked differently after ITIL. Nor can being further away from the users and supporting systems rather than people be held as a protection from procedural shift. 80 – 86% of network hardware or applications support staff are caught by the wave.

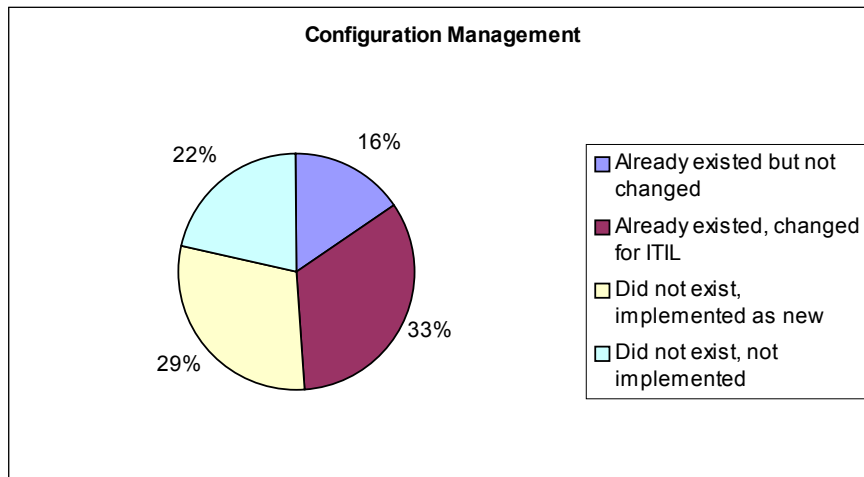
The effect lessens as one moves from the technology and user support sections towards the more clerical and operational functions. Less than half of IT procurement staff are affected but then ITIL makes scant specific reference to that function.

62% of IT administrators get first-hand experience of ITIL. The likely reason is their involvement in ITIL-specific processes requiring such skills, for example the increased emphasis on change management and 'problem management', and the deliberate monitoring of recurring problems to identify and pursue rectification of root causes.

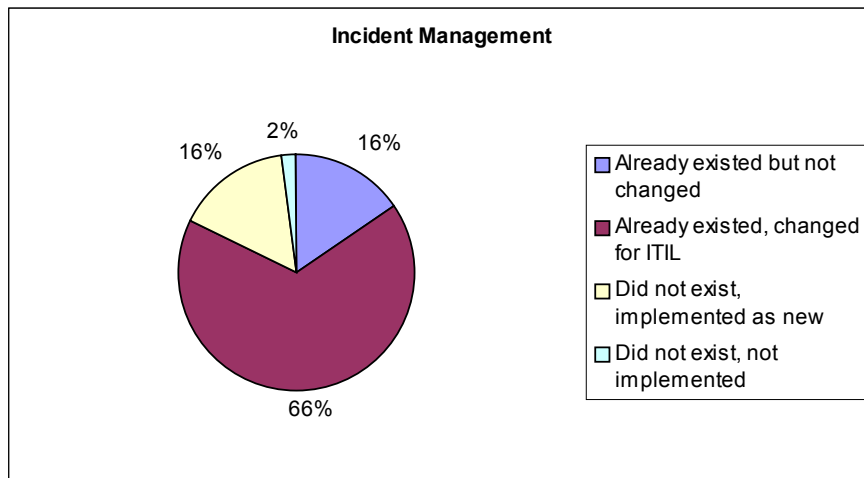
On the user side, 55% of user representatives came under the change in their role as a client-side extension of IT.

All sections at all levels of IT should be prepared for procedural and operational change. Concentrated study of IT procedures will be paramount and unavoidable.

What Processes Were Affected?

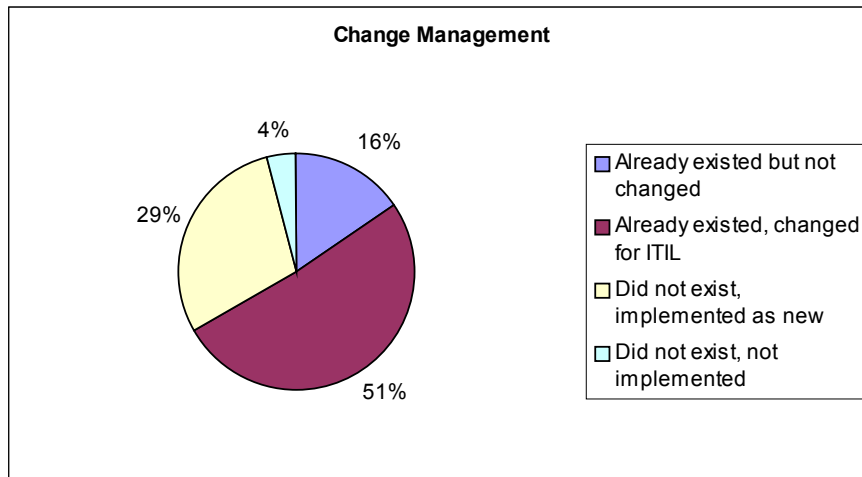


Configuration management is a key ITIL process. It lays down a basis for the type and location of every major piece of IT equipment and is, in the experience of this author, a major stumbling block for ITIL adopters because of its requirement for both an up to date hardware and software audit for recording every change - where that change can mean a move, a new software installation, a new network connection etc... Some companies will avoid the issue, especially where users may make, or just plain **do** make, changes to their systems without going through official change control channels. Nevertheless, eighty percent of adopters met this challenge.



In ITIL parlance, an 'incident' is the occurrence of an event typically resulting in, or necessitating, a call to the helpdesk, the arising of a need for technical assistance or involvement. In IT, handling support calls is perhaps the process most closely understood by a sophisticated helpdesk industry. It is perhaps no surprise then that 86% of adopters already had a procedural offering in this area and a total of 90% thought it important.

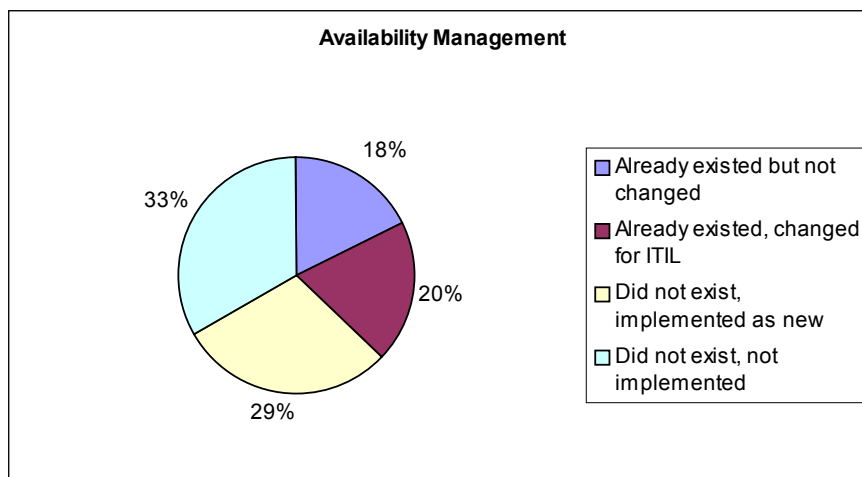
In the majority of cases, this existing process merely had to assume an ITIL flavour.



In ITIL sites, 'change' often splits into two subcategories, known as 'standard' and 'non-standard'. The first of these is repetitive, such as a request to procure a piece of hardware equipment for which the budget has probably already been approved. The second involved changes to a system, and usually invokes the authority of an approvals board, with all the exchange of paperwork and impact on the Configuration Management system (see above) that entails.

