

ISO/IEC 20000

An introduction to the global standard for service management

Second edition

David Clifford



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DAVID CLIFFORD – FSM^{CM}



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FOREWORD

This book brings a fresh look at service management, and a better understanding of it. The author provides valuable clarity on efficient teamwork and on the necessity for predictive management to properly implement an effective and sustainable service management system.

In today's world, where many books are published on service management, David offers many years of solid experience, presented in a simple, clear and effective way.

I will be using this book for my consultancy, training and coaching of managers and service management consultants.

I hope that this book will give you a holistic view of the essence of ISO/IEC 20000 and will also help you in your day-to-day activities.

Marc Taillefer

Executive Manager, Consultant and Auditor (EXIN & TÜV SÜD Akademie).

Consultant, trainer, coach and lecturer.

Member of many international standard-writing groups, including service as Secretary for the group writing ISO/IEC 20000 standards.

PREFACE

This introduction is intended to be a handy reference tool that contains, in one place, some of the key information that those working with ISO/IEC 20000 (Part 1, Edition 2, 2011) may need. Part 1 of the ISO/IEC 20000 series provides a list of service management requirements that all service providers should aspire to. There are other parts of the series that are briefly discussed in this publication.

It is certification-scheme neutral (i.e. for companies) and qualification-programme neutral (i.e. for individuals).

It is not a substitute for acquiring and reading the standard itself. Every reader of this book is recommended to read the standard, where further guidance and inspiration can be found.

ABOUT THE AUTHOR

David Clifford is recognised as one of the world's leading authorities on ISO/IEC 20000. He is a regular speaker at international events managed by organisations such as the itSMF and EXIN. David is the author of the itSMF International endorsed publication, *Implementing ISO/IEC 20000 – the roadmap*.

He assisted the itSMF in establishing their certification scheme for ISO/IEC 20000, now owned by APMG International, including auditing the auditors on their behalf. He has also been the prime consultant supporting the initiation and development of the EXIN service management qualification programme aligned with ISO/IEC 20000.

His knowledge, experience and contribution to the service management industry have been formally recognised by the award of the highest credential of 'Fellow' within itSMF's The priSM Institute[®]. David is also the global vice-president for priSM[®].

David has worked in the arena of business, IT applications and ITSM, supporting multi-billion dollar initiatives on a global scale.

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INTRODUCTION

History has shown that, when one starts to talk about international standards, the sound of voices and running feet can be heard, disappearing into the distance. One hears cries of ‘more bureaucracy’, ‘another certificate for the wall’, ‘poor management systems can get certified’, and ‘standards are only of benefit when a customer requires its service provider to get certification.’

Thankfully, we sometimes learn from history and reflect this in our current daily lives, by taking positive steps forward. This is the case with ISO/IEC 20000. It provides a mirror for service providers to compare themselves to.

It provides a list of ‘must do’ requirements for the service management system (SMS) that all service providers should aspire to.

A **management system** is ‘a set of interrelated or interacting elements to establish policy and objectives, and to achieve those objectives.’

It also provides an initial and substantial target that has been set by practitioners based across the globe. It is a process-based standard that ensures that the management system provides a vehicle in which the commitments to customers can be achieved.

It does not provide advice on *how* to do it, but simply a list of what needs to be done.

A complementary approach can be taken where the standard could, in concept, be viewed as a

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table of contents of the critical elements of the service provider's best practice framework of choice. A typical example of a framework in the business domain is Business Process Framework, formerly eTom[®] (for telecommunications companies) and, in the IT domain, others include COBIT[®], ITIL[®] and MOF[®], to name but a few.

So, for example, where ISO/IEC 20000 says 'The service provider shall create, implement and maintain a capacity plan taking into consideration human, technical, information and financial resources', the framework of choice would give guidance on how this can be achieved. Of course, service providers may also use their own best practices to help to deliver service of an acceptable quality to their customers. The good news is that ISO/IEC 20000 is framework neutral.

Note

Service providers quite often start with their framework of choice when improving their SMS. The framework can span thousands of pages and be quite daunting. Why not open a standard first, that lists the most important elements of service management, and then use the framework for supplementary guidance? This approach gives the potential to be simpler, more efficient and more effective in achieving the objectives.

A common misconception about the standard is that service providers should only be interested in it if they wish to achieve certification. This is not the case. It can also be used simply as an internal benchmark for service providers to assess their

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capabilities, i.e. to *comply* with the standard, but not to *certify* to it.

