Why ITIL® Is Important
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Introduction

Many leaders of organizations ask the simple question, “Why is ITIL® important?” This truly is a simple question; however, simple answers to this question are not readily available. This white paper describes ITIL at a high-level, and answers the question, “why is ITIL important” in a simple and straightforward manner.

What Is ITIL?

The Information Technology Infrastructure Library (ITIL) was introduced in the mid-to-late-1980s. ITIL is a product of the British government that was originally created due to a need to increase the quality of government IT services while managing overall costs of delivering those services.

At its most fundamental level, ITIL is a set of best practices that IT organizations can use to guide how they design, implement, operate, and maintain IT services. A best practice is an ideal state. Organizations that adopt an ITIL approach are able to choose at will from the collection of best practices to meet their specific needs.

The first version of ITIL grew over time as the needs of IT businesses changed. Eventually ITIL v1 was updated, and around the year 2000, ITIL v2 was released, which significantly realigned the content with IT organizations of the time. In 2007, ITIL was once again updated when ITIL v3 was released. ITIL v3 introduced many significant changes, including the concept that IT services follow a predictable lifecycle. Most recently, in 2011, ITIL was once again updated and the current version was released.

To answer the question, “What is ITIL?”, very simply, ITIL is a set of best practices that guide organizations in the production, implementation, management, and improvement of high-quality IT solutions at a manageable cost, in line with business needs and preferences.

Why Is ITIL Important?

ITIL is important because it’s beneficial to the organizations that follow the approaches and use the techniques that it recommends.

There are two primary benefits that organizations receive when following ITIL. These are overall increases in the quality and overall increase in return on the investment made in the organization’s information technology.
There are several methods, techniques, and approaches that ITIL provides that allow organizations to achieve the benefits of increased quality and increased return on investment of IT services.

**Accountability**

Accountability means being answerable for something. The lack of accountability tends to dramatically reduce the quality of IT services that an organization produces and also has a detrimental effect on the cost of providing services.

ITIL guides organizations in the establishment and management of clear accountabilities in an organization. Through clearly defined roles and responsibilities, organizations following ITIL establish who is answerable for items that are significant in an organization.

Clearly defining accountability means that things that need to be done get done more quickly, and are not repeatedly handed off throughout the organization. When an organization lacks accountability, activities that are important will be delayed and the consequences of that delay are a reduction in the overall quality of service delivered, as well as an increased cost to deliver that service.

ITIL helps organizations define accountability in several ways. First, ITIL often uses various “owner” roles to clearly attribute who is accountable for significant items such as IT services and processes in an organization. Second, ITIL encourages effective communication, which tends to minimize the number of times a customer request is transferred throughout the organization. Third, ITIL encourages effective knowledge transfer and establishes clear accountability for who transfers knowledge and when they transfer it, which ensures that when customers contact the IT organization for support, the person they contact will have the information that they need.

**Boundaries**

Boundaries are clear lines of demarcation. IT organizations often establish ineffective boundaries that, in turn, degrade the quality of service that the business receives from its IT organization. When an organization establishes and enforces clear, effective, and strong boundaries, the business is able to focus on things that are important to the business. Because of this, there is an overall increase in quality and return on investment that the business receives from its IT organization.

ITIL provides organizations with several important techniques for establishing, managing, and maintaining boundaries.

First, the lifecycle approach that ITIL offers institutes several boundaries. In other words, by logically grouping activities into strategic, design, transition, operational, and improvement groupings, the organization is more effectively able to manage those activities.

Another concept that ITIL offers that is of great benefit to organizations is the concept of a service portfolio. A service portfolio is a boundary that describes the IT organization’s overall collection of services that are of-
ferred, potentially will be offered, or once were offered. The service portfolio provides this by dividing an organization’s services into three logical groupings.

- The first grouping is the service pipeline. A service pipeline conveys an organization’s service offerings from concept to implementation. In other words, the service pipeline represents the organizations future service offerings.
- The second grouping is the service catalog, which represents the organization’s operational services. In other words, the service catalog describes the organization’s present service offerings.
- The third grouping is retired services, which represent services that an organization once offered that for some reason are no longer in demand or do not offer an effective return on investment.

The service portfolio is a boundary that the IT organization can use to show the business what services it currently offers, what services it potentially will offer, and what services were once offered. The process of service portfolio management encourages that services in the service portfolio are managed according to return on investment. This is critical because it allows the business to make decisions based on the value of services and whether or not the IT organization should offer those services. The service portfolio also provides methods by which an organization can prioritize its service investments based on priority to the business.

A commonly touted benefit of ITIL is “business and IT alignment.” Often, the people promoting that benefit fail to explain what it really means. The service portfolio is one of the key areas where ITIL allows organizations to align with the needs of the business.

A third area where the concept of boundaries arises in ITIL is the concept of a service. A service is something that provides value to customers, while taking away the ownership of specific cost and risk. By following the principles of ITIL, an IT organization focuses on producing the value that the customers want while taking on the management of cost and risk, which customers do not want. Well-designed services define a clear boundary, which means there is an interface. Customers that use that service clearly understand what inputs they must provide to the service as well as the outputs they receive from the service. Customers benefit from services because they don’t have to focus on how the service transforms the inputs they provide into the outputs that they want. In other words, services allow customers to focus on the value that they want and not all of the steps, components, and technology involved in creating that value.