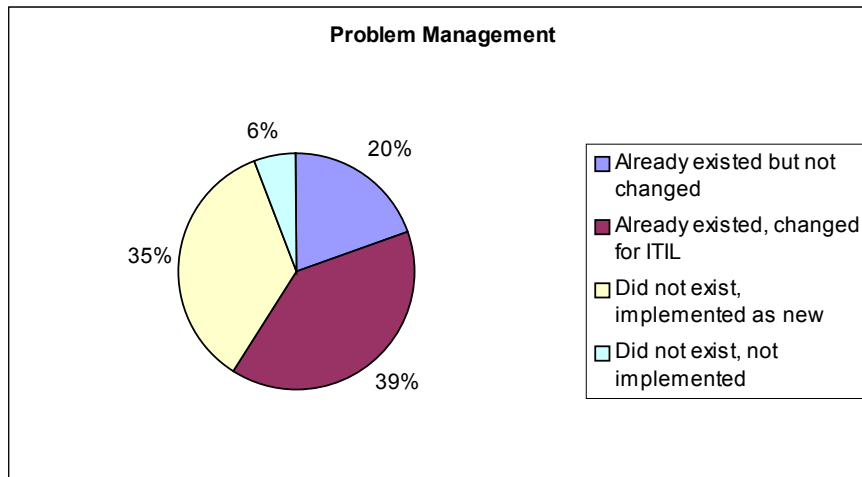
In any big company it has to happen, and ITIL adopters tend to be bigger. No surprise that half of companies already had such a process - although some surprise that a third of them did not.

Change Management is inextricably linked with Configuration Management - one of these processes usually begets the other.

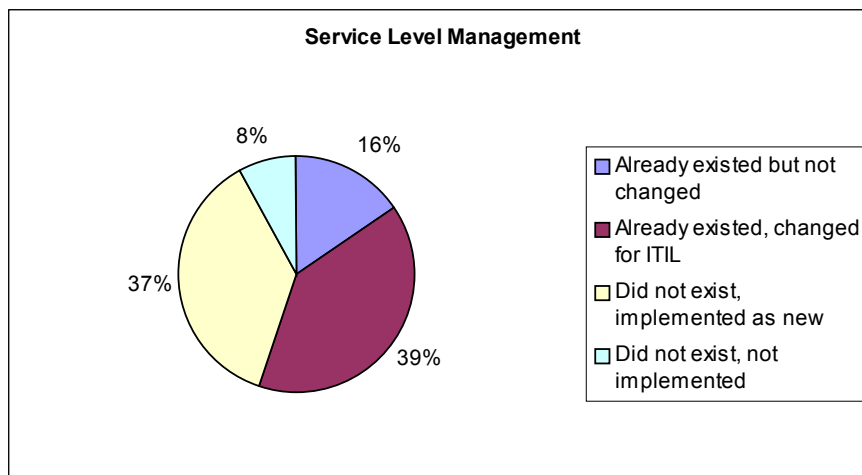


One third of adopters chose not to make anything of a process to manage and report on the availability of systems. Always a difficult area in a network environment; is the application available from the server point of view or from that of the point of access? But then that is not a question of application availability, but that of the network segment, of which the applications department may be completely unaware.

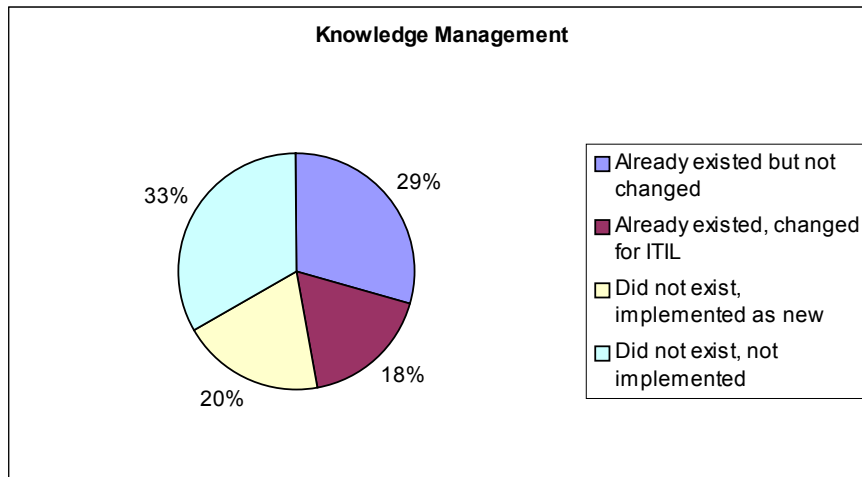
Despite the philosophical quandaries of availability management, it is a de facto process for two thirds of ITIL adopters.



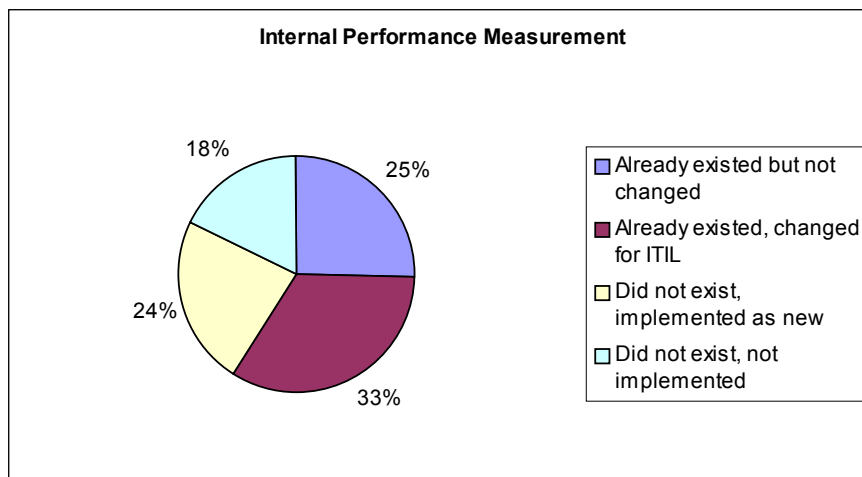
Problem Management looks for repeated similar 'incidents' and considers possible patterns pointing to a deeper technical issue. It is essentially proactive and requires close communication links between user/systems support and development to rectify the problems. An overwhelming 92% of all adopters found it necessary, with a third having to start from scratch.



A prerequisite of Service Level Management is that there must first be a Service Level Agreement, a document that puts under terms of contract the IT service to be delivered. Service Level Management itself is about the measurement of, and reaction to, produced service level quantities and performance target attainment. 37% had to go through this for the first time and 39% had to revisit the existing process.



Knowledge Management looks after the availability of knowledge in both people's heads and online and offline systems. A third found it unnecessary.



Although not specifically an ITIL process, Internal Performance directly contributes to overall service levels, because the aggregate output of IT services staff is that of the department as a whole and this can be related to service level targets. Look after the performance of individuals and of internal processes and where those processes and individuals have been targeted in relation to published service level targets, those targets should be achieved automatically. This process can become necessary directly because of Service Level Management.

Other Processes

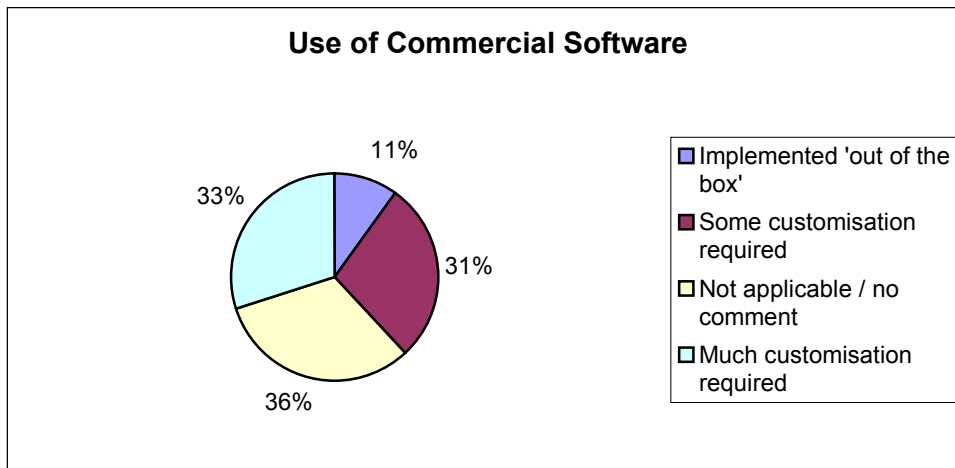
Despite all the processes mentioned in ITIL, it remains incomplete. Adopting companies found a need to add other processes beyond those described in the ITIL literature.

