

ITSM4SME Media Material

1 An Introduction to IT Service Management

2 It is noon on a normal working day. It is lunch time but at 13:15 you have an important business
3 meeting. What do you do? You actually have a few options: not to eat; go home and prepare
4 your lunch on your own; take a sandwich; or go to the restaurant. Not eating is normally not a
5 good idea. You may get nervous and tense, which may have a negative impact on the meeting.
6 You may definitely go for a sandwich but eating sandwiches every day... The cheapest but
7 healthiest way would therefore be to go home and cook. But there is not enough time. As the
8 restaurant is in the neighbourhood and you have enough time you decide to go to the
9 restaurant.

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11 Unfortunately, the lunch of your preference is out. Slightly disappointed you take the second
12 daily lunch option. The time is passing and you are waiting. The waiter ignores you. You are
13 getting upset, but finally you get your meal. It is cold, underdone, not fresh and there is definitely
14 not enough of it. The waiter argues that they have had a problem with their oven for a whole
15 week now and it is difficult to get a good cook. But you actually don't care. It is 13:20 so you
16 are late for the meeting. You end up dissatisfied, upset and still hungry.

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18 Although the service of the restaurant provided you with some output – served food, the lunch
19 did not have any value for you as it did not provide you with the desired outcome in the sense
20 of enjoyable tasty food that satisfies your hunger, being provided quickly and for an affordable
21 price. You have experienced bad service. Once consumed, the service cannot simply be
22 returned. With actually the same ingredients but with a different attitude, behaviour and culture,
23 better organization, planning and control, the outcome could be completely different.

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25 As the restaurant did not facilitate the outcome desired by their customer, they lost the customer
26 – you. The business of the restaurant suffered because of bad sizing as well as badly performed
27 cooking and serving failed to provide the desired business outcome of the restaurant – a
28 satisfied returning customer. It would probably not be any better if any of the services alone
29 performed better.

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31 It is the same with information technology (IT) and services provided by the technology.
32 Perhaps not yet as relevant for restaurants as for some other organizations, which depend on

33 timely processed and quickly provided information, IT can provide significant business value. It
34 may even represent a source of sustainable competitive advantage. But as with the food
35 ingredient, the technology itself will not provide or facilitate desired business outcomes. It has
36 to provide valuable services that have to be used adequately in the value chain. It is not only
37 important what is provided but also how it is provided. In the same way the knowledge about
38 how to run a successful restaurant and its effective operations management provide value to
39 the restaurant, IT service management (ITSM) provide value of IT for the business. No matter
40 if IT services are provided internally or by external IT service provider. As it was mentioned
41 earlier, preparing lunch on your own seems to be cheaper and healthier, but in modern times
42 with contemporary life dynamics this is often not possible. You either go to the restaurant or
43 eat sandwiches every day. There are people that do the latter - perhaps because they have a
44 late dinner afterwards. The preferences should therefore also be taken into the customer value
45 equation.

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47 What about size? Does it mean that a meal in small restaurants is cheaper or not that good?
48 Not at all. The importance of knowledge about how to harness all and every single service into
49 the end-to-end value stream does not depend on size of a restaurant or an organization. Small
50 organizations may sometimes provide even greater value to their customers. Knowledge about
51 how to manage services is different but not less important. IT service management is therefore
52 as important for large as for small and medium sized business. Since the best practice in IT
53 service management was actually developed for large organizations it needs some further
54 adjustments and simplification for small and medium sized organizations. Although simple is
55 not always easy.

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57 The foremost goal of IT service management is to align IT services and the associated
58 technologies (hardware/software) to the business process and to guarantee the best possible
59 support of financial processes by the IT organization. IT Service Management describes the
60 conversion of the information technology to customer and service orientation. Conversely,
61 innovative information technologies can affect the business model and the underlying
62 processes. Therefore, IT should not be seen as a supporting function, but as a means for
63 preparing the way that enables the small and medium enterprises (SME) to open up new
64 business areas.

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66 By introducing simple ITSM principles, an SME can manage its IT processes and IT services
67 efficiently and effectively and thus provide users with an optimal IT landscape that is less

68 susceptible to interruption and thus also more cost-effective over the long term.

