# The Strategic Role of ITIL® in the Oblicore Ecosystem

## An Oblicore White Paper

**Oblicore, Inc.**

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# The Strategic Role of ITIL® in the Oblicore™ Ecosystem

## Executive Summary

This white paper initially explains what is ITIL®, charts its history and current trends, and then expands on how the books in the library form the basis of managing the outsourcing *tsunami* that has become a fact of life in IT today.

The next section describes how the ITIL processes from two key books in the collection—Service Support and Service Delivery—are implemented within Oblicore Guarantee™ to automate service level management (SLM).

Finally, the document ends with an overview of Oblicore's ITIL certification and support of the IT Service Management Forum (itSMF).

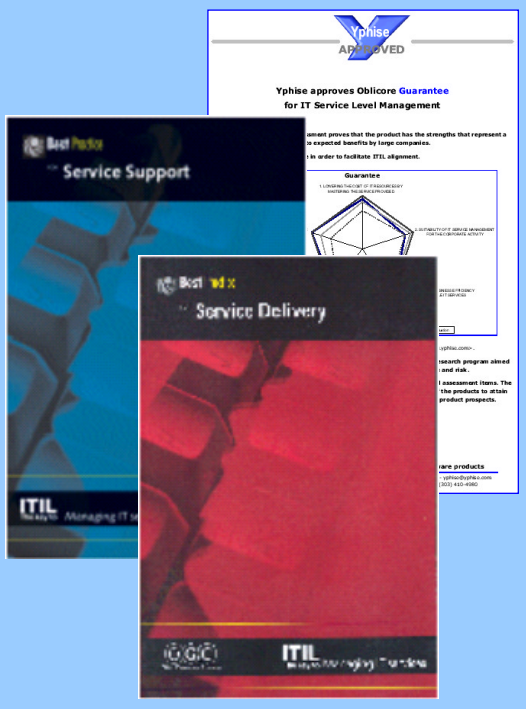
## What is ITIL?

Information Technology Infrastructure Library® (ITIL) is a customizable framework of best practices that promote quality computing services in the IT sector.

Built on a process-model view of controlling and managing IT operations, ITIL documents organizational structure and skill requirements, and presents a comprehensive set of management procedures with which an organization can manage its IT operations. These procedures are supplier independent, and apply to all aspects of IT infrastructure.

### ITIL in the Oblicore Ecosystem

The Information Technology Infrastructure Library (ITIL®) has created a framework for service level management (SLM) that is recognized as the de facto standard by leading IT organizations worldwide – already BSI's BS15000 standard and recently the ISO/IEC 20000 standard. ITIL outlines the roles, responsibilities, activities, and best practices that help organizations improve service delivery, boost operational effectiveness, reduce costs, and enhance the satisfaction of service consumers.




Because of their broad acceptance and proven utility, ITIL service delivery best practices are incorporated into the Oblicore Guarantee system.

## ITIL – Roots and Branches

The recommendations of ITIL were developed in the late 1980s by the Central Computer and Telecommunications Agency (CCTA), an Office of the United Kingdom's Treasury, which created ITIL in response to the growing dependence on information technology to meet business needs and goals. In April 2001, the CCTA merged with the Office of Government Commerce (OCG). From this emerged the British Standards Institution's BS15000 standard.

The first set of ITIL standards, Volume 1, was first released in 1992 and comprised 40 books. The second set of standards, developed in 2000 in conjunction with itSMF (IT Service Management Forum), consolidated the quantity of books down to 8. ITIL Volume 2 contains the most recent set of IT Service Management (ITSM) standards available today. OCG and itSMF have already begun working on Volume 3 with target completion set for sometime in 2007.

Since the mid 1990s, ITIL has been a worldwide de facto standard for IT Service Management. Although widely adopted in Europe, the use of ITIL is growing in popularity in North America. According to an April 4, 2005 Gartner report, Use and Awareness of ITIL is Increasing, 41 percent of Gartner clients polled at its December 2004 Data Center Conference have used one or more ITIL processes—an increase of over 30 percent from its 2003 poll. When asked about future use of ITIL, 64 percent of these CIOs, operations executives and data center heads stated that they are or will standardize on the ITIL process model.