ISO/IEC 20000's official title is **Information technology – Service management**. Yes, its roots are planted within the IT domain, but the standard can easily be used by any business that provides a managed service to its customers. This publication has intentionally been written in a context applicable to this philosophy.

For example:

- an insurance company that has a call centre handling claims will need to follow specific procedures, similar to an IT service desk incident management process
- a manufacturing company will need to ensure that it has sufficient resources to deliver to its defined targets, similar to an IT capacity management process
- an entertainment company will need to ensure that it closely understands the needs of its customers, and is able to gauge the level of satisfaction with the services to date, similar to an IT business relationship management process.

So, ISO/IEC 20000 can be used by IT service providers and non-IT service providers alike. But how is it used?

Customers are specifying that their service providers must align to the requirements of the standard, thereby improving confidence in the management system and service delivery, as the service provider is independently audited by a certification body.

Introduction

Service providers are using it as a coherent specification of the things that *must* be done, as opposed to analysing everything that *could* be done. In other words, they are initially concentrating on the critical elements of service management in order to build a firm foundation for any future developments, rather than initially wading through an extensive library of best practice guidance.

Tool vendors are aligning their software to the needs of the standard, so that the tool can support certification/compliance.

Certification bodies are validating that the service provider is performing to an acceptable international standard.

Consultancy companies are performing capability assessments on service providers to enable focused advice to be given on any remedial activities required.

Training providers are expanding their courseware portfolio to include qualifications that are based upon one of the most popular standards that has been produced in this arena.

This introduction is, by definition, an overview of the purpose of the standard and its intended use. Further depth is provided throughout this publication, based upon practical, real-life experiences. Additional guidance can be found in complementary publications (see the resources pages at the end of this book).

CHAPTER 1: BACKGROUND

A new edition of Part 1

The new edition of Part 1 of ISO/IEC 20000 has been released (15th April 2011). The standard is now titled “Information technology – Service Management – Part 1: Service management system requirements”. It should be noted that a revised edition of Part 2 of the standard is not due for publication until approximately Q2 2012.

Why the need to change?

Edition 1 of the standard is now some six years old and quite simply, the world in which we live is continually changing. New thoughts regarding how service management should, or in the case of this part of the standard, how service management shall, operate have been reflected in Edition 2. During those six years, there have been new releases of best practice publications. Edition 2 of the standard has remained true to the spirit and intent of its forerunners, namely :

- the standard applies to IT Service Management. Do not try to extend it out into all of IT Governance, software maintenance, etc.
- the standard needs to be able to be certified alone or with ISO9000/ISO27001
- alignment with (not based on) ITIL® is key to a large part of the audience for this standard
- the standard should be minimal in its

.....

1: Background

- requirements for production of documents
- the standard needs to be applicable to both large and small service providers in the public and private sectors
- it must not be very prescriptive in how to implement the processes, it should stay at the level of what is to be achieved. This allows many best practice frameworks to be used to support ISO/IEC 20000 e.g. ITIL[®], COBIT[®], Business Process Framework (eTOM[®]), eSCM-SP[®] etc
- ensure that integration of processes is retained as a key principle
- information security process requirements are to remain as a consistent subset of ISO/IEC 27001 to ensure harmonisation
- retain the hierarchy of policy, process, procedure
- retain the need to demonstrate management commitment.

What are the key changes in Edition 2?

Edition 2 is a significant update on Edition 1. The key changes can be broadly categorised as :

- additional requirements – c.35%
- requirements with no fundamental change (being more explicit) – c.40%
- requirements that have not been changed – c.25%

The numbering and naming of chapters in the different sections is largely the same.

1: Background

Principles of ISO/IEC 20000

ISO/IEC 20000 is based upon a number of fundamental principles that must permeate through the service management system.

Focus on a customer-driven approach, reflecting the agreed needs of the business and its customers in the underpinning management system throughout the full life cycle of the services.

Focus on end-to-end service management, ensuring that suppliers and subcontracted suppliers are aware of their scope of work, have key process touch-points defined, and have sufficient knowledge from the service provider to enable them to do their job in a seamless way.

Focus on integrated service management, developing and operating a coherent and holistic service management system that is effective in delivering the desired benefits to the customers, avoiding a 'silo-based' mentality (an approach where each function is focused independent of the others).

