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Take Your ITSM Strategy to the Stratosphere

Are you adapting your IT service management strategy to today's evolving service delivery methods? Learn how in this handbook.

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ITSM Can Be Your Crystal Ball

WITH ALL THE talk about how mobile, cloud, big data, social media—you name it—is changing the CIO role and the IT landscape forever, it's easy to overlook what remains the same: IT service management.

The core objectives of ITSM remain the same, that is, despite an always-changing, and now always-on and on-demand, technology landscape.

As CIO Niel Nickolaisen succinctly explains it in his piece in this SearchCIO handbook, “At its core, IT service management is about meeting customer demands for services and service levels.”

What makes this basic function of ITSM hard to meet is a lack of a crystal ball. CIOs *now* know well the consequences of ignoring employee-driven technology adoption, from the iPhone and Gmail to Dropbox and Facebook. Facebook itself may not have a widespread presence in enterprise workflow, but CIOs are

certainly trying to mimic the Facebook experience in adjusting collaboration strategies to the new ways in which employees are interacting and sharing knowledge.

CIOs are certainly trying to mimic the Facebook experience in adjusting collaboration strategies to the new ways in which employees are interacting and sharing knowledge.

The fundamental change isn't only that employees and lines of business are adopting these technologies and services without IT knowing about it—it's that IT has to deliver services better than these third-party providers do. That necessitates faster service delivery, as employees are living in the consumer world of no-hassle, on-demand services and self-service



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provisioning options. Let's face it: Employees these days can—and want to—figure out a lot of things on their own.

Perhaps the core function of ITSM is actually to *be* that crystal ball. As the CIO, if you have the fundamentals of ITSM down, it shouldn't matter what new technology or trend comes along.

But getting there is half the battle. One sound step in the right direction, expert Harvey Koeppel explains in this handbook, is to

review your current ITSM capabilities and benchmark your ITSM maturity level. Check out Koeppel's piece for six other actions CIOs can take toward building a solid ITSM foundation. In addition, Linda Tucci interviews IT leaders who have transformed ITSM in their organizations. ■

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An ITSM Strategy That Means Business

COMING UP ON his three-year mark as CIO at Wellesley College, Ganesan “Ravi” Ravishanker is making steady progress on IT service management. His team is about halfway through developing an IT service catalog, a notable achievement considering the starting point: virtually no documentation of the IT services provisioned.

Ravishanker is getting a handle on the school’s widely distributed IT systems by driving new governance structures, including CIO sign-off for any technology capital purchases. He’s also building redundancy into the delivery of IT services by requiring that his staff learn skills outside their specialties. But the action that perhaps best encapsulates his IT service management (ITSM) strategy? That would be a real estate decision made early on in his tenure.

“I gave up a beautiful big office and moved to one of the smallest offices in the library,” Ravishanker said. “I wanted to make a statement

that my job is not sitting back in my office but to be out there, talking to people.” With limited resources, it’s critical that IT understand its constituents’ technology imperatives and prioritize services accordingly, he said. “It’s also important they understand why IT is doing what we are doing.”

For a small New England college in Wellesley, Mass., unaccustomed to formal centralized IT processes, forging an ITSM strategy that really serves the school’s needs has required a “huge cultural shift that you need to be patient about,” Ravishanker said. But the IT department at Wellesley is hardly alone in figuring out how best to integrate and deliver IT services—IT organizations of all stripes are struggling with ITSM.

“With all the changes going on right now—cloud, mobile, BYOD [bring your own device], social networking, bring our own infrastructure, business analytics—I don’t know many



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people that have integrated all of that into their IT service management,” said Jerry Luftman, professor emeritus at Stevens Institute of Technology and now managing director at the Global Institute for IT Management, which offers online and face-to-face IT training.

“Each of these technologies individually is complex enough; integrating across them is monumental—and now you have pressure from businesspeople to get this stuff done faster,” said Luftman, who conducts the annual survey of CIO priorities for the Society for Information Management. Moreover, as technology has become critical to success at many businesses, IT is expected to not just support business initiatives but also drive business revenue. “I really believe we are babes in the woods on this.”

ADAPTING ITSM STRATEGIES TO A MOBILE WORKFORCE

The difficulty of devising an ITSM strategy for today’s enterprise comes as no surprise to Gartner Inc. On the consultancy’s five-point IT maturity model, infrastructure and operations

leaders—the IT professionals most closely aligned with IT service management—score their organizations an average 2.29.