Examples of these are:

- Quality Customer Surveys
- Staff Training and Development
- Customer Satisfaction Measurement
- Customer Management
- Centralised Service Desk
- Solutions Delivery - new product creation and delivery
- Staff Development
- Infrastructure Management and consolidation of data

- Customer Relationship
- Customer Relationship Management
- Release Management
- Customer Satisfaction Monitoring via online survey
- User Development
- Internal Staff Development
- Improved communications internally and with users

Software Tools



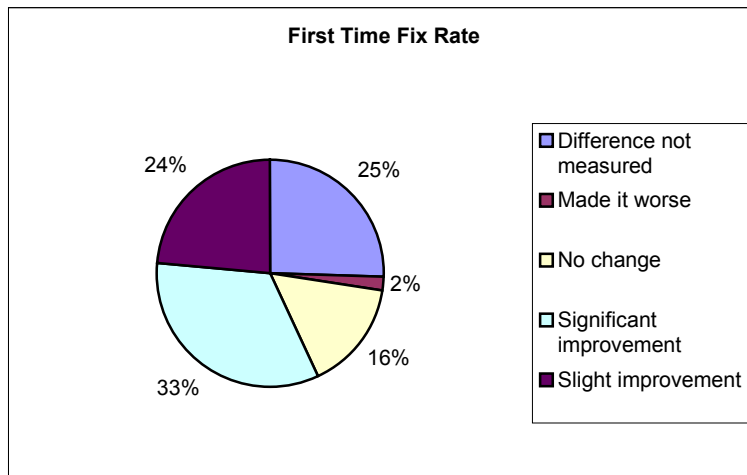
In the survey, no single vendor came out as a market-favoured supplier of software to ITIL-adopters and there was little statistical correlation towards vendors claiming to be ITIL-compatible.

However, two thirds of those using software to support ITIL adoption found that the software had to be customised even where the software was aimed at the ITIL market.

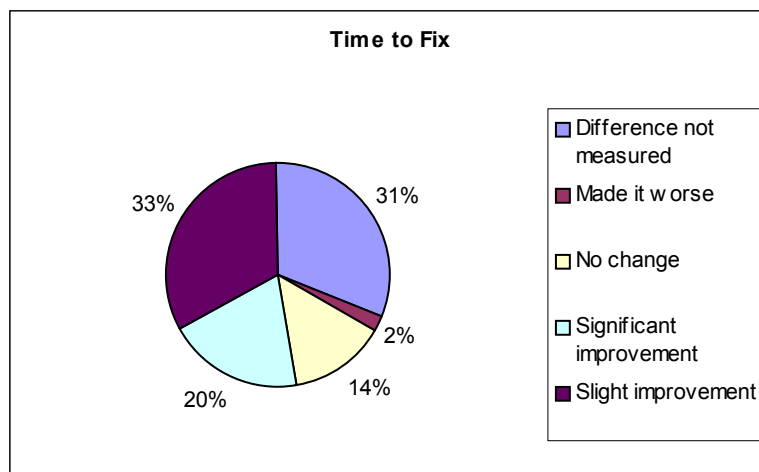
This is in keeping with what ITIL purports to be. Because it is not a standard, *there is no single way of 'being ITIL compliant' - indeed the flexibility of the methodology renders the concept of 'compliance' irrelevant in an ITIL context.* Thus, software will often have to be customised to reflect the processes of the business, even if the software itself is designed with ITIL in mind.

Section 4 - Performance

Early on in the survey, respondents were asked if service improvements were part of their agenda and whether these were delivered; 43% concurred. The performance section looks at the detail of service delivery for the true nature of that improvement.

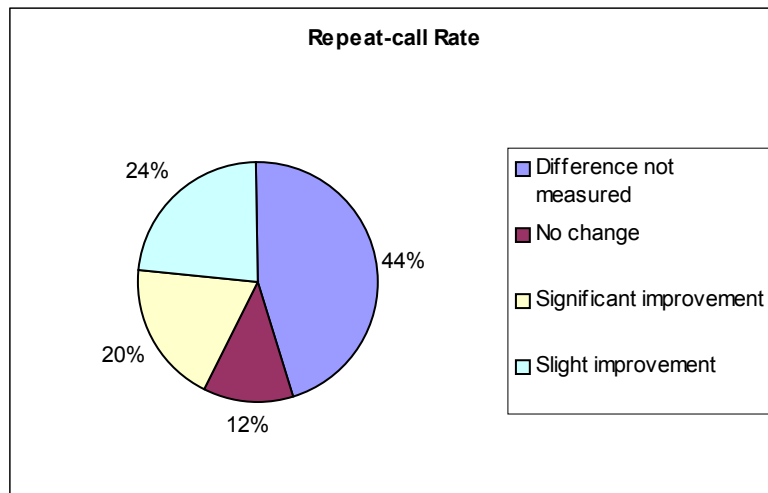


Well over half of all helpdesks registered an improvement in the 'first-time fix rate'. We have already seen the helpdesk to be the section of IT undergoing the most radical change, and now we see that it is in a numerically testable area.



The 'time-to-fix' improved in the same number of cases, 55%. In all, this shows that the service improvement occurred in the most important place, at the interface most users will have with IT.

The first-time-fix and time-to-fix improvements have cost justification implications also, because quicker fixes mean that users are losing less downtime in the helpdesk queue. So this service benefit translates directly into a business benefit.

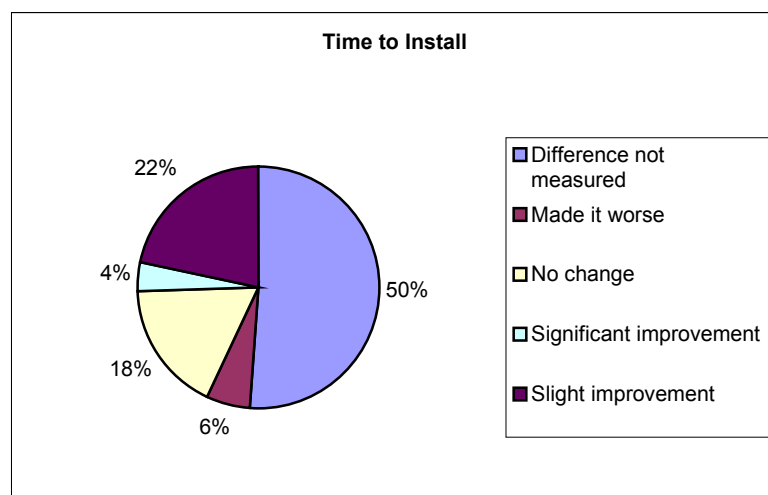


The repeat-call rate is a critical statistic in most support departments. Where the rate is high, it means that first-line staff are in effect having to repeat their involvement in an issue already dealt with. It is a primary cause of duplication of work - and therefore of costs - in an IT support environment.

A high number of repeat calls usually points to one of two things; either the second line is not keeping customers informed about enquiry progress, so customers chase the helpdesk for updates; or problems are reoccurring and not being fixed.

Importantly, both of these flaws are directly addressed in specific ITIL processes. 'Incident Management' covers the flow of work between first and second line support sections. 'Problem Management' deals with repeated instances of the same problem so as to identify and eliminate the root cause.

44% of adopting companies noted an improvement in this area. Interestingly, the same amount did not look for any difference, although the repeat call rate can be such a significant indicator of cost-saving opportunities by reducing duplication.

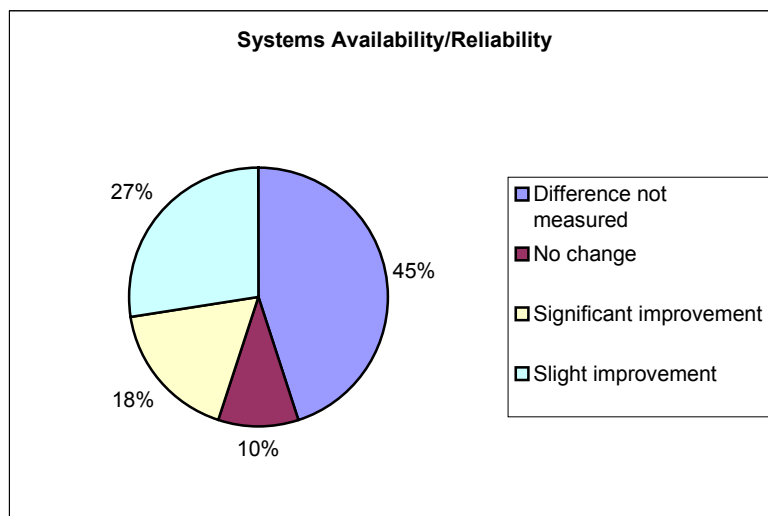


ITIL covers all of IT, and so by extraction the procurement process. Where hardware and software are being procured, they subsequently have to be installed and so the 'time to install' can be seen as the ultimate measure of the procurement process. Half did not look for any improvement in this area, but 40% saw a real benefit.

