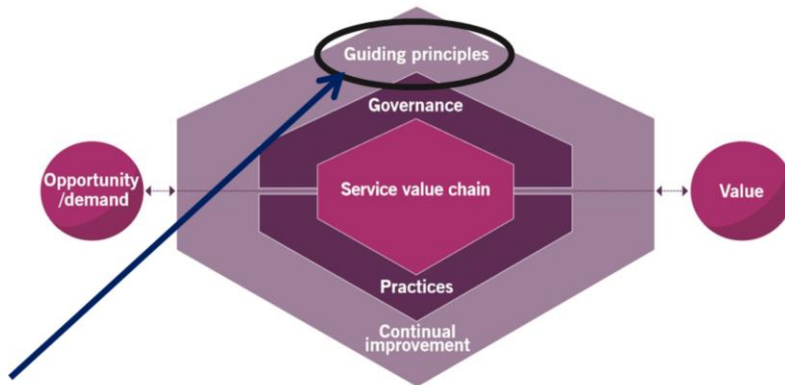


Seven guiding principles



The Service Value System (SVS)



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The key inputs to the SVS are opportunity and demand. Opportunities represent options or possibilities to add value for stakeholders or otherwise improve the organization. Demand is the need or desire for products and services among internal and external consumers.

The outcome of the SVS is value, that is, the perceived benefits, usefulness and importance of something. The ITIL SVS can enable the creation of many different types of value for a wide group of stakeholders.

The ITIL SVS includes the following components:

- **Guiding principles** Recommendations that can guide an organization in all circumstances, regardless of changes in its goals, strategies, type of work, or management structure.
- **Governance** The means by which an organization is directed and controlled.
- **Service value chain** A set of interconnected activities that an organization performs to deliver a valuable product or service to its consumers and to facilitate value realisation.
- **Practices** Sets of organizational resources designed for performing work or accomplishing an objective.
- **Continual improvement** A recurring organizational activity performed at all levels to ensure that an organization's performance continually meets stakeholders' expectations.

Seven guiding principles

7 Guiding principles

1. Focus on value
2. Start where you are
3. Progress iteratively with feedback
4. Collaborate and promote visibility
5. Think and work holistically
6. Keep it simple and practical
7. Optimise and automate

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Focus on value - Everything that the organization does needs to map, directly or indirectly, to value for the stakeholders.

Start where you are - Do not start from scratch and build something new without considering what is already available to be leveraged. There is likely to be a great deal in the current services, processes, programs, projects and people that can be used to create the desired outcome.

Progress iteratively with feedback - Do not attempt to do everything at once. Even huge initiatives must be accomplished iteratively. By organising work into smaller, manageable sections that can be executed and completed in a timely manner, it is easier to maintain a sharper focus on each effort.

Collaborate and promote visibility - Working together across boundaries produces results that have greater buy-in, more relevance to objectives and better likelihood of long-term success.

Think and work holistically - No service, or element used to provide a service, stands alone. The outcomes achieved by the service provider and consumer will suffer unless the organization works on the service as a whole, not just on its parts.

Keep it simple and practical - If a process, service, action or metric provides no value, or produces no useful outcome, eliminate it. In a process or procedure, use the minimum number of steps necessary to accomplish the objective(s).

Optimise and automate - Resources of all types, particularly human resources (HR), should be used to their best effect. Eliminate anything that is truly wasteful and use technology to

contributes value.

1. Focus on value (1)

- Everything should link to value
- Value is defined by the consumer's needs
- Value is achieved through the support of intended outcomes and optimization of the service consumer's costs and risks
- Value changes over time and in different circumstances



Everything the organization does, should link back, directly or indirectly, to value for itself, its customers and other stakeholders.

This section is mostly focused on the creation of value for service consumers. However, a service also contributes to value for the organization and other stakeholders. This value may come in various forms, such as revenue, customer loyalty, lower cost or growth opportunities. Value can come in many forms, such as increased productivity, reduced negative impact, reduced costs, the ability to pursue new markets or a better competitive position.

Value for the service consumer:

- is defined by their own needs
- is achieved through the support of intended outcomes and optimization of the service consumer's costs and risks
- changes over time and in different circumstances

1. Focus on value (2)

7 Guiding principles

- Who is the consumer and what is the customer's perception of value?
- Why does the consumer use the services and what do the services help them to do?
- How does the services help the consumer meet their goals?
- What are the cost/financial consequences and risk for the service consumer?