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70 A simplified ITSM method provided within the European project ITSM4SME can support an
71 SME in the following points:

72 ▪ **Making it clear what value is contributed by IT.** In many cases, IT is viewed only as a
73 cost factor; therefore, SMEs often cut costs in the wrong places. However, if the added
74 value of IT is clearly evident, the investment decision is on a different basis.

75 ▪ **Planning the IT / business strategy.** Precisely for SMEs, planning ahead is important.
76 Therefore, the IT landscape should be structured so that it can respond flexibly to
77 changing requirements of the business processes. The objective is to integrate and align
78 IT so that it provides optimum support to business objectives (business alignment).

79 ▪ **Legal assurance (IT compliance).** SMEs are subject to an increasing number of legal
80 regulations related to data and IT (e.g. Data Protection acts); when granting credit, a
81 company's IT landscape also plays an increasingly important role (see Basel II). If SMEs
82 follow the ITSM philosophy, they will be in conformity with many of these regulations and
83 be able to recognize the corresponding gaps.

84 ▪ **Monitoring IT effectiveness and efficiency based on clear performance indicators.**
85 You can't manage what you can't measure. Therefore, for SMEs, it is important to define
86 corresponding performance indicators and operating figures (known as Key Performance
87 Indicators – KPI) to verify the quality of IT services and take appropriate measures.

88 ▪ **Introducing an IT optimisation process (Continual Service Improvement).** Business
89 process changes and new technologies are reviewed continually. Things that seem
90 "optimal" today can already be out of date tomorrow.

91 ▪ **Improved change management.** We are all familiar with the situation: soon after a new
92 computer or software program is purchased, it no longer works the way it should. ITSM
93 processes help SMEs identify these kinds of problems before they occur and eliminate
94 them directly.

95 ▪ **Better outsourcing, insourcing and smart sourcing options.** An SME cannot and
96 should not deal with all IT questions on its own, as comprehensive management ties up
97 too many resources. ITSM gives SMEs a way to easily identify which IT services should
98 be outsourced. It also helps to manage external service providers so that there is neither
99 too much nor too little capacity.

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101 But how can SMEs start with IT service management? The project ITSM4SME supported by
102 the Life Long Learning programme of the European Union developed a simplified IT Service
103 Management method for SMEs of the Danube Region to implement IT service management
104 and innovations. The project relies on the results of the successful European INTERREG
105 project INNOTRAIN IT. More than 25 different “best-practice-examples” for service-orientated
106 SMEs have been gathered in six European regions as part of INNOTRAIN IT. They form the
107 knowledge base for trainings in the areas of cost optimization of IT processes and business
108 process redesign as well as process and product innovations. The learning modules of
109 ITSM4SME focus on different service topic, like

- 110 ▪ **The Implementation level of the method** (e.g. How to define a service catalogue? How
111 do I implement a service desk?)
- 112 ▪ **The IT infrastructure level** (such as standardization, automation, and possibly
113 outsourcing of services like printing or hosting services)
- 114 ▪ **The Level of business processes** (e.g. integration of external sales-services and
115 standardization of logistics services)
- 116 ▪ **The Final product level** (sale of internal support-services to external customers, sale of
117 IT-supported after-sale-services).

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119 This method as well as the ITSM4SME training program are strictly modular. After an analysis
120 of the to be status, the SME is offered the necessary modules only. If needed, the growing path
121 to a higher level of qualifications can be suggested. Interested people can still get access to an
122 eLearning platform with short courses and modelling tools for the enterprise architecture. With
123 those tools, everybody can work on solutions for case studies – together with other managers
124 and IT-directors in the region. More information can be found on the internet at
125 www.itsm4SME.eu.

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About ITSM4SME (www.itsm4sme.eu)

The ITSM4SME project builds on the results of the INTERREG IVB Central Europe project INNOTRAIN IT. The innovative project results, for example the ITSM method, the training concept, training materials and the ITSM modelling tool, are be adapted and transferred to the countries of Bulgaria, Romania and Slovenia. Accordingly, the consortium consists of three partners, who were part of the INNOTRAIN IT consortium and cover parts of the conceptual

and methodological work, and three training partners from the Danube region, who have extensive experience in the training of IT and innovation skills. ITSM4SME is funded by the European Commission within the framework of the Leonardo da Vinci programme and has a total budget of almost 400,000 euros.

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