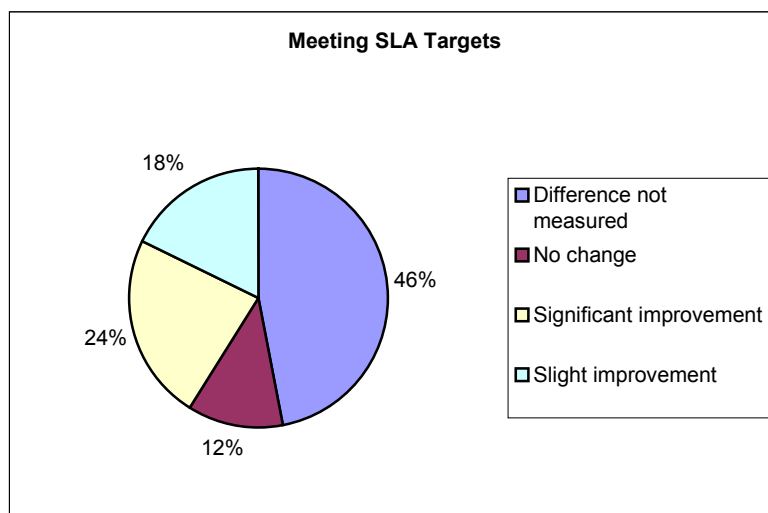
Notable here perhaps are the 6% who report the service level to have dropped in this area. When processes improve, documentation and record keeping may increase also. In the case of ITIL, this is the Configuration Management Database (CMDB). ITIL is keen to point out the importance of managing change, especially to the installed base of equipment, and to record those changes in the CMDB.

Where before there may have been a less formal change management procedure and no CMDB, Time to Install may well have been quicker - but at the expense perhaps of accurate record keeping.

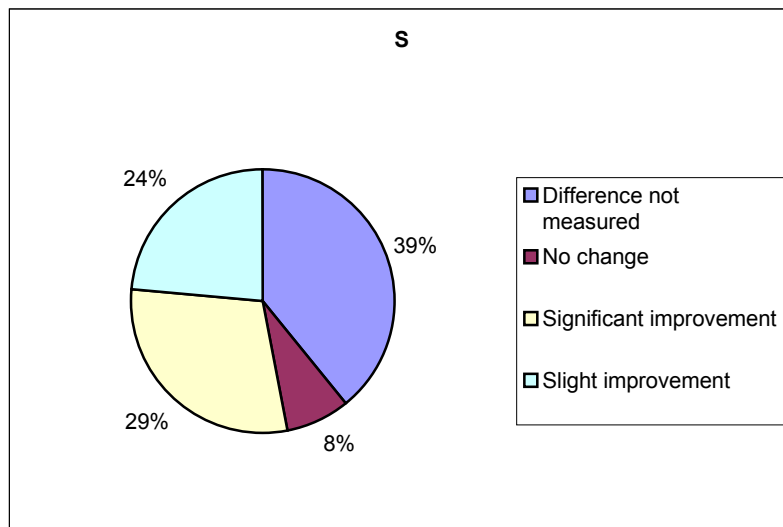
There is a trade-off between expedition and accuracy. The records in the CMDB do not just impact IT, but have a business implication, for they are a list of valuable hardware assets. Perhaps it is worth seeing a reduction in service level in exchange for an increase in the integrity of management information.



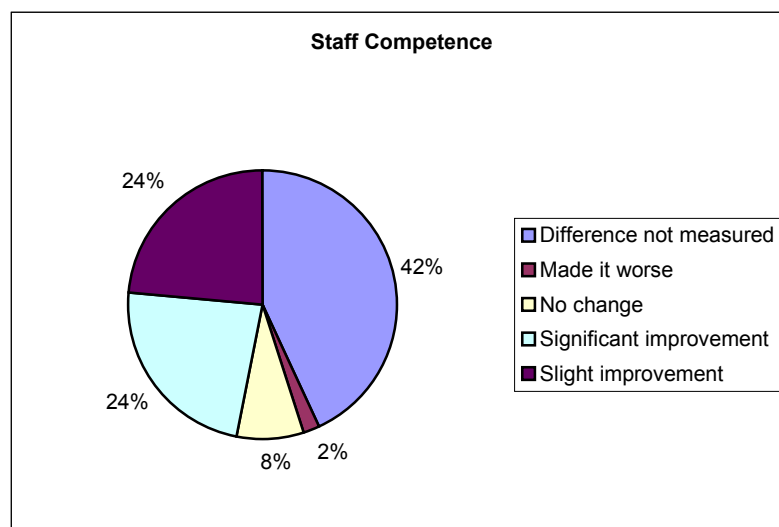
Again we have the coincidence between the number of respondents not measuring any service improvement and the number who saw a real increase. In this case, it concerns systems availability and reliability. Here too is an opportunity to register real financial benefit as increased system uptime translates into increased user productivity.



46% saw a real improvement in the attainment of service level targets. We saw earlier that ITIL is an IT-internal matter, by and large - yet here we see *proof that the adoption of ITIL produces, for most of those who measure it, a real improvement in service levels to the userbase as customers*, at least in terms of how service levels are currently monitored.

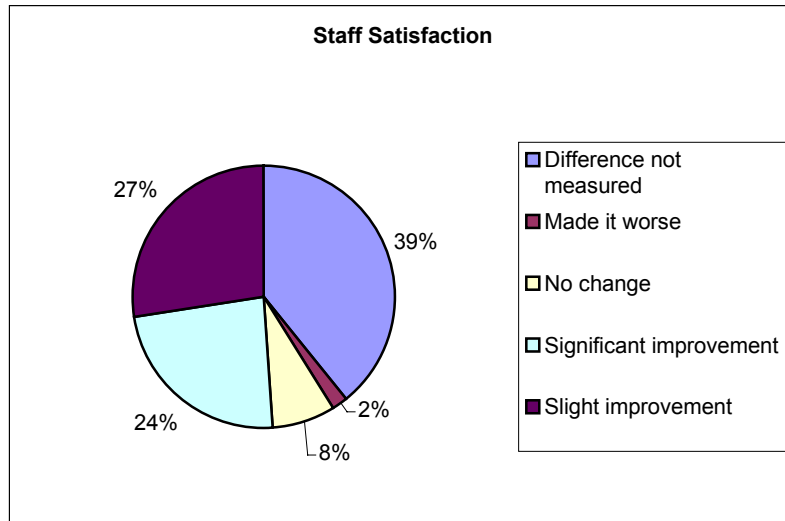


These service level improvements do not go unnoticed. *More than half of adopting companies measured a distinct improvement in customer satisfaction*. One cannot but wonder if that figure would have been higher if it had been taken into account by the 39% who did not measure it.



ITIL is about process, and has shown itself to deliver service improvements through process implementation. As a philosophy however, it is as yet undecided about staff. We have seen that some adopters had to invent staff management and staff development processes because of this absence, and at the time of writing, the ITIL website continues to assert that the inclusion or exclusion of staff issues from the ITIL implementation is a matter for the adopting company alone.

Nevertheless, it would appear that ITIL cannot be said to have absolutely no effect on staff. Nearly half of all adopting companies registered an increase in staff competence.



Just as important is the acceptance by the staff of the new regime under which they must operate. If they were to choose not to play along, the processes might fail. However, we can see from the survey results that *ITIL benefits staff. Not only does their work competence increase, but so does their job satisfaction* in the majority of cases where it is measured.