ISO 20000 is the denoted name for the ISO version of BS15000, which is currently going through committee process and was published in December 2005 (see ref. /3/). As with BS15000, ISO 20000 comprises two documents:

- ISO/IEC 20000-1:2005 IT service management specifications
- ISO/IEC 20000-2:2005 IT service management code of practices

## The ITIL Library

ITIL is defined by a collection of color-coded books that describe guidelines for different aspects of best-practice data center management. Taken as a whole, this library presents a comprehensive view of the field. The subjects of the individual books are referred to as sets; currently there are eight sets, including:

- **Planning to Implement Service Management** – explains the steps necessary to identify how an organization may benefit from ITIL and how to reap those benefits.
- **The Business Perspective** – helps business managers understand IT services. Its coverage includes: Business Relationship Management, Partnerships and Outsourcing, together with continuous improvements and exploiting information, communication and technology (ICT) for business advantage.
- **Application Management** – is a guide for business users, developers and service managers, which provides an outline of the application management lifecycle from the service management perspective.

- **Software Asset Management (SAM)** – despite software being a huge investment and a critical element of information and communications technologies, a disproportionately small effort has traditionally been expended to manage it. This books sets out best practices for SAM.
- **Service Support** – this (blue) book focuses on ensuring that customers have access to the appropriate services that support business functions. This book is one of the two that are most relevant to the Guarantee™ system as it covers Service Desk, and management of the following: Incidents, Problems, Configuration, Changes, and Releases.
- **Service Delivery** – this (red) book covers the provider-side aspects of the supporting services described in the blue book above, and as such has reciprocal importance to the Guarantee™ system. The management issues covered include: Capacity, Financial (for IT services), Availability, Service Level and Continuity.
- **ICT Infrastructure Management** – is concerned with the processes, organization and tools required to provide a stable IT and communications infrastructure. It covers Design and Planning, Deployment, Operations, and Technical Support.
- **Security Management** – looks at security from the service provider standpoint, identifying how it relates to IT Security Officers in their efforts to provide the required level of security for the organization.

## Key ITIL Service Delivery Concepts

Service level management (SLM) is the processes of planning, coordinating, drafting, agreeing, monitoring and reporting on service level agreements (SLAs), and the ongoing review of service achievements. It ensures that the required and cost-justifiable service quality is maintained and gradually improved. As a core component of ITIL, SLM builds upon the definition of the various services an IT organization delivers.

The SLM chapter of the (red) Service Delivery book within the ITIL library highlights several key concepts that are important to follow when launching an SLM initiative. This section will provide an overview of each of these concepts.

### Define IT "Services"

Historically, IT has been monitored as a collection of individual IT components. When a server went down, it wasn't always immediately apparent as to what IT services were affected. The ITIL specification helps solve this challenge by encouraging IT organizations to define IT as a collection of "services". ITIL defines a service as "one or more IT systems which enable a business process."

Let's take for example the hosting of an ERP application, such as SAP, as a sample IT service. Such a service would encompass many individual IT components, such as SAP application servers, Oracle databases, Web servers, routers, switches and hubs, for example. It may also include the Help Desk capability that is associated

with supporting SAP users. Furthermore, it may also include application performance tools from Mercury, for example. All of these individual IT components are collectively part of the SAP service. And many of these components may be part of other IT services as well. Knowing how an individual component affects one or more IT services is a key component to the ITIL Service Delivery framework.

## Implement a Service Catalog

Over the years, an enterprise IT organization takes on more and more responsibilities as the business needs of the organization grow. Over time, it can be challenging for an IT organization to assess all of the IT services it is able to provide, and at what levels of performance. In order to establish an accurate picture of service delivery capabilities, ITIL recommends that an IT Service Catalog be produced.

A Service Catalog is merely a "menu" of IT services that a given IT organization (and perhaps its IT outsourcers) have the capability to provide. By documenting available IT services, it streamlines the process of creating service level agreements, or SLAs. It also affords an IT organization with the ability to gain economies of scope by consolidating IT services that are similar and/or redundant.

## Appoint Service Level Managers

Once IT services are defined and a service catalog is in place, it's important to dedicate IT personnel to "champion" these services and represent IT when negotiating SLAs with the organization's internal and/or external customers. Although the title "Service Level Manager" may not apply to all organizations, the overall role is generally common from one company to another. The Service Level Manager is not only pivotal in negotiating SLAs, but also accepts the responsibility for ensuring that adequate service performance is delivered, generally through periodic (usually monthly) service level reports.