“Three is the minimum level of maturity we’re looking for,” said Jeffrey Brooks, a Gartner research director who focuses on ITSM. Level 3 means services are aligned with business needs, cost effective, proactive in support—in other words, table stakes for effective ITSM.

Brooks agreed that cloud, mobile and social computing—or what Gartner refers to as the *nexus of forces*—complicates matters for IT organizations. The application that works just fine in the data center, of course, must now work just as well in Starbucks. Mobile workforces not only expect to be able to work from anywhere, but their anywhere-anytime access to mobile devices also means they’re generating more data than ever before—data that IT must manage.

On the plus side, today’s technology-savvy workforces can now troubleshoot many of the technical issues they used to depend on IT to solve. But that technical sophistication only raises the bar for ITSM, Brooks said. “When



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they do reach out to the IT organization, they really have a problem with some sort of service you provide. And they need you to fix it, to be flexible and realize that it's IT's job to make them as productive as possible."

Brooks would get no argument from Tom Schroeck, vice president of data center operations at Ameritas Life Insurance Co. The Lincoln, Neb.-based mutual holding company, with \$32 billion in assets under management and 430,000 policyholders and members, employs 2,300 employees nationwide. New mobile technologies, social media and cloud computing offer competitive advantages for companies that can use them effectively, said Schroeck, and Ameritas' new ITSM initiative—launched to bring more maturity to IT's service delivery model—accounts for that shift. "As we build out our configuration management database, we will have a single repository for information that can be shared across a host of technologies," he said.

The new approach, which follows the IT Infrastructure Library framework and is helped along by BMC's Remedyforce software, will also soon offer self-service and articles so users

can access IT regardless of their work location. "While we pride ourselves on personal-touch service, we also recognize that the mobile workforce prefers to find their own solutions and these tools give them that autonomy while controlling the content," Schroeck said.

MUDDLED METRICS AND A HERO CULTURE

For IT departments still struggling to make their service models more mature, Brooks pointed to three factors that hold back ITSM:

- Training programs that fail to measure the effectiveness of IT training;
- Hero cultures that reward a "save the day" mentality;
- Metrics that focus on IT performance rather than on business impact.

While many organizations spend plenty of money on IT training, only a minority of Gartner's clients measure whether the training has brought any benefit to the company.



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Hero cultures also miss the point. “We continue to reward people for saving the day. But we don’t ask the question why the day needed to be saved,” Brooks said. “Maybe we should be yelling at the guy instead of rewarding him, because he created the issue by not doing what he was supposed to do.”

At Wellesley College, the hero mentality was a big impetus for creating the service catalogue, Ravishanker said. At academic institutions, where resources are scarce and people tend to stay in jobs a long time, the reliance on certain individuals for certain jobs “is huge,” he said. “We end up having people who know about a particular service or component of an IT service and only they know. They go on vacation and we have to call upon them if it doesn’t work.”

After working out a matrix for primary and secondary support for IT services, “it was glaring” how many did not have a reliable secondary support person, Ravishanker said. Until recently only one person knew how to troubleshoot the back-end systems for Google Apps for Education, a major service. Still, persuading staff that sharing information

about their jobs and taking on responsibility for other jobs would be a good thing took some explaining. “The first defensive reaction is, ‘Is it going to make my life harder?’” he said. Developing the service catalog has also brought more focus to which services are most important to the college. “It’s all about prioritization.”

Indeed, probably the single biggest hurdle to effective ITSM, in Brooks’ view, is the persistence of many IT organizations to focus on IT performance rather than on the effect of that performance on the business, or on what Gartner calls “below-the-line” as opposed to “above-the-line” metrics. “The business doesn’t care about the number of incidents closed or the number of change requests processed. They care about whether that change request resulted in any downtime *for them*,” he said. The five 9s of uptime touted by IT is irrelevant if, for example, the approximately 5.6 minutes of downtime meant the company failed to ship x number of units and missed its quarterly earnings.

“It’s not about the downtime or uptime but about lost business,” Brooks said. “No more IT for IT’s sake.” —*Linda Tucci*



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INFORMATION TECHNOLOGY SERVICE

management (ITSM) has certainly had its ups and downs. During the past 10 to 15 years, the segment grew in popularity as enterprises continued to focus on cost savings, efficiencies and productivity and, ultimately, improved internal and external customer experience—all admirable goals.

The challenge for CIOs is that the ITSM program they deploy this morning cannot possibly meet the needs of ITSM this evening—not unless, that is, their IT services are evolving at warp speed.