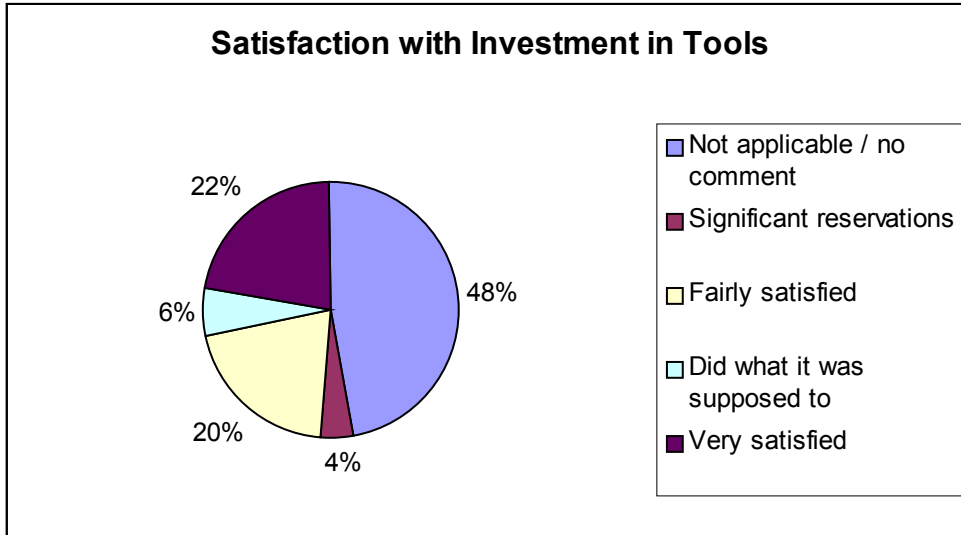
From a purely management point of view, one may notice how in so many of these statistics, the difference between performance before and after ITIL was not measured - to be precise, no such before-after performance benchmark was cut in 41% of adopting companies.

Given that the other statistics in this section demonstrate the performance benefits of ITIL, perhaps a consideration for companies considering adoption might be to *benchmark the services prior to adoption in light of a probable benefit thereafter*. The measured benefit might then be used as part of the justification of the investment.

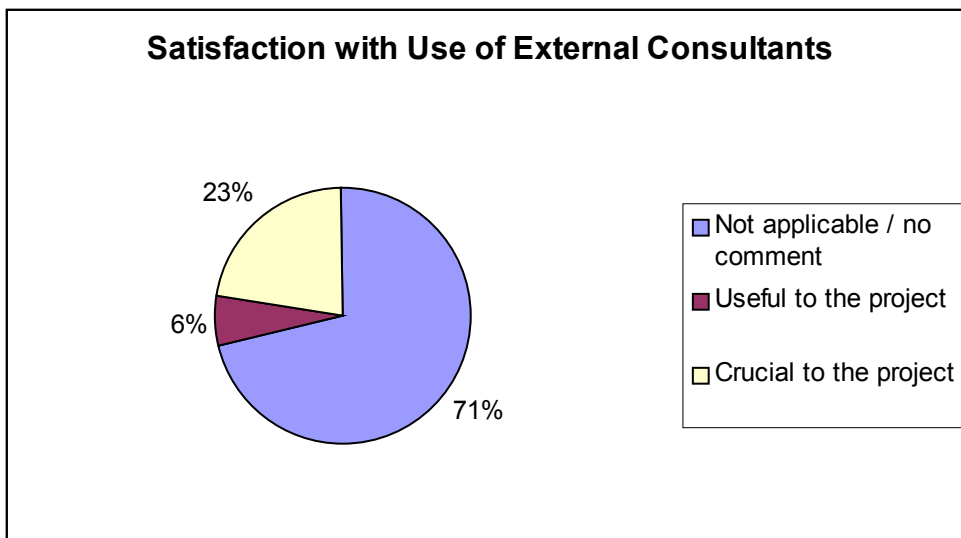
We look at the investment - i.e. the costs of going ITIL - in the next section.

Section 5 - Costs

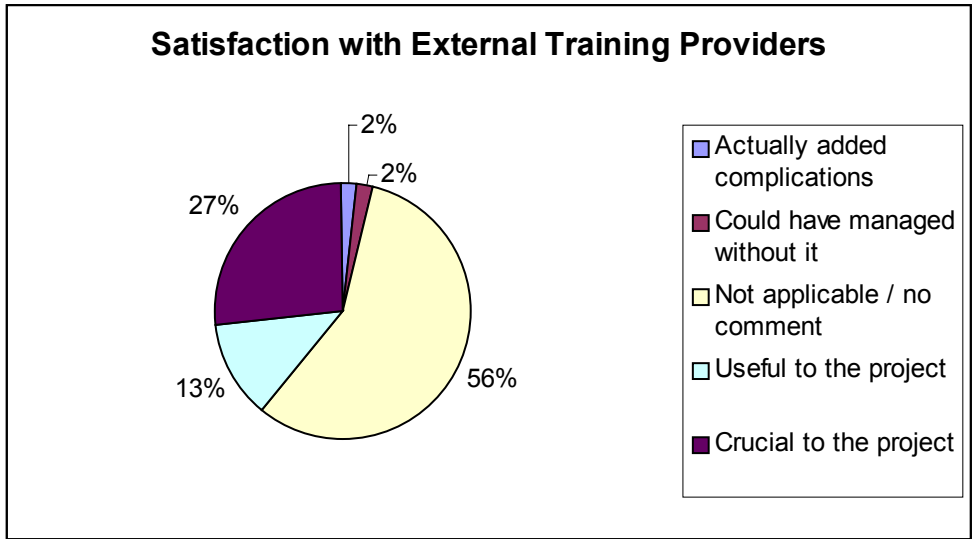
Investment is often necessary. We have discovered that with limitations, ITIL can deliver service improvements, but at what cost? The survey looked at costs incurred for support tools, headcount, external consultants and external training providers, and in each case how satisfied was the paymaster.



A deployment of new support tools often accompanies a major consideration of process, such as that of an ITIL process migration project. The average investment in software tools was £123 per user or £1,818 per IT head. Around half of all adopters were satisfied to some extent with the results of that investment, with the other half largely making no comment on the investment.



Only 29% of respondents were willing to state their use of consultants, so with over two thirds not commenting, this statistic is inconclusive. The average cost of consultant use was £2,590 per IT seat or £41 per user seat.



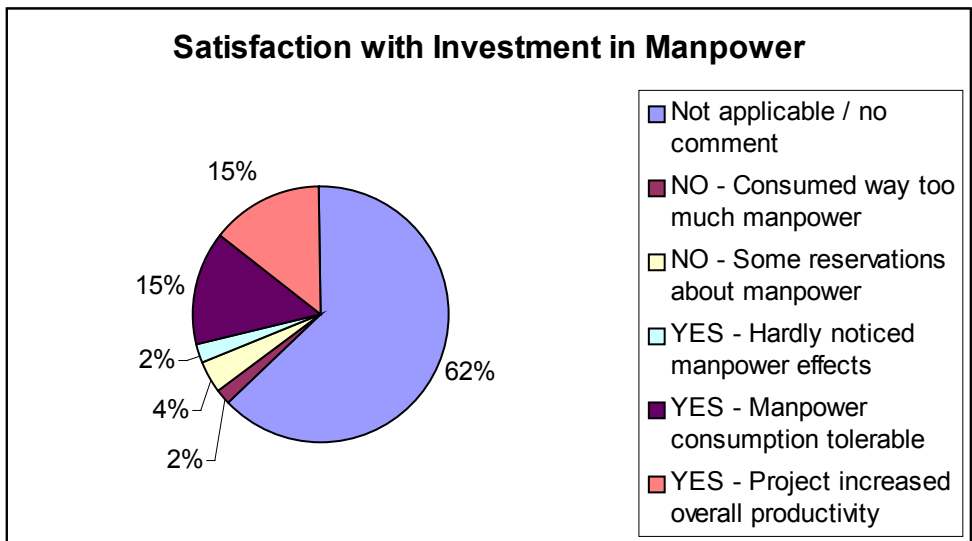
Training is often crucial, as certification provided by training providers constitutes in effect a record of the readiness of the corporation for ITIL implementation and adherence. 2% feel they could have managed without it, and a further 2% believe it actually added complications. The 40% of companies willing to comment found it useful or crucial.