## Establish Formal Customer/Supplier Relationships

Once Service Level Managers have been appointed, one of their first tasks should be to identify their internal/external "customers" as well as their internal/external "suppliers". An SLA is a formal agreement between a customer and a supplier. Unless these parties are clearly identified, an SLA cannot be reached.

## Develop SLAs, OLAs and Underpinning Contracts

Up to now, this document has used the generic term of SLA, or service level agreement. This is a widely accepted term that is recognized by most enterprises and service providers. However, ITIL specifies two additional terms that are "variations" of an SLA. These terms are operational level agreements, or OLAs, and underpinning contracts, or UCs.

An OLA is merely an SLA, whereas the "supplier" is the internal IT organization and the "customers" are internal business units and departments. OLAs differ from SLAs

in that they generally don't specify penalties and credits, and usually don't detail as many "terms and conditions" for the operating agreement.

An underpinning contract, or UC, is essentially an SLA, but the "supplier" is an external service provider and the "customer" is the internal IT organization, or its external customers. Through a UC, service delivered by outsourcers play a part in services delivered to IT's customers. For example, IT may offer an SAP service, but it may be underpinned by an Internet connectivity service provided by the company's ISP.

Developing SLAs, OLAs and UCs is a critical component to ITIL Service Delivery.

## Perform On-Going Monitoring & Reporting

SLM doesn't stop when SLAs are signed. (The term SLA will primarily be used moving forward, but represents SLAs, OLAs and UCs collectively). For an SLA to be effective, on-going monitoring and reporting is required to ensure that delivered services are on target with service commitments.

To ensure success, Service Level Managers should have the "real time" ability to gain visibility into service level performance on an on-going basis. Service Level Managers should have the tools necessary to view services and contracts, and proactively prevent SLA breaches before they occur.

Service Level Managers are also responsible for producing on-going reports. Most organizations require monthly reports, while others may require quarterly and/or annual reports. And in some instances, Service Level Managers are asked to create "ad hoc" reports, especially when a particular IT service has failed and/or an important stakeholder (user) has reported poor service performance.

SLA reporting can be a daunting task, especially when multiple data sources are used by a given service (which is almost always the case) and when multiple timeslots and service level metrics are used. Each "rule" within an SLA, which combines one or more IT services with timeslots and service level metrics, is called a service level objective, or SLO. In some organizations, rules are referred to as key performance indicators (KPIs) or key quality indicators (KQIs).

Unless a Service Level Manager performs on-going monitoring and reporting of SLAs, service performance is generally doomed to fall short of expectations.

## Implement Regular Review & Feedback Mechanisms

Monitoring service delivery and submitting monthly SLA reports are both important concepts to ITIL service delivery. But also important is the process of implementing regular service performance reviews and feedback mechanisms. Whether the "customers" are internal or external, high customer satisfaction should be the goal of any IT organization. By scheduling quarterly or (at least) annual service performance reviews, it provides a forum for gaining valuable feedback and for potentially renegotiating the terms of SLAs to meet the changing business needs of the organization.

## Automating ITIL Service Delivery

Given the complexity of today's SLAs and IT services, it is an unrealistic expectation for Service Level Managers to gain real-time insight into service performance and to produce accurate SLA reports using manual processes, such as spreadsheets and basic reporting tools. Oblicore satisfies these challenges by fully automating the Service Delivery Management process while embracing the SLM best practices that ITIL defines.

Oblicore Guarantee is an enterprise application that automates the management, monitoring and reporting of SLAs, outsourcing contracts and IT-centric business processes. It adheres to the ITIL service delivery framework, making it easy for organizations to structure an organization's service catalogs and SLAs, and monitor and report on service delivery.

Once all of the specifications of SLAs are captured, Oblicore Guarantee continuously monitors the performance of the information systems and services associated with SLAs, enabling real-time analysis of SLA compliance. The product's intelligent data adapters aggregate performance data from underlying network management, helpdesk, ERP, mainframe and proprietary systems to calculate actual and projected service levels. Over 100 off-the-shelf adapters for widely deployed systems such as BMC Patrol, CA Unicenter, IBM Tivoli, Siebel, SAP, and Exchange are available. Custom adapters for proprietary systems are easily configured using Oblicore's XML engine.