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The following recommendations can be adapted to address various stakeholder groups and the value that is created for them by the organization.

Who is the service consumer? - When focusing on value, the first step is to know who is being served. In each situation the service provider must, therefore, determine who the service consumer is and who the key stakeholders are (for example, customers, users or sponsors). In doing this the service provider should consider who will receive value from what is being delivered or improved.

The consumer's perspectives of value - Next the service provider must understand what is truly of value to the service consumer(s). The service provider needs to know:

- why the consumer uses the services
- what the services help them to do
- how the services help them meet their goals
- the role of cost/financial consequences for the service consumer
- the role of risks for the service consumer

2. Start where you are (1)

- Assess where you are
- Role of measurement
- Look at what exists as objectively as possible, using the customer, or the desired outcome, as the starting point
- When examples of successful practices or services are found in the current state, determine if and how these can be replicated or expanded upon to achieve the desired state
- Apply your risk management skills
- Recognize that sometimes nothing from the current state can be reused



In the process of eliminating old, unsuccessful methods or services and creating something better, there can be great temptation to remove what has been done in the past and build something completely new. This is rarely necessary, or a wise decision. This approach can be extremely wasteful, not only in terms of time, but also in terms of the loss of existing services, processes, people, and tools that could have significant value in the improvement effort.

Assess where you are - Services and methods already in place should be measured and/or observed directly to properly understand their current state and what can be reused from them. Decisions on how to proceed should be based on information that is as accurate as possible. Within organizations there is frequently a discrepancy between reports and reality. This is due to the difficulty of accurately measuring certain data, or the unintentional bias or distortion of data that is produced through reports

The role of measurement - The use of measurement should be used to support the analysis of what has been observed rather than to replace it, as over-reliance on data analytics and reporting can unintentionally introduce biases and risks in decision-making. Organizations should consider a variety of techniques to develop knowledge of the environments in which they work. It should be noted that the act of measuring can sometimes affect the results, making them inaccurate. Therefore, metrics need to be meaningful and directly relate to the desired outcome.

3. Progress iteratively with feedback

- Try not to do all at once
- Start small building into large improvement
- Feedback will help understand:
 - End user and customer perception of the value created
 - The efficiency and effectiveness of value chain activities
 - The effectiveness of service governance as well as management controls
 - The interfaces between the organization and partner / supplier network
 - The demand for products and services



Resist the temptation to do everything at once. Even huge initiatives must be accomplished iteratively. By organising work into smaller, manageable sections that can be executed and completed in a timely manner, the focus on each effort will be sharper and easier to maintain.

The role of feedback - Whether working to improve a service, group of services, practice, process, technical environment or other service management element, no improvement iteration occurs in a vacuum. Seeking and using feedback before, throughout and after each iteration will ensure that actions are focused and appropriate, even in changing circumstances. Once received, feedback can be analyzed to identify improvement opportunities, risks and issues.

Iteration and feedback together - Working in a time-boxed, iterative manner with feedback loops embedded into the process allows for:

- Greater flexibility
- Faster responses to customer and business needs
- The ability to discover and respond to failure earlier
- An overall improvement in quality

Having appropriate feedback loops between the participants of an activity gives them a better understanding of where their work comes from, where their outputs go and how their actions and outputs affect the outcomes

4. Collaborate and promote visibility

7 Guiding principles

- Involve the right people
- Inclusion better than exclusion
- Cooperation / collaboration better than 'silo'
- With whom to collaborate - stakeholders
- Communication for improvement
- Increase urgency through visibility



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When initiatives involve the right people in the correct roles, efforts benefit from better buy-in, more relevance (because better information is available for decision-making) and increased likelihood of long-term success.

Cooperation and collaboration are better than isolated work, which is frequently referred to as 'silo activity'. Recognition of the need for genuine collaboration has been one of the driving factors in the evolution of what is now known as DevOps. Without effective collaboration, neither Agile, Lean nor any other ITSM framework or method will work.

With whom to collaborate - Identifying and managing all the stakeholder groups that an organization deals with is important, as the people and perspectives necessary for successful collaboration can be sourced within these stakeholder groups. As the name suggests, a stakeholder is anyone who has a stake in the activities of the organization, including the organization itself, its customers and/or users, and many others. The scope of stakeholders can be extensive.

