



**RealIT<sup>®</sup> Management Inc.**

Bringing IT Management To Reality<sup>™</sup>

# How to Avoid the ITIL Money Pit

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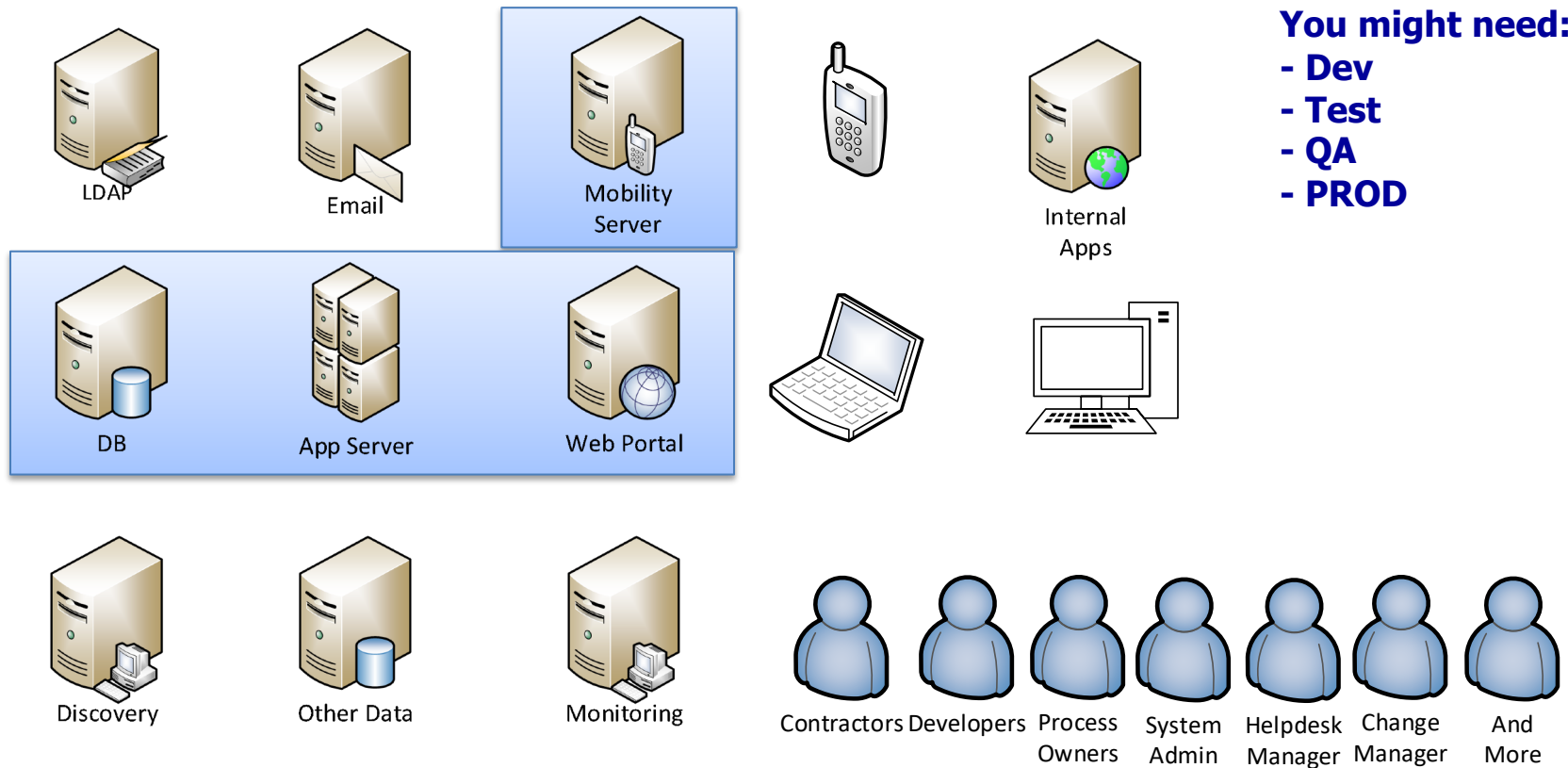


# The premise

- No organization embarks on its ITIL journey from the get go.
- Most organizations bought into the ITIL framework because ...
- Most ITIL journeys typically got initiated by a disarray of the current service desk and expanded to cover other processes.
- Most (if not all) ITIL journeys failed and costly to rectify.



# ITIL infrastructure example





# What is your ITIL journey?

- ITILv1: Service Support & Service Delivery.
- ITILv2: Refined Service Support & Service Delivery.
- ITILv3: Service Lifecycle involving five Stages and 27 Processes.
- ITILv4: Four dimensions model involving 34 management practices.