Working through the business logic defined by the SLAs, Oblicore Guarantee's high-performance aggregation and correlation engine (Oblicore ACE™ Technology) continuously compares commitments to actual performance. This lets organizations focus on improving service delivery instead of manual data aggregation and complex calculations.

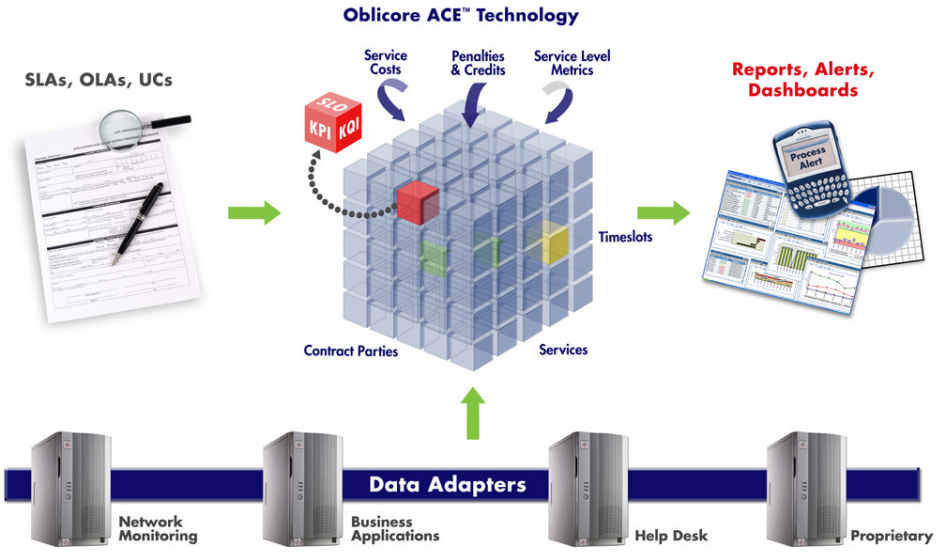



Figure 1: Architecture of Oblicore Guarantee

Oblicore Guarantee enhances historical reporting capabilities by offering the capability to “drill down” into the details of service delivery, revealing trends, identifying problems, and helping managers understand performance levels. The application also helps organizations take proactive measures to resolve service issues, through an alert mechanism that identifies the underlying systems responsible for performance shortfalls before contracts become non-compliant. This root cause analysis feature minimizes potential service disruptions, prevents costs associated with non-compliance, and prompts service improvements.

To make the monitoring process actionable and promote communication between service providers and consumers, Oblicore Guarantee enables a full range of real-time and period reporting capabilities. These include role-based dashboards (see graphic below) for executives, management and operations and an automated process for scheduling and distributing SLA performance reports.