Communication for improvement - The contribution to improvement of each stakeholder group at each level should be understood; it is also important to define the most effective methods to engage with them. Some contributors may need to be involved at a very detailed level, while others can simply be involved as reviewers or approvers.

Increasing urgency through visibility - It is important to involve and address the needs of stakeholders at all levels to reinforce what is being done, why it is being done, and how it relates to the strategic vision and the objectives of the organization. Determining the

type, method and frequency of such messaging is one of the central activities related to communication.

5. Think and work holistically

7 Guiding principles

- How does it all work together?
- Nothing stands alone
- End to end visibility
- Altering one element can impact others



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No service, practice, process, department or supplier stands alone. The outputs that the organization delivers to itself, customers and other stakeholders will suffer unless it works in an integrated way to handle its activities as whole, rather than as separate parts. All the organization's activities should be focused on the delivery of value.

Services are delivered to internal and external service consumers through the coordination and integration of the four dimensions of service management.

Taking a holistic approach to service management includes establishing an understanding of how all the parts of an organization work together in an integrated way. It requires end-to-end visibility of how demand is captured and translated into outcomes.

In a complex system, the alteration of one element can impact others and, where possible, these impacts need to be identified, analyzed and planned for.

6. Keep it simple and practical

- Minimum number of steps
- Outcome based thinking
- Eliminate things of no value
- Handle exceptions generally not individually
- Judging what to keep
- Start with an uncomplicated approach
- Agree on objectives



Always use the **minimum number of steps** needed to accomplish an objective.

Outcome-based thinking should be used to produce practical solutions that deliver valuable outcomes.

If a process, service, action or metric provides no value or produces no useful outcome, then **eliminate** it. Trying to provide a solution for every exception will often lead to over complication. When creating a process or a service, designers need to think about **exceptions**, but they cannot cover them all. Instead, rules should be designed that can be used to handle exceptions generally.

Judging what to keep - When analysing a practice, process, service, metric or other improvement target, always ask whether it contributes to value creation.

When designing or improving service management it is better to start with an uncomplicated approach and then carefully add controls, activities or metrics when it is seen that they are truly needed. Critical to keeping service management simple and practical is understanding exactly how something contributes to value creation.

Conflicting objectives – e.g., the management of an organization may want to collect a large amount of data to make decisions, whereas the people who must do the record-keeping may want a simpler process that does not require as much data entry. The organization should agree on a balance between its competing objectives. In this example, this could mean that

process, and record keeping should be simplified and automated where possible to maximise value and reduce non- value-adding work.

7. Optimize and automate

7 Guiding principles

- Optimization means to make something as effective and useful as it needs to be
- Automation typically refers to the use of technology to perform a step or series of steps correctly and consistently with limited or no human intervention



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Organizations must maximise the value of the work carried out by its human and technical resources. Technology can help organizations to scale up, and take on frequent and repetitive tasks, allowing human resources to be used for more complex decision-making. However, technology should not always be relied upon without the capability of human intervention, as automation for automation's sake can increase costs and reduce organizational robustness and resilience.

Optimization means to make something as effective and useful as it needs to be. Before an activity can be effectively automated, it should be optimised to whatever degree is possible and reasonable. It is essential that limits are set on the optimization of services and practices, as they exist within a set of constraints which may include financial limitations, compliance requirements, time constraints and resource availability.

Using automation - Automation typically refers to the use of technology to perform a step or series of steps correctly and consistently with limited or no human intervention. In its simplest form, however, automation could mean the standardisation and streamlining of manual tasks, such as defining the rules of part of a process to allow decisions to be made 'automatically'. Efficiency can be greatly increased by reducing the need for human involvement to stop and evaluate each part of a process. Opportunities for automation can be found across the entire organization. Looking for opportunities to automate standard and repeating tasks can help save the organization costs, reduce human error, and improve employee experience.

Review question 7

Which of these are guiding principles of ITIL?

1. Collaborate and promote visibility
2. Keep it simple and practical
3. Maximise benefit to the enterprise
4. Empower and excite

- a) 1 and 2
- b) 2 and 3
- c) 3 and 4
- d) 1 and 4

Review question 8

What term typically refers to the use of technology to perform a step or series of steps correctly and consistently with limited or no human intervention?

- a) Continuous Delivery
- b) Automation
- c) Optimization
- d) Technical debt

Review question 9

Which of these is connected to the “think and work holistically” principle?

- a) Judging what to keep
- b) Involve the right people
- c) Role of measurement
- d) Altering one element can impact others