Training costs were on average £930 per IT head.

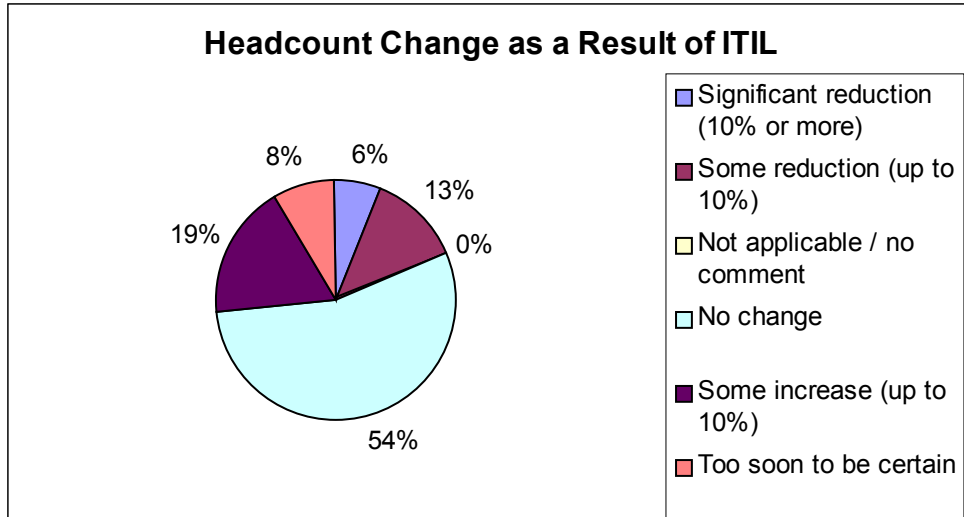
From a cost point of view then, the worst case scenario is as follows:

Item	Cost per absolute IT seat (average)
Tools	£1,818
Consultants	£2,590
Training	£ 930
Total	£5,338

Please note - not all sites incurred all costs.



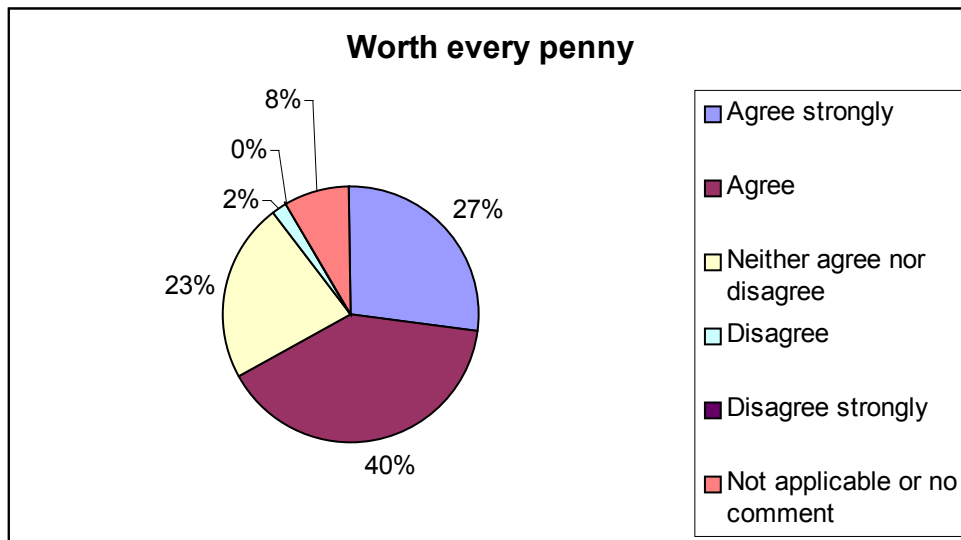
The previous chart considers the use of manpower in the move to ITIL. Around a third of adopting companies were ready to note that manpower use by the project alone varied between 'hardly noticeable' and 'significant productivity gains', thus actually getting increased out of existing human resources. 6% were less enthusiastic about manpower consumption.



Nearly a fifth of ITIL adopters have seen a reduction in headcount following the migration. Most interestingly is the considerable size of the group experiencing no headcount change - meaning that *in a total of nearly three quarters of cases, ITIL can be implemented with the same or ultimately fewer staff than at present*. The group having no comment is statistically insignificant.

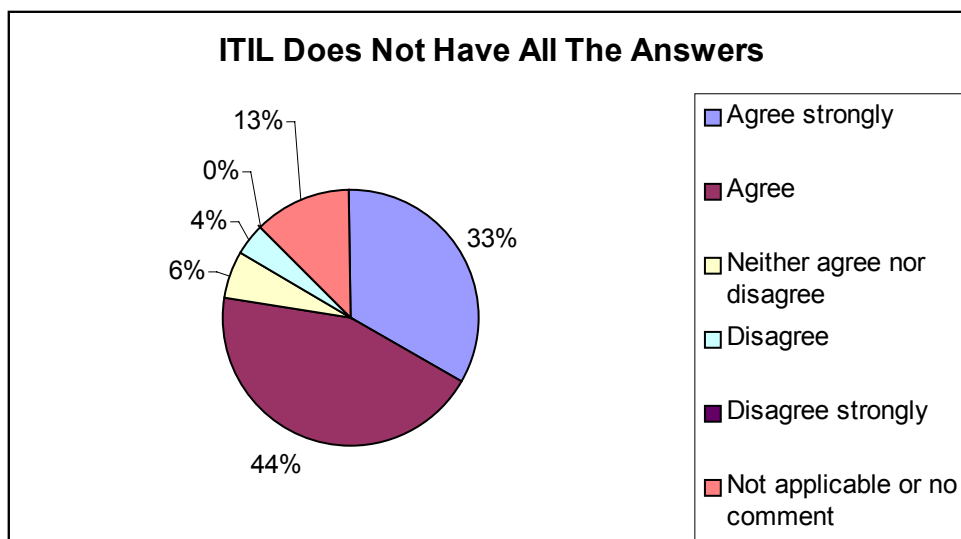
Section 6 - Attitudes to the experience

So how was it for you? These questions consider attitudes to ITIL among companies that have now had the chance to experience both the migration and the aftermath.

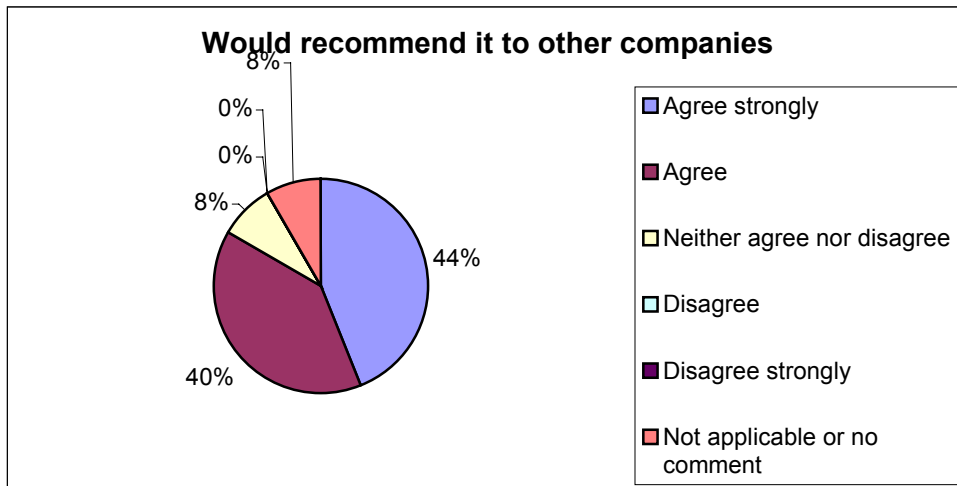


Those who 'disagree strongly' with the contention that ITIL is worth every penny of the investment made in it are statistically insignificant among adopting organisations with only 2% actively disagreeing. The cynic might contend that this positive attitude may be influenced by the possible tendency of ITIL champions to seize on the opportunity presented by this survey to state categorically and publicly that they were right all along. It is the "Well, they would say that, wouldn't they?" factor. But then, that's cynics for you. The enthusiasm continues where we test attitudes to ITIL post-implementation.