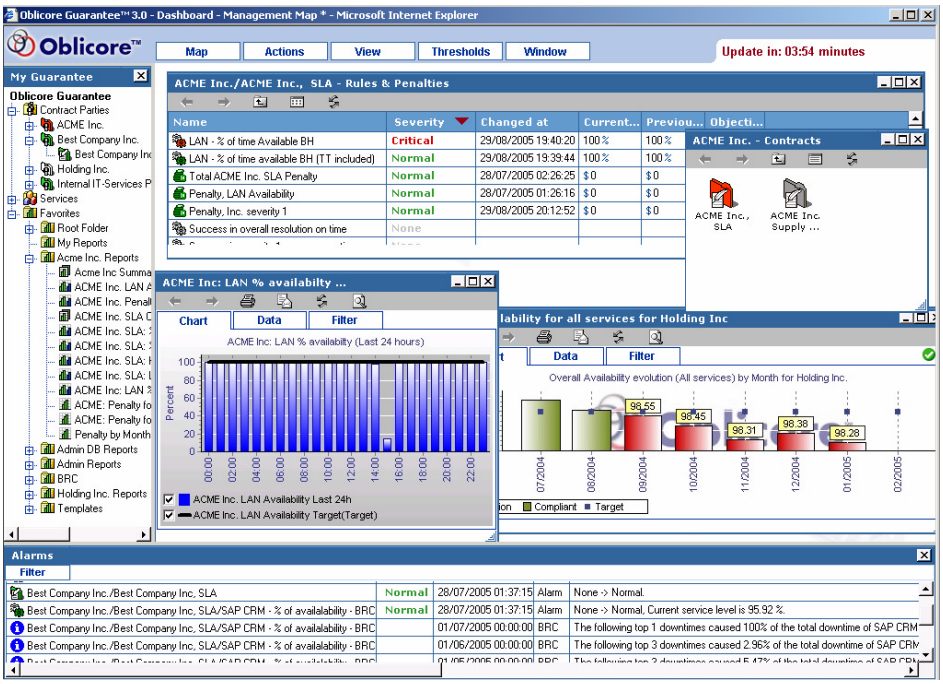


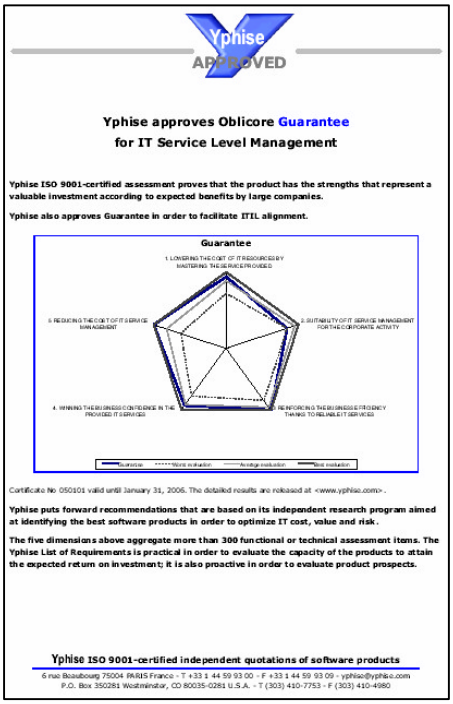

Figure 2: SLA Dashboard

The inherent complexity of SLAs, along with the costs associated under or over performance, creates a need for handling exceptions questionable situations. Within its service catalog, Oblicore Guarantee provides functions for handling corrections and exceptions that standardize decision-making and streamline resolution of compliance issues.

## Oblicore's Commitment to ITIL

Oblicore's commitment to the ITIL framework makes the Guarantee™ system an ideal application for organizations that have or will implement ITIL on its own or in concert with other IT process models, such as CobiT, CMM, or Six Sigma. With ITIL as a starting point, Oblicore offers organizations the capabilities they need to effectively address the entire lifecycle of SLM and BSM – from planning to process improvement – and does so in a manner that reduces the effort, cost, and barriers to success organizations typically face when introducing this discipline.

In 2005, Oblicore announced that Yphise, an ISO-9001 certified advisory firm, certified Oblicore Guarantee as aligned with ITIL best practices in service level management. (See Yphise certification graphic on the right).




## Global Support for itSMF

The IT Service Management Forum (itSMF) is working closely with the UK Office of Government Commerce (OGC) to further define and promote the ITIL standard. Oblicore is a Corporate Member and Silver Sponsor of the U.S. branch of itSMF, and the company is an active participant and sponsor of itSMF conferences and events around throughout Europe, including itSMF UK, Germany, France, Netherlands, Belgium and Sweden.

## About Oblicore

Oblicore is a leading provider of service delivery management software leveraging field-proven best practices in SLM, BSM and Sourcing Management. The company's flagship product, Oblicore Guarantee, is leveraged by dozens of blue chip customers around the world, ensuring critical IT-powered business processes are delivered in a manner that is compliant and predictable—reducing costs, improving operational performance and increasing shareholder value. Both service providers and enterprises alike rely on Oblicore's business-focused, top-down approach to maintain compliance with SLAs, to increase customer retention and acquisition, and to keep critical business processes running smoothly. Headquartered in the United States, Oblicore has offices across the US, Europe, APAC and Israel.

To learn more about Oblicore's support of the ITIL Service Delivery standard, or to request more information and/or a demonstration of Oblicore Guarantee, please contact Oblicore at (U.S. & Canada) 1-888-OBLICORE or (Outside North America) +32 16 89 04 84. Or go to Oblicore's web site at www.oblicore.com.

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