

# The Business Benefits of Effective ITSM

## What is ITSM?

IT Services Management or ITSM refers to the planning, provisioning and management of IT services in alignment with the business of the customer – whether it is the business department of the same organization or an external client. It deals with maximizing the productivity of IT by viewing it as a 'service' that is either a business enabler or an integral part of the business process itself, depending on the nature of the business. Various proven frameworks like Information Technology Infrastructure Library (ITIL) help organizations to implement ITSM in conjunction with their business requirements and in accordance with International standards such as ITSM:ISO/IEC 20000.

## ITSM Enables Business Growth

While looking at how ITSM enables and even accelerates business growth it would be useful to look at the role of ITSM in the three main categories that most organizations or business fall under:

- Category 1 where the core-business is non-IT but IT plays a major role in enabling or improving business services, for e.g. banking or manufacturing. Here the quality of IT affects the efficiency and availability of the business services and is fast becoming the key differentiator between the various players in the market. For example, the quality of networks and ATM service availability sets one bank apart from the other.
- Category 2 where there is a tight integration between IT and the business of the organization for e.g. IT-enabled services/BPOs. Here the dependence on IT is even more marked because the processes are IT-dependant and a downtime of IT services results in a business downtime.
- Category 3 where IT is the core business of the organization for e.g. Software Development, Product Development, IT Infrastructure Management. In this case the integration is the maximum as the services are directly linked to the IT Infrastructure.

Having categorized businesses as above, it is interesting to note that many businesses originally in the first segment are moving to the second category such as banking, while others are even offering IT Infrastructure Management as a separate service and hence migrating directly to the third segment.

Hence ITSM not only improves and accelerates business growth and efficiency by being a service enabler but also allows companies to expand their service portfolio by adding IT Service Management to their service offerings.

### Aspects of ITSM that Enable Business Growth

- Quality – One of the best methods of ensuring quality of IT service management is to align with the established global best practices framework as opposed to reinventing the wheel. A certified ITSM partner enables companies to align with The Information Technology Infrastructure Library (ITIL) - a repository of global best practices and real world examples of how companies can provide IT services at the lowest cost – in order to attain process and operations excellence in ITSM.
- Efficiency – It is a proven fact that the efficiency of business services is directly affected by the efficiency of the IT Infrastructure. Whether it is a company from Category 1 where IT is a service enabler or the second where IT is integral to business, the availability and efficiency of business services and the resultant customer experience is directly affected by the efficiency of IT Service Management.
- Cost – ITSM requires a wealth of people, tools and technology all of which can prove to be major cost factors for an organization. Reducing the cost of ITSM can reduce the overhead cost in the case of Category 1 companies and the direct cost in the case of Category 2 companies.
- Agility – The agility of a company's IT Infrastructure decides how quickly it can respond to changes in business service requirements. The speed at which the IT team responds to business changes decides the organization's ability to grow especially in the context of acquisitions and mergers. If the IT team of the company does not have the manpower, processes or technology to quickly integrate the IT Infrastructure of the two companies, it will serve as a major roadblock in the growth path of the company.

- Focus on Core Business – With the business environment becoming increasingly competitive, it is integral to the success of most organizations that they focus on their core business, be it manufacturing, banking or creative services and selectively source their infrastructure requirements from a qualified third party. This is especially applicable to organizations that fall in the Category 1 of companies where the core business is not IT.
- Compliance – Every industry today has a set of regulatory compliances that have to be compulsorily met, be it banking or manufacturing. A qualified, ISO/IEC 20000 certified ITSM partner brings with it proven processes, methods and technologies in conformance with a globally recognized best practices framework such as ITIL, and enables companies to comply with these International standards and benchmarks.

### Emerging Trends in ITSM

IT has evolved in scope and relevance from being a back-end support function to a “service” that has become crucial to the management and availability of business services and the business growth of almost all organizations. According to best practices frameworks, ITSM should behave as a profit center even if it is catering to internal organizational requirements in order to provide IT services at the best cost with maximum ROI.

This emergence of IT services as a profit center has resulted in the need for the development of an IT strategy that provides the framework for implementing IT in integration with business requirements. The business team no longer wants to be involved in the people, tools or technology required for the delivery of their service requirements. The planning, implementation, deployment and management of the IT Infrastructure in accordance with business service requirements have now fallen squarely on the shoulders of the CIO. This need for an IT strategy has spurred a new version of ITIL – ITIL Version 3 - which has an entire module devoted to the development of IT strategy.

Since IT is now being implemented on the basis of a unified strategy in line with the overall business of the organization, the earlier approach of having disparate IT teams for different business divisions within an organization has given way to a unified IT services team that caters to the requirements of the entire organization. In many organizations this IT services team has evolved into a separate business unit, which also caters to the ITSM requirements of external clients.

## Selectively Outsourcing ITSM

This new approach to IT as a service that actively contributes to the bottom line of the company is markedly different from the earlier back-end, support stance that was earlier prevalent in most organizations. Conformance with global best practices framework and benchmarks is also a difficult goal to achieve. It is not easy to obtain such high service levels and effective Change Management within one's own organization.

Also in the cases of companies where IT is not a core function, it is rare for the required competencies – be it people, processes, tools or technology – to be available in house. Rather than trying to acquire all the capabilities needed to plan, design, deploy and manage one's IT Infrastructure, it is more realistic to selectively source the required competencies from an external vendor who specializes in ITSM.

In today's competitive business environment, where business availability and continuity have become buzzwords, it is better to pass on the infrastructure risk to a third party rather than manage it in house. Selectively Sourcing IT requirements from a certified partner allows organizations to transfer the risk of a service downtime to an external vendor who will be proactively monitoring the network to ensure that downtimes do not occur.

Selective Sourcing hence allows companies to retain full control of the IT Infrastructure and IT services strategy in-house while sourcing people, processes and technology from external vendors thus ensuring total integration of the IT infrastructure with the business service requirements.

The company also benefits from the huge knowledge and resource sharing that a third party brings to the table because of its in-depth experience in the field of ITSM. Added to this is the cost advantage of off shoring IT Service Management where you only pay for the resources you use without the headache of managing the people and resources onsite.

Hence the key to achieving process excellence in ITSM is to first develop an IT service strategy in alignment with the organization's business requirements and then to selective source one's IT Infrastructure requirements in accordance with this framework from an ISO/IEC 20000 certified ITSM partner who conforms with the International best practices framework laid out in the ITIL.