# What contributes to the cost of your ITIL journey?

- Process review and gap analysis
- Process design
- Proof of concepts
- Infrastructure
- Software and licenses
- Staff
- Training
- Consulting services
- Operations
- Maintenance and on-going support
- Continual service improvement



# Process review, gap-analysis, and design

- It matters who performs these tasks (internal, external, or collaboration)
  - It's important to capture all of the issues faced with the current processes.
  - Gap analysis must be done against the needs and desired outcomes for the organization.
  - Process design (or redesign) must be done with specific tools in mind. Not all tools are created equal.



# Procurement

- For public sector, it takes time, effort, and money to go through an RFP process to procure the solution and professional services.
- For organizations that is not required to go through an RFP process, the available choices of solutions and services can be overwhelming.
- What does it cost, from the staffing perspective, to go through the procurement process?
- Picking too simple or too complex solution has associated operational cost down the road.



# Infrastructure

- Hardware
- Software & Licenses
- Database
- Integration with Email & LDAP
- DEV
- TEST
- QA
- PROD
- Cloud
- License Subscription
- Integration with Email & LDAP
- DEV
- PROD





## Staff and training

- Most users of the system does not care what the underlying framework is (ITIL, COBIT, eTom, FitSM, KCS, etc.)
- Sending everyone to take ITIL training does not make your organization ITIL “compliant”. Train key personnel only!
- What specific training of your environment is available for new hires and reference purposes?

Training your people on how to use the system is the most critical part of your ITIL journey.



## Staffing for success

- Usually, there are too many hands (process owners) in the pot.
- What primary functions do process owners do after deployment?
- It's more efficient to have a single process architect working with all teams to design, streamline, and improve the processes.
- The process engineer must also have deep knowledge of the ITIL solution being used.
- Leverage external resources where applicable.



# Implementation

- Use phased approach and keep the scope small (one to two processes at a time.)
- A well defined scope and set of requirements will keep the implementation cost in check.
- Unlike building a house, the process architect must be hands on with the changing business requirements.
- Choose experienced team who can push back on runaway functionality.



# Operations

- How much does it cost to run your ITIL operations?
  - Now many staff do you need? What roles? dedicated or shared?
  - What on-going training is required?
  - Data cleansing and integration?
  - Continual service improvement?
  - Maintenance and support?



# Continual service improvement

- Is there a Phase two?
  - Requirements (fine tune vs new)
  - Scope
  - Outcomes
  - Software licenses
  - Professional services
  - Training

ITIL is a journey, not a project



## Other costs?

- The above are quantifiable costs.
- There are other less quantifiable costs but have far greater impact.



## What severely affects the cost of ITIL?

- Lack of vision or strategy.
- Lack of clearly defined scope, and desired outcomes.
- Lack of commitment to change (culture shift.)
- Lack of knowledge protection.
- Lack of investment protection strategy.



# Management Vision

- “Tell me how you will measure me, and then I will tell you how I will behave.” – Eliyahu Goldratt.
- Consider what yardsticks to use and the expected outcomes of the ITIL journey then communicate to the rest of the organization.
- Be persistent but realistic in the execution of your vision.





## Clearly define scope and outcomes

- Make the journey manageable for your business needs.
- Identify your needs then build requirements based on these needs.
- Clearly define what outcomes you must achieve for each of the processes that you want to pursue.

Are your requirements too complex for your needs?  
Is the solution too complex for your requirements?



## Pick Your Focus

- The most sought after processes are:
  - Service desk
  - Incident Management
  - Request Fulfillment
  - Change and Release Management
  - Configuration and Asset Management
  - Knowledge Management
  - Service Level Management
- Use phased approach with realistic timeframe



# Commit to Changes

- By nature, we are resistant to changes, unless it improves the quality of our lives.
  - The reengineered processes must be simple for people to follow.
  - The new system must be more convenient and easy to use.
  - Sufficient hands-on training must be provided to all staff levels.
  - Fine tune the system to address users' concerns.



# Protect Your Knowledge

- Who has knowledge of your processes and system configuration?
- What knowledge documents were produced during the project?
- What's the quality of these documents?
- Who is accountable for maintaining and updating these documents?
- Who has access to these documents?
- Where are these documents kept?

Ensure relevant knowledge stays with the organization when the consultants leave or when key staff moves on.



## Protect your investment: fix or switch?

- When things are not working well, what do you do?
- How do you protect your ITIL investment?
- ITIL v4 considers the following 4 pillars:
  - People
  - Processes
  - Technology
  - Vendor and Partner (new!)
- The root cause of trouble is hardly because of a single dimension alone.