**Consistency**

ITIL encourages organizations to follow a process-based approach to ensure that a consistent, predictable result is produced. Organizations that lack processes, or fail to follow processes, tend to behave haphazardly. Haphazard organizational behavior often results in the organization producing lower quality and higher costs services. In other words, not following a process-based approach ensures that an organization will disappoint its business and customers.

There are twenty-six service management processes described by ITIL. These processes are grouped into five distinct lifecycle stages, based upon the focus on the process activities. Organizations that follow these processes tend to produce higher quality results when compared to organizations that do not follow those processes.
If an IT organization is consistent, then its business can depend on it. If the IT organization is inconsistent, then the business won’t be able to depend on it and will either fail or will seek alternative solutions. Consistency is one of the most beneficial aspects of adopting ITIL best practices.

Other Reasons Why ITIL Is Important

Ability to adjust to changing business needs

ITIL provides several techniques by which the organization can adapt to the changing needs of the business. One of those techniques is via a change management process. The change management process that ITIL provides is very mature. It offers the organization a way to optimize the risk associated with change and reduce the impact of change on business operations. The benefit is that the organization becomes more agile and flexible with respect to business needs, which tends to result in higher quality and return on investment.

Another area where ITIL helps ensure that the organization can adjust to the changing needs of the business is in the continual service improvement lifecycle stage. This stage identifies and manages improvements to an IT organization’s processes, services, technology, and organization that are beneficial to the business. In other words, only by following a process-based approach to identifying, managing, prioritizing, and implementing improvements can the IT organization provide the business with adequate flexibility.

ITIL also provides methods by which organizations can produce services that can be used as plug-and-play components. These plug-and-play components can enable the business to offer new services into existing markets and to easily expand into new markets.

Businesses that aren’t flexible, or cannot easily change, often go out of business. One only has to look at the history of numerous organizations that in their prime commanded large shares of large markets but, as times changed, were unable to adjust and subsequently ceased business operations.

Improved customer satisfaction

IT organizations can often be a huge dissatisfier to customers. Business customers often perceive IT organizations as bureaucratic and slow to respond. ITIL offers several techniques by which the organization can more quickly respond to business needs and get the things that businesses want to them more quickly.

One of those areas is the request fulfillment process. The request fulfillment process deals with requests from customers and users and ensures that those requests are effectively managed, controlled, and delivered. Through the request fulfillment process, ITIL provides organizations a means to fulfill common requests that users and customers make of the IT organization. A request fulfillment process that manages all requests provides customers and users with a centralized means of requesting common services, which tends to result in lower cost to provide services and in higher quality services. This tends to result in users getting what they want more quickly and predictably, which is often a significant satisfier.

Another area where ITIL offers improved customer satisfaction is with the incident management process. When an outage or a degradation of service occurs, the incident management process works to restore service
in-line with any commitments made to the business. This has an impact on cost because incident management ensures that the services are available more often during the times that have been committed to customers. When IT services are available, the business is able to operate, and when the business is able to operate, it is able to achieve its business objectives. When the business is able to accomplish its objectives, and the IT organization has made a significant contribution to this, then the business tends to have a higher level of satisfaction with the IT organization.

No need to reinvent the wheel

Organizations that follow ITIL best practices benefit from the collective experience of numerous government agencies and public and private organizations over the last several decades.

ITIL provides numerous ready-to-use processes and techniques for delivering value to customers in the form of services. The significant benefit of this is that the cost for organizations to adopt ITIL is much lower than if they had to invent all of these processes and techniques on their own.

Additionally, organizations that adopt ITIL best practices can rest assured that the techniques and methods provided have been tested in every industry and under a large variety of conditions. Thus, ITIL provides a ready-made, mature set of best practices that an organization can follow to improve the quality of its deliverable and to improve its overall return on investment.

Summary

There are numerous reasons why organizations choose to adopt ITIL and numerous benefits that organizations receive from following ITIL best practices. Of supreme importance are the benefits of the improved quality of deliverables received from the IT organization and increased return on investment on IT investments.

This paper discusses several concepts and techniques that ITIL promotes, including ensuring accountability, defining and enforcing boundaries, and conducting consistent and predictable activities in order to produce consistent and predictable results. Furthermore, additional benefits that ITIL provides as discussed in this paper include the agility that comes from being able to quickly adapt to business needs and overall improved customer satisfaction. All of this is available without the organization having to invent it from scratch, which itself is another key benefit of adopting ITIL.

Finally, a significant point to consider is that most organizations have competitors. When an organization’s competitors choose to follow a generally accepted set of best practices such as ITIL, they tend to outperform their competitors in any given market. There are ideal ways of doing things that result in higher quality and lower cost deliverables, which is fundamentally why ITIL is important.

Learn More

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About the Author

Michael Scarborough has worked in information technology for over twenty-two years in various roles including hands-on operation of IT systems, leadership of complex projects, establishing multi-platforms automation, and adoption of service management best practices. He has helped numerous organizations in various industries adopt ITIL best practices and is a PMP, an American Society for Quality Six Sigma Black Belt, and ITIL Service Manager, and an ITIL Expert. Michael currently helps large and small organizations make significant improvements through adoption of ITIL best practices, and regularly delivers ITIL training at all levels on behalf of Global Knowledge.