ITSM adoption often requires a transformation of the IT services model from one that is vertically focused on specific types of components (servers, networks, storage) to a more horizontally focused model that supports end-to-end higher-level business processes (e.g., supply chain management, customer relationship management and loan servicing).

ITSM implementations are generally based on industry-accepted best-practice frameworks such as the IT Infrastructure Library. Other best-practice frameworks that support ITSM include the following:

- Microsoft Operations Framework;
- Framework for ICT Technical Support;
- ISO/IEC 20000 (previously BS15000);
- COBIT;
- Enhanced Telecom Operations Map (eTOM);
- IBM Tivoli Unified Process (ITUP).

ITSM MEETS BIG DATA

In case these lists of objectives, domains and somewhat-complementary-and-somewhat-competing frameworks are not encompassing enough, a Google search on the term “ITSM” yields about 2.4 million results.

Still not impressed? OK, consider that the



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objectives, domains and frameworks that support ITSM, by definition, are largely driven by the scope and complexity of the underlying technologies, capabilities and business processes being managed.

In 1965, Gordon Moore, the co-founder of Intel Corp., published a paper in which he observed that the number of components contained within an integrated circuit had doubled every year since the IC was invented in 1958. Moore predicted that the trend would continue “for at least 10 years.” Intel executive David House later extended Moore’s observation and predicted that overall chip performance (a combination of the number of transistors and the speeds at which they operate) would double every 18 months. In fact, the trend has continued unabated for the past 55 years, and there is no clearly agreed-upon end in sight. Significantly, capacities of related electronic components such as processor and memory speed, data storage and screen resolution (number of pixels) have expanded along the same trajectory.

No one would argue that the *exponential* expansion in the available power and performance, and the corresponding reduction in cost

of these components, has enabled the design and delivery of increasingly more powerful and sophisticated commercial and consumer technologies. It is also obvious that these technologies have impacted—and will continue to materially impact—how we work and play and relate to each other on local and global levels.

Imagine the effect of all this growth in volume and capability upon ITSM, and it's easy to see why many CIOs don't get much sleep.

For some perspective on what this really means, we need look no further than our smartphones, which have evolved from “What do I need that for?” to “How did I ever live without it?” at mind-numbing and ever-accelerating speed.” Now imagine the effect of all this growth in volume and capability upon ITSM, and it’s easy to see why many CIOs don’t get much sleep. Now add other technologies to the plate, such as cloud, mobile computing, sensor-based technologies (the



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Internet of Things), social media, unstructured data, big data and cybersecurity, to name a few. It's now hard to see how CIOs get any sleep at all. And there is much, much more....

BIG DATA MEETS BIGGER DATA

I referenced “exponential expansion” earlier in connection with the description of the impact of Moore’s Law. For those who are too far removed from your 8th grade algebra lessons to remember specifically what that means, think about the cumulative effect over time of doubling performance every 18 months. Let’s imagine, for example, that at the start of 1958, when the integrated circuit was invented, we had the equivalent of one unit of computing power. Eighteen months later, by mid-1959, we would have had the equivalent of two units; by the end of 1960, we would have four units; by mid-1962, we would have eight units; and so on. In 2013, we are in the 36th 18-month cycle of exponential expansion.

Ray Kurzweil, noted innovator and futurist, helps us to visualize this overall effect in more down-to-earth terms. In his book *The Age of*

Spiritual Machines: When Computers Exceed Human Intelligence, Kurzweil asks us to consider a chessboard with 64 squares, where a single grain of rice is placed on the first square, two grains on the second, four grains on the third and so on, until all 64 squares have been covered with an exponentially expanding number of grains of rice.

If you’re adventurous enough, and you have enough time, money and patience to try this experiment at home, here’s what you’ll find:

- The total amount of rice on the *first half of the chess board* (squares 1 to 32) is equal to approximately one-millionth of India’s annual rice output.
- The total amount of rice on the *second half of the chess board* (squares 33 to 64) is about 4.3 billion times the amount of rice on the first half.
- The amount of rice on the 64th square is about 2.1 billion times the amount of rice on all the squares on the *first half of the chess board*.



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- The amount of rice on the entire chess board is about 1,000 times the world's entire output of rice in 2010 and would occupy a space larger than Mount Everest.

TOTO, I'VE A FEELING WE'RE NOT IN KANSAS ANYMORE

Let's connect the dots. To expand upon our example of the smartphone evolution, here are a few more data points that bring us back in time to the origins of the telephone:

- **1876:** Alexander Graham Bell invents the telephone.
- **1963:** TouchTone replaces the rotary dial.
- **1970:** Modular cords and jacks are introduced.
- **1973:** The handheld cellular mobile phone is introduced.