# How do you want your ITIL journey to be?



LDAP



Email



Mobility  
Server



Internal  
Apps

**You might need:**

- Dev
- Test
- QA
- PROD



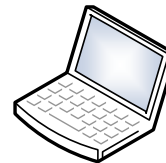
DB



App Server



Web Portal



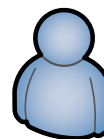
Discovery



Other Data



Monitoring



Contractors Developers



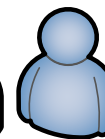
Process Owners



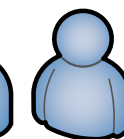
System Admin



Helpdesk Manager



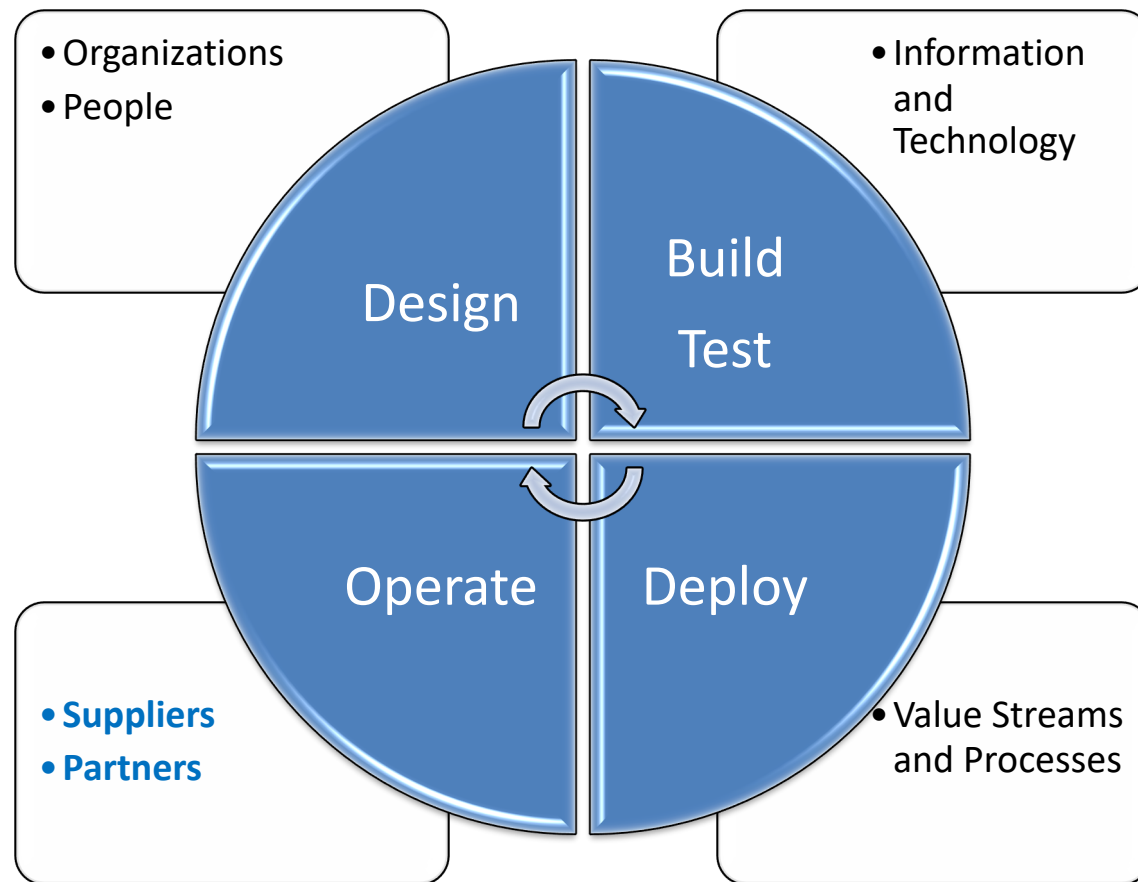
Change Manager



And More



# Using ITILv4 Four Dimensions Model





## Summary – how to avoid cost overrun

- Intangible costs have far greater impact on the success of any ITIL journey.
  - Create a vision or strategy for the journey.
  - Clearly define scope and outcomes.
  - Be persistent in the implementation. Don't stop at phase 1.
  - Train users on the deployed solution, not on theory.
  - Avoid having too many chefs in the kitchen.
  - Manage the knowledge of the processes and deployment.
  - Operate with agility, fix/fine-tune the process to make it more convenient for users.
  - Protect your investment. Have better relationship with vendors and partners.





# About RealIT

- Founded in 1998 by Edward Pham
- Main business:
  - IT infrastructure management
  - IT service management
- Services include:
  - Software Solutions
  - Consulting Services
  - Software Development
  - Custom Training
  - Solution Support



# Thank You

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