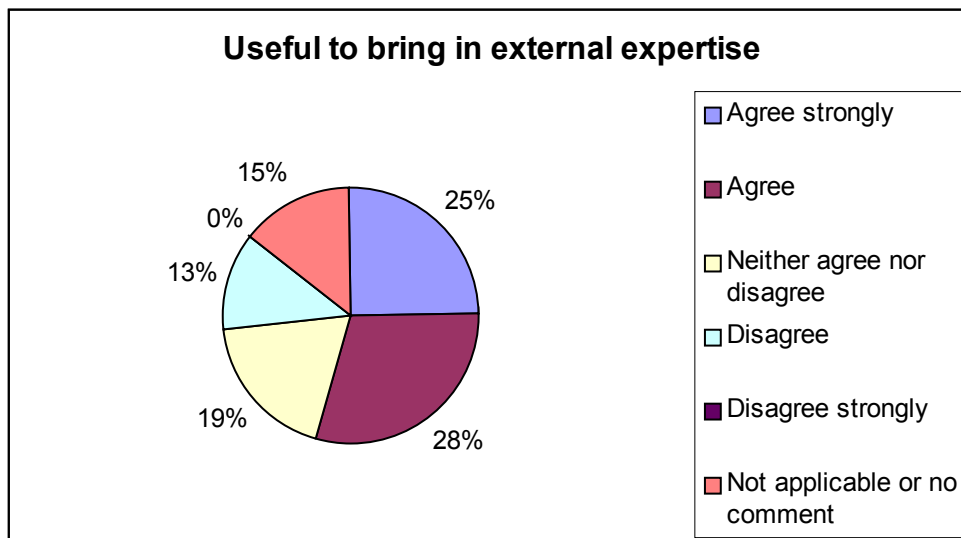
However, as the chart below shows, the enthusiasm appears not to cloud judgement, which further strengthens its credibility.



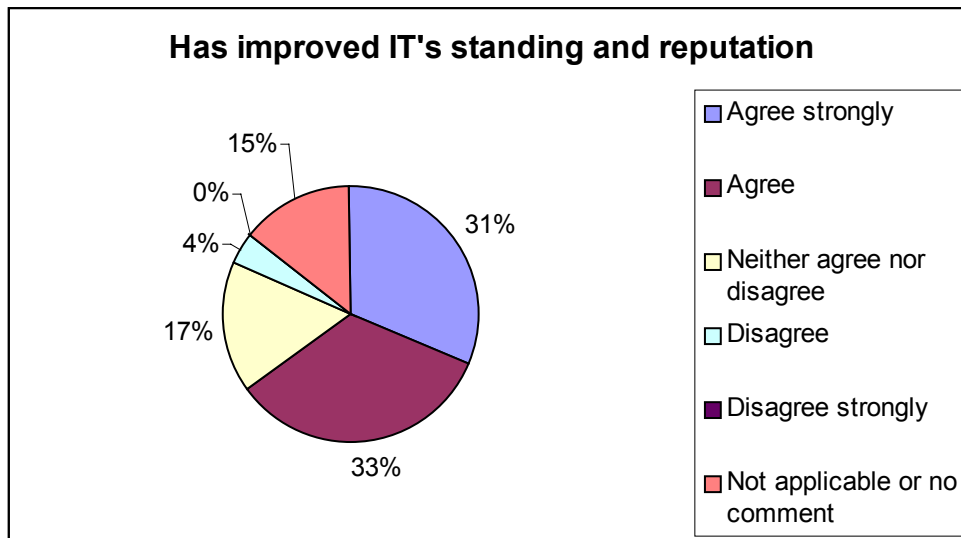
ITIL people have learned about their adopted methodology objectively through study and despite the hyperbole that may sometimes accompany ITIL's description. Having gone through the transition, more than three-quarters of adopters are willing to admit that ITIL is in practice incomplete. *ITIL is not a cure for all procedural ills or absences - its processes, while detailed, do not cover everything, as experienced implementers overwhelmingly agree.*



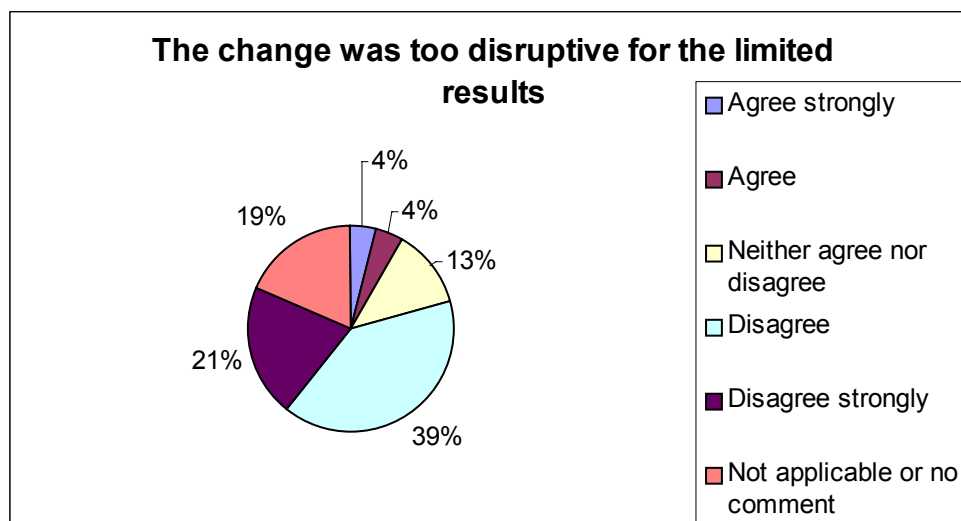
At this point, this report is in danger of turning into an advertisement for ITIL, which is not the author's intention. But one cannot ignore the fact that when asked directly, 88% of adopting companies would recommend it to others. Those who disagree with that attitude are statistically insignificant.



53% of adopters agree on the usefulness of external expertise despite the costs as related in the previous section. There was virtually no strenuous disagreement.



81% of adopters saw no reason to contest the contention that ITIL adoption had improved IT's standing and reputation, although earlier in the survey, a significant proportion had claimed this was not an issue. The benefit appears to have nonetheless been delivered.



Disruption must be an inevitable part of change and given the scope of ITIL adoption, this can be considerable. Nevertheless, only 8% of adopters saw this disruption as worthy of note in the context of the accrued benefits and results, while 60% agreed the results justified the change.

Section 7 - Case Studies

Case One

- ITIL Problem Manager
- Internet and telephone banking/credit card provider
- Fiscal turnover around £1bn
- Two thousand users
- 230+ IT staff
- ITIL fully adopted

"ITIL was pursued for the structure it would bring, along with the potential recognition among the users that the IT department was taking an industry-wide approach to service delivery.

"For the process design stage, a software package was bought in. Some of the procedures were already built in and the vendor showed us how to use the tool in ways that would match our processes.

"We also looked at the Microsoft Office Framework, but only for the technology, not in terms of ITIL, although other companies do use part of it to fill some of the gaps in ITIL.

"There was some resistance at lower levels of the IT department. It was seen as 'fluffy' and something of an insult to people who felt they already knew how to do their job and saw no reason to be taught new processes. At the higher levels of IT, the justification had to be all about cost versus benefit.

"We acknowledge that there are some things missing from ITIL, but that did not affect us too much. We had guidelines from the literature and we took the advice of consultants. Then we just took from that what we needed and adapted some of it to suit our business.

"Communication was important throughout the change. We ran workshops and seminars with invited internal guest speakers. There were mailings, updates on the corporate intranet and management briefings.

"This company had evolved organically. Once IT was all about names of individuals - now we need functions. Know-how used to be all be in the brains of experienced individuals - now we need processes and procedures.