Clearly, many other things happened between 1876 and 1973; I've chosen just a few of the significant advances that illustrate progress made

during the first 97 years of telephone technology development.

And when you consider the further progress made during the 26-year period from 1974 through 2000, and look from 2000 through 2013, the pattern is undeniable: increasingly bigger changes within increasingly shorter periods of time.

Knowing what to do next is always a challenge, especially when the world around you is changing in unknowable and sometimes even unthinkable ways.

In 2013, we are in the 36th 18-month cycle of the exponential expansion of technology performance—clearly within the bounds of the *second half of the chessboard* (starting at square 33), where Ray Kurzweil shows us how rapidly things will advance.

Knowing what to do next is always a challenge, especially when the world around you is changing in unknowable and sometimes even



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unthinkable ways. I will leave you with some thoughts on how to adapt, sustain and mature your ITSM efforts in preparation for cycles 37 through 64:

- **Review** your current ITSM capabilities and benchmark your ITSM maturity level;
- **Create** an ITSM roadmap to increase your ITSM maturity level;
- **Socialize** the criticality of ITSM across your organization and obtain high-level sponsorship and funding;
- **Partner** with your internal customer community to ensure that your goals and objectives are aligned with theirs;
- **Partner** with audit, risk management and compliance areas to ensure that your

standards, policies, procedures, metrics and reporting meet internal and external requirements;

- **Partner** with your chief information security officer to ensure that your ITSM tools and technology are as well-protected as they can be;
- **Ensure** that you have a good understanding of the total cost of ownership of your ITSM suite;

Remember that an effective ITSM program is a process and not a deliverable. Ensure that you have the right metrics and reporting in place to monitor and manage performance of critical functions, and continuously look for ways to improve the timeliness, quality and overall customer experience.

—Harvey Koeppel



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I HAVE READ several opinions that claim the days of the CIO are numbered. According to these thought leaders, the advent of cloud services and consumer IT now make it possible for everyone to get the technology they need and want without using their IT department.

However, I think this is the best time in the history of mankind—or at least in the computer age—to be an IT leader. Every aspect of the business and society now uses and relies on technology and every innovation is fueled by technology. To my way of thinking, if we are not an essential part of organizational leadership, shame on us.

While the door to our taking a strategic organizational role is open, what determines whether we go through that door? I think there are several things we must do, but foremost among those is getting our IT service management (ITSM) act together. And, yes, those same cloud services that some claim will doom us

actually give us an opportunity to dramatically improve and accelerate service levels—and devise a service-level management approach for the consumer age.

At its core, IT service management is about meeting customer demands for services and service levels. In our technology-rich environment, we first need to recognize that customer expectations are being set by their best experiences with technology—and those expectations are being set by someone other than the IT department. Our customers are now used to concepts like self-service and self-provisioning. Once our customers have rapidly created a cloud-based file storage and backup system for their personal files, they expect that our enterprise IT also should be that simple to use. So, our service management approach must include options for self-service and self-provisioning or whatever will meet our customers' expectations for rapid, high-quality IT services.



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As another example, mobile devices give customers a lot of control over what notifications and alerts they receive. Should our enterprise systems do the same for our customers?

The upshot is that CIOs should not only consider best-in-class enterprise IT but probably also look at best-in-class consumer IT to

An outage in the middle of the day is a much bigger service-level problem than something that occurs in the middle of the night.

establish our benchmark for our service levels and agility. Imagine what would happen if we were to survey our customers and ask them about their best “service-level” experience with technology—inside or outside the enterprise—and match that service level. My hunch is there would be less talk about the relevancy of the CIO role.

In addition to using consumer cloud services to define our own service levels, we should consider how we can raise our service levels for any cloud services we consume. For most of us, demand for services varies throughout the day. An outage in the middle of the day is a much bigger service-level problem than something that occurs in the middle of the night. As a result, it is important for us to adjust our daily service-level agreements to match these varying demands. I am currently in discussions with a cloud service provider to change how they measure their service levels. They use a service-level metric that treats all hours of the day the same. In my contract negotiations, I am taking a very strong stand that they must use some type of adjustable service-level agreement. For me, they must do this or I will not do business with them.

This really should be the best of times for an IT leader. All we have to do is deliver amazing services and the highest service levels.

—Niel Nickolaisen

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