Focus on continual improvement, recognising that the business and service management environments are constantly changing, with new demands. Continual improvement will realign service provision and will, for example, increase the efficiency of the management system.

Focus on a customer-driven approach

Without customers, service providers would soon be out of business. The competition for customers

1: Background

is increasingly cut-throat, and service provision is much more of a commodity in these times. So how should a service provider differentiate itself? On cost, or time or quality? In reality, a combination of these factors contributes to the overall perception of the service provider.

From a cost point of view, the service provider typically finds it difficult to recoup the initial investment made during the early life of service provision. The ability to maximise the longevity of the customer relationship, and to cross-sell other services, based upon positive customer experiences and needs, is paramount. But how to do this?

ISO/IEC 20000 specifies a series of requirements for service providers in terms of understanding customer needs, agreeing a scope of work, delivering to that scope, and realigning when the customer needs change.

A supply-and-demand model could be used to assist in satisfying these requirements (*see Figure 1*). Initially, the demand side should, of course, be able to articulate its needs through the use of ‘solutioneers’ who are designing the business enablers, that is, the business services, business processes, financial models and marketing strategies. Their ‘solutioneer’ counterparts on the supply side would work closely with them, to advise on enablers to achieve the customer-critical success factors and to develop solution designs.

Once the supply-and-demand elements are designed and integrated, the delivery and operation of those services can be fulfilled.

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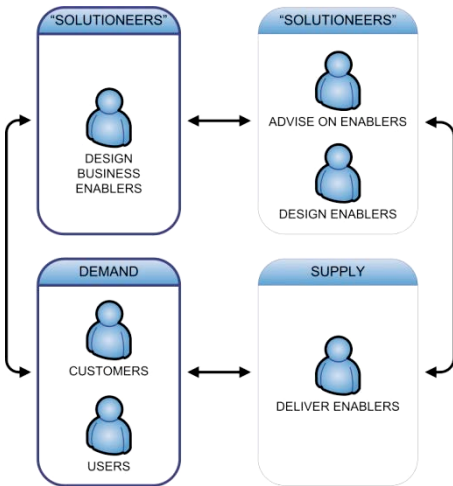


Figure 1: Overview – supply and demand model

Using key performance indicators, cross-referenced to the customer-critical success factors, the delivery link can be maintained. This ensures that the supply side includes performance assessment from a customer perspective as well as an internal perspective. This approach enables an ongoing capability to assess the true value proposition to the customer.

In summary, service providers who align themselves to understanding how their service provision enables the customers to realise benefit will be in a stronger position to differentiate themselves in the market place.

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Focus on end-to-end service management

When customers entrust their service provision to a service provider, they expect that the service provider will accept overall accountability for the scope of work. This often includes the management of any suppliers, ensuring a seamless provision of service to the organisation. Figure 2 illustrates this relationship.

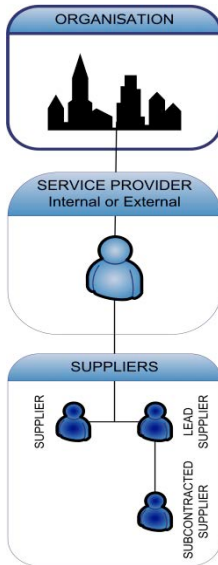


Figure 2: End-to-end relationship model

Service providers may be either internal (the organisation's own staff) or external (a commercial managed service provider) or a combination of both facets. While the implications

1: Background

of service performance may differ between the two, the needs of the service provider are basically the same, in that they need to understand the direction of the organisation and the commitments made to them, and then ensure ongoing service delivery aligned to these needs.

It is the responsibility of the service provider to ensure that any outsourced activities are managed so that the commitments are achieved.

It is essential to ensure that the end-to-end relationship model is working well, as one weak link can cause major issues for the organisation. Vertical process integration should, therefore, be a major factor in the design of the management system to support the service life cycle. This will ensure that process touch-points between the service provider and their supply chain are clearly defined.

Timely and accurate information flowing through vertical integration is the lifeblood of a healthy management system. For example, organisation plans regarding new products should be communicated as early as possible to the service provider, who will co-ordinate an assessment of the impact and will design possible solutions. Where applicable, the suppliers will be involved in this assessment at the earliest possible stage.

In summary, treating service design and delivery in a holistic fashion will ensure the existence of a strong supply chain that is ready to meet its commitments as a seemingly single unit.