"In designing the processes, we didn't want too much baggage, but we didn't want shortcuts either. So we focus on the main issues. For example, we don't invoke the problem management process on any priority 3 or 4 calls unless they get critical. But priority 1's get the full treatment. We are going to start looking at the cost of service downtime so we can start focussing on proactive problem management, because the cost will prioritise that proactivity and tell us where to look.

"Some people try to do problem management in the Incident teams like the helpdesk and second line. It never works because the technicians in those reactive departments are always too busy.

"The business is with us on the problem management policy, especially the call centre, because of the root cause analysis aspect of it. When you're an internet and telephone bank, it's all about an excellent customer experience. To get systems availability up, you need to get away from firefighting.

"But I would say problem management is necessary even in simple environments, where you might just wait instead for the next version of Microsoft to fix the repeated problems - but then without problem management, who checks that the promised fixes have actually been delivered in the new version?"

"The lost user downtime is so important for us that the business has done the analysis. In other words, that measurement is not an IT, but a business function.

"We used outside consultancies. They were all very helpful; they let us guide the timescales and kept closely in touch. They benchmarked us from the start and later added progress audits. We couldn't have got this far without external assistance to make sure that in changing things to match the business, we didn't alter 'best practice' the wrong way. They helped us to match corporate culture through our tinkering."

Case Study Two

- Support Manager
- Bynx Europe, manufacturer of software for the Auto leasing market
- Fifteen external user companies
- Sixty IT staff
- ITIL partially adopted

"We got interested in ITIL when we realised that a lot of it we were already doing. We're so small, you have to be more organised. Large companies may have the luxury of an element of wastage or more money, but smaller companies don't.

"There was no resistance to the implementation of ITIL because our internal processes were already moving towards that level of professionalism anyway. All our users are external - they are the company's customers. So apart from delivering them a higher value service by formalising our processes, there's the incentive of a possible industry award. That's why we may also go for BS15000.

"We took the ITIL training but it was a little frustrating. The course is focused entirely on the internal rather than the external helpdesk. There was some criticism here of ITIL that it was not sufficiently commercially minded. We were the only external helpdesk on the training course and we felt we were streets ahead of the course material in terms of customer attitude. It's a flaw in ITIL and I said so during the course.

"Because of the commercial difference, we're finding it necessary to go back and review other processes to see if they actually can go ITIL.

"As to the improvement in staff performance following ITIL, I have to admit I don't know that's true statistically - but there's a definite change in their demeanour. The staff were happy with the move to ITIL because we're very procedure-driven anyway.

"We used one of the mainstream IT service software houses for the ITIL training, one that specialises also in the ITIL methods. We should be using professional software aimed at the external helpdesk market, and that's an internal battle I've yet to win.

"The availability management process was interesting because it covered systems continuity and disaster planning. We implemented both of those together and we're finalising them now as a result of ITIL.

"On the whole, the training offered is very good. I did the foundation course, but not the manager course because of the length. Two weeks is impractical. It should be cut down into smaller chunks. That's the standard ITIL course, but I read there's a three day overview - perhaps there needs to be something in between.

"Being on the public training course was an opportunity for me to see how other companies were going about ITIL. It seemed a lot of them were supporting PC's. There was absolutely nothing about applications support, which is our business.

"ITIL is too focussed on PC's and network hardware. I suspect the standards have been created with this technology in mind.

"There is nothing on applications except Microsoft and this means the ITIL topics are not sufficiently generic."

Case Three

- IT Service Manager
- Insurance company
- Three thousand users
- 84 IT staff
- ITIL partially adopted

"When I arrived here about a year ago, they had already gone some way to ITIL but not considered the processes closely enough. We more or less had to re-implement.

"First rule was that everybody in IT had to do the ITIL foundation course.

"One of the big issues was systems change management. There were some cases of people changing systems because they felt like it and that had to be sorted out. That took away some freedoms and some people like it, others don't and there was some resistance.

"We found it useful to have a separate 'Breach of Process' issue - it's like a process to cover a process. It's not policing. It's there to demonstrate the importance of process. If you breach a process, you may subject both the company and yourself to risk. So it's there also to protect those carrying out the process.

"ITIL gave us the mechanism to see how we could save money. With a set way of working, you get less running around in circles and less duplication. We're making progress and the cost reductions are evident. But that's not just because of ITIL delivering those cost reductions - it takes common sense and focus. For example - we saved £50,000 in six months in IT procurement. While thinking about whether we needed to buy a requested product, we could check the Configuration Management Database (CMDB) to see if we already own one. And the CMD came about because of ITIL. So, keeping the CMDB up to date is my goal.

"Even with a formally documented process, there are some parts of IT that still get lost in reactivity. You can see some silos still being created even now. Some of these silos are on board with ITIL, but departments that do things their own way are always something of a risk. There is always the possibility that partial decentralising - because that's what these silos are - may cause detachment from ITIL effectiveness. It's the same thing as the risk of a 'Single Point Of Failure.'

"We revisited measurement completely, but not just because of ITIL. The key statistics needed reviewing. For example we had too many call categories - ninety-six at one point - and you couldn't get useful reports off that.

"The refocusing on measurement has had a good effect. The staff can see there is scope for new ideas and suggestions and this has led to their increased motivation. They're getting more proactive, looking for new ways to measure what's important and provide management information along with adding new solutions and ideas for procedures.

"We asked the software company to help us with making the tool match the process.

"We also used consultants. If you're going to use consultants, make sure they fit the purpose. If you want to do service management, get a specialist consultancy. The generalist firms are not sufficiently versed in the specifics of service management. This company wasted thousands on that mistake and ended up with reports that only skimmed the surface."

Case Four

- Configuration, Change and Release Manager
- Medico-biological materials provider
- Health sector
- Three thousand users
- 110 IT staff
- ITIL partially adopted

"I've been involved in the conversion of IT Services departments to ITIL since I was with one of the big building societies when ITIL was still in its infancy. I took the ITIL examination and saw from that how useful it was. That gave me the motivation to drive it forward and it's been part of my career ever since.

"My boss here is convinced by it and we wanted to establish a service centre for all IT services. We still have to sell it in parts of the IT department but it's more a question of getting buy-in rather than overcoming resistance.

"There are some areas that still think they can make whatever system changes they want without going through an approvals process. We've got those departments using an interim system now, to make going for ITIL later a bit easier. They have agreed to record all their changes, without necessarily going through approval. At least that means I can monitor change.

"Standards here are very high - after all, this is a life-or-death business - so procedures are tight. The service desk is being started with a Change, Configuration and Risk Management (CCRM) remit.

"Customer service is a very big focus issue for us, with online surveys and so on to track satisfaction levels. It's one of the missing elements in ITIL, the whole CRM (customer relationship management) thing.

"As for Change and Problem Management - I put those in at other sites where I've worked and I'm bringing my experience trying to do that here. You have to get senior management buy-in, otherwise your efforts are a waste of time.

"We were able to see changes to performance after we implemented ITIL. It's not that we benchmarked specifically for the purpose. We saw improvements simply because we were measuring service process elements that had not existed before. Their very presence after implementation was an improvement in itself.

"There's some way still to go on 'problem management' (*NB - the practice of isolating and eradicating recurrent problems*) and although it's not yet my remit, I can see some issues with it that have come up at my previous sites. People make the mistake of trying to document and categorise everything. But that way, you can end up with more information than is useful. A better way is to create a 'top ten' chart and always go first for Number One. We tend to use the eighty-twenty rule - twenty percent of the problems cause eighty percent of the disruption. Too much is unmanageable.

"There is another project to implement an integrated Service Management system to assist us in our objective of achieving BS15000, but that project is not to become ITIL compliant. We aren't planning to use much external resource for the project because I have so much experience at other sites. But consultants have their uses - you sometimes need them to expensively tell your boss what you've been telling him for nothing for years, because he'll listen if he's having to pay for it. Because we are public sector, we've used specialist consultants to help with the implementation - they'll come from the software supplier. We're a bit limited because not all products and consultancies we could use are listed in GCAT (the UK government catalogue of approved suppliers).

"To get senior management buy-in - be confident and believe in your case. I'm at a bit of an advantage because I was recruited because of my knowledge and experience, having done it in other companies and